Unaudited condensed consolidated financial results

for the six months ended 30 September 2025

TRANSNET

SALIENT FEATURES

Revenue of **R45,2 billion** (2024: R41,5 billion), increased by **8,8%**, in line with an increase in volumes across the business and weighted average tariff increases in the port and pipeline businesses.

Net operating expenses increased by **5,5%** to **R29,4 billion** (2024: R27,9 billion), due mainly to increased personnel, security, maintenance and material costs.

EBITDA of **R15,7 billion** (2024: R13,6 billion), with the EBITDA margin increasing to 34,8% (2024: 32,8%).

Cash generated from operations after working capital changes decreased by **30,7%** to R9,6 billion (2024: R13,8 billion), due mainly to the impact of the Total and Sasol claim settlements.

Capital investment increased by **5,0%** to **R11,0 billion** (2024: R10,5 billion).

B-BBEE spend amounted to **R20,02 billion or 111,6%** of total measured procurement spend.

2,6% of **labour costs** were spent on training, focusing on artisans, engineers and engineering technicians.

LTIFR performance of 0,74 against a tolerance of 0,75, which is within the global benchmark of 1,0.

Gearing of **51,9%** and rolling cash interest cover (including working capital changes) at **1,5 times**.

Income statement

For the period ended

(in R million)	30 Sept 2025	30 Sept 2024	Audited 31 March 2025
Revenue	**45 183**	41 515	82 691
Net operating expenses excluding depreciation and amortisation	**(29 445)**	(27 899)	(52 060)
Profit from operations before depreciation, derecognition, amortisation and items listed below (EBITDA)	**15 738**	13 616	30 631
Depreciation, derecognition and amortisation	**(10 699)**	(9 019)	(19 085)
Profit from operations before items listed below	**5 039**	4 597	11 546
Reversal of impairment/(impairment) of assets	**244**	239	(823)
Post-retirement benefit obligation expense	**(36)**	(35)	(163)
Fair value adjustments	**(255)**	(394)	1 755
Income/(loss) from associates and joint ventures	**4**	(2)	2
Profit from operations before net finance costs	**4 996**	4 405	12 317
Finance costs	**(8 020)**	(7 439)	(15 239)
Finance income	**322**	290	527
Loss before tax	**(2 702)**	(2 744)	(2 395)
Tax	**920**	579	489
Loss for the period	**(1 782)**	(2 165)	(1 906)

Statement of comprehensive income

For the period ended

(in R million)	30 Sept 2025	30 Sept 2024	Audited 31 March 2025
Loss for the period	**(1 782)**	(2 165)	(1 906)
Other comprehensive loss for the period, net of tax	**(171)**	(526)	(1 840)
Other comprehensive loss	**(241)**	(713)	(2 511)
Losses on revaluations	**(2)**	(77)	(1 904)
Cash flow hedges	**(209)**	(584)	(603)
Actuarial losses on post-retirement benefit obligations	**(30)**	(52)	(4)
Tax relating to components of other comprehensive loss	**70**	187	671
Total comprehensive loss for the period	**(1 953)**	(2 691)	(3 746)

Headline earnings summarised reconciliation

For the period ended

(in R million)	30 Sept 2025	30 Sept 2024	Audited 31 March 2025
Loss for the period attributable to the equity holder	**(1 782)**	(2 165)	(1 906)
Profit on the disposal of property, plant and equipment	**(191)**	(104)	(277)
Total remeasurements	**(340)**	(545)	(1 711)
Investment property fair value adjustments	**–**	3	(1 868)
(Reversal of impairment)/impairment of non-financial assets	**(340)**	(548)	157
Total tax effects of adjustments	**143**	175	436
Headline loss	**(2 170)**	(2 639)	(3 458)

Statement of financial position

As at

(in R million)	30 Sept 2025	30 Sept 2024	Audited 31 March 2025
Assets			
Non-current assets	**339 745**	335 594	339 813
Property, plant and equipment	**301 373**	298 230	299 703
Investment property	**32 167**	30 820	32 257
Intangible assets	**635**	706	713
Investments in associates and joint ventures	**75**	75	72
Derivative financial assets	**2 007**	2 431	3 502
Other financial assets	**3 488**	3 332	3 566
Current assets	**31 299**	27 132	27 054
Inventory	**5 054**	4 714	4 826
Trade and other receivables	**10 506**	10 243	10 576
Contract assets	**738**	860	678
Derivative financial assets	**48**	–	9
Short-term investments	**22**	42	41
Cash and cash equivalents	**14 019**	10 921	9 992
Assets classified as held-for-sale	**912**	352	932
Total assets	**371 044**	362 726	366 867
Equity and liabilities			
Capital and reserves	**132 396**	135 404	134 349
Issued capital	**18 498**	18 498	18 498
Reserves	**113 898**	116 906	115 851
Non-current liabilities	**160 081**	130 619	140 240
Employee benefits	**648**	677	623
Long-term borrowings	**109 494**	68 895	90 113
Derivative financial liabilities	**1 729**	1 740	443
Long-term provisions	**5 940**	15 623	5 809
Deferred tax liability	**38 778**	40 163	39 768
Other non-current liabilities	**3 492**	3 521	3 484
Current liabilities	**78 567**	96 703	92 278
Trade payables and accruals	**29 267**	26 924	35 622
Contract liabilities	**951**	1 314	1 118
Short-term borrowings	**47 249**	67 151	54 672
Derivative financial liabilities	**41**	–	10
Short-term provisions	**1 059**	1 314	856
Total equity and liabilities	**371 044**	362 726	366 867

