TRANSNET

CITRUS GROWERS' ASSOCIATION SUMMIT 2025:

TRANSNET’S PLANS FOR INVESTMENT INTO LOGISTICS INFRASTRUCTURE & THE CITRUS INDUSTRY

Presentation by: Adv Michelle Phillips, Group Chief Executive

13 March 2025

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Transnet is the custodian of the country’s key network and transportation systems, and it plays a key role in South Africa’s competitiveness

TRANSNET

TRANSNET RAIL INFRASTRUCTURE MANAGER

- Delivers a reliable, safe, intelligent, and resilient rail network
- Manages 30,400 km of track with varied axle capacities, infrastructure, and systems for electric and diesel operations
- Enables access for private train operators.

Rail network provider along key corridors throughout South Africa

TRANSNET RAIL OPERATING COMPANY

- Provides reliable, safe, and efficient rail services across the network
- Maintains a diverse fleet for freight, including containers and bulk commodities like coal and iron ore
- Operates the luxury Blue Train
- Offers rural healthcare via Phelophepa trains.

Rail operations across various rail corridors of the rail network in South Africa

TRANSNET ENGINEERING

- Expertise in research, design, manufacturing, and maintenance of rolling stock, including locomotives, wagons, and coaches
- Africa's leading OEM specializing in wagon production

Bloemfontein, Durban, Germiston, Koedoespoort, Salt River and Uitenhage

TRANSNET NATIONAL PORTS AUTHORITY

- Acts as ports landlord, ensuring secure, efficient, and economic operations of the national ports system
- Maintains port infrastructure, regulates land use, and facilitates vessel navigation across South African ports and coastlines

Saldanha, Cape Town, Mossel Bay, Port Elizabeth, Ngqura, East London, Durban and Richards Bay

TRANSNET PORT TERMINALS

- Operates 16 cargo terminals with 68 berths across seven ports along the South African coastline
- Enables efficient flow of imports, exports and transshipments for economic connectivity with regional and international trade partners

Saldanha, Cape Town, Port Elizabeth, Ngqura, East London, Durban and Richards Bay

TRANSNET PIPELINES

- Southern Africa's largest multi-product pipeline operator, handling 3,800 km pipeline infra-structure transporting liquid petroleum and methane-rich gas
- Delivers > 70% of all refined products to inland markets to ensure uninterrupted supply of goods to all sectors of economy

Durban and Johannesburg

TRANSNET PROPERTY

- Manages total assets of R8,5 billion, incl. commercial & residential properties comprising offices, warehouses and retail buildings, and vacant land
- Offers specialised real estate services in asset management, property development, and management

Property portfolio across South Africa

Transnet's Core Mandate

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

- **Improve Competitiveness of SA's Freight System**
- **Collaborate with the Private Sector**
- **Financial Sustainability**
- **Practice Good Governance**
- **Grow Market Share**

Source: Transnet SOC Ltd, 2025

Transnet recognises that it plays a critical role in the needs of the citrus sector to reduce sustainability risks and increase the viability of production/exports

GROWING THE SECTOR

SECTOR CHALLENGES & REQUIREMENTS

ROAD
- Delays due to road conditions
- Spoilage risks and Insufficient cold chain logistics

RAIL
- Limited rail network coverage, outdated infrastructure, fit-for-purpose rolling stock capacity, scheduling inefficiencies

PORTS
- Port inefficiencies, inadequate cold storage & customs clearance delays

SECTOR REQUIREMENTS OF TRANSNET
- Adequate sustainable plug capacity at origin and destination
- Stable electricity supply including in-transit
- Better positioned rail sidings
- Additional reefer train sets with on-board power supplies
- Attractive rail tariff (10% - 20% cheaper than road)
- Increased port capacity and infrastructure
- NAVIS system visibility
- Off-dock port facilities for cold storage
- Just in time, just in sequence logistics

Source: Transnet Group Strategy and Planning, 2025

Transnet's Reinvent for Growth Strategy drives Transnet's Turnaround

Transnet's **Reinvent for Growth Strategy** aims to **address operational** challenges and **improve execution** of the mandate with renewed and focussed delivery against the three main focus areas:

