



AUDITED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED
31 MARCH 2026





BUSINESS PERFORMANCE OVERVIEW

FINANCIAL PERFORMANCE OVERVIEW

COMPLIANCE - PFMA

LOOKING FORWARD



BUSINESS PERFORMANCE OVERVIEW

▶ ADV. MICHELLE PHILLIPS



Our mandate focuses on the provision of logistics solutions and fit-for-purpose infrastructure to enable the efficient functioning of key industries in the economy



OUR MANDATE

Lower the cost of doing business in South Africa, enable economic growth and ensure security of supply through providing appropriate ports, rail and pipeline infrastructure as well as operations in a cost-effective and efficient manner, within acceptable benchmark standards

STATEMENT OF STRATEGIC INTENT ► 5 STRATEGIC OUTCOMES

01

Improve freight competitiveness

- Restore rail and port capacity
- Improve reliability and productivity
- Reduce logistics costs

02

Collaborate with the private sector

- Mobilise private investment
- Implement strategic PSP transactions
- Leverage private sector capital, expertise, market access and technology

03

Grow market share

- Recover lost freight volumes
- Strengthen customer-focused solutions
- Support road-to-rail migration

04

Practice good governance

- Strengthen oversight and accountability
- Improve transparency and fair access
- Maintain regulatory and policy alignment

05

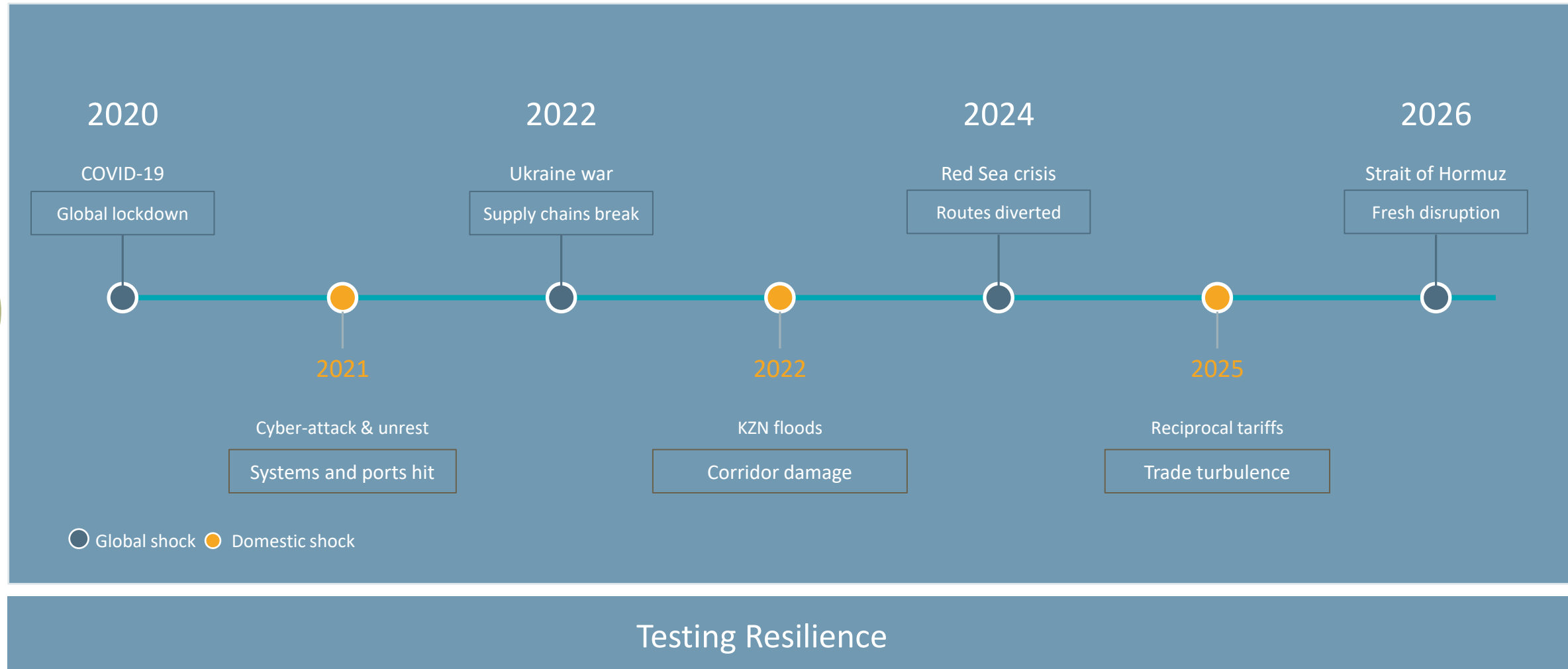
Financial sustainability

- Grow revenue and optimise costs
- Unlock alternative funding sources
- Eliminate national fiscus pressure



A volatile external environment repeatedly disrupted trade routes, supply chains and port operations

Six years of compounding global shocks



Performance is shaped by the interaction of disruption, asset condition and execution constraints, while reform and technology create new opportunities.



Operating Pressures

Ageing Equipment

Cranes and machines pushed beyond design life; spares remain on long lead times.

Security Constraints

Security incidents continue to pressure operational reliability and network performance across key freight corridors.

Cost-driven Maintenance

Reactive upkeep persists instead of planned, condition-based reliability.



OPERATING RESILIENCE

Balancing constraints
with transformation

Strategic Shifts & Opportunities

Digital Transformation

Automation, predictive maintenance, data analytics and customer visibility can improve efficiency and reliability.

Energy Transition

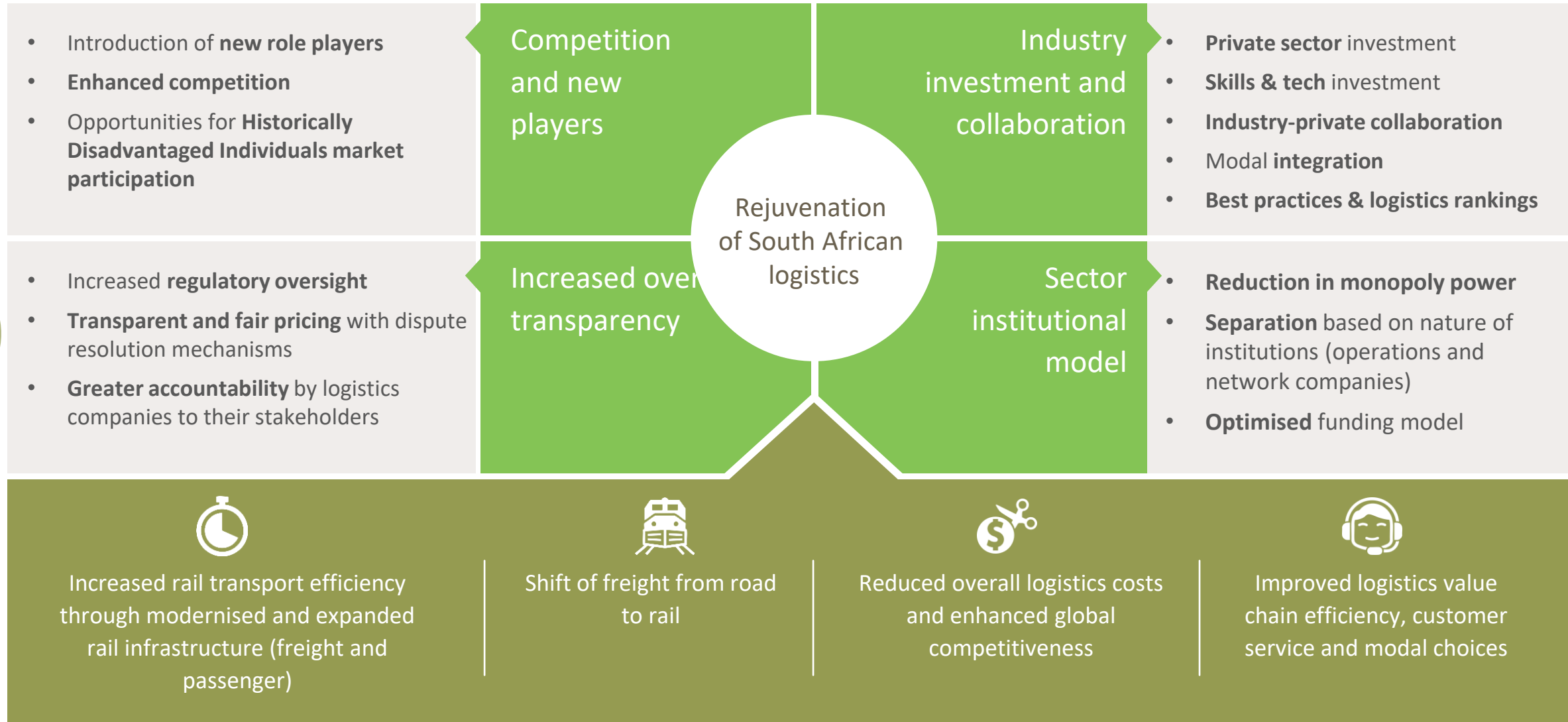
Decarbonisation and changing energy markets create opportunities in LNG, renewable energy and green hydrogen.

Private-sector Participation

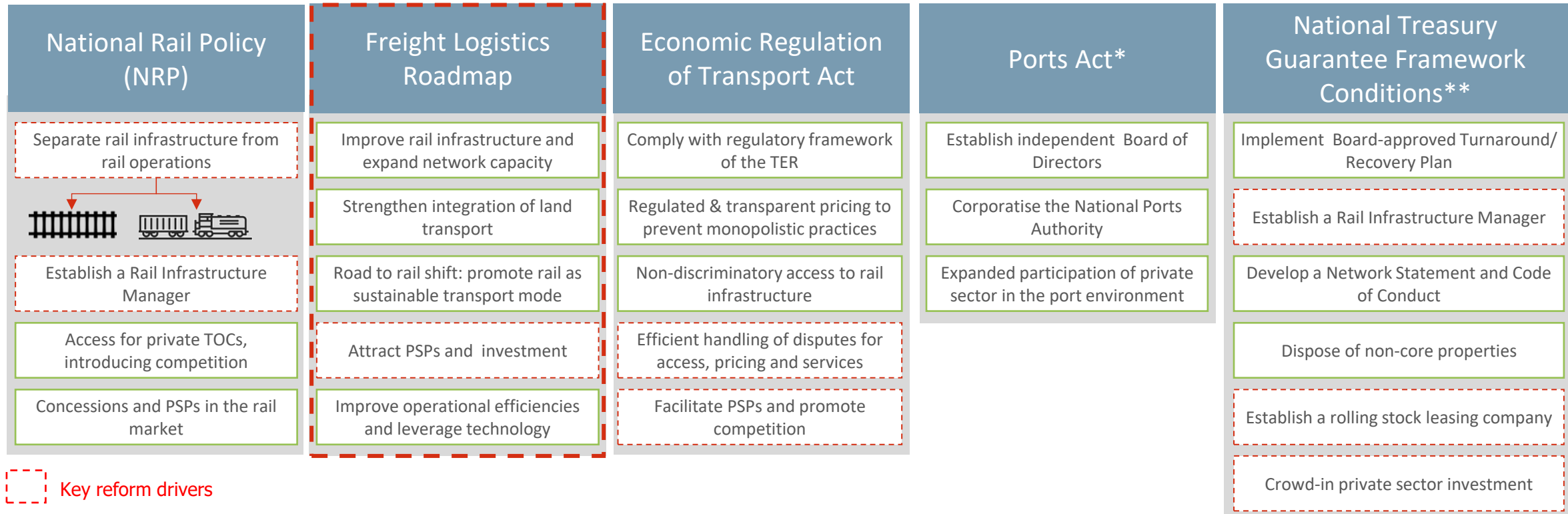
Rail liberalisation, third-party access, TNPA corporatisation and private participation are reshaping the sector.