Statement of cash flows

For the period ended

(in R million)	30 Sept 2025	30 Sept 2024	Audited 31 March 2025
Cash flows from operating activities	**1 686**	6 527	13 761
Cash generated from operations	**16 371**	15 038	21 990
Changes in working capital	**(6 803)**	(1 239)	6 636
Cash generated from operations after changes in working capital	**9 568**	13 799	28 626
Finance costs	**(7 778)**	(7 195)	(14 722)
Finance income	**322**	290	527
Tax paid	**–**	–	–
Settlement of post-retirement benefit obligations	**(39)**	(51)	(99)
Derivatives settled and raised	**(387)**	(316)	(571)
Cash flows utilised in investing activities	**(11 289)**	(11 066)	(24 818)
Investment to maintain operations	**(8 573)**	(8 523)	(19 443)
Investment to expand operations	**(2 645)**	(2 391)	(5 079)
Changes in investments, loans, advances and other investing activities	**(71)**	(152)	(296)
Cash flows from financing activities	**13 630**	1 576	7 165
Borrowings raised	**28 779**	6 588	27 870
Borrowings repaid	**(15 149)**	(5 012)	(20 705)
Net increase/(decrease) in cash and cash equivalents	**4 027**	(2 963)	(3 892)
Cash and cash equivalents at the beginning of the period	**9 992**	13 884	13 884
Cash and cash equivalents at the end of the period	**14 019**	10 921	9 992

Statement of changes in equity

For the period ended

(in R million)	Issued capital	Revaluation reserve	Actuarial gains and losses	Cash flow hedging reserve	Other	Retained earnings	Total
Opening balances as at 1 April 2024	18 498	60 758	2 653	277	249	55 660	138 095
Total comprehensive loss for the period (net of tax and transfers to retained earnings)	–	(120)	(38)	(426)	–	(2 107)	(2 691)
Balances as at 30 September 2024	18 498	60 638	2 615	(149)	249	53 553	135 404
Total comprehensive (loss)/income for the period (net of tax and transfers to retained earnings)	–	(1 352)	35	(14)	–	276	(1 055)
Balances as at 31 March 2025	**18 498**	**59 286**	**2 650**	**(163)**	**249**	**53 829**	**134 349**
Total comprehensive (loss)/income for the period (net of tax)	**–**	**4**	**(22)**	**(153)**	**–**	**(1 782)**	**(1 953)**
Transfer to retained earnings (net of tax)	**–**	**(19)**	**–**	**–**	**–**	**19**	**–**
Balances as at 30 September 2025	**18 498**	**59 271**	**2 628**	**(316)**	**249**	**52 066**	**132 396**

Segment information

for the six months ended

(in R million)	Transnet Freight Rail 30 Sept 2025	Transnet Freight Rail 30 Sept 2024	Transnet Rail Infrastructure Manager[1] 30 Sept 2025	Transnet Rail Infrastructure Manager[1] 30 Sept 2024	Transnet Rail Engineering 30 Sept 2025	Transnet Rail Engineering 30 Sept 2024	Transnet National Ports Authority 30 Sept 2025	Transnet National Ports Authority 30 Sept 2024
External revenue	**23 020**	21 700	**275**	–	**158**	171	**6 371**	5 807
Internal revenue	**48**	317	**10 052**	–	**5 151**	4 742	**1 500**	1 374
Total revenue	**23 068**	22 017	**10 327**	–	**5 309**	4 913	**7 871**	7 181
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	**3 202**	4 810	**2 269**	–	**(749)**	(618)	**4 336**	3 820
Total assets[3]	**113 401**	172 930	**76 019**	–	**11 283**	11 617	**109 421**	104 020
Total liabilities	**97 748**	144 735	**74 995**	–	**14 754**	12 836	**23 619**	23 694
Capital expenditure[4]	**4 535**	7 111	**2 965**	–	**56**	21	**746**	1 729
Cash generated from operations after changes in working capital	**3 153**	3 775	**2 264**	–	**(284)**	(1 138)	**4 128**	3 876