FIX AND OPTIMISE THE BUSINESS	TRANSFORM THE BUSINESS	GROW THE BUSINESS
TACTICAL	*TRANSFORMATIVE*	*EXPANSIONARY*

Two-pronged approach

OPTIMISATION & ENHANCEMENT

- Deep focus on the recovery of volumes from key operations across organisation
- Improved execution to drive commercial returns across operations

ALIGNMENT TO POLICY CHANGES

- Rail reform, investment & rejuvenation
- Establish Infrastructure Manager with regulated asset base
- Access for private TOCs

TRANSFORM THE ORGANISATION

- Transform parts of the business to meet sustainable future growth requirements

SEGMENT STRATEGIES

- Growth through focusing on enhanced delivery of key segments
- Leverage private sector partnerships in various aspects of the value chain

"Enable effective delivery of overarching programmes to drive the repositioning of the business"

The first part of the strategy, the Recovery Plan, identifies several key themes for improving performance and driving operational execution

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CORE FOCUS OF RECOVERY PLAN

1 Operational execution

Development of **tactical initiatives** to drive **volume recovery** and/or **enhancement of operations** across Operating Divisions

ELEMENTS LEADING TO CORE FOCUS

2 Equipment & Infrastructure

the need to **improve availability** and **reliability of critical equipment** as well as improve **quality of assets** across divisions >> Key equipment **include marine fleet, rolling stock, port equipment, with** key assets being depots, **infrastructure and property** (commercial & industrial)

3 People management

Focused training for **performance, cost control,** and **fair employment**

4 Procurement

5 Maintenance

>> Optimise **procurement material cycles** and **maintenance planning**

6 Funding

>> Safeguard **sustainability**, **cut debt** and **allocate capital** efficiently

>> Proactively collect **outstanding debts** to bolster finances

7 PSPs and strategic transactions

Accelerate PSP & strategic transactions for Recovery & review **asset disposals** to cover shortfalls

8 Digital transformation

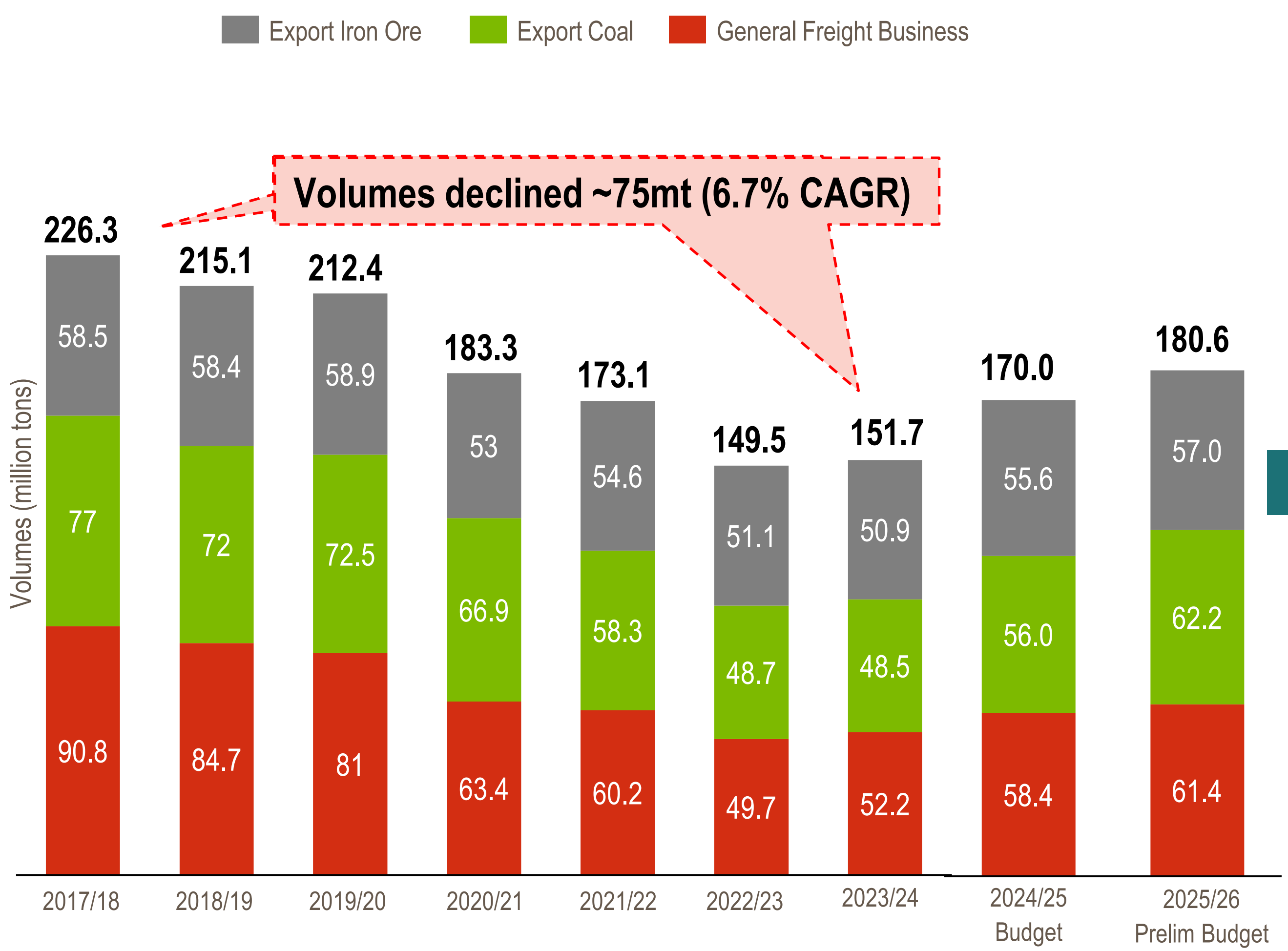
>> **Enhance digital transformation** for **efficiency, cost reduction &** stakeholder -driven **innovation.** Foster **continuous improvement**

