ANNEXURE 17

Investment Plan

Summary of Approved Capital Investment — Transnet Rail Infrastructure Manager (TRIM)

This annexure summarises TRIM's approved capital investment programme over the five-year corporate plan horizon, comprising the 2026/27 financial year plus the four outer years to 2030/31. All amounts are stated in South African Rand billions (R'bn) and are aligned to the approved corporate plan.

1. Approved Capital Investment Summary

Approved capital investment is presented across three categories: capitalised operating expenditure, sustaining capital expenditure, and expansionary capital expenditure.

Category (R billion)	2026/27	2027/28	2028/29	2029/30	2030/31	Total 5-year Plan
Capitalised operating expenditure (Infrastructure & Wagons)	6.729	6.832	6.437	5.876	6.850	32.724
Sustaining capital expenditure	2.897	1.941	1.362	3.210	2.504	11.914
Expansionary capital expenditure	0.132	0.252	0.305	0.698	0.319	1.705
Total approved capital investment	**9.759**	**9.024**	**8.104**	**9.784**	**9.673**	**46.343**

Note: Figures are rounded to three decimal places (R'bn); minor rounding differences may occur in column and row totals.

2. Key Programmes and Line Items

The table below highlights the major programmes and line items underpinning the approved investment plan across the five-year horizon.

Category (R billion)	2026/27	2027/28	2028/29	2029/30	2030/31	Total 5-year Plan
Infrastructure Copex	6.594	6.687	6.279	5.707	6.671	31.938
Wagon Copex – Infra	0.135	0.145	0.158	0.169	0.179	0.786
Wagon Fleet Renewal Programmes	0.202	0.166	0.123	0.127	0.133	0.751
Telecoms	0.523	0.228	0.198	0.650	0.328	1.927

Category (R billion)	2026/27	2027/28	2028/29	2029/30	2030/31	Total 5-year Plan
IT Projects	0.380	0.094	0.005	0.082	0.000	0.561
Finance leases	0.300	0.300	0.300	0.300	0.300	1.500
Security	0.086	0.308	0.357	0.168	0.114	1.032
Replacement of equipment (Substations)	0.030	0.031	0.032	0.438	0.465	0.995
Coal 81 (expansion)	0.060	0.166	0.216	0.322	0.000	0.764
Waterberg Stage 2–3 (expansion)	0.060	0.050	0.050	0.076	0.072	0.308

3. Corridor Breakdown of Infrastructure COPEX

The table below provides the corporate plan view breakdown of infrastructure COPEX by corridor over the five-year planning horizon. These investments are subject to change as the funding initiatives being pursued are realized.

Corridor	2026/27	2027/28	2028/29	2029/30	2030/31	Total
NORTHCOR	2.239	2.348	1.432	1.698	2.368	10.084
CAPECOR excl. MN to PE	0.176	0.203	0.228	0.421	0.794	1.821
MN to PE	0.773	0.860	0.846	PSP	PSP	2.479
CONTAINERCOR	0.513	0.684	0.909	PSP	PSP	2.107
NORTHEASTCOR	0.663	0.631	0.818	1.199	1.230	4.540
CENTRALCOR	0.558	0.643	0.920	1.060	1.162	4.342
ORECOR	1.577	1.318	1.126	1.331	1.117	6.469
Reclass and other	0.094	–	–	–	–	0.094
TOTAL CONSTRAINED VIEW	**6.594**	**6.687**	**6.279**	**5.707**	**6.671**	**31.938**

Note: "PSP" denotes corridors earmarked for Private Sector Participation, where infrastructure investment is expected to be delivered through private sector funding arrangements rather than TRIM capital. A dash ("–") indicates a nil or not-applicable allocation. Figures are stated in R'bn, rounded to three decimal places; minor rounding differences may occur in row and column totals.

4. Total Approved Capital Investment

Total approved capital investment (2026/27 – 2030/31): R 46.343 billion

The approved five-year capital investment programme totals R 46.343 billion, comprising R 32.724 billion in capitalised operating expenditure, R 11.914 billion in sustaining capital expenditure, and R 1.705 billion in expansionary capital expenditure.

5. Supplementary Funding Mechanisms and Investment Acceleration

In addition to the approved five-year corporate plan investment of R 46.343 billion, TRIM is actively pursuing a range of supplementary funding mechanisms to support and accelerate the rehabilitation of the rail network. These funding initiatives are intended to augment the approved capital programme and, if secured, would materially increase the overall investment available for priority corridor interventions.

The existing corporate plan includes R 16.3 billion linked to Budget Facility for Infrastructure (BFI) grant-funded initiatives. Of this, R 10.0 billion has already been approved for the North and Ore Corridors. Further applications are being advanced to National Treasury to extend funding support to additional strategic corridors.