(in R million)	Transnet Port Terminals 30 Sept 2025	Transnet Port Terminals 30 Sept 2024	Transnet Pipelines 30 Sept 2025	Transnet Pipelines 30 Sept 2024	Total reportable segments 30 Sept 2025	Total reportable segments 30 Sept 2024	Other[2] 30 Sept 2025	Other[2] 30 Sept 2024	Total Transnet 30 Sept 2025	Total Transnet 30 Sept 2024
External revenue	**11 041**	10 089	**3 820**	3 303	**44 685**	41 070	**498**	445	**45 183**	41 515
Internal revenue	**–**	–	**3**	3	**16 754**	6 436	**(16 754)**	(6 436)	**–**	–
Total revenue	**11 041**	10 089	**3 823**	3 306	**61 439**	47 506	**(16 256)**	(5 991)	**45 183**	41 515
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	**3 706**	3 388	**2 796**	2 107	**15 560**	13 507	**178**	109	**15 738**	13 616
Total assets[3]	**40 184**	36 794	**45 451**	45 588	**395 759**	370 949	**(25 627)**	(8 575)	**370 132**	362 374
Total liabilities	**7 928**	8 164	**14 782**	21 155	**233 826**	210 584	**4 822**	16 738	**238 648**	227 322
Capital expenditure[4]	**2 280**	1 185	**182**	102	**10 764**	10 148	**227**	323	**10 991**	10 471
Cash generated from operations after changes in working capital	**3 055**	3 542	**(2 940)**	2 335	**9 376**	12 390	**192**	1 409	**9 568**	13 799

[1] *Commenced operations on 1 April 2025 in accordance with the structural rail reforms introduced by the National Rail Policy.*
[2] *Revenue from segments below the quantitative thresholds are attributable to Transnet Property and the corporate centre function. Transnet Property manages internal and external leases of commercial and residential property and the Transnet corporate centre function performs an administration function for the Group. Also includes the elimination of inter-segment transactions.*
[3] *Excludes assets held-for-sale.*
[4] *Excludes capitalised borrowing costs, includes capitalised finance leases and capitalised decommissioning liabilities.*

Transnet Freight Rail (Freight Rail)

General freight business

The general freight business railed 27,8 mt (2024: 28,5 mt), 2,5% less than the prior period.

The reduction can be attributed to various operational challenges including security incidents, resource constraints, locomotive failures and derailments particularly in the steel and cement and containers, automotive and bulk liquids portfolios and further impacted by the purported closure of the long steel business operations. On the upside, the general freight business did include a sustained performance in the manganese portfolio and significant improvements in the mineral mining and chrome portfolio where a 15,2% increase to 3,8 mt (2024: 3,3 mt) was recorded. Furthermore, mineral mining and chrome was further boosted by the favourable distribution pattern for chrome and ferro chrome exports to Maputo and Richards Bay.

The general freight business also recorded an efficiency improvement in key flows contributing to an overall turnaround time improvement of 8,3% to 11 days from 12 days in the prior period.

Export coal line

Export coal railed 26,7 mt (2024: 24,5 mt), 9,0% more than the prior period. The increase in performance was mainly due to improved efficiencies as well as an increase in customer demand.

The efficiency improvements contributed to an average wagon cycle time improvement of 2,2% to 90 hours from 92 hours in the prior period.

Export iron ore line

Export iron ore volumes transported increased by 7,6% to 26,9 mt (2024: 25,0 mt), in the current period. The increase in performance was primarily driven by improved operational efficiencies, resulting from a reduction in speed restrictions, which created additional train slots and enhanced cycle times. In addition, the CR13/14 wagon fleet was increased from 16 to 17 sets, further contributing to the overall improvement and volume throughput. Efficiency improvements also contributed to a 3,7% average wagon cycle time improvement to 103 hours from 107 hours in the prior period.

Operating expenditure increased by 15,5% to R19,9 billion (2024: 17,2 billion) due mainly to increased maintenance costs (increased maintenance activities), other operating expenses (mainly network access costs related to Rail Infrastructure manager) and security costs (to combat rail related security incidents). The general underspend in personnel costs, fuel, materials and other discretionary costs is due mainly to the Freight Rail/Rail Infrastructure Manager split.

This resulted in an EBITDA of R3,2 billion (2024: R4,8 billion), which is 33,4% lower than the prior period.

