
APPLICABLE PRICING SUPPLEMENT



TRANSNET SOC LTD

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

Issue of ZAR520,000,000 Senior Unsecured Zero Coupon Notes due 23 June 2027

Under its ZAR80,000,000,000 Domestic Medium Term Note and Commercial Paper Programme.

This Applicable Pricing Supplement must be read in conjunction with the 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 and Commercial Paper 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. | Dealers | Transnet SOC Ltd |
| 3. | Registered Office | 96 Rissik Street, Braamfontein, Johannesburg, 2017 |
| 4. | Managers | 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 |

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| 8. | Calculation Agent | Transnet SOC Ltd |
| | Specified Office | 96 Rissik Street, Braamfontein, Johannesburg, 2017 |
| 9. | Transfer Agent | Transnet SOC Ltd |
| | Specified Office | 96 Rissik Street, Braamfontein, Johannesburg, 2017 |
| 10. | Issuer Agent | Transnet SOC Ltd |
| | Specified Office | 96 Rissik Street, Braamfontein, Johannesburg, 2017 |

PROVISIONS RELATING TO THE NOTES

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|-----|---|--|
| 11. | Status of Notes | Senior Unsecured. |
| 12. | Form of Notes | The Notes in this Tranche are listed Notes in uncertificated form and held in the CSD |
| 13. | Series Number | 235 |
| 14. | Tranche Number | 1 |
| 15. | Aggregate Nominal Amount: | ZAR520,000,000 |
| 16. | Interest | 0% |
| 17. | Interest Payment Basis | Zero Coupon |
| 18. | Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another | N/A |
| 19. | Issue Date | 24 June 2026 |
| 20. | Nominal Amount per Note | ZAR1,000,000 |
| 21. | Specified Denomination | ZAR1,000,000 |
| 22. | Specified Currency | ZAR |
| 23. | Issue Price | 92.369958 |
| 24. | First Interest Commencement Date | 24 June 2026 |
| 25. | Maturity Date | 23 June 2027 |
| 26. | Applicable Business Day Convention | Following Business Day |
| 27. | Final Redemption Amount | 100% of Nominal Amount |
| 28. | Last Day to Register | By 17h00 on 17 June 2027 which shall mean that the Register will be closed from last Day to Register to the Maturity Date. |
| 29. | Books Closed Period(s) | The Register will be closed from 18 June 2027 (Date inclusive) to Maturity Date |
| 30. | Default Rate | N/A |
| | FIXED RATE NOTES | N/A |

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|---|---------------------------------|
| FLOATING RATE NOTES | N/A |
| ZERO COUPON NOTES | |
| 31. (a) Yield | 8.283% |
| (b) Any other formula or basis for determining amount(s) payable | 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 | |
| 32. Redemption at the Option of the Issuer: | No |
| 33. Redemption at the Option of the Senior Noteholders | No |
| 34. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required). | Yes |
| 35. Redemption in the event of a Change of Control | Yes |
| 36. Redemption in the event of a Change of Principal Business | Yes |
| GENERAL | |
| 37. Financial Exchange | Interest Rate Market of the JSE |
| 38. Additional selling restrictions | N/A |
| 39. ISIN No. | ZAG000226028 |
| 40. Stock Code | TSP273 |
| 41. Method of distribution | Private Placement |

- | | | |
|-----|--------------------------------------|---|
| 42. | 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 24 November 2025 |
| 43. | Material Change Statement | As at the date of this Applicable Pricing Supplement, and after due and careful enquiry, 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 interim 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. |
| 44. | Applicable Rating Agency | Moody's Investors Service Inc. and S&P Global Ratings – bond programme only rated by Moody's |

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS

45. Paragraph 3(5)(a)
The "*ultimate borrower*" (as defined in the Commercial Paper Regulations) is the Issuer.
46. Paragraph 3(5)(b)
The directors, after performing the assessment and considering all associated risks, 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.
47. Paragraph 3(5)(c)
The auditor of the Issuer is The Auditor General of South Africa.
48. Paragraph 3(5)(d)
As at the Issue Date:
- (i) the Issuer has issued the following Commercial Paper (as defined in the Commercial Paper Regulations) (excluding this issue and each other issuance of Notes, issuing on the same Issue Date):
- ZAR65,147,220,000 Notes under its Programme;
 - ZAR900,000,000 Notes 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; and
 - ZAR16,551,800,000 under its Global Medium Term Note Programme; and
- (ii) the Issuer estimates that it will issue ZAR6,557,000,000 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 2027.

49. 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 half-year financial statements for the half-year ended 30 September 2025 which can be accessed on the following link: <https://www.transnet.net/RenderPage.aspx?id=24939720>

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

- The Issuer incurred a net loss of R1,8 billion for the period ended 30 September 2025 (2024 : R2,2 billion) and reported a net current liability position of R47,3 billion for the period ended 30 September 2025 (2024: R69,6 billion).
- For the period ended 30 September 2025, the Issuer achieved a cash interest cover (CIC) of 1,5 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 all lenders impacted by the CIC covenant breach of 30 September 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 Issuer continues to show sustained improvements and volume performance has been on an upward trajectory since the 2024 financial year.
- The total borrowings and finance costs significantly increased during the year due to the Issuer obtaining additional debt which puts pressure on the 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 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.
- Litigations - The Issuer is a defendant in a litigation with Total Energies Marketing

South Africa and Sasol Oil (Pty) Ltd. 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 Transnet made a payment to Sasol Oil 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 Transnet Group is experiencing as disclosed in Note 39 of the annual financial statements for the year ended 31 March 2025.
- The Issuer and Nedbank Group agreed to a commercial settlement of their ongoing litigation where Nedbank has agreed to pay and have settled an amount of R600 million. Nedbank's payment to the Issuer is made without admission of liability and in full and final settlement of the dispute.
- In December 2025, the Issuer and the world's largest independent terminal operator, International Container Terminal Services, Inc (ICTSI), entered into a 25-year partnership agreement for the strategic Durban Container Terminal (DCT) Pier 2. In terms of the agreement, the issuer holds a majority shareholding in a new special purpose vehicle, Newco, while ICTSI will be responsible for operation of the terminal. ICTSI has an excellent track record across the globe in improving the performance, service and efficiency of ports.
- The directors take note of the geopolitical impact of the conflict in the Middle East and will continue to track and assess the potential impact of such on the Issuer's operations, disruptions in global energy markets, global inflation, growth, supply chain disruptions and rising costs including the potential mitigation options available to the organisation.

50. Paragraph 3(5)(f)

- The Issuer confirms that since the date of its last audited financial statements for the year ended 31 March 2025, for the half-year reporting period ended 30 September 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 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 31 March 2026 (to be reported).
- Other than stated above, no material adverse change has occurred since the date of its last audited financial statements.

51. Paragraph 3(5)(g)

The Notes issued will be listed.

52. Paragraph 3(5)(h)

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

53. 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.

54. Paragraph 3(5)(j)

The Auditor General of South Africa, the statutory auditor of the Issuer, confirmed in the last review of the Programme dated 07 November 2025 that nothing came to its attention to indicate that the issue of the 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 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, 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 interim 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.

SIGNED at Johannesburg on this 22nd day of June 2026.

For and on behalf of **TRANSNET SOC LTD**


pp _____
Name: M. PHILLIPS
Capacity: DIRECTOR
who warrants his/her authority hereto


[Nosipho Maphumulo \(Jun 19, 2026 15:54:49 GMT+2\)](#)

Name: N. MAPHUMULO
Capacity: DIRECTOR
who warrants his/her authority hereto