APPLICABLE PRICING SUPPLEMENT

TRANSNET SOC LTD

(Incorporated in the Republic of South Africa with limited liability under registration number 1990/000900/30)

Issue of ZAR2,500,000,000 Senior Unsecured 9.84% Fixed Rate Notes due 12 November 2035

irrevocably and unconditionally guaranteed by

THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA

Under its ZAR80,000,000,000 Domestic Medium Term Note Programme

This Applicable Pricing Supplement must be read in conjunction with the amended and restated Programme Memorandum, dated 17 October 2022, prepared by Transnet SOC Ltd in connection with the Transnet SOC Ltd ZAR80,000,000,000 Domestic Medium Term Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*".

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the terms and conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

	PARTIES	
1.	Issuer	Transnet SOC Ltd
2.	Guarantor	The Government of the Republic of South Africa
3.	Dealer(s)	(a) The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division (**SBSA**) (b) Absa Bank Limited, acting through its Corporate and Investment Banking division (**ABSA**)
	Registered Office	(a) 30 Baker Street, Rosebank, Johannesburg, 2196, South Africa, in respect of SBSA (b) 15 Alice Lane, Sandton, 2196, in respect of ABSA
4.	Manager(s)	N/A
	Registered Office	N/A
5.	Debt Sponsor	Absa Bank Limited, acting through its Corporate and Investment Banking division
	Registered Office	15 Alice Lane, Sandton, 2196

6.	Paying Agent	The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division
	Specified Office	30 Baker Street, Rosebank, Johannesburg, 2196, South Africa
7.	Settlement Agent	The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division
	Specified Office	30 Baker Street, Rosebank, Johannesburg, 2196, South Africa
8.	Calculation Agent	Transnet SOC Ltd
	Specified Office	138 Eloff Street, Braamfontein, Johannesburg, 2000
9.	Transfer Agent	Transnet SOC Ltd
	Specified Office	138 Eloff Street, Braamfontein, Johannesburg, 2000
10.	Issuer Agent	Transnet SOC Ltd
	Specified Office	138 Eloff Street, Braamfontein, Johannesburg, 2000
	PROVISIONS RELATING TO THE NOTES	
11.	Status of Notes	Senior Unsecured Guaranteed by The Government of the Republic South Africa
12.	Form of Notes	The Notes in this Tranche are listed Notes in uncertificated form and held in the CSD
13.	Series Number	156
14.	Tranche Number	1
15.	Aggregate Nominal Amount:	
	(a) Series	ZAR2,500,000,000
	(b) Tranche	ZAR2,500,000,000
16.	Interest	Interest-bearing
17.	Interest Payment Basis	Fixed Rate
18.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
19.	Issue Date	12 November 2025
20.	Nominal Amount per Note	ZAR1,000,000
21.	Specified Denomination	ZAR1,000,000
22.	Specified Currency	ZAR
23.	Issue Price	100%
24.	First Interest Commencement Date	12 November 2025
25.	Maturity Date	12 November 2035
26.	Applicable Business Day Convention	Following Business Day

27.	Final Redemption Amount	100% of Aggregate Nominal Amount
28.	Last Day to Register	By 17h00 on 6 May and 6 November of each year until the Maturity Date, or if such day is not a Business Day, the Business Day before each Books Closed Period
29.	Books Closed Period(s)	The Register will be closed from 7 May to 11 May and from 7 November to 11 November (all dates inclusive) in each year until the Maturity Date, or if any early redemption occurs, 5 Days prior to the actual Redemption Date
30.	Default Rate	2% (two percent) above the Fixed Rate of Interest
	FIXED RATE NOTES	
	(a) Fixed Rate of Interest	9.84 percent per annum payable semi-annually
	(b) Fixed Interest Payment Date(s)	12 May and 12 November of each year until the Maturity Date, or, if such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention (as specified in this Applicable Pricing Supplement) with the first Fixed Interest Payment Date being 12 May 2026, or, if such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention
	(c) Fixed Coupon Amount(s)	N/A
	(d) Initial Broken Amount	N/A
	(e) Final Broken Amount	N/A
	(f) Interest Period(s)	Each period from, and including, the applicable Fixed Interest Payment Date and ending on, but excluding, the following Fixed Interest Payment Date, the first Interest Period commences on the First Interest Commencement Date and ends on (but excludes) the first Fixed Interest Payment Date (each Fixed Interest Payment Date is adjusted in accordance with the Applicable Business Day Convention)
	(g) Interest Determination Date(s)	6 November 2025
	(h) Day Count Fraction	30/360
	(i) Any other terms relating to the method of calculating interest	N/A
	FLOATING RATE NOTES	N/A
	ZERO COUPON NOTES	N/A
	PARTLY PAID NOTES	N/A
	INSTALMENT NOTES	N/A
	MIXED RATE NOTES	N/A
	INDEX-LINKED NOTES	N/A
	DUAL CURRENCY NOTES	N/A