Transnet Rail Infrastructure Manager (Rail Infrastructure Manager)

Rail Infrastructure Manager was established in April 2025 as a division of Transnet. This formation gives effect to the structural rail reforms introduced by the National Rail Policy, 2022. Rail Infrastructure Manager's core purpose is to serve as the custodian of the rail infrastructure, mandated to ensure a fair, transparent, reliable, affordable, and safe access to a resilient rail network for all train operating companies. In line with rail reforms, Rail Infrastructure Manager is pleased to confirm that 11 private train operating companies have successfully met the requirements to operate on the rail network. This milestone is projected to boost volume throughput by 20,0 mt over the next two years. It further complements the ongoing LeaseCo transaction, with some train operating companies expressing interest in leasing rolling stock. The division is also mandated to continue supporting regional transport integration and to facilitate port access for landlocked countries since South Africa's vast rail network provides connectivity with the railways in the Southern African Development Community countries. Furthermore, the National Treasury approved R8,3 billion in Budget Facility for Infrastructure (BFI) funding, marking a significant step forward in efforts to enhance rail infrastructure.

As this is the first year of operation for Rail Infrastructure Manager, comparative numbers are not applicable.

Revenue is R10,33 billion for the 6 month period ended 30 September 2025, with R9,7 billion relating to the access fee.

Net operating expenses for the interim period is R8,06 billion, mainly relating to personnel, electricity and security costs.

This resulted in an EBITDA of R2,27 billion.

Transnet Engineering (Engineering)

Revenue for the period increased by 8,1%, to R5,3 billion (2024: R4,9 billion). This growth was driven by a combination of a 5,1% inflationary adjustment and heightened demand for rolling stock from Freight Rail, which required improved availability. This included a 7,6% decline in revenue from cross-border and domestic customers to R158 million (2024: R171 million). This decrease is primarily attributed to reduced order volumes from the external market.

Net operating expenses rose by 9,5%, amounting to R6,1 billion (2024: R5,5 billion). The increase was largely due to higher material costs (in line with Freight Rail's rolling stock requirements) and the write-off of Transnamib's interest-related bad debt (notably, the capital portion of this debt was fully settled).

Consequently, the EBITDA loss worsened by 21,2%, to R749 million (2024: R618 million), reflecting the combined impact of rising costs and lower external revenue.

Transnet National Ports Authority (National Ports Authority)

Revenue increased by 9,6% to R7,87 billion (September 2024: R7,18 billion), driven by an increase in lease income, cargo dues, marine services revenue, and port authority revenue.

Net operating expenses increased by 5,2% to R3,53 billion (2024: R3,36 billion), primarily due to inflationary pressures and increased operational activity, and included increased personnel, electricity and maintenance costs.

Accordingly, EBITDA increased by 13,5% to R4,34 billion (2024: R3,82 billion).

Transnet Port Terminals (Port Terminals)

Revenue increased by 9,4% to R11,0 billion (September 2024: R10,1 billion).

Volume performance across most sectors improved compared to the prior period due mainly to various internal and external factors. Container volumes increased by 8,0% to 2 298 499 TEUs (2024: 2 129 054 TEUs). This is owing to improved productivity and equipment availability across the business, (evidenced by the Ngqura Container Terminal (NCT) clawing back volumes previously lost to competing ports). Automotive volumes increased by 14,4% to 458 100 units (2024: 400 458 units). While original equipment manufacturers (OEMs) continue to face challenges (MBSA has cut production due to weak global demand), the auto sector has been boosted by the high demand in the rental market and consumer demand for Chinese models. Bulk volumes increased by 6,1% to 36,8mt (2024: 34,7mt) due mainly to improved rail performance and quayside productivity. However, equipment challenges, derailments and weather challenges persist, which has had an adverse impact on performance. Break-bulk volumes declined by 6,5% to 14,3mt (2024: 15,3mt) due to a 30,0% and 23,0% decline in coal and ferrochrome volumes, respectively at the Richards Bay Multi-purpose Terminal (MPT).

Port Terminals' primary measure of container operational efficiency, namely average moves per ship working hour (SWH), has improved across all the container terminals compared to the prior period. Durban Container Terminal (DCT) Pier 1 improved from 37 moves per hour to 43 moves per hour for the current period. The SWH at Durban's Pier 2 Container Terminal also improved from 36 moves per hour to 44 moves per hour for the current period. Similarly, NCT has improved from 31 to 38 moves per hour and the Cape Town Container Terminal (CTCT) has improved from 27 to 34 moves per hour in the current period.

The improvement on performance is due to the new equipment that has been received thus far. 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 the terminal's 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.

The focus on maintenance on critical equipment played a significant role in enhancing the terminals operations, which is supported by spares contracts with the OEMs and original parts manufacturers (OPMs) to ensure that the necessary components are available when required. The implementation of the 'fourth shift' also improved performance, which has had the positive impact of reducing fatigue due to lower overtime hours. The new shift-based container incentive has been implemented and plays a vital role in increasing employee morale and creating healthy competition between the shifts in the terminal and even across terminals.