We navigated a complex operating environment with a focus on resilience, growth and sustainable value creation for stakeholders.

To remain competitive, Transnet must improve operational performance, enable third party access onto the rail network and reposition itself as an efficient infrastructure and logistics partner of choice



Reforms are unprecedented and are fundamentally reshaping Transnet's operating model, requiring a shift from a vertically integrated entity (rail) to a competitive, open access-based logistics provider and partner



Policy reforms aim to...

Modernise infrastructure



Improve operational efficiency



Increase capacity



Promote sustainable practices



Drive sustainable growth



The logistics environment is being fundamentally reshaped

REFORM & LIBERALISATION

- Rail liberalisation and third-party access
- Separation of infrastructure and train operations
- TNPA corporatisation

OPERATIONAL RESILIENCE

- Ageing infrastructure and maintenance backlogs
- Theft, vandalism and security constraints

**A more open,
competitive and
investment-enabled
logistics market**

COMPETITION & PARTNERSHIPS

- New market participants and increased competition
- Expanded private sector participation

FUTURE-FIT LOGISTICS

- Digital transformation and data-led operations
- Energy transition and climate resilience

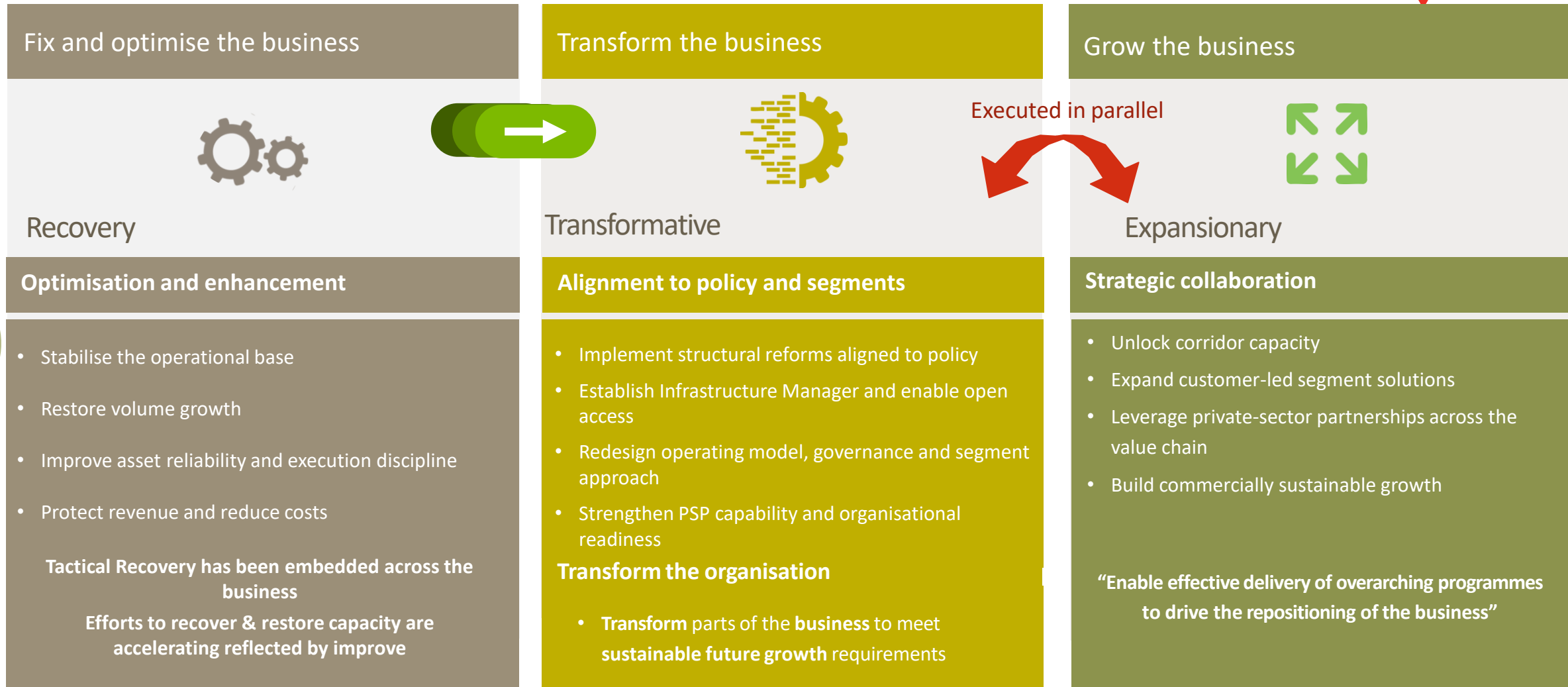
Transnet must remain operationally reliable while adapting its structure, operating model and value proposition



Our Business : Transnet is the custodian of South Africa's core logistics network and a key driver of national competitiveness

Human Capital	Asset Base	Network Base	Fleet Base	Cargo Terminals	Engineering	Investment Property
 49,995 Head count 	  R375,3bn	 30,400 km Railway Track 3,114 km multi-product pipeline 	 1,822 active locomotives  69,241 active wagons	 8 Commercial Ports 16 Cargo terminals 	  132 depots 11 engineering yards 6 rail and port facilities	 R36,7bn commercial and residential Investment Property portfolio 

Transnet's focus is progressing from recovery to transformation and growth

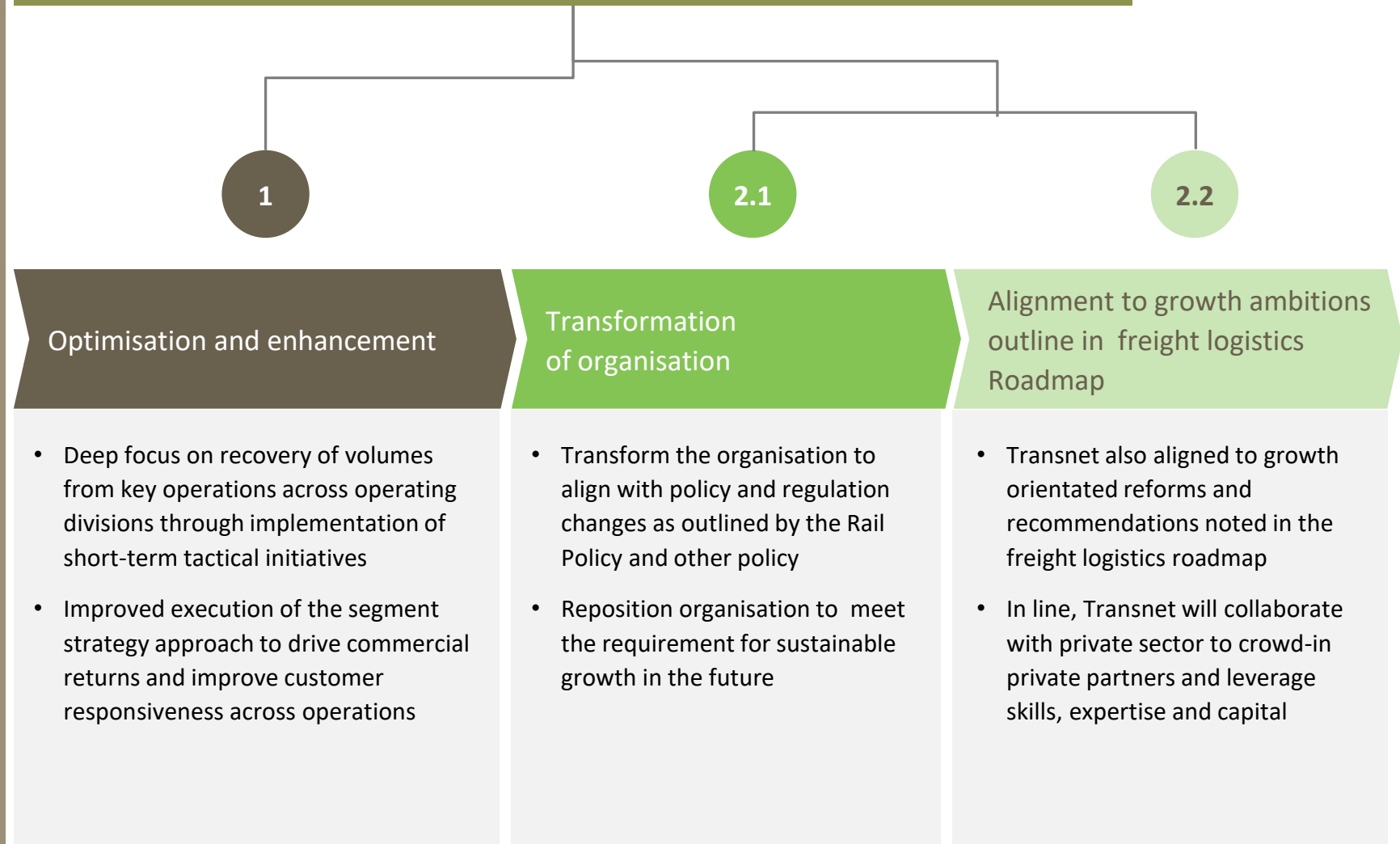


Along this journey Transnet continues to implement the Reinvention for Growth strategy

Transnet Recovery had to balance the unique characteristics of its operating environment:

- Needed to meet existing customer requirements for quality services
- Continued socio-economic contribution to the broader economy
- Alignment to changing policy environment that is liberalizing the rail industry (National Rail Policy of March 2022 and Economic Regulation of Transport Bill 2022)
- Limited availability of shareholder capital to support repositioning of organisation

Two-Pronged Approach



Transnet is complying with the required structural reforms as prescribed by the Freight Logistics Roadmap to improve South Africa's competitiveness



RAIL STRUCTURAL REFORM

Market design and institutional separation

Requirement	Status	Latest Position
Independent Rail Infrastructure Manager	Completed	Vertical separation of infrastructure and operations completed, October 2024
TRIM corporatised with own Board	Work in progress	Corporatisation and Board establishment remain work in progress
Open-access rail regime	Completed	11 train operating companies introduced, May 2026
Network Statement	Completed	Draft Network Statement (Version 4) released for public consultation, July 2026