9 Safety

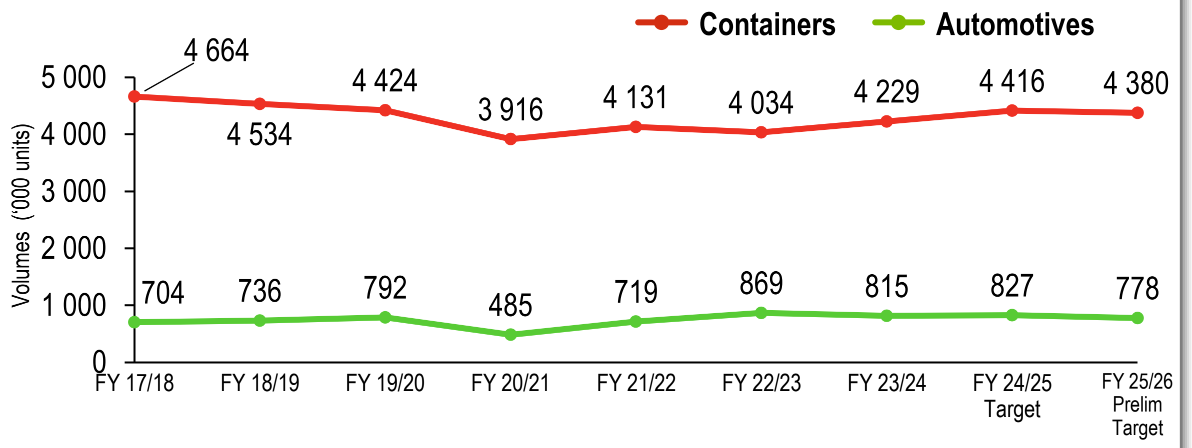
>> Prioritize **safety to reduce incidents and injuries.** Foster a culture **of operational awareness** and attention to detail

In the past, operational underperformance led to a decline in volumes, with the Recovery Plan arresting the decline within its first 6 months of implementation