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...the movement in foreign exchange rates. Cross-currency swaps and interest rate hedges were executed to eliminate foreign currency and interest rate risk on borrowings. These hedges have been hedge accounted for in terms of IFRS 9: *Financial Instruments*.

Pension and post-retirement benefit obligations

The two defined benefit funds, namely the Transnet sub-fund of the Transport Pension Fund (TTPF) and the Transnet Second Defined Benefit Fund (TSDBF) are fully funded with actuarial surpluses of R1 143 million (March 2025: R1 165 million) and R4 266 million (March 2025: R4 225 million) respectively. Transnet has not recognised any portion of the surplus on these funds, as the fund rules do not allow for the distribution of a surplus.

The total value of ad hoc bonuses paid to beneficiaries by the TTPF (since December 2011) and TSDBF (since November 2007) amounts to R686 million and R5,6 billion respectively. These payments continue to supplement the current statutory increase of the beneficiaries of the TTPF and TSDBF to provide pensioners with increases above CPI.

The post-retirement medical benefit obligation is approximately R311 million (March 2025: R286 million).

Contingencies and commitments

There were no material movements in contingencies and commitments since 31 March 2025.

Going concern assessment

The consolidated interim results are prepared on the going-concern basis. In undertaking the going concern assessment for the foreseeable future, the directors have considered and evaluated the following:

- Financial performance;
- Current economic factors and projections;
- Funding and liquidity considerations;
- Loan covenants;
- Credit rating agencies;
- Economic regulation risks;
- Current litigation matters;
- Contingent liabilities and post balance sheet events; and
- Counter party risk.

The key features of this assessment are summarised as follows:

The Transnet Board (Board) has reviewed the Group's performance for the interim period and considered the robustness of budgets and business results, cash flow projections for the 15 months ending 31 December 2026, cost-saving opportunities, the cost of capital projects and related optimisation opportunities and the funding plan.

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. Capital expenditure for the interim period has also increased, predominantly focused on sustaining capital investment, and has aided in the noted improvement in operational efficiencies. The improvement is positive and a step in the right direction in the Group's recovery, but it is clear that Transnet must maintain its continued focus on addressing operational challenges to aid in returning the Company to a sustained profitable operational performance and in so doing address rising debt levels.

Transnet will continue to navigate an ever-changing legislative landscape on its path of recovery, including reforms that could result in the corporatisation of National Ports Authority into a wholly owned subsidiary of Transnet. The Minister of Transport, in a letter dated 20 March 2025, established a task team chaired by the Department of Transport (DoT), to provide recommendations to the minister on the most suitable process for incorporating National Ports Authority. The fully utilised Guarantee Support Framework Agreement (GSFA) provided that Transnet must establish the National Ports Authority as a wholly-owned subsidiary by 30 April 2025. However, following several submissions and engagements with the DoT, and the work of the task team, National Treasury withdrew the incorporation date of 30 April 2025, to allow the task team to establish the appropriate mechanisms and timelines required to incorporate National Ports Authority, in a manner that will have a minimal impact on the financial sustainability and going concern status of Transnet. On 31 July 2025, the technical team, a sub-committee of the task team, presented financial models suggesting that an autonomous National Ports Authority by 2030 is possible. However, this is contingent on key assumptions like a "tax holiday" and regulatory approvals. Therefore, more work is needed to assess the impact on Transnet's finances. Transnet Freight Rail has split into Freight Rail and Rail Infrastructure Manager in the beginning of the 2026 financial year. The process for the corporatisation of TRIM by 30 September 2026 has commenced within Transnet with a dedicated project focused on the corporatisation requirements.

The directors continue to track and assess the potential impact of the 30,0% tariff on South African imports into the United States on Transnet operations, including the potential mitigation options available to the organisation. The expected impact on Transnet operations at this stage is unknown.

The 2025/26 corporate plan depicts an improvement in financial performance as operations improve over time. Financial performance has shown signs of stabilisation in key areas of the business and with the continued joint effort of management and the Board to improve efficiencies and build on the positive signs, the Group is projected to accelerate and contribute in a dependable manner economically in subsequent years. Transnet will focus on improving cash generation to support capital investment and to partially repay loans.

Transnet expects continued access to debt capital markets, primarily through its Domestic Medium-Term Note (DMTN) programme and long-term loans to satisfy its funding requirements. The funding pipeline has been bolstered by further government guarantees of R51,0 billion and R94,8 billion which were approved by Natonal Treasury in May and July 2025, respectively. Transnet has raised R28,8 billion funding in the current period in the form of bonds and commercial paper under the DMTN programme and bank loans, in line with the funding plan and to allow for prefunding for the coming financial year to support a positive liquidity position. In November 2025, Transnet approached the market regarding a R5,0 billion DMTN bond auction. This issuance was 8 times subscribed, evidencing the significant investor demand for Transnet paper.