PORT STRUCTURAL REFORM

Governance and legal separation

Requirement	Status	Latest Position
TNPA Board appointed	Completed	Board appointed, October 2023
TNPA corporatisation	Work in progress	Corporatisation remains work in progress

PRIVATE SECTOR PARTICIPATION PIPELINE

Transactions required to mobilise capital, capacity and operating expertise

Transaction	Status	Latest Position	Transaction	Status	Latest Position
DCT Pier 2	Completed	Durban Gateway Terminal operating since January 2026	Ngqura Manganese Export Terminal	Work in progress	RFQ release is imminent
NCT	Work in progress	Business case initiated	Coal Corridor	Work in progress	Transaction advisory services advertised
Richards Bay LNG Terminal	Completed	Concession awarded to Zululand Energy Terminal, January 2024	Iron Ore Corridor	Work in progress	Transaction advisory services advertised
Richards Bay Dry Bulk Terminal	Work in progress	RFQ closed August 2026; RFP to follow	Rolling Stock LeaseCo	Work in progress	Shortlisting complete; RFP being finalised
Container Corridor	Work in progress	RFP being developed	Branch lines	Work in progress	RFI issued August 2026; closes end September 2026

Completed Work in progress

EXECUTION
PRIORITY

Complete TRIM and TNPA corporatisation, then convert the eight ongoing PSP initiatives into bankable, competitively procured transactions

Transnet property disposal programme aimed to unlock value from non-core assets and strengthen financial sustainability



Location	#id	Property Description	Asset Type
Eastern Cape	1	Humewood Vacant Land	Vacant Land
	2	Humewood Office Block	Office
	3	Humewood Retail Block	Retail
	4	Mount Frere Shopping Centre	Retail
	5	Arcadia Park	Industrial
Free State	6	Bloemfontein (Golf Course & Club House)	Specialised
Gauteng	7	Avion Park (Golf Course)	Specialised
	8	Carlton Centre	Mixed-Use
KwaZulu-Natal	9	Durban Station Precinct (Greyville)	Industrial
	10	Umlazi Mall Megacity	Retail
	11	Oribi Plaza	Retail
Limpopo	12	Messina Superspar	Retail
Western Cape	13	Cape Town Site 9 (Motor Dealership)	Specialised
	14	Willow Bridge (Kenridge)	Retail
	15	Foreshore Precinct Roggebaai	Mixed-Use
	16	Belville Marshalling Yard	Mixed-Use

Competitive Disposal Process for 16 Non-Core Properties

Out to Market

- Launch of properties through transparent and competitive process
- Provide bidders information and transaction requirements

Bid Submission and Evaluation

- Receive and evaluate bids against the approved technical and commercial criteria
- Assess bidder capability, proof of funding, proposed use etc

Appointment of Preferred Bidder

- Obtain required governance approvals and appoint preferred bidders.
- Finalise agreements and progress transactions toward financial and legal close



Despite legacy challenges, Transnet has achieved several successes since the start of the Recovery Journey ...

Achievements	Stakeholders Collaboration		Original equipment manufacturers (OEMs)	Agreements, sourcing parts and equipment, rolling stock stabilisation
			Customers	Joint planning and execution, funding models, customer interventions, relationships strengthening
			National Logistics Crisis Committee (NLCC)	Active engagement, debottlenecking, co-ordination
	Management Initiatives & Compliance to National Rail Policy		Volume decline reversal	Freight volume recovery
			Establishment of Transnet Rail Infrastructure Manager	Policy prescript (vertical separation of the rail business) Rail access regime that is transparent and resilient Network Statement approved
			Key port equipment delivery	Tugboats, haulers, gantries, straddle carriers, dredgers, cranes
	Other achievements		Mobilising capital and partnerships to unlock infrastructure and capacity	Loans and structured deals
			Stabilising operations through targeted security and fleet interventions	Outcome-based security strategy, LNG terminal agreement, Durban Multi Purpose Terminal performance improvement, Rolling Stock Leasing Company establishment
			Implementing reforms to drive long-term efficiency and competitiveness	

The BFI portfolio comprises nine strategic projects valued at R43.49bn. Four projects worth R16.04bn have been approved.



WAVE 1 APPROVED

4 Projects

R16.04bn

WAVE 2A SCREENING

3 Projects

R16.85bn

WAVE 2B DEVELOPMENT

2 Projects

R10.60bn

TOTAL BFI REQUESTED

R43.49bn

9 Strategic Rail and Port Infrastructure Projects

Wave 1 | Approved

Iron Ore Corridor Restoration R3.37bn

Coal North Corridor Restoration R6.77bn

DCT Pier 2 Berth Deepening R4.60bn

Cape Town Container Terminal R1.30bn

Total

R16.04bn

Wave 2a | Screening

Central Corridor Reinstatement R5.99bn

Cape Corridor Reinstatement R8.66bn

Richards Bay LNG Berth 207 R2.20bn

Total

R16.85bn

Wave 2b | Development

Container Corridor Reinstatement R7.10bn

Northeast Corridor Reinstatement R3.50bn

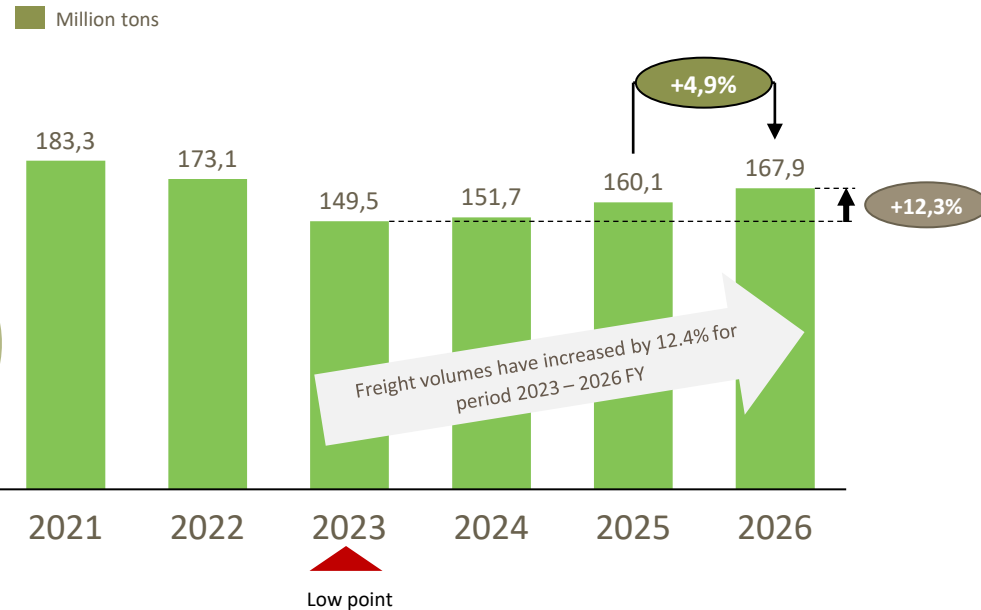
Total

R10.60bn

Reinvention for Growth has continued to build on the volume growth momentum generated from the recovery phase



Transnet Annual Freight Volumes from 2021 – 2026 FY



167.9mt

2025/26 rail volumes

+4.9%

18.4mt

recovered

Since the 2002/23 low point of 149.5mt

EXPORT IRON ORE

52.8mt

2025/26 volumes

+4.3%

EXPORT COAL

58.5mt

2025/26 volumes

+1.6%

GENERAL FREIGHT

56.6mt

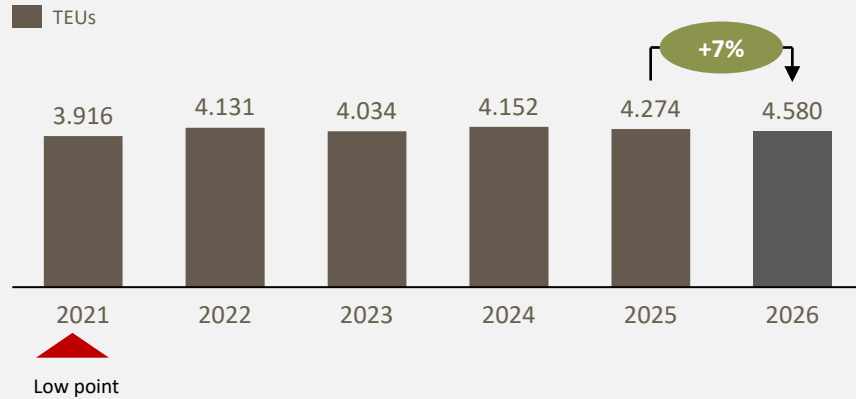
2025/26 volumes

+9.1%

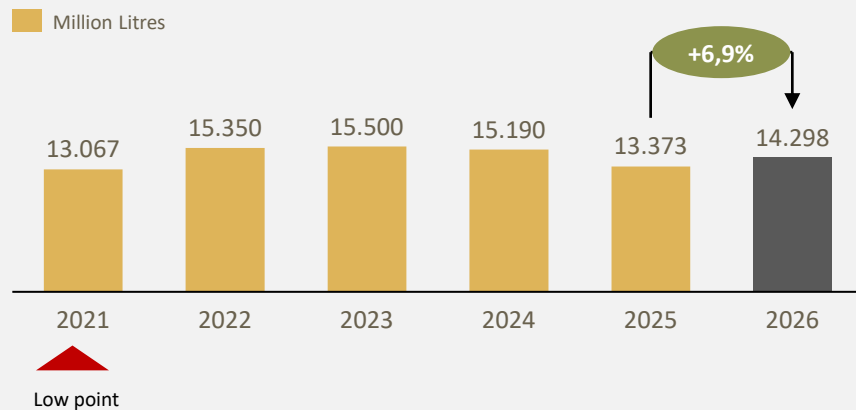
The long-term decline in rail volumes has been arrested. Sustained growth will continue as investment in infrastructure and production equipment continues resulting in rolling stock availability and corridor-level execution

Similarly, port and pipeline operations are showing stronger volume growth momentum

Transnet Annual Container Volumes from 2021 – 2026 FY



Transnet Annual Pipeline Volumes from 2021 – 2026 FY



Container Volumes Handled

4.580 million TEUs

Reported container volumes

- Weekly performance above 90,000 TEUs
- Several weeks above 100,000 TEUs
- More than 14 operational records in six months

Pipelines

14,298 million litres

Petroleum volumes

- 6.9% year-on-year

Reported container volumes exclude DGT volumes from January to March 2026.
Including these volumes would have reflected a 9.6% year-on-year increase.