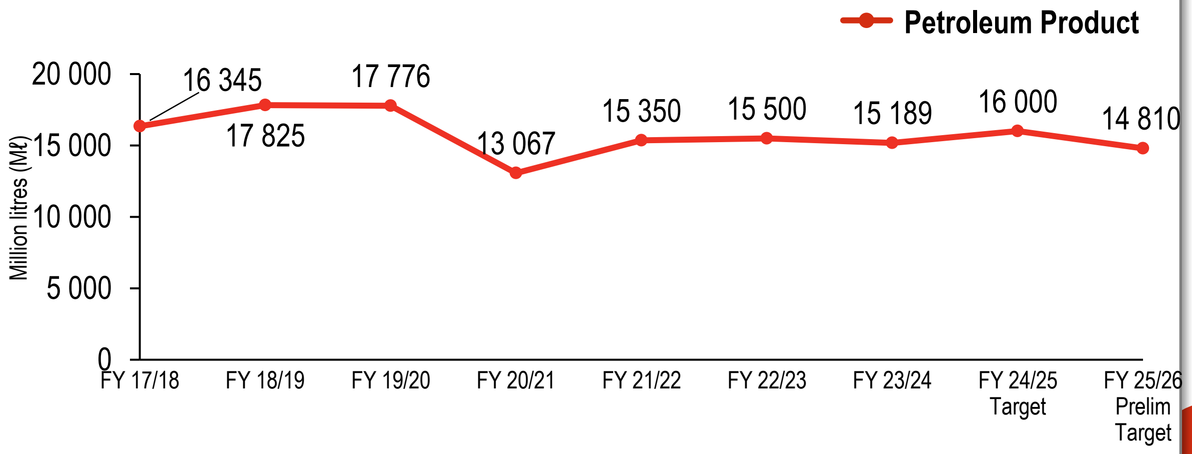
RAIL VOLUMES: 2017/18 – 2023/24 (MILLION TONNES)



PORT VOLUMES: 2017/18 – 2022/23



PIPELINE VOLUMES: 2017/18 – 2023/24



Source: Team analysis, Consolidated Transnet Recovery Plan

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Regulatory changes and reforms in logistics have a diverse impact on the broader logistics sector

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Building a solid foundation for transparency and governance sets the stage for…	Advancing operational efficiency and competitiveness paves the way towards…	Culminating in economic stimulus and collaboration, driving sector-wide growth and innovation
Increased transparency / scrutiny	**Increased regulation**	**Optimised costs**
Sector reform	**Competition**	**Increased investment**
Broad-based skills demand and development	**Industry efficiency and sustainability**	**Industry collaboration**

Source: Transnet Group Economic Strategy

Several policies are driving change within Transnet

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NATIONAL RAIL POLICY (NRP)	FREIGHT LOGISTICS ROADMAP	ECONOMIC REGULATION OF TRANSPORT ACT	PORTS ACT*	NATIONAL TREASURY GUARANTEE FRAMEWORK CONDITIONS*
Separate rail infrastructure from rail operations ●	Improve rail infrastructure and expand network capacity	Comply with TER regulatory framework	Establish independent Board of Directors	Implement Recovery Plan
Establish a Rail Infrastructure Manager ●	Strengthen integration of land transport	Regulated & transparent pricing	Corporatise NPA ●	Establish Rail Infrastructure Manager ●
Provide access for private TOCs, which introduces competition	Attract PSPs and investment ●	Non-discriminatory access to rail infrastructure	Expand private sector role in port environment	Develop Network Statement and Code of Conduct
Encourage concessions and crowd-in PSPs in rail	Improve operational efficiencies and leverage technology	Efficient handling of disputes ●		Dispose of non-core properties
		Facilitating PSPs and promoting competition ●		Establish a rolling stock leasing company ●
				Crowd-in private sector investment ●

