Audited condensed consolidated financial results

for the year ended 31 March 2025

TRANSNET

SALIENT FEATURES

Revenue increased by **7,8%** to **R82,7 billion**, in line with weighted average tariff increases throughout the business and increased rail volumes.

Net operating expenses decreased by **4,9%** to **R52,1 billion**, due mainly to the reduction in third-party claims, partially offset by increased personnel, electricity, security and material costs.

EBITDA increased by **39,4%** to **R30,6 billion**, with the EBITDA margin increasing to **37,0%**.

Depreciation, derecognition and amortisation increased by **7,9%** to **R19,1 billion**, due mainly to capital expenditure over the financial year.

Net finance costs increased by **6,8%** to **R14,7 billion**, due mainly to increased total borrowings over the reporting year.

Loss for the year improved significantly by 74,0% to **R1,9 billion** (2024: R7,3 billion).

Capital investment increased by **44,2%** to **R24,0 billion** for the year.

Cash generated from operations after working capital changes decreased by **0,6%** to **R28,6 billion**.

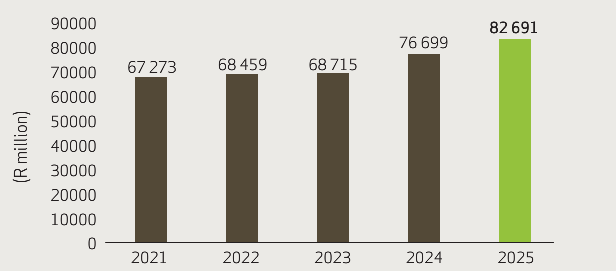
Gearing of **49,6%** and **cash interest cover** (including working capital changes) at **1,8 times**.

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

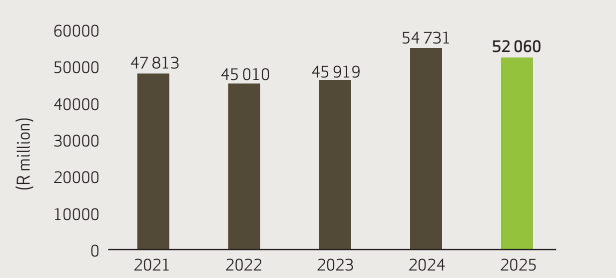
LTIFR performance of **0,77**, which is above the tolerance of **0,75**.

Level 2 B-BBEE certification and spend of **R35,5 billion** or **105,7%**, of total measured procurement spend, as defined by DTIC codes.

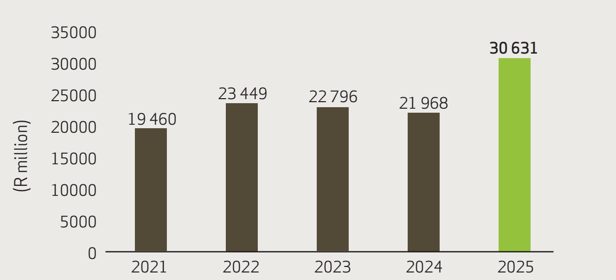
Revenue 5,3%*



Operating expenses 2,2%*



EBITDA 12,0%*



*Compound annual growth rate.

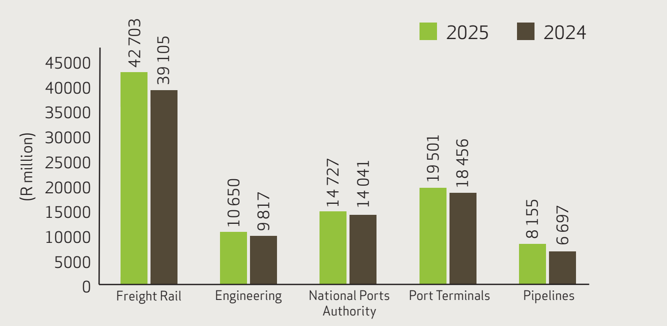
Condensed statement of financial position