OPERATIONAL ENABLERS

1



New ship-to-shore cranes and handling equipment

2



Improved maintenance and critical spares availability

3



Reduced vessel backlogs and improved berth availability at Durban

ESG Outcomes



 Environmental stewardship	 Health and safety	 Employment equity & Transformation	 Building Industrial capability through transformative spend on B-BEEE	
- Carbon footprint (MtCO₂e): Scope 1: 0,55 (2025: 0,52) Scope 2: 2,31 (2025: 2,2) Scope 3: 1,48 (2025: 0,53) 32.3% increase in total carbon emissions - Energy Efficiency (tonne/GJ):marginal 0,8% decline 2026: 20,73 (2025:20,89) - Environmental legal contraventions : 4 non-compliance notices and directives received (2025:10) - Environmental incidents reported: 17 (2025:26) - Air quality complaints: 35 (2025:27)	- LTIFR: 0,73 (2025:0,77) against tolerance of 0,75 - LTI's: 449 injuries (2026:500). 2 employees suffered fatal injuries (2025:7)	- Total workforce : 49 995 - Black employees: 94,5% of total headcount (target 92%) - Women at Executive level: 40,7% - People with disabilities 2,2% of employees - Total Training spend is R947m, which is 2,7% of labour cost	- Total B-BBEE spend: R44,73 billion - Black-owned enterprises spend: R14 billion - Black women-owned enterprises spend: R9billion of the 14 billion of black-owned enterprises - Exempted Micro enterprises (EME) spend: R5,93 billion - Qualifying small enterprises (QSE) spend: R5,22 billion - Black youth enterprises spend: R3,19 billion	- B-BBEE spend as a % of the Total Measured Procurement Spend (TMPS): 115,26% (2025: 105,65%) 62,68% of TMPS (R 23,33 billion) directed towards Black-owned Businesses (2025:58,75%) - B-BBEE Certification Level of 2



Fraud risk management: reporting, investigations & response

A zero-tolerance framework combining confidential reporting, structured investigations and consequence management.

316

whistleblowing reports

FY2025/26 | 496 in FY2024/25

58.2%

submitted anonymously

Independent reporting channels

209

active investigations

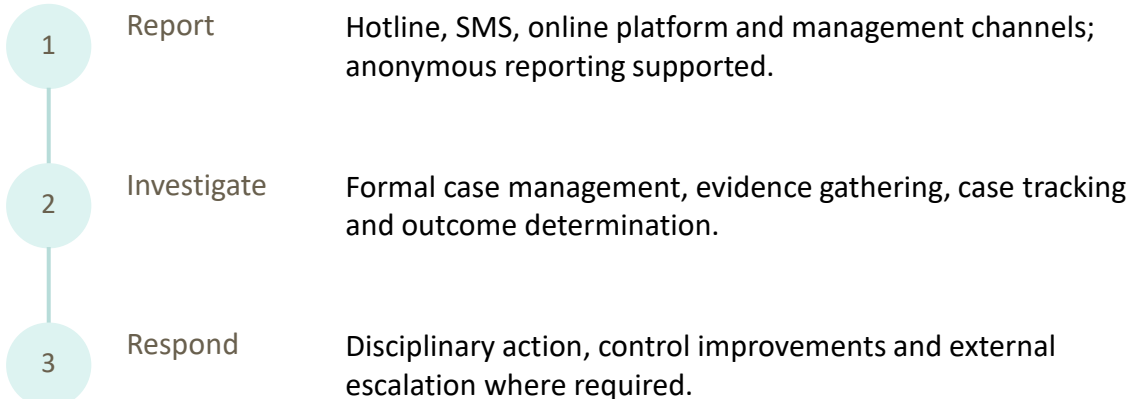
66.1% of reported matters

54

investigation outcomes

25 substantiated | 29 unfounded

HOW THE FRAMEWORK WORKS



- Governance is anchored in a zero-tolerance stance on fraud, bribery and corruption.
- The high active caseload reflects the complexity and thoroughness of investigations.
- Investigation outcomes feed directly into consequence management and control remediation.
- Fraud awareness is reinforced through Fraud Awareness Week; a formal ethics communication strategy is being developed.

Management focus: close the investigation backlog while sustaining reporting confidence, consequence management and preventive control improvements.



Theft and vandalism incidents affect Transnet bottom line and undermine Performance

5 870

Recorded incidents

5 967 in FY2024/25

7%



Estimated Loss

>R1.7 bn

Operating Divisions	Incidents	Prior Year	% Reduction
Freight Rail & TRIM	5 657	5 967	5%
Engineering	143	217	34%
Port Terminals	20	35	43%
National Port Authority	17	77	78%
Pipelines	13	13	0%
Property	20	36	44%

Commentary:

- Security incidents **directly impact operational efficiency and financial performance**, underscoring the need for **continuous monitoring and targeted interventions**.
- In 2025/26FY, Transnet recorded a **7%** decline in security incidents compare to previous year. Freight Rail and TRIM **accounted for over 96%**, with notable improvements seen in Engineering.
- Stronger **collaboration with SAPS** and apprehension of 800 suspects demonstrate improved response capability
- Copper cable theft remains the most prevalent and damaging crime, often involving infrastructure destruction and environmental hazards.
- Ongoing monitoring is essential as these incidents continue to impact business performance.



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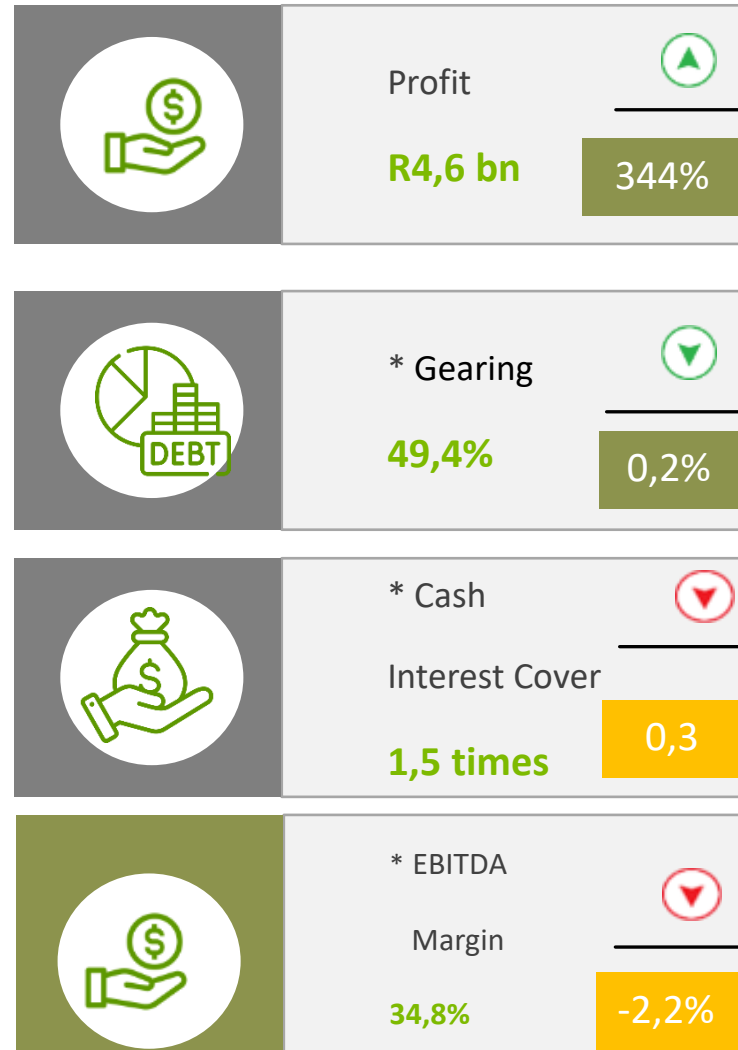
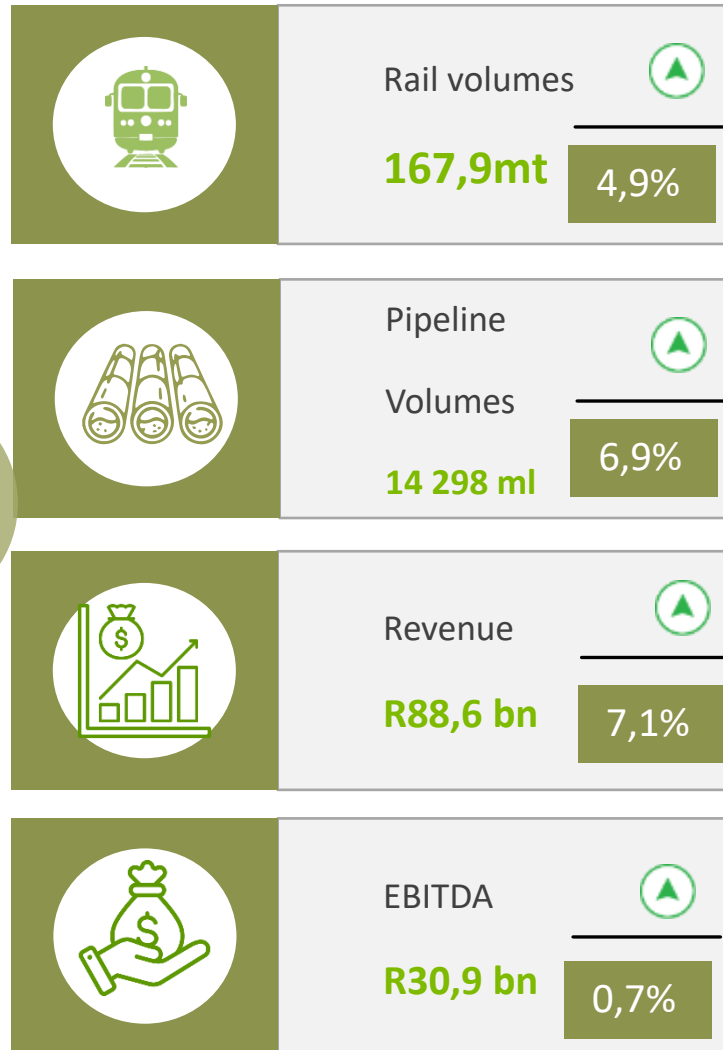
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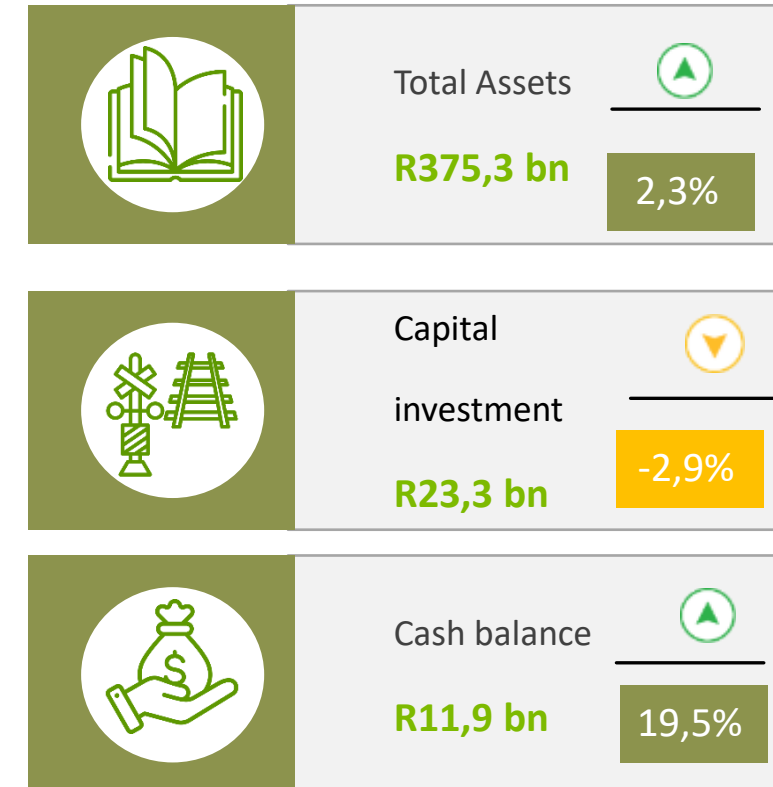
Financial performance summary 31 March 2026 : Overall : Improved financial performance owing to the implementation of the reinvent for growth strategy