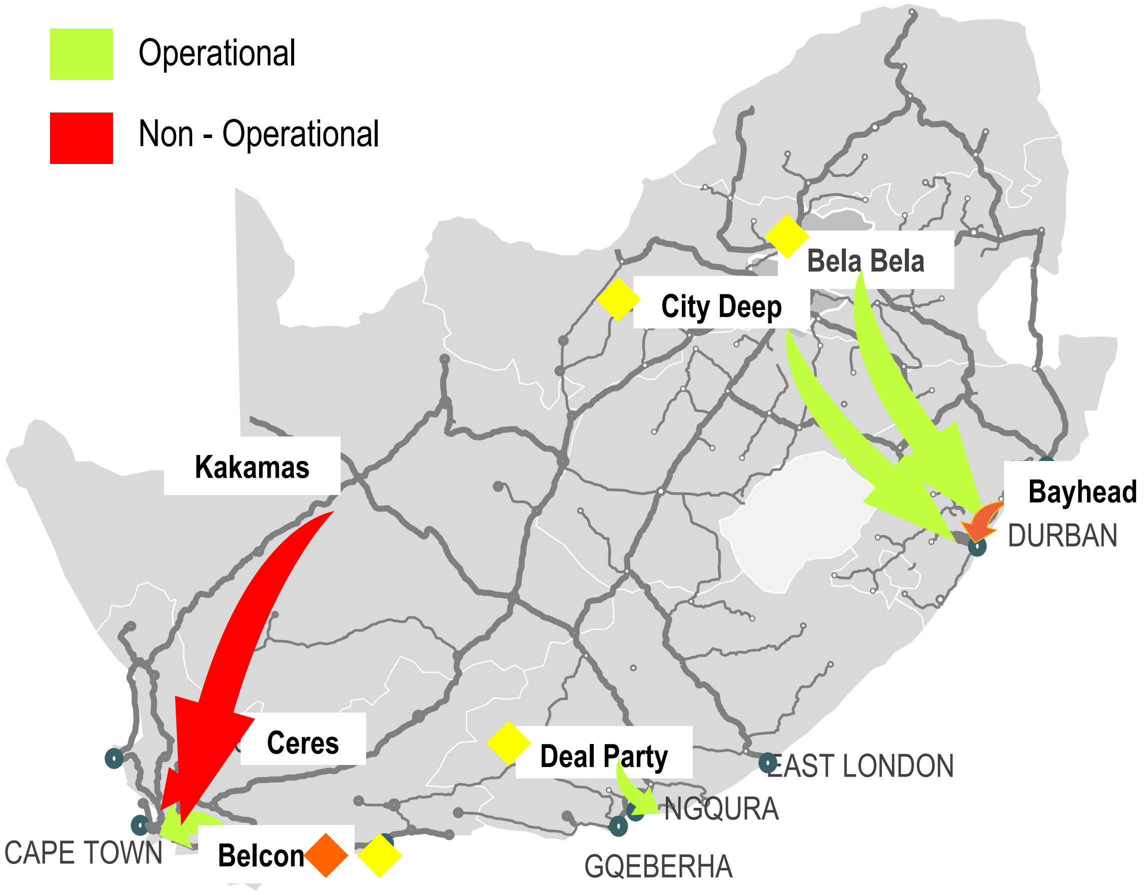
● *Will result in the institutional structural change of Transnet*

Policy reforms aim to…

Modernise infrastructure | Improve operational efficiency | Increase capacity | Promote sustainable Practices | Drive sustainable growth → Enable economic growth

Source: Team analysis, various Department of Transport and National Treasury policy and planning documents

TFR Reefer Service Overview



CATEGORY	SEASON	TERMINAL
Citrus	May – Sept.	Bela Bela; City Deep; Deal Party
Deciduous	Jan - March	Belcon

2024/25 PERFORMANCE TO DATE

- **Bela Bela :** 699 Reefers railed, impacted by extreme weather.
- **City Deep:** 170 Reefers railed.
- **Belcon Terminal:** 3 485 Reefers YTD. LE: 4 300 reefers end March 2025.
- **Deal Party Terminal:** New service started in 2024. 433 Reefers railed.

TOTAL YTD = 4 787 EXPORT REEFERS ON RAIL

TFR EXPORT REEFER TRAIN CAPACITY TO PORT OF DURBAN

- 5 X Reefer train sets
- **Demand 2025/2026:** 3 Bela Bela Trains/week & 2 City Deep Trains/ week
- Tzaneen facility not operational. EU pre-cooling regulations require cold storage facilities in Tzaneen.

SHUTTLE SERVICE LINKED TO BACK OF PORT FACILITIES

- Belcon Terminal to Port of Cape Town
- Deal Party Terminal to Port of NCT/PE
- Bayhead Terminal to Port of Durban: No uptake

OTHER REEFER SERVICES:

- Ceres to Table Bay: Currently non- operational due to branch line washaway

PSPs: Orchard : & Upington on hold due to Rail Reform.