	EXCHANGEABLE NOTES	N/A
	OTHER NOTES	N/A
	PROVISIONS REGARDING REDEMPTION/MATURITY	
31.	Redemption at the Option of the Issuer pursuant to Condition 10.3 (*Redemption at the Option of the Issuer*):	No
32.	Redemption at the Option of the Senior Noteholders pursuant to Condition 10.4 (*Redemption at the Option of the Senior Noteholders*):	No
33.	Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required by the Senior Noteholders).	Yes
34.	Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 10.5 (*Redemption in the event of a Change of Control*) or any other terms applicable to a Change of Control	Yes
35.	Redemption in the event of a Change of Principal Business pursuant to Condition 10.6 (*Redemption in the event of a Change of Principal Business*)	Yes
36.	Early Redemption Amount(s) payable on the redemption for taxation reasons pursuant to Condition 10.2 (*Redemption for Tax Reasons*), on Event of Default pursuant to Condition 17 (*Events of Default*), on a Change of Control pursuant to Condition 10.5 (*Redemption in the event of Change of Control*) or in relation to the an event of a Change of Principal Business pursuant to Condition 10.6 (*Redemption in the event of a Change of Principal Business*) (if required or if different from that set out in the relevant Conditions)	N/A
	GENERAL	
37.	Financial Exchange	Interest Rate Market of the JSE
38.	Additional selling restrictions	N/A
39.	ISIN No.	ZAG000220666
40.	Stock Code	TNG35
41.	Method of distribution	Dutch Auction
42.	Stabilising Manager	N/A

43.	Provisions relating to stabilisation	N/A
44.	Credit Rating assigned to the Issuer	National Scale Rating: Moody's A1.za / P-1.za as at 07 August 2025 S&P zaA/zaA-1 as at 11 July 2025
45.	Applicable Rating Agency	Moody's Investors Service Inc. and S&P Global Ratings – bond programme only rated by Moody's
46.	Governing law (if the laws of South Africa are not applicable)	N/A
47.	Other provisions	See Appendix 1 headed "*Additional Terms and Conditions to this tranche of Notes*" See Appendix 2 headed "*Government Guarantee*" See Appendix 3 headed "*Description of the Guarantor: The Government of the Republic of South Africa*"

DISCLOSURE IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS IN RELATION TO THIS ISSUE OF NOTES

48. **Paragraph 3(5)(a)**

The "ultimate borrower" (as defined in the Commercial Paper Regulations) is the Issuer.

49. **Paragraph 3(5)(b)**

As disclosed in Note 39 of the Annual Financial Statements for the year ended 31 March 2025, 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 in the above-mentioned note. The directors will continue to manage these mitigation strategies as a priority as it is important that they materialise as envisaged. The directors after carefully considering the progress and conclusion of the recovery plan, the objectives of the reinvent for growth strategy and the financial support from the government, through the provision of guarantees, still believes that the Transnet Group will continue to have access to adequate resources and facilities to be able to continue its operations and fund the capital investment programme for the foreseeable future. However, as at the Issue Date, the Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

50. **Paragraph 3(5)(c)**

The auditor of the Issuer is The Auditor General of South Africa.