(in Rand million)	Audited 31 March 2025	Audited 31 March 2024
Non-current assets	339 813	336 148
Current assets	27 054	28 488
Total assets	366 867	364 636
Capital and reserves	134 349	138 095
Non-current liabilities	140 240	135 609
Current liabilities	92 278	90 932
Total equity and liabilities	366 867	364 636

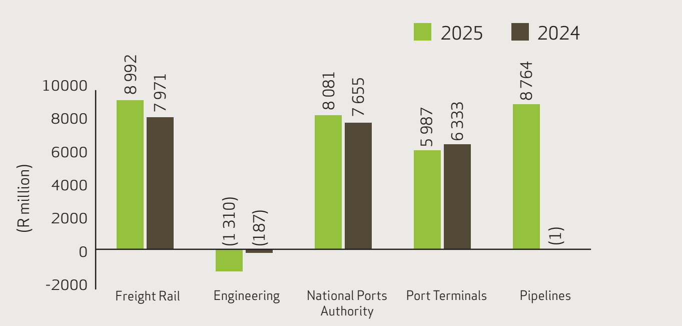
Condensed statement of cash flows

(in Rand million)	Audited 31 March 2025	Audited 31 March 2024
Cash flows from operating activities	13 761	14 246
Cash flows utilised in investing activities	(24 818)	(16 969)
Cash flows from financing activities	7 165	3 067
Net (decrease)/increase in cash and cash equivalents	(3 892)	344
Cash and cash equivalents at the beginning of the year	13 884	13 540
Total cash and cash equivalents at the end of the year	9 992	13 884

Segment revenue



Segment EBITDA



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
Dr 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, and Ms MP Zambane.

Mr C Benjamin resigned from the Board, effective 1 September 2024.
Ms KG Mbonambi was appointed to the Board, effective 8 August 2025.

Group Company Secretary
S Bopape
138 Eloff Street, Braamfontein
Johannesburg, 2000

Auditors
Auditor-General of South Africa
4 Daventry Street
Lynnwood Bridge Office Park
Lynnwood Manor
Pretoria, SA
Postal address
PO Box 446
Pretoria, 0001

Overview

Group revenue performance for the year improved by 7,8% to R82,7 billion (2024: R76,7 billion), driven by weighted average tariff increases and a rail volume increase, partially offset by lower container and pipeline volumes. Transnet continued to be hampered by various operational challenges, mainly affecting the rail and port businesses, including derailments, rail network challenges, safety and security incidents, maintenance shutdowns, locomotive and wagon availability, adverse weather conditions, tippler breakdowns and equipment reliability issues (particularly at Dbn Pier 2 and Saldhana Iron Ore Terminal). Take or pay penalties of R1,4 billion were also adjusted for in the rail and port businesses.

Despite the improved revenue performance, the Group did however report a R1,9 billion loss for the year, which is a 74,0% reduction in the loss from the prior year. 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. The current year 44,2% increase in capital expenditure will contribute positively to operational efficiencies.

Governance and compliance

The exemption that was granted by National Treasury came to an end at 31 March 2024. Transnet was exempted from disclosing the particulars required by section 55(2)(b)(i), (ii) and (iii) of the PFMA in the annual financial statements for a period of three years. During the exemption period, Transnet has worked on improving the internal controls relating to accurate and complete reporting of irregular, fruitless and wasteful expenditure (IFWE). Transnet has also continued to put measures in place to ensure that consequence management and remediation actions are continuously being undertaken. Updates on the consequence management taken by Transnet have consistently been included in the quarterly reports that are sent to the National Treasury and the Department of Transport. The past year has seen an establishment of the Consequence Management, Condonations and Material Irregularities Committee (CCMI). The CCMI is responsible for guiding and overseeing consequence management, condonations, and material irregularities through standardised processes, reviews, and monitoring to support effective governance and compliance. This committee ensures that all the necessary requirements of PFMA and other transcripts by National Treasury as well as the Companies Act and corporate governance requirements related to internal controls are met.