For the 30 September 2025 reporting period, Transnet achieved a CIC of 1,5 times and therefore breached the CIC loan covenants with affected lenders (as detailed in the events after reporting date section). The breach is an event of default and is the main driver for the Group's net current liability position (the decrease in this position from 31 March 2025 is due mainly to the TotalEnergies and Sasol Oil settlement accruals that have been paid in the current financial period, the net repayment of short-term borrowings and the increase in cash and cash equivalents). Transnet submitted waiver requests to each of the affected lenders requesting that they waive the triggered event of default. The waiver process has been completed and Transnet has received all the required waivers from the affected lenders.

Importantly, Transnet's credit profile has enhanced as a result of the government guarantee facilities and that has mitigated the need for financial covenants such as the CIC, which was not included in any of the new funding deals. Transnet is also still engaging with the affected lenders to conclude the process of replacing the rating and financial covenant requirements in the loan agreements with the available guarantee facilities approved by government in July 2025.

The directors note the resultant increase in debt levels, the related borrowing cost pressure on the cash flow projections, and the ability of the Group to settle their debts as they become due and payable. However, the recent debt secured is over a longer tenure at concessionary pricing, thus alleviating some of the cash flow pressure.

The directors also note the concerns raised by the rating agencies in their last Transnet rating action, but believe that these concerns are mitigated by the focus on addressing operational challenges (aided by the Group capital expenditure programme) and the continued government support in the form of government guarantee facilities.

The directors evaluated all significant matters, including ongoing legal proceedings and contingent liabilities with any developments during the post-reporting period and assessed their impact on the liquidity and solvency of the Group.

After performing the assessment and considering all associated risks, the directors believe that material uncertainties relating to events or conditions which may cast significant doubt on the entity's ability to continue as a going concern exist, but these are adequately mitigated as detailed above. The directors will continue to manage these mitigation strategies as a priority

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Additionally, a 52,0% reduction in public fatalities compared to the prior period highlights the effectiveness of targeted interventions, particularly in reducing level crossing fatalities to zero in the rail sector. Transnet remains steadfast in executing its 'Safety 10-Point Plan', with a strategic focus on behavioral-based safety, employee wellness and resilience programmes to drive sustainable safety improvements. This decline is attributed to fewer incidents involving bodies found near railway lines, electrocution-related fatalities and trespassing. Notably, zero level crossing fatalities were reported in the rail sector during this period, reflecting the success of targeted community safety initiatives. However, Transnet recognises the need for continued focus on public safety awareness to sustain and build on these gains.

Transnet's safety culture is advancing along the Bradley Curve, moving towards a more mature, proactive, and interdependent approach. Key drivers of this transformation include:

- Leadership commitment: The visible felt leadership (VFL) programme has been instrumental in embedding safety as a core value, with management leading by example to foster accountability and awareness;
- Strategic safety initiatives: The 'Safety 10-Point Plan' remains the cornerstone of Transnet's safety strategy, with a heightened focus on behavioral-based safety to drive a cultural change; and
- Employee engagement: Increased awareness and participation in safety programmes have empowered employees to take ownership of their safety and that of their colleagues.

Transnet aspires to reach the independent stage of the Bradley Curve and, ultimately, the interdependent stage, where safety is fully integrated into all operations and decision-making processes.

Transnet continues to also execute its 'Safety 10-Point Plan', which provides a comprehensive framework for achieving 'Vision Zero Harm'. Key focus areas for the remainder of the financial year include:

- Behavioral-based safety: Promoting a proactive safety mindset through training, awareness campaigns, and employee engagement initiatives;
- Fatigue management and employee wellness: Implementing programmes to address employee fatigue and enhance overall well-being, recognising their critical role in maintaining a safe working environment; and
- Resilience programmes: Strengthening fire prevention, disaster management, emergency preparedness, and compliance with regulations for dangerous goods and major hazardous installations.

These initiatives are supported by robust safety accreditations, licenses, and certifications, all of which remain in good standing.

While the reduction in public fatalities is encouraging, Transnet acknowledges the need for enhanced community safety measures. Ongoing efforts include:

- Public awareness campaigns to address trespassing and electrocution risks.
- Collaboration with local authorities and communities to improve safety around railway infrastructure.
- Continued monitoring and evaluation of level crossing safety to sustain the zero-fatality record in the rail sector.