51. **Paragraph 3(5)(d)**

As at the date of this issue:

(i) the Issuer has issued the following Commerical Paper (as defined in the Commercial Paper Regulations) (excluding this issue and each other issuance of Notes, issuing on the same Issue Date):

- ZAR64,642,220,000 Notes/Commercial Paper under its Programme (ZAR40,000,000,000.00 of such Notes/Commercial Paper being guaranteed by the Government);
- ZAR900,000,000 Notes/Commercial Paper under its Programme which are held by the Issuer to facilitate short term repurchase transactions under the Programme;
- ZAR3,500,000,000 Notes under its Euro Medium Term Note Programme (Guaranteed by Government); and
- ZAR17,292,750,000 under its Global Medium Term Note Programme; and

(ii) the Issuer estimates that it will issue ZAR10,149,000,000 Commercial Paper (including this issue and each other issuance of Notes, issuing on the same Issue Date) during the current financial year, ending on 31 March 2026.

52. **Paragraph 3(5)(e)**

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.

The Issuer's latest financial and commercial risks are contained in its latest annual financial statements for the year ended 31 March 2025 which can be accessed on the following link: https://www.transnet.net/RenderPage.aspx?id=24923733**.**

A summary of the financial and commercial risks are highlighted below:

- The Issuer incurred a net loss of R1,9 billion for the period ended 31 March 2025 (2024 : R7,3 billion) and reported a net current liability position of R65,2 billion for the period ended 31 March 2025 (2024: R62,4 billion).
- For the period ended 31 March 2025, the Issuer achieved a cash interest cover (**CIC**) of 1,8 times (2024: 1,9 times). Several loans require the Issuer to maintain a CIC

covenant at a minimum of 2,5 times and 2,0 times on 31 March and 30 September of each financial year. The Issuer secured waivers from lenders impacted by the CIC covenant breach of 31 March 2025.

- The Issuer 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.
- The total borrowings and finance costs significantly increased during the year due to the Issuer obtaining additional debt which puts pressure on Transnet Group's cash flows.
- The Issuer 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 the Issuer. 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 R47 billion Guarantee Support Framework Agreement (**GSFA**) provided that the Issuer 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 the Issuer.
- 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. The GSFA requires the split and establishment of TRIM as a wholly owned subsidiary of the Issuer by 30 September 2025. Transnet is engaging the Department of Transport and National Treasury on the postponement of incorporation to 2026.
- The directors take note of the United States of America (**US**) announcement on 7 July 2025 of a 30% tariff on South African imports into the US, and will continue to track and assess the potential impact of such on the Issuer's operations, including the potential mitigation options available to the organisation. The expected impact on the issuers operations at this stage is unknown.
- Litigations - The Issuer is a defendant in a litigation with Total Energies Marketing South Africa (**Total**) and Sasol Oil (Pty) Ltd (**Sasol**). The public entity was ordered to pay over R6,0 billion flowing from an alleged breach of a 1991 contract, as it is alleged that the Issuer overcharged the plaintiffs for the transportation of crude oil through its pipeline system by not correctly using an agreed formula to determine tariff or price for such transportation. A provision to the value of R9,3 billion was made in the financial statements, which considered the claim, interest and legal fees as estimated.
- On 30 June 2025 the Issuer made a payment to Sasol of R4,3 billion (excluding VAT) in full and final settlement of all the ongoing legal disputes.
- On 15 July 2025 the Issuer made a payment to Total of R1,2 billion (excluding VAT) in full and final settlement of all the ongoing legal disputes.
- The Issuer’s board has developed mitigation strategies and actions to address the challenges that the Transnet Group is experiencing as disclosed in Note 39 of the annual financial statements for the year ended 31 March 2025.