Financial performance



Financial Position



* Year on year absolute difference

Financial performance highlights 31 March 2026

Volumes

Rail volumes achieved for the year were **167,9mt** (2025: 160,1mt) reflecting a **4,9% increase** compared to prior year. Pipeline volumes increased by 6,9% to **14,29 bl** (2025: 13,37bl)

Revenue

As a result of an increase in rail and pipeline volumes and additional infrastructure investment, the **revenue generated** for the year is **R88,6 billion** (2025: R82,7 billion), which is **7,1%** higher than the prior year.

EBITDA

Reported **EBITDA** is **R30,9 billion** for the year (2025: R30,6 billion) **which is 0,7 % higher** than the prior year

Profit for the year

Reported **profit** for the year is **R4,6 billion** compared to a prior year loss of R1,9 billion reflecting a 344% increase a **significant improvement** compared to prior year.

Private Sector Participation Strategy - DCT Pier 2

Profit on sale of subsidiary and income from associates of **R12,5 billion**

Capital investment

Capital expenditure amounted to R23,3 billion in 2026 (2025: R24,0 billion), there is an increased focus on infrastructure and production equipment investment to enable volume delivery

Abridged statement of financial performance 31 March 2026

KEY FINANCIAL INDICATOR (Rm)	2026	2025	Variance
Revenue	88 560	82 691	↑
Net operating expenses	(57 700)	(52 060)	↑
EBITDA	30 860	30 631	↑
Depreciation, derecognition and amortisation	(21 759)	(19 085)	↑
Profit on sale of interest in subsidiary	12 500	-	↑
Impairment of assets	(1 336)	(823)	↑
Fair value adjustment	(152)	1 755	↓
Post-retirement benefit obligation expense	(162)	(163)	↓
Income from associates and joint ventures	87	2	↑
Net finance costs	(15 774)	(14 712)	↑
Tax	383	489	↓
Profit/(loss) for the year	4 647	(1 906)	↑

Revenue increase of **7,1%** is due to:

- Improvements in rail and petroleum volumes, and
- Weighted average tariff increases

Net operating expenses increase of 10,8% is due to increases in personnel cost, maintenance, security costs and the 3rd party claim net reversal in the prior year

Depreciation increased in line with the capital expenditure

Profit on sale of interest in subsidiary is due to the sale of shares Durban Gateway Terminal (DGT) 49,99%.

Impairment of assets

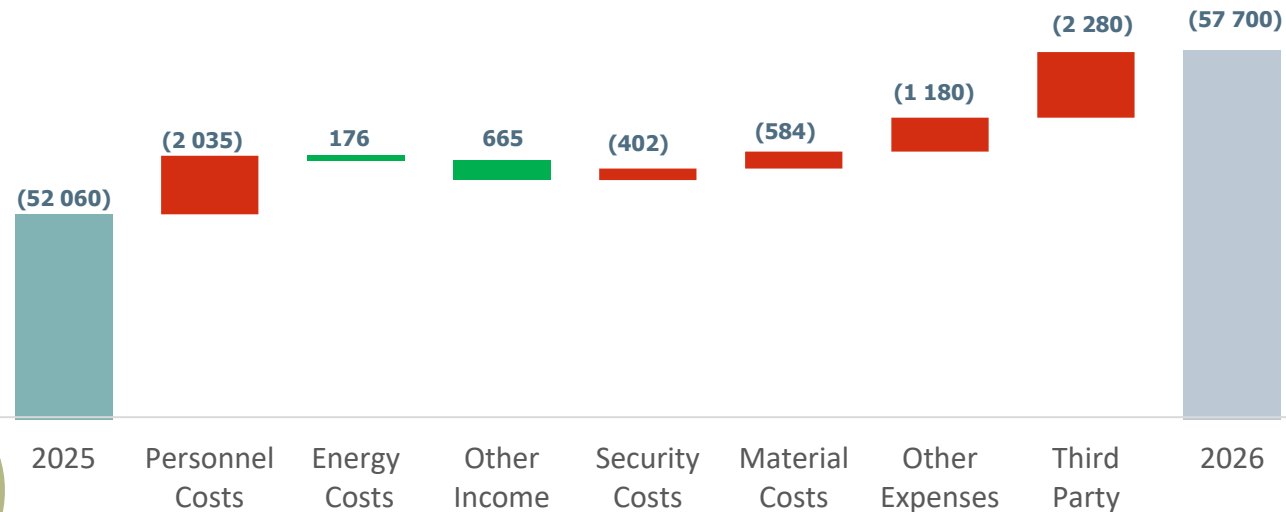
Rail infrastructure related impairment, TM1 tanks and index valuation of port infrastructure and property debtors' impairment

Fair value adjustments are related to the movement in investment property fair value gain, movements in financial instruments

This resulted in a **profit** for the year of **R4,6bn (2025: loss of R1,9bn)**.

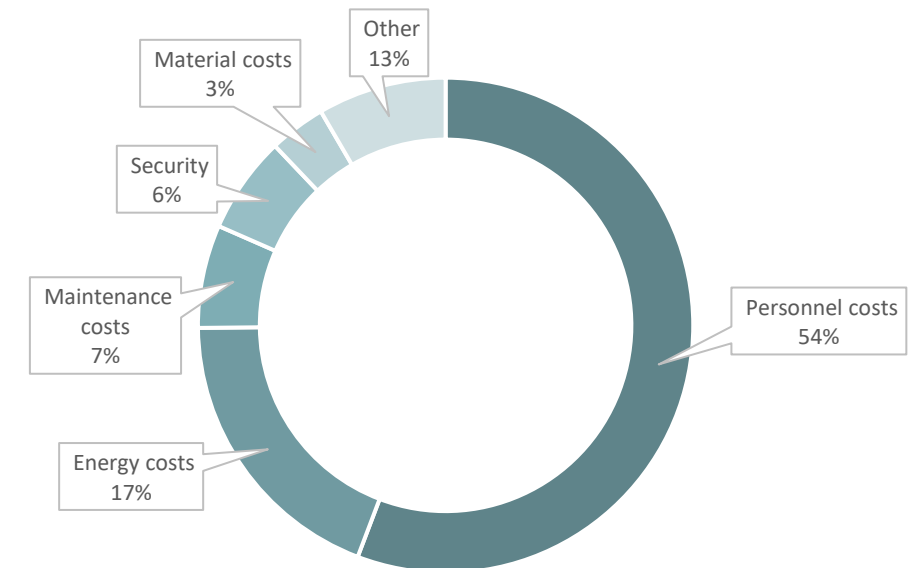
Net operating expenses detail 31 March 2026 (actual vs prior year)

Net operating expenditure increased by 10,8% year-on-year



- Personnel costs (salary and wage increases) increased by 7,0%
- Other income increased by 48,7%, mainly made up of income relating to the Nedbank swaps settlement income, insurance recoveries, scrap income, lease recoveries, and Prasa recoveries.
- Security costs increased by 12,2% in response to an effort to combat theft and safety incidents;
- Maintenance & material costs increased by 10,8% in line with increased activity;
- Other expenses increased by 14,9% due mainly to an increase in the decommissioning liability provision, environmental management costs, as well as fines and penalties, insurance, water and managerial and technical consulting fees.
- Third party claims: due mainly to Natref third party claim provision reversal in the prior year.

Contribution by cost element %



Profit Analysis



Movements:

- 7,1% improvement in revenue generated.
- Net operational costs increased by 10,8%.
- 14,0% increase in depreciation & amort in line with capital expenditure.
- Impairments on PPE and debtors.
- Increase in net finance costs in line with additional borrowings.
- Profit on sale of DGT.

Consolidated statement of Financial Position as 31 March 2026

R million	2026	2025	Variance
Non-current assets	347 132	339 813	↑
Current assets	28 146	27 054	↑
Total assets	375 278	366 867	↑
Capital and reserves	142 469	134 349	↑
Non-current liabilities*	167 858	140 240	↑
Current liabilities*	64 951	92 278	↓
Total equity and liabilities	375 278	366 867	↑

Non-current assets: R7,3 bn increase due to

- Investment in associate R5,4 bn -DGT associate
- Investment property R4,4 bn , transfer from PPE due to DGT impact and fair value increase
- Partially offset by R2.3 bn derivative financial assets, cross-currency swaps,