Source: Transnet Freight Rail, 2025

Creating a sustainable reefer logistics platform requires collaboration and socio-economic interventions

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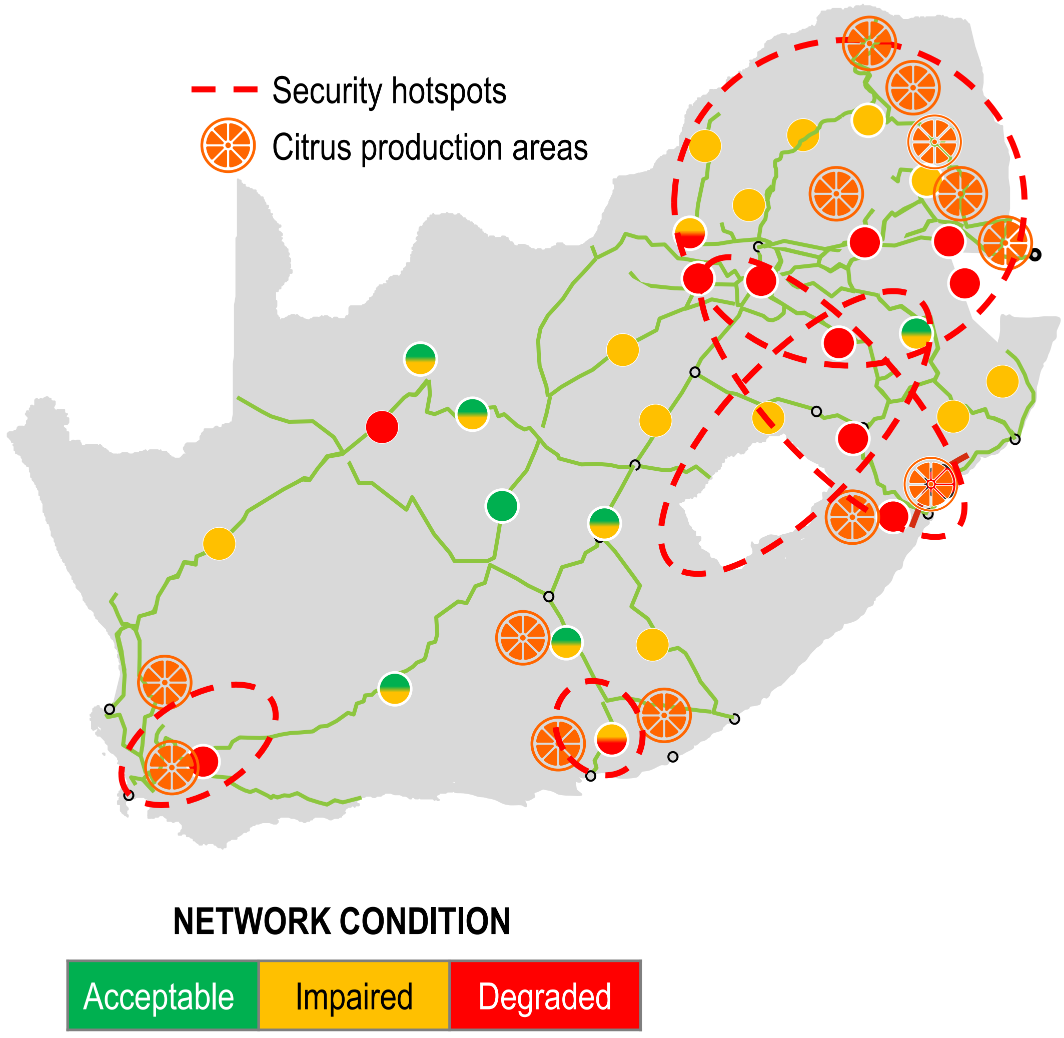

CHALLENGES

- Network condition impact train transit time & risk to short ship
- Network Security incidents
- Reefer cable theft
- Policy and Regulations eg. EU precooling protocol
- Weather conditions impacting crop quality and train utilisation

OPPORTUNITIES

- Grow City Deep to Port of Durban service to capture road volumes from Letsitele, Tzaneen, Hoedspruit by providing cold storage in City Deep

POTENTIAL NEW REEFER FLOWS THROUGH PSP's:

- Tzaneen to Durban Port pending cold store
- Orchard to Cape Town Port
- Elgin to Cape Town Port
- Sundays River Valley to Ngqura/PE Ports
- Klawer/Vredendal to Cape Town Port
- Cato Ridge to Durban Port
- Musina to Durban Port