TRIM submitted BFI grant applications for the Cape (R8.7bn) and Central (R6bn) Corridors to National Treasury on 5 July 2026. Significant progress has also been made on the NorthEast (±R5.4bn) and Container (±R6bn) Corridor applications, which are targeted for submission by 15 October 2026 bid window.

Therefore, beyond the R10.0 billion already awarded, TRIM is pursuing an additional R 26.0 billion in BFI grant funding to accelerate network rehabilitation across all corridors. These applications form part of a broader funding strategy aimed at supplementing internally funded capital investment, reducing the infrastructure backlog, and improving network reliability, capacity, and long-term sustainability.

6. Expansion Capital Plan

Context: The expansion projects listed below reflect the current TRIM Expansion Programme pipeline based on the current allocated funding plan. These projects will be executed over the next five years.

Assumptions: The corporate plan budget in Section 2 represents the Transnet allocated budget. Programme funds will also be supplemented by the private sector at a business case level.

Key Strategic Initiatives

Strategic Initiative	Scope & Key Deliverables
R2U3 Coal Line 81 MTPA & Eskom Works	Construction of substations and power lines between Blackhill and Ermelo to increase the power line capacity, accommodate more slots, and support the increase of volumes from 71 MTPA to 81 MTPA.
R1F2 Partial Doubling Link: RCB Port–Nsezi	Construction of a locomotive preparation facility in the Bayvue Yard of the Port of Richards Bay to improve the turnaround times of locomotives in the Port of Richards Bay.
R5N1 Waterberg – Revised Stage 2–3 – FEL4 – 13.8 MTPA	Construction of the Marakele and Diepdruit loops and related works to increase the line capacity for coal from Lephalale to Thabazimbi from 2.6 MTPA to 9.5 MTPA.
R4X1 New Sishen Rail Link Line and Sishen Erts Yard Expansion Project	Construct the Sishen rail link line to create a direct link from the Hotazel line to the Sishen yard, eliminating the current bottleneck at the Haakbosleegte loop caused by the turnaround of the newly introduced manganese trains in the Sishen Erts Yard. Construct three additional lines in the Sishen yard to accommodate manganese trains headed for Saldanha, improving efficiency and supporting the increase in manganese export volumes.
New Manganese 12 MTPA Phase 2	Construct loops and yards with supporting infrastructure from Hotazel to the Port of Ngqura in support of future volume growth to the 12 MTPA demand for manganese.
Botswana Rail Link and Eswatini Rail Link	Develop a new corridor linking the mines in Botswana to the South African ports via the Eswatini link for the transportation of bulk commodities, strengthening regional integration. The project has received support from the Department of Transport (DoT) to proceed; TRIM and Botswana Railways will undertake bankable feasibility studies starting from 2026/27.

7. Definitions

COPEX means capitalised maintenance expenditure incurred to replace or maintain components of existing assets in order to preserve functionality or extend useful life. This typically includes planned or unplanned maintenance that is capitalised where it meets the criteria for enduring economic benefit under applicable accounting standards.

CAPEX means capital expenditure incurred to acquire, construct, upgrade, or materially enhance long-term assets that are expected to provide economic benefits over multiple years. Examples include new infrastructure, major upgrades, facilities, systems, or equipment.

Sustaining capital expenditure refers to investment required to maintain the current operating level of assets. It includes the replacement or renewal of ageing equipment and infrastructure to sustain efficient operations without necessarily expanding network capacity.

Expansion capital expenditure refers to expenditure aimed at increasing the capacity, capability, or scope of operations. It generally relates to new assets, major upgrades, or projects that support business growth and expanded network capability.

Capitalised maintenance expenditure refers to expenditure on replacing or maintaining components of existing assets to preserve operating capability or extend asset life. It is capitalised where it provides enduring benefits and supports the continued use of the asset.

Key differences

Aspect	COPEX	Sustaining Capex	Expansionary Capex
Purpose	Maintain and extend the life of existing assets.	Maintain operations at current service and performance levels.	Increase capacity, capability, or operational scope.
Scope	Component replacement, refurbishment, or maintenance.	Systemic renewals, upgrades, or replacements.	New projects or major upgrades that expand capability.
Accounting treatment	Capitalised as part of existing assets where recognition criteria are met.	Capitalised as replacements, renewals, or qualifying upgrades.	Capitalised as new assets or major asset enhancements.
Examples	Rail replacement, ballast rehabilitation, and component renewals.	Replacement of ageing infrastructure or equipment.	New lines, capacity additions, or major network expansions.
Focus	**Operational sustainability.**	**Business continuity and sustainability.**	**Business growth and enhanced capability.**