Current assets: R1,1 bn increase due to net proceeds from disposal of subsidiary

Capital and reserves: R8,1 bn increase due to

- Revaluation impact of R3,5 bn
- Profit for the year of R4,6 bn

Non-current liabilities: R27,6 bn increase due to

- Borrowing raised of R25,6 bn
- Deferred tax increase of R649m

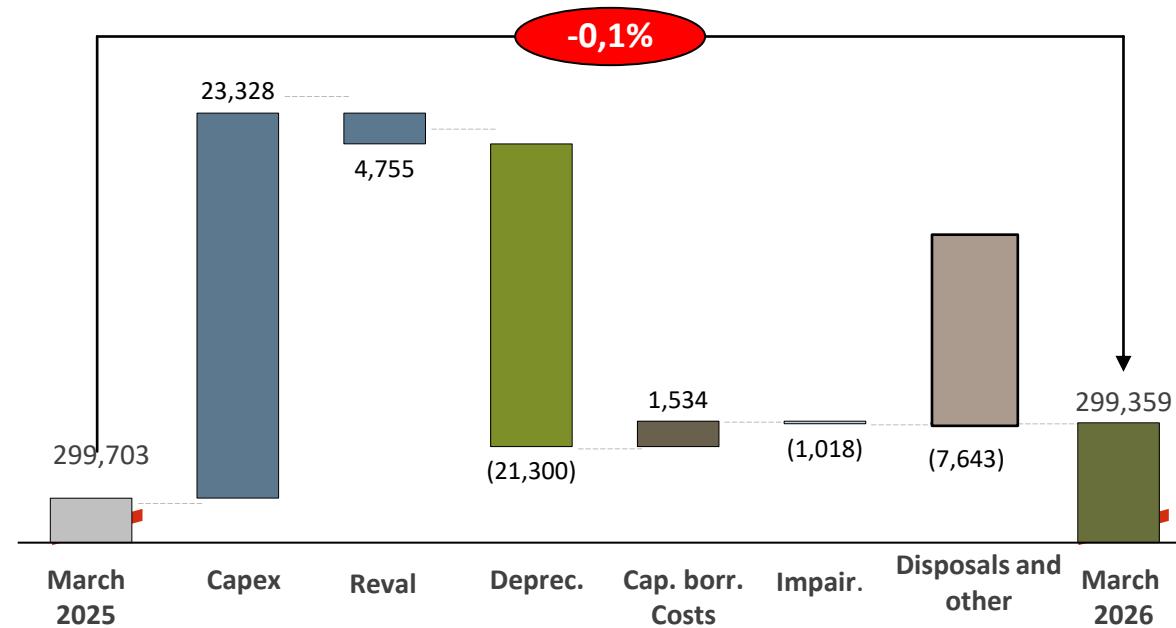
Current liabilities: R27,3 bn decrease due to

- Net borrowing repayments of R19,7 bn
- Reduction in payables and accruals of R7,7 bn

**Includes the impact of the 31 March 2026 CIC loan covenant breach, which resulted in R21,0 billion (2025 R31.4) of long-term debt being reclassified to short-term borrowings. Transnet secured waivers from all the lenders affected by the covenant breach, with all matters appropriately closed.*

Increased focus on capital investment to improve operational sustainability

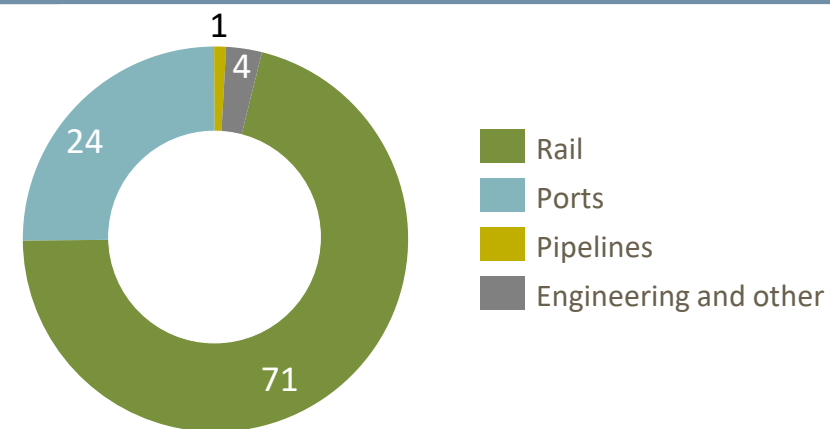
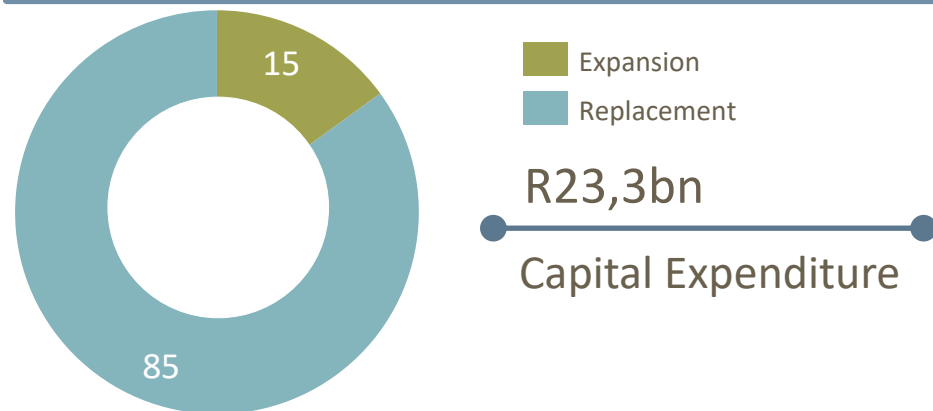
Property Plant And Equipment (R Million)



Capital Investment By Operating Segment (%)

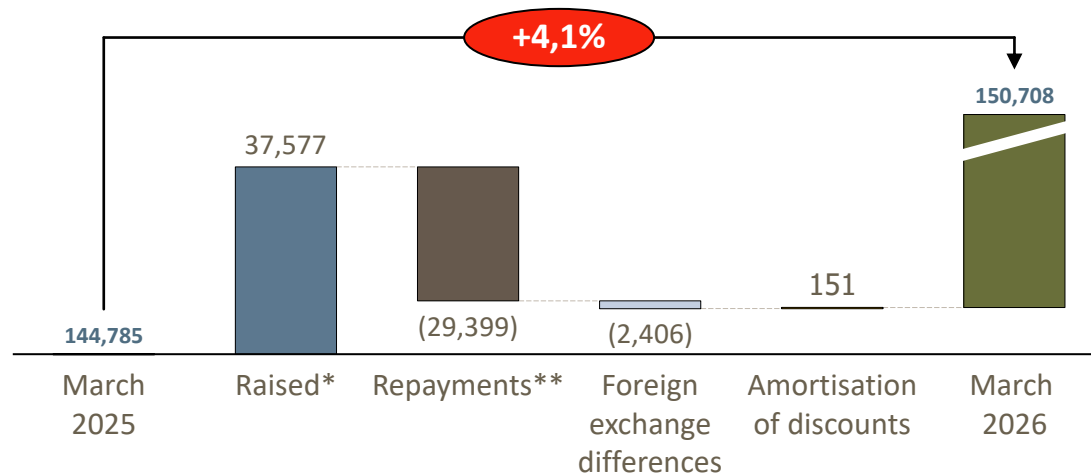
- Disposals include
 - Sale of DGT PPE of **R3,1 billion**,
 - Transfers to investment property of **R4,0 billion, impairment** and other disposals and transfers of **R0,5 billion**.
- The revaluation adjustment of R4,755 million is made up as follows:
 - Land: **R3,948 million**;
 - Port facilities: **R643 million** revaluation; and
 - Pipelines: **R228 million** revaluation; partially offset by Rail infrastructure: **R64 million** devaluation.

Expansion Vs Replacement (%)



Borrowings and gearing

Borrowings reconciliation (R million)



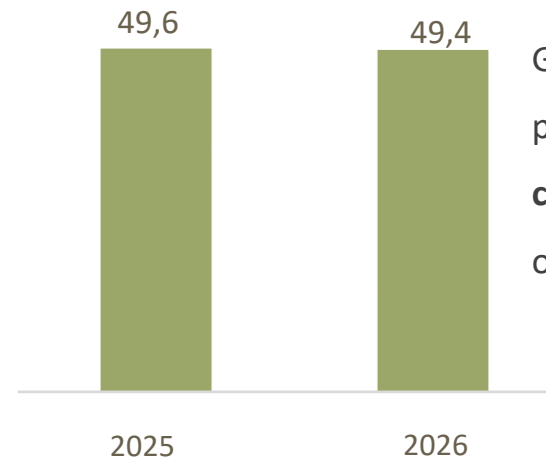
* Includes lease liabilities and borrowing fees.

** Includes lease liabilities.

Borrowings raised for the year included R4 billion from AFDB, R4,3 billion from Deutsche Bank, R4,85 billion of commercial paper, R20 billion in bonds, R2,75 billion from NDB and R713 million from IDC.

The South African Government has guaranteed borrowings amounting to R70.2 billion, representing 46.6% of total borrowings.

Gearing (%)



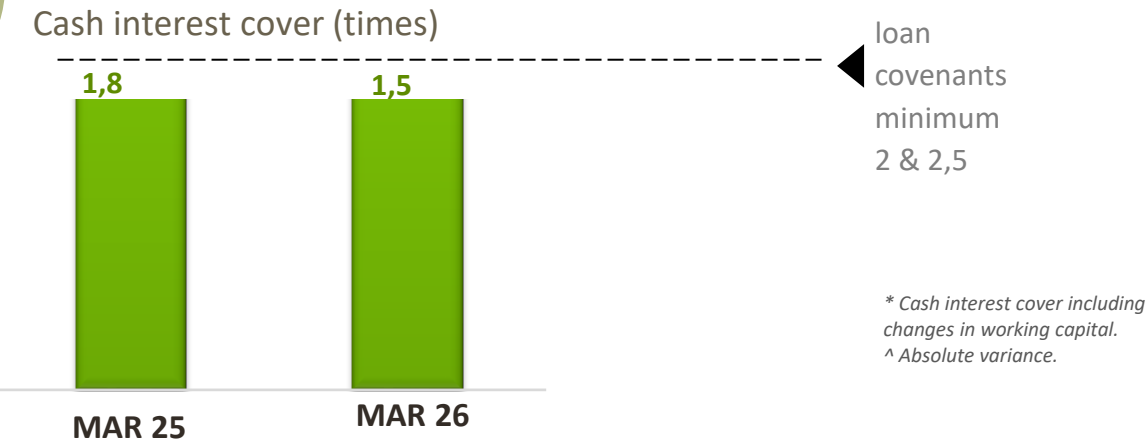
Gearing has **improved** slightly from the prior year, due mainly to the **increase in cash** and **the profit** for the year, partially offset by the increase in borrowings.

Credit Ratings

	Moody's	S&P Global
Foreign currency	Ba3/Stable Outlook	B+/ Stable Outlook
Local currency	Ba3/Stable Outlook	B+/ Stable Outlook
BCA/SACP	caa1	ccc+

Statement of cashflow 31 March 2026

Key Financial Indicator (Rm)	2026 R'm	2025 R'm
Cash flow from operating activities	8 499	13 761
Cash flow utilised in investing activities	(13 601)	(24 818)
Cash flow from financing activities	7 051	7 165
Net increase/(decrease) in cash and cash equivalents	1 949	(3 892)
Cash and cash equivalents at the beginning of the year	9 992	13 884
Cash and cash equivalents at the end of the year	11 941	9 992



CIC is below prior year due mainly to the Sasol and Total Energies claims and take or pay penalties settlement and the higher net finance costs.

Cash flow from operating activities is below prior year due to:

- The higher outflow from changes in working capital (trade payables payments, including the settlement of the Sasol and TotalEnergies claims and take or pay penalties),
- Higher finance costs, derivatives settled and tax paid;
- Offset by the higher cash generated from operations in line with increased volumes across the business.

Cash flow utilised in investing activities is below prior year due to:

- The cash injection from the disposal of interest in DGT; and
- Lower capital expenditure compared to prior year.