Source: Transnet Freight Rail, 2025

Integrating rail and port via intermodal/ multi-modal solutions: **Belcon**

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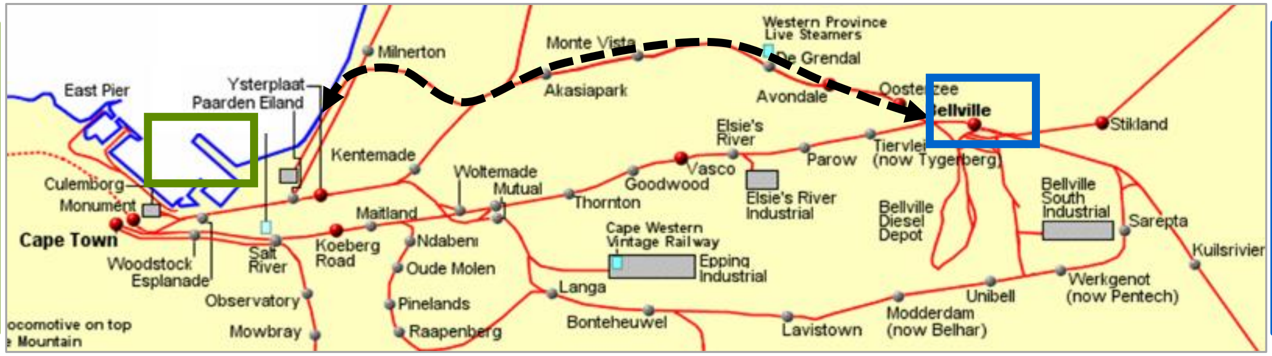
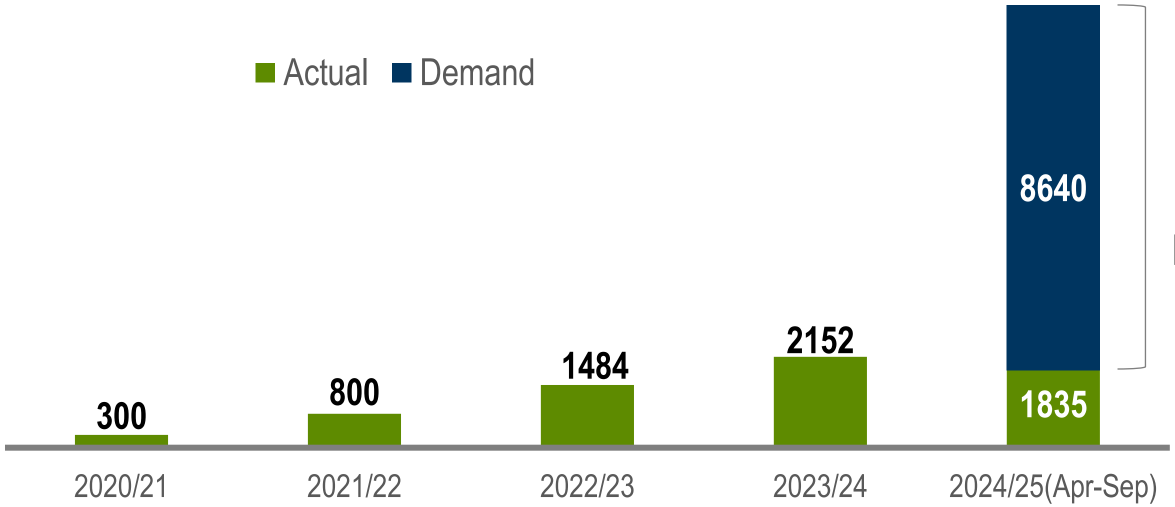