To accelerate its safety culture transformation and achieve 'Vision Zero Harm', Transnet will:

- Intensify the implementation of the 'Safety 10-Point Plan', with a focus on high-risk areas such as fatigue management and emergency preparedness;
- Leverage insights from incident investigations to strengthen risk controls and prevent recurrence;
- Expand the VFL programme to further embed safety leadership at all levels of the organisation; and
- Enhance community engagement to reduce public safety incidents and promote shared responsibility for safety.

Corporate social investment (CSI)

Transnet's CSI efforts remain committed to uplifting and developing communities nationwide, despite facing unprecedented financial constraints. These fiscal challenges have necessitated a more measured approach to CSI investments for the current interim reporting period. Nevertheless, with limited resources, the Foundation strategically allocated funding to sustainable initiatives in key focus areas such as health, education, and livelihoods, while maintaining ongoing sponsorships and donations to community projects, resulting in a CSI spend of R58,0 million.

Phelophepa I and II health care trains

Transnet's two global flagship "Phelophepa" health care trains provided comprehensive, high-end primary health care services to communities situated along the rail corridors. Services offered to the most vulnerable and marginalised included general health check-ups, screening for a range of health conditions, including cancers, the provision of dentistry, optometry, and counselling services.

During the current six-month period, the two Phelophepa trains provided 536 408 patients with comprehensive primary healthcare services. Basic healthcare training was also provided to 2 008 community volunteers around the country, while an estimated 450 final year students gained invaluable experiential learning on-board Phelophepa I and II.

Education development

Work on the implementation of the information and communication technologies centres, science laboratories and early childhood development projects have been taking place during the calendar year and will be concluded in December 2025. A formal launch will be held in January and February 2026 as part of the back-to-school campaign.

Livelihoods portfolio

The portfolio continues to implement a sustainable business model for the three Transnet community centres in Khuma (North West Province), Springs and Thokoza. Local non-governmental organisations (NGOs) at the centres drive innovative social and economic solutions to community challenges.

The strategic partnerships with NGOs at the community centres enable the portfolio to achieve a sustainable CSI intervention and through resourcing and training of these NGOs results in their subsequent independence.

The level of food insecurity and hunger is high amongst many sectors of South African society. Consequently, food security is one of the pillar focus areas of the portfolio. Transnet executives recognised that food insecurity, poverty, hunger, and other socio-economic challenges affect South Africans widely but also affect the communities in which Transnet operates. Therefore, the Foundation was granted permission to convert two sites (Warrenton and Glencoe KZN) into food farms operated by local NGOs. The business model for the Warrenton farm includes planting beneficiary crops (spinach) that will contribute towards food security for vulnerable members of the local community, as well as planting commercial crops that will provide for the future sustainability of the farm.

Fund raising and sponsorships

To be able to scale many of the strategic projects within the Transnet Foundation, alternative funding models have been explored. The Foundation has gone into strategic partnerships with other corporates and organisations to leverage additional funding.

Many NGOs and non-profit organisations in the communities close to operations seek assistance to create sustainability for their projects. The Foundation therefore also aids these organisations through disbursements of sponsorships and donations.

Energy efficiency and carbon emissions reduction

During the current reporting period, Transnet's total electricity consumption amounted to 1 081 GWh resulting in a 0,6% decrease from the interim prior period. This decrease in consumption can be attributed to a decrease in general electricity consumption. The total fuel consumption for the current reporting period at 105 megalitres, represented a 4,0% increase compared to the interim prior period, primarily driven by increased fuel consumption from increased traction volumes.

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Economic Regulation of Transport Act, 2024 (ERT act)

The ERT act propagates the establishment of a single Transport Economic Regulator to oversee and regulate access arrangements, train path allocation and access fees, amongst other regulatory roles. The ERT act was assented to by the President on 11 June 2024. On 1 April 2025, certain sections of the ERT act became effective, which relate to the establishment of the Transport Economic Regulator, the appointment of the board, the executive structure of the Regulator and the functions of the Regulator. The promulgation also gives effect to the administrative matters concerning the Regulator, except for application to the council. These sections provide for the management of conflicts of interest as they relate to the performance of duties on behalf of the Regulator, the financing of the Regulator, annual fees that would be payable by regulated entities, board remuneration, reports to be provided to the National Assembly by the Regulator, as well as powers entrusted to the Minister to publish regulations in terms of the ERT act.

White paper on rail policy

The white paper on national rail policy (NRP) positions the provision of access to third-party operators on the Transnet Freight Rail network infrastructure as the crux of South African rail reform. Cabinet approved the white paper on rail policy in March 2022 (published on 12 May 2022). The policy is intended to provide certainty on the trajectory of the country's rail system. To facilitate controlled access to its railway infrastructure network, Freight Rail has advanced its work towards the vertical accounting and governance separation of its infrastructure and operations businesses.