Cash flow from financing activities is slightly below prior year due to

- Higher borrowing payments (bonds and bank loans),
- Off-set partially offset by higher borrowings raised

Conclusion : The FY 2026 Financial performance marked a defining milestone in Transnet recovery trajectory ...



Operational stabilisation

Rail volumes and port performance improved owing to re-invent for growth strategy



Financial position strengthening

- Volume improvements resulting in improved revenue performance. This resulted in revenue increase of 7.1%
- Cost reduction continues to be a focus area
- Transnet reported a profit of R4.6bn for the year compared to a loss R1,9bn in 2025.

Even though high debt levels and high cost of debt remains a challenge, there is a focus and strategy to **reduce debt and the cost of debt** over the next five years in effort to improve **financial sustainability**



Asset Disposal

- DCT Pier 2 PSP implement in the year under review
- Transnet continues to leveraging alternative funding mechanism and partnerships



Capital Expenditure

- Financial sustainability remains essential to funding infrastructure renewal, to enable volume delivery
- Transnet spend of R23.3 bn is key in achieving future revenue growth,



BUSINESS PERFORMANCE OVERVIEW



FINANCIAL PERFORMANCE OVERVIEW



COMPLIANCE - PFMA

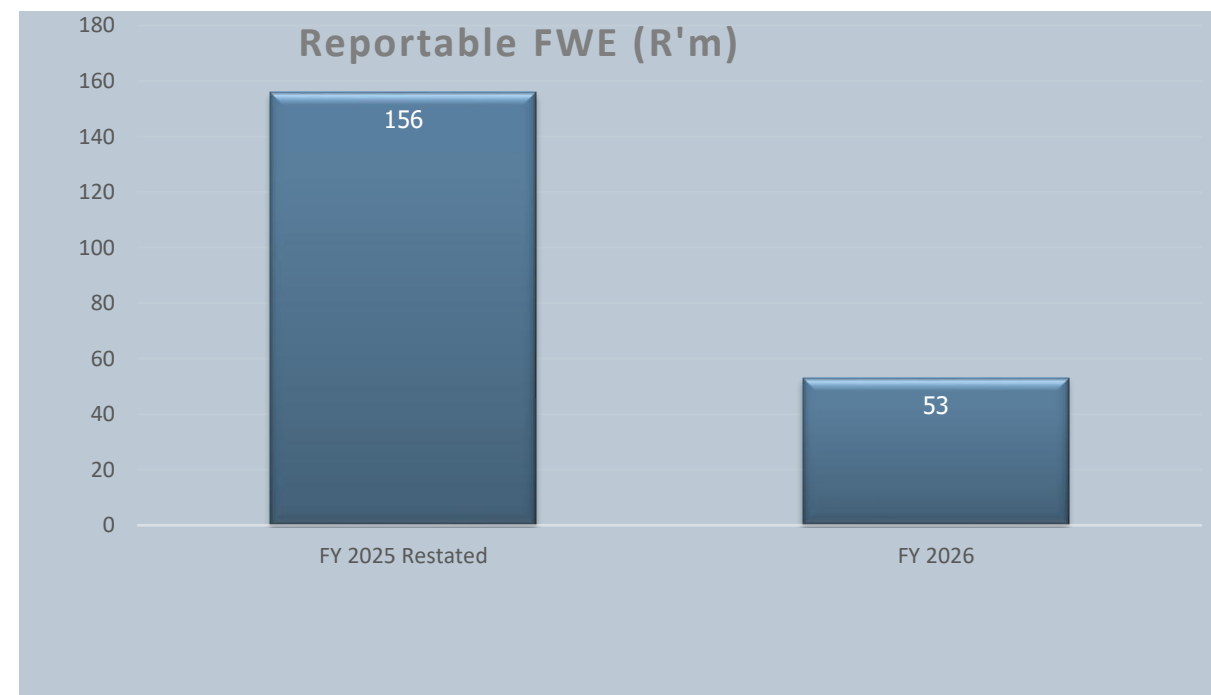
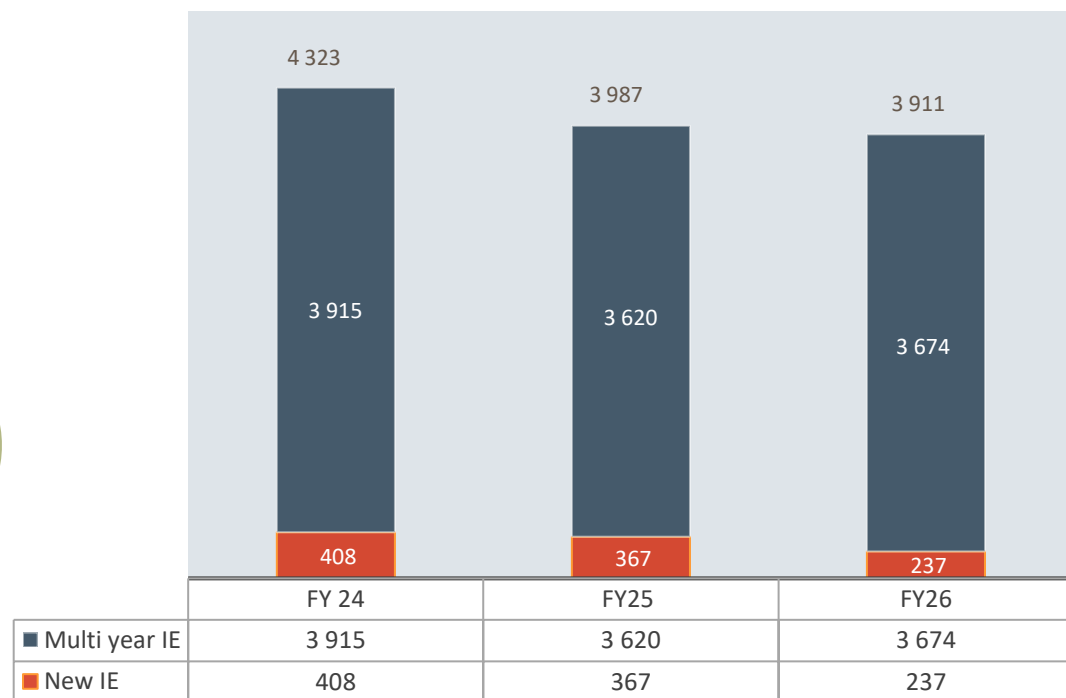
LOOKING FORWARD



COMPLIANCE - PFMA



PFMA: Summary of reported IFWE



The graph on the left illustrates the status of reported PFMA Irregular Expenditure (IE) non-compliances over the past three financial years. The reported IE shows a decreasing trend, declining from R4.3 billion in FY2023/24 to R3.9 billion in FY2025/26.

The graph on the right illustrates the status of reported PFMA Fruitless and Wasteful Expenditure (FWE) non-compliances over the past two financial years. Reported FWE decreased significantly from R156 million (restated) in FY2024/25 to R53 million in FY2025/26.



BUSINESS PERFORMANCE OVERVIEW

FINANCIAL PERFORMANCE OVERVIEW



COMPLIANCE - PFMA

LOOKING FORWARD



LOOKING FORWARD

▶ ADV. MICHELLE PHILLIPS



Tactical recovery has created a more stable operational platform

**Asset Reliability**

- Planned maintenance shutdowns
- Better rolling-stock deployment
- New port equipment and critical spares

**Integrated Operations**

- Closer coordination of maintenance and train operations
- Integrated marine, terminal, rail and landside planning

**Corridor Execution**

- Stronger corridor-level discipline
- Better use of available assets and network capacity

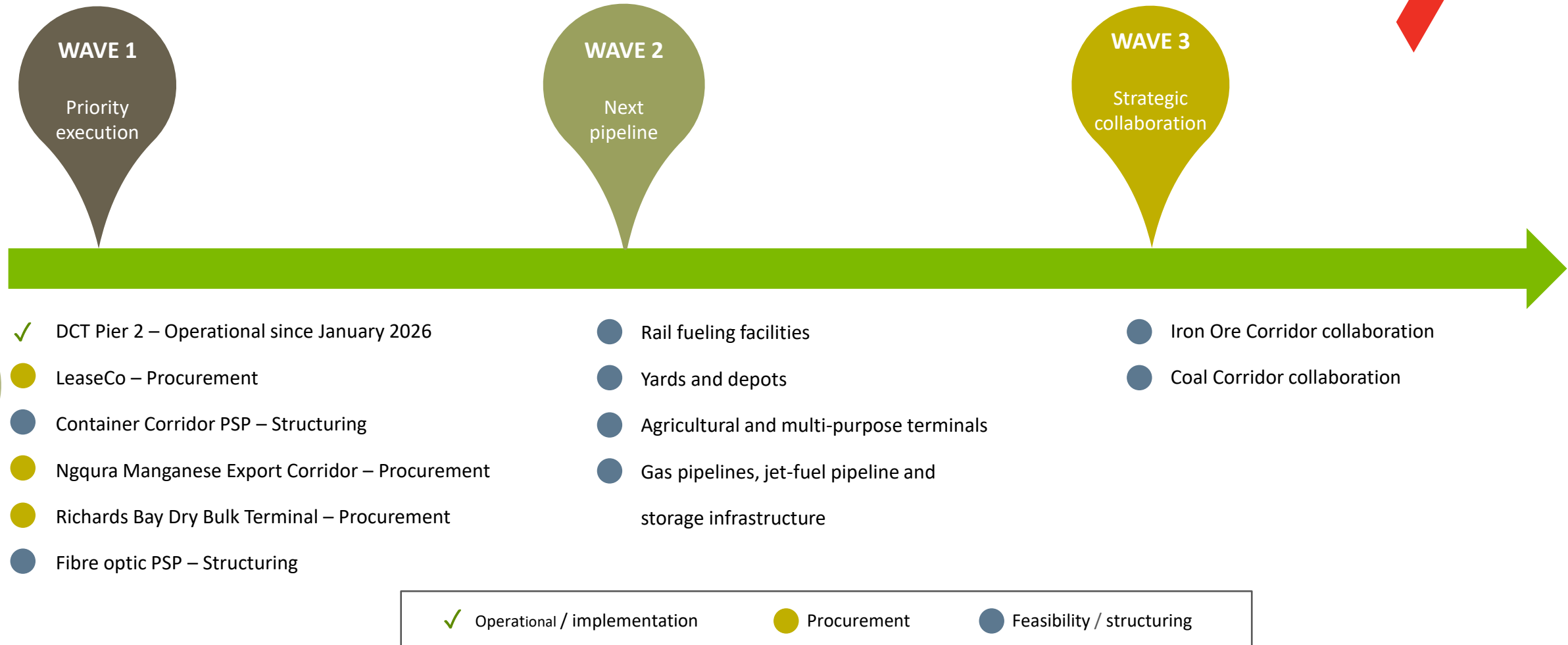
**Customer Collaboration**

- Joint planning with customers
- Closer cooperation with industry partners

A MORE STABLE OPERATIONAL PLATFORM

- Improved reliability
- More consistent service
- Volume recovery

A sequenced PSP portfolio is moving priority projects towards execution



Sequencing focuses delivery on projects closest to market while preparing the next growth opportunities