53. **Paragraph 3(5)(f)**

The Issuer confirms that since the date of its last audited financial statements for the year ended 31 March 2025:

- On 10 July 2025 S&P Global and subsequently on 07 August 2025 Moody's Investors Service downgraded the Issuer's credit ratings. The ratings downgrades impacted 14 (fourteen) loans with a total outstanding capital balance of R34.5 billion. As a result, the lenders had rights to call for prepayment of loans, margin increases, guarantees and remedial plans. An event of default was triggered on one loan which was subsequently waived by the particular lender.
- On 25 July 2025, the Government announced its decision to approve an additional guarantee facility of R94,8 billion of which R46,2 billion which was to be utilised by the Issuer to mitigate the risk of credit rating downgrades on its debt. The Issuer had recent breaches of the CIC loan covenant which continue to pose default risk on its debt portfolio. The Issuer subsequently initiated negotiations with all lenders whose loans contain credit ratings and financial covenants with the aim to restructure these loans in view of the availability of R46,2 billion guarantee facility. The negotiations are currently underway.
- The Issuer projects that CIC will remain below 2.5 times loan covenant level on 30 September 2025 (to be reported) and 31 March 2026, respectively based on the 2025/26 Corporate Plan.
- Other than stated above, no material adverse change has occurred since the date of its last audited financial statements.

54. **Paragraph 3(5)(g)**

The Notes issued will be listed.

55. **Paragraph 3(5)(h)**

The funds to be raised through the issue of the Notes are to be used by the Issuer for its general corporate purposes.

56. **Paragraph 3(5)(i)**

The payment obligations of the Issuer in respect of the Notes are unsecured but are guaranteed by The Government of the Republic of South Africa.

57. **Paragraph 3(5)(j)**

The Auditor General of South Africa, the statutory auditor of the Issuer, has confirmed that nothing came to its attention to indicate that the issue of Notes under the Programme does not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

Responsibility:

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum or this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the Programme Memorandum together with this Applicable Pricing Supplement contain all information required by law and the JSE's Debt and Specialist Securities Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement, and the annual financial statements and/or the integrated report of the Issuer and all documents incorporated by reference (see the section of the Programme Memorandum headed "*Documents Incorporated by Reference*") and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

The JSE takes no responsibility for the contents of the Programme Memorandum, the published integrated annual reports, which include the published audited annual financial statements and this Applicable Pricing Supplement of the Issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Programme Memorandum, the published integrated annual reports, which include the published audited annual financial statements and this Applicable Pricing Supplement of the Issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Programme Memorandum and listing of the Notes is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

Programme Amount:

As at the date of this Applicable Pricing Supplement, the Issuer confirms that the authorised Programme Amount of ZAR80,000,000,000 has not been exceeded.

Material Change:

As at the date of this Applicable Pricing Supplement, and after due and careful enquiry, and subject to any disclosure contained above and the Annual Financial Statements, there has been no material change in the financial or trading position of the Issuer since the date of publication of the Issuer's latest Annual Financial Statements. As at the date of this Applicable Pricing Supplement, there has been no involvement by The Auditor General of South Africa in making the aforementioned statement.

Listing:

Application is hereby made to list this issue of Notes on 12 November 2025 on the JSE.

SIGNED at **JOHANNESBURG** on this **07TH** day of N**OVEMBER** 2025.

For and on behalf of
TRANSNET SOC LTD

Name: M Phillips
Capacity: Director
Who warrants their authority hereto

Name: N. Maphumulo
Capacity: Director
Who warrants their authority hereto

APPENDIX 1
Additional Terms and Conditions to this Tranche of Notes

Capitalised terms used in this section headed "Additional Terms and Conditions" shall bear the same meanings as used in the Government Guarantee, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

1. **GUARANTEE**

1.1 The obligations of the Issuer to each Noteholder under this Tranche of TNG35 Notes (the **Notes**) are directly guaranteed by The Government of the Republic of South Africa (the **Guarantor**) pursuant to the guarantee annexed as Appendix 2 hereto (the **Government Guarantee**) who irrevocably and unconditionally guarantees, in favour of each Noteholder, the obligations which the Issuer may now have or have incurred or in the future may incur to each Noteholder.