Supply chain management (SCM) governance provides on-going support on the implementation of the manual for the procurement of goods and services with a direct impact on revenue generation. The team also monitors the implementation of departures granted by National Treasury. Other initiatives to improve the SCM environment include procurement digitisation and SCM performance management. These activities strengthen governance, improve operational efficiency, support revenue generation, and reduce procurement-related risks.

Regulatory reforms

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 Guarantee Support Framework Agreement 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. Transnet Freight Rail is in the process of splitting into Transnet Freight Rail Operating Company (TFROC) and the Transnet Rail Infrastructure Manager (TRIM) in the 2026 financial year and TRIM will oversee rail network quality and reliability to deliver the highest possible tonnage for the business.

Total SA (Pty) Ltd and Sasol Oil (Pty) Ltd v Transnet Pipelines

Total SA (Pty) Limited (TotalEnergies) and Sasol Oil (Pty) Limited (Sasol) initially brought separate action proceedings against Transnet for contractual damages amounting, cumulatively, to over R1,8 billion. Thereafter, the claims have been amended to R4,5 billion. The central basis for the actions is the contention by TotalEnergies and Sasol that, since 2008, Transnet breached the variation agreement by overcharging them for tariffs in respect of the conveyance of crude oil through Transnet's pipelines. The trial was set down from 15 April to 3 May 2024.

On 18 June 2024, judgement was delivered against Transnet in terms of which Transnet was ordered to pay both Sasol and TotalEnergies a combined amount of R6,0 billion, which excludes interest and legal costs that Transnet has been ordered to pay. Transnet petitioned the supreme court of appeal (SCA) for leave to appeal. On 6 February 2025, the SCA refused Transnet's petition for leave to appeal. Transnet then filed an application for reconsideration for leave to appeal with the president of the SCA. The effect of this reconsideration application is that the High Court judgement order, and thus the associated payment by Transnet, remained suspended.

Additionally, on 25 July 2022, Transnet issued summons against Sasol and TotalEnergies for short payments related to the conveyance of crude oil, amounting to R567,3 million and R290,6 million, respectively. Judge Opperman was allocated to hear the matter, and the trial was heard from 29 July to 16 August 2024. Oral arguments on the matter were heard from 29 August to 30 August 2024.

Transnet and Sasol agreed to commence a mediation process in an attempt to settle the ongoing legal disputes. On 18 May 2025 Transnet and Sasol reached a settlement, approved by the Transnet Board of Directors on 23 May 2025, in terms of which Transnet made a net payment to Sasol of R4,3 billion (excluding VAT) in full and final settlement of all the ongoing legal disputes between the parties, on 30 June 2025.

On 30 May 2025, the Transnet Board approved the R1,2 billion (excluding VAT) settlement agreement between Transnet and TotalEnergies. The settlement agreement was finalised and signed by both parties on 30 June 2025, with the settlement made on 15 July 2025.

Prospects

Another annual improved revenue performance, reliable cash generation from operations after working capital changes and improved rail volume performance provides an adequate platform for Transnet to continue its drive to sustainable profitability. The concluded recovery plan has definitely assisted the business positively in its 18-month span, achieving its ultimate goal of recovery in Transnet business performance. The directors believe that the reinvent for growth strategy will carry on the baton of recovery and with the continued support of the shareholder representative and National Treasury (NT) (in the form of further approved government guarantees of R51 billion and R94,8 billion respectively), Transnet is on course to contributing positively to economic growth in the country.

Short form announcement

This short-form announcement is the responsibility of the Transnet Board of Directors. It is only a summary of the information contained in the integrated report and annual financial statements and does not contain full or complete details. Any investment decision should be based on the integrated report and annual financial statements available on the Transnet website at www.transnet.net. The integrated report and annual financial statements are also available for inspection at the registered office of Transnet.