Approx. R129bn in capital investments prioritizing asset reliability and capacity creation will be deployed over the next 5 years

R115.9bn | 89.8%

Sustaining Capital

- Renew and rehabilitate assets
- Address maintenance backlogs
- Protect reliability and existing volumes

R129.1bn
FIVE-YEAR CAPITAL
PROGRAMME

R13.1bn | 10.2%

Expansion Capital

- Unlock targeted capacity
- Support strategic commodities
- Enable sustainable growth



R23.3bn
invested in 2025/26



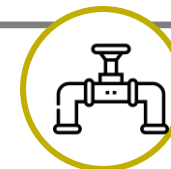
Rail

Permanent way,
locomotives and wagons



Ports

Facilities and end-of-life
handling equipment
Marine



Energy Infrastructure

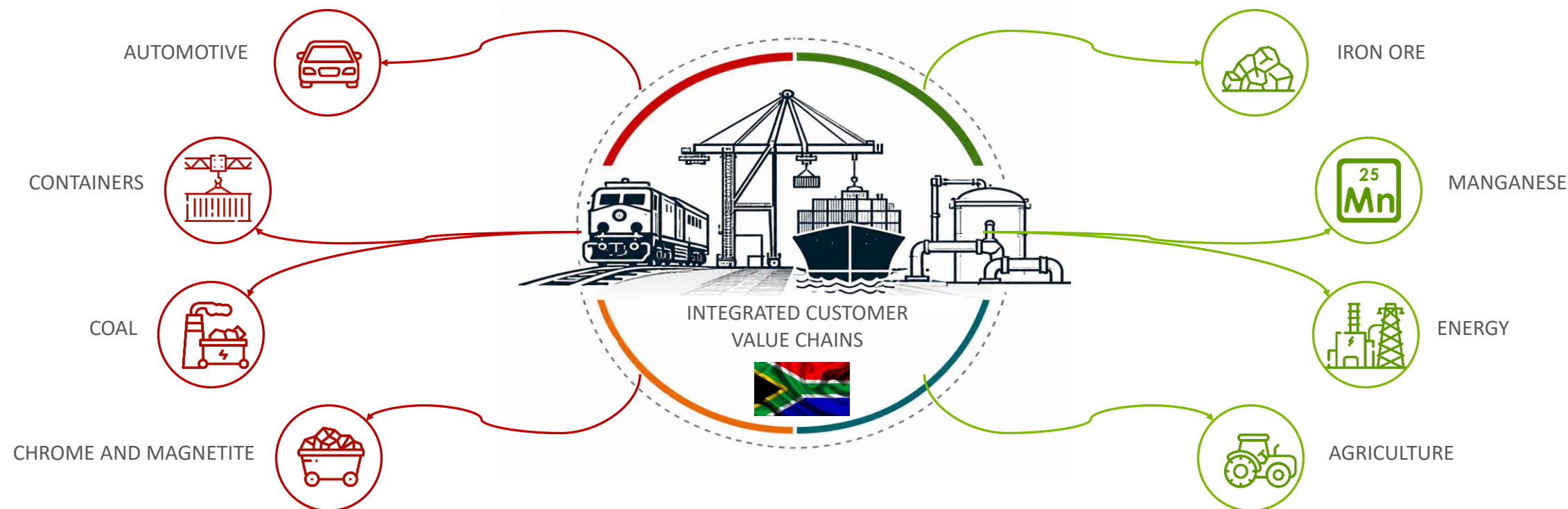
Pipelines, terminals
and storage assets

Investment is focused on renewing core infrastructure, improving reliability and enabling sustainable volume growth

Growth is being organised around enabling higher efficiencies across key customer value chains which will improve competitiveness of SA Inc



Eight priority market segments are central to South Africa's growth and competitiveness



Integrated planning

Differentiated solutions

Investment aligned to demand

Greater customer responsiveness

Customer supply chains — not transport modes — are the organising principle for planning and investment

Regional integration provides an additional growth platform



Domestic Logistics Platform



Integrated domestic freight platform connecting customers to regional and maritime gateways



Regional Corridors

- Integrated freight systems
- Over-border volumes and corridor throughput
- Port access for landlocked economies



Industrial Capability

- Rolling-stock and component exports
- Technical support services



Asset Solutions

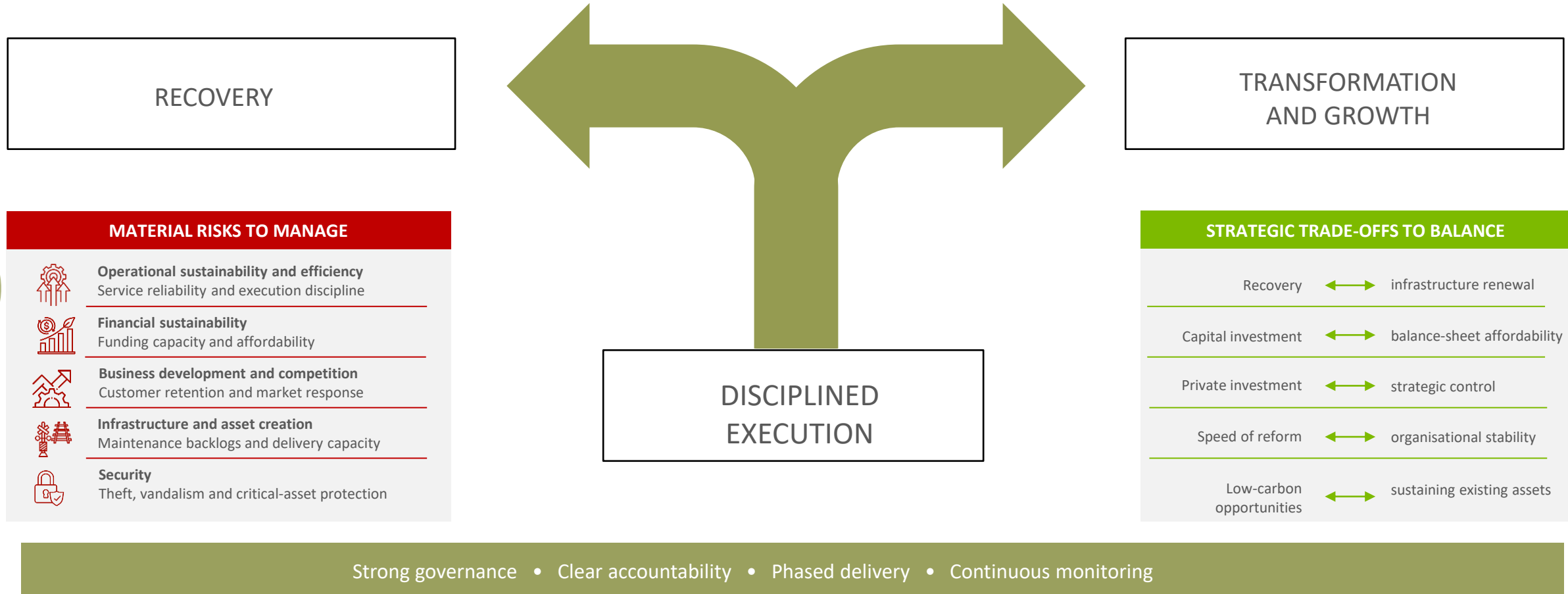
- Rolling stock leasing
- Related asset-management services

SELECTIVE • PARTNERSHIP-LED • COMMERCIALY DISCIPLINED

Regional expansion must complement – not dilute – domestic recovery

The next phase must address material execution risks and trade-offs

The challenge is to sequence reform and investment without destabilising the recovery

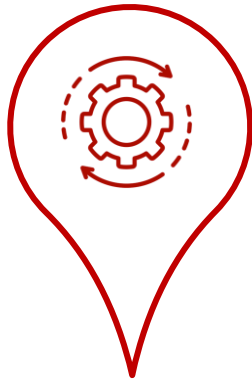


Transformation must accelerate – but in a way that protects operational continuity, affordability and strategic value

Transnet is moving from recovery to sustainable growth



The recovery is gaining momentum, and reform is now becoming operational



RECOVERY EMBEDDED

- Operational stability
- Volume momentum
- Improved reliability
- Reestablishment of trust



REFORM IN EXECUTION

- Open access
- Structural reform
- Optimised operating model and service delivery
- Partnership delivery



VALUE AT SCALE

- Reliable customer service
- Increased capacity
- Sustainable growth

2026/27
PRIORITY
Convert
progress into
measurable
value



Disciplined execution



Well-governed partnerships



The 2026/27 priority is to convert this progress into reliable customer service, increased capacity and sustainable growth through disciplined execution and well-governed partnerships



The focus shifts from establishing the platform to disciplined execution at scale



Sustain Recovery

- 1 Sustain rail-volume growth and improve port productivity
- 2 Improve rolling-stock, equipment and infrastructure reliability
- 3 Optimise DGT performance and realise PSP benefits



Accelerate Transformation

- 4 Advance LeaseCo, Container Corridor PSP and other Wave 1 transactions
- 5 Deepen open-access rail implementation and progress TNPA corporatisation
- 6 the redesigned operating model and strengthen implementation accountability



Build New Capability And Growth

- 7 Institutionalise PSP lifecycle management capability
- 8 Strengthen safety, security and stakeholder confidence
- 9 Advance segment-led and commercially disciplined regional growth

2026/27
Execution Agenda

Reliable Service • Increased Capacity • Sustainable Growth

Disciplined execution and well-governed partnerships will convert progress into measurable value



01

Recovery is gaining traction

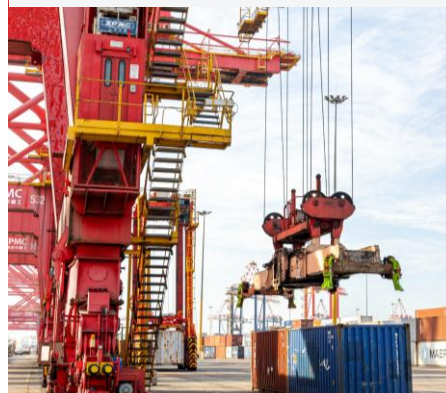
Higher volumes and revenue demonstrate measurable progress.



02

Financial performance has improved

A return to reported profitability marks an important step forward.



03

Investment in the network continues

R23.3bn invested to support reliability and future capacity.



04

The work is not complete

Cost, debt, reliability, security and governance remain priorities.



05

Execution defines the next phase

The focus now shifts to disciplined execution at scale.





THE PROGRESS IS
MEASURABLE.

NOW, THE IMPACT
MUST BE FELT.

WHEN TRANSNET WORKS,
SOUTH AFRICA THRIVES.





THANK YOU