1.2 The Guarantor is required to make any payment under the Government Guarantee by no later than 30 (thirty) Business Days after receipt of a written demand by a Noteholder under and in terms of the Government Guarantee and the Terms and Conditions. All payments under the Government Guarantee to a Noteholder will *pro tanto* discharge the Issuer of its corresponding obligations to the Noteholders under the Notes.

1.3 The Issuer hereby undertakes to ensure that, following this issuance, the aggregate principal number of Notes guaranteed under the Government Guarantee shall not exceed ZAR20,000,000,000, as stipulated in the Government Guarantee. As of the Issue Date, such Notes (which specifically reference the Government Guarantee) (including all Notes to be issued on the Issue Date) are guaranteed under the Government Guarantee.

1.4 The Government Guarantee will be deposited with, and held by, the Paying Agent until the later of:

1.4.1 the date on which the Programme is terminated by the Issuer; and

1.4.2 the date on which all the obligations of the Issuer and the Guarantor under or in respect of the Notes have been discharged in full,

and each Noteholder of these Notes shall be entitled to require the Paying Agent to produce the original of the Government Guarantee on request and further shall be entitled to require the Paying Agent, which shall be obliged, to provide a copy of the Government Guarantee to that Noteholder on request. In holding the Government Guarantee, the Paying Agent does not act in any fiduciary or similar capacity for the Noteholders and it has not accepted any liability, duty or responsibility to Noteholders in this regard.

1.5 No amendment, modification or variation or consensual cancellation of the Government Guarantee or any provision or term thereof, unless of a technical nature, to correct a manifest error or to comply with mandatory provisions of law, shall be binding unless approved by Extraordinary Resolution or Extraordinary Written Resolution of Noteholders or with the prior written approval of Noteholders or the relevant Class of Noteholders, as the case may be, holding not less than 66.67% (sixty-six point six-seven percent) in the Nominal Amount of the Notes Outstanding from time to time and thereafter recorded in a written document signed by the Guarantor. Any waiver or relaxation or suspension given or made shall be strictly construed as relating strictly to the matter in respect whereof it was made or given.

1.6 The Issuer will, for as long as any of the Notes remains Outstanding, provide at the registered office of the Issuer as set out at the end of the Programme Memorandum, without charge, to any Person, upon request of such Person, a copy of all of the Government Guarantee which is attached hereto as Appendix 2, unless the Government Guarantee has been modified or superseded, in which case the modified or superseding Government Guarantee will be provided. Requests for such Government Guarantee should be directed to the debt officer of the Issuer in writing at the Issuer's registered office as set out at the end of the Programme

Memorandum. In addition, the Government Guarantee will be available on Issuer’s website at: https://www.transnet.net/InvestorRelations/Pages/DMTN.aspx

APPENDIX 2
Government Guarantee

APPENDIX 3
Description of the Guarantor: The Government of the Republic of South Africa

Capitalised terms used in this section headed "Description of The Government of the Republic of South Africa" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

1. THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA

1.1 **Address:**

240 Madiba Street
Pretoria
0002
South Africa

1.2 **General Business:**

All information pertaining to the description of the Guarantor's business activities which is disclosed in the section headed "*Overview of the Issuer*" in the Guarantor's Programme Memorandum dated 9 September 2019 (the **Guarantor Programme Memorandum**) is incorporated by reference and is available on the Guarantor's website at: https://www.google.com/url?client=internal-element-cse&cx=018115738860957273853:j5zowsrmpli&q=https://investor.treasury.gov.za/Auction%2520Information/RSA%2520DMTN.pdf&sa=U&ved=2ahUKEwj18drqwc2EAxUbU6QEHeGrBUkQFnoECAQQAQ&usg=AOvVaw2dKC3aNPaIN2Sno3hz10ME

1.3 **National Treasury:**

The Director- General of National Treasury: Dr Duncan Pieterse

1.4 **Litigation:**

As at the Programme Date (as defined in the Guarantor Programme Memorandum), the Guarantor is not and has not been involved in any legal or arbitration proceedings, including any proceedings that are pending or threatened, of which the Guarantor is aware, during the period of the twelve months preceding the Programme Date, which has had or may have a material effect on the Guarantor's financial position.