The guarantee framework agreement provides that the Infrastructure Manager must be established as an operating division with its management by 1 April 2025 and as a wholly owned subsidiary with a board comprising of a majority of independent non-executive directors who are not members of the Transnet Board by 30 September 2026. Per the vertical separation required in terms of the policy, Transnet Freight Rail (train operating company referred to as TFR) and the Transnet Rail Infrastructure Manager (TRIM) were established as two (2) independent operating divisions in Transnet on 1 April 2025. The process for the corporatisation of TRIM by 30 September 2026 has commenced within Transnet with a dedicated project focused on the corporatisation requirements.

Group accounting policies

The condensed financial information has been prepared in compliance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and contains the information required by the International Accounting Standard (IAS) 34: Interim Financial Reporting, and the requirements of the Companies Act, No 71, 2008 of South Africa.

Financial information presented has been prepared using accounting policies that comply with International Financial Reporting Standards (IFRS). The accounting policies are consistent with those applied in the annual financial statements for the year ended 31 March 2025.

New standards and interpretations issued by the International Accounting Standards Board, effective for the period under review, did not have a significant impact on the Group's financial results.

Events after reporting date

Cash interest cover (CIC) loan covenant breach

For the 30 September 2025 reporting period, Transnet achieved a CIC of 1,5 times. A number of loans require Transnet to maintain the CIC loan covenant at a minimum of 2,5, 2,0 and 1,6 times at 31 March and 30 September of each financial year. The current CIC level constitutes a breach of the CIC loan covenant on loans at 2,5 times with a total capital balance of R21,0 billion, loans at 2,0 times with a total capital balance of R14,4 billion and loans at 1,6 times with a total capital balance of R4,3 billion. The breach is an event of default.

Transnet submitted waiver requests to each of the affected lenders requesting that they waive the triggered event of default. The waiver process has been completed and Transnet has received all the required waivers from the affected lenders.

Durban Container Terminal (DCT) Pier 2 private sector participation project case ruling

In October 2025, the Durban High Court ruled in favour of Transnet in relation to the DCT Pier 2 private sector participation project case which involved a judicial review application by a losing bidder, challenging the award of a public-private partnership tender for DCT Pier 2 to its competitor. This is a landmark case and groundbreaking for Transnet, particularly with reference to the private sector participation strategy.

Settlement agreement reached with Nedbank

In November 2025, Transnet and Nedbank have agreed a commercial settlement of their ongoing litigation. In terms of the settlement, Nedbank Group has agreed to pay Transnet an amount of R600 million. Nedbank's payment to Transnet is made without admission of liability and in full and final settlement of the dispute.

Group Chief Executive statement

The first six months after the conclusion of the recovery plan period has seen the organisation continue on its trajectory of improvement and perpetual push to unlock the envelope of potential to achieve sustained profitability. Higher revenue and EBITDA, driven by increased volumes across the business, along with operational efficiency gains and a steadfast commitment to renewing the asset base, are notable enforcements to the Group's foundation. Operational challenges (although at a lower rate) however continue to hamper progress and the overall result of performance was a reduction in the loss for the interim period. The Board and management are committed to resolving these challenges, improving revenue streams and cashflows, optimising costs, enhancing service delivery and operational long-term resilience. The good progress regarding regulatory reform implementation will also continue and with the continued support of the Shareholder Representative and National Treasury, Transnet is on track to delivering lasting value to the South African economy.

Approved by the Board of Directors

Management and the Board of Directors declares that in terms of Article 4(2)(c) of the Transparency Law of 2008, to the best of their knowledge, the 30 September 2025 unaudited condensed consolidated interim financial results have been prepared in accordance with IFRS and give a true and fair view of the assets, liabilities, financial position and profit or loss of Transnet SOC Ltd. The 30 September 2025 unaudited condensed consolidated interim financial results include a fair review of the development and performance of the business and the position of Transnet SOC Ltd, together with a description of the principal risks and uncertainties that Transnet SOC Ltd faces.

Ms MJ Phillips
Group Chief Executive
28 November 2025

Ms RNM Maphumulo
Group Chief Financial Officer
28 November 2025

Corporate information

Transnet SOC Ltd
Incorporated in the Republic of South Africa.
Registration number 1990/000900/30

Directors

Executive directors
Ms MJ Phillips (Group Chief Executive)
Ms RNM Maphumulo (Group Chief Financial Officer)

Non-executive directors
Mr A Sangqu (Chairperson), Ms R Buthelezi, Mr M Debel, Mr B Jiya, Ms L Letsoalo, Ms KG Mbonambi, Prof FS Mufamadi, Mr D Patel, Ms B Sedupane, Ms MP Zambane

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