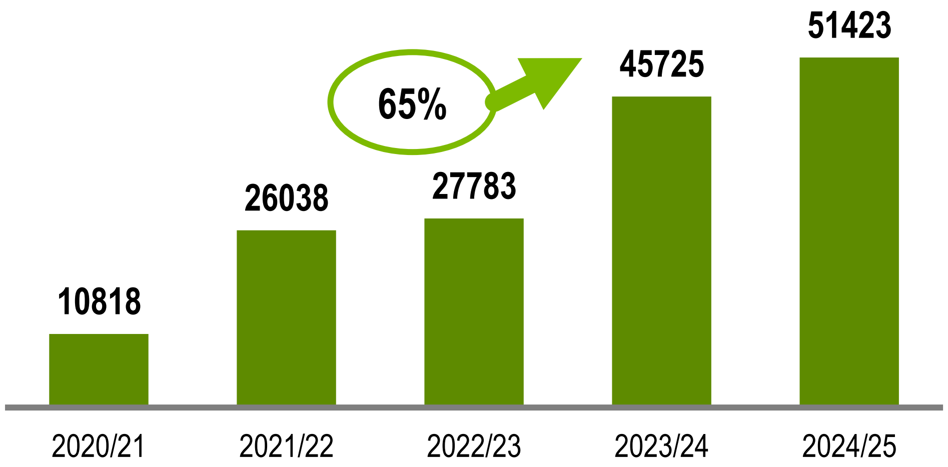
CTCT MASS EVACUATION | **REEFER SHUTTLES : BELCON TO CTCT** | **EXTENDING THE CTCT STACK**

BELCON – CTCT REEFER SHUTTLE FEUs, Y-O-Y



Investment Potential

BELCON TERMINAL TEUs HANDLED, Y-O-Y



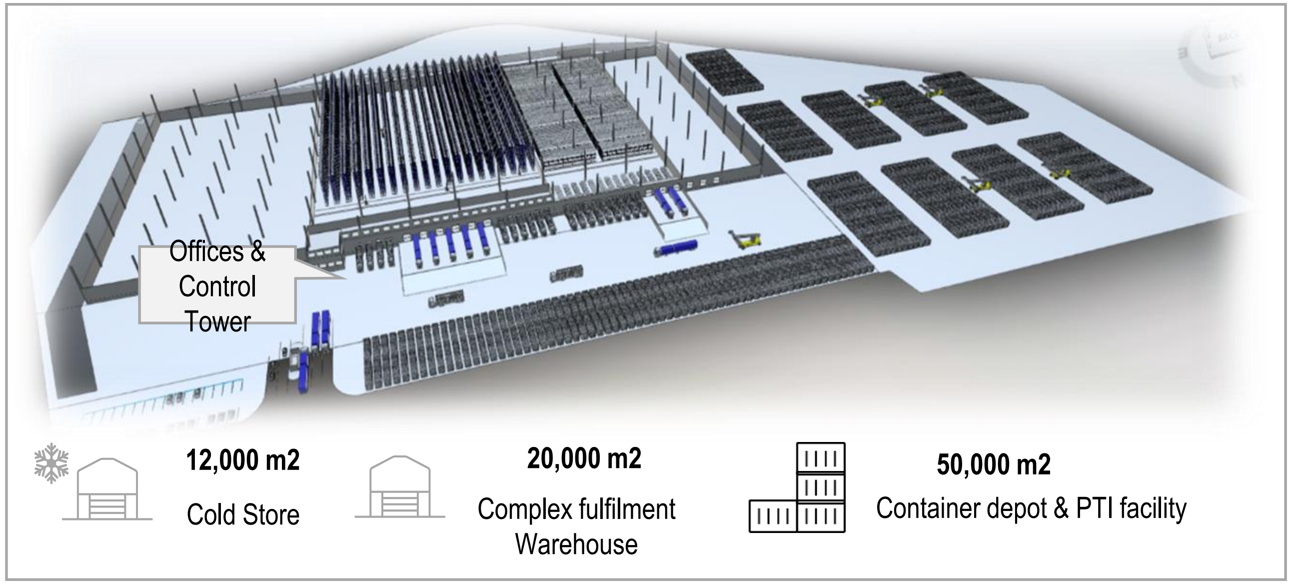
Source: Transnet Group Strategy, 2025

Creating value through supply chain collaboration and integration in multi-modal/ intermodal value chains: **Belville Precinct Development**

BENEFITS

- Increase **Cold Chain capacity**
- **Improve port terminal efficiency**
- **Decongest port & surrounding area**
- Attract volumes to **Rail**

PLANNED DEVELOPMENT



Source: Maersk

PROGRESS, MARCH 2025

Source: TFR

Investment opportunities for the repurposing of the Transnet Park Precinct, Belville

Truck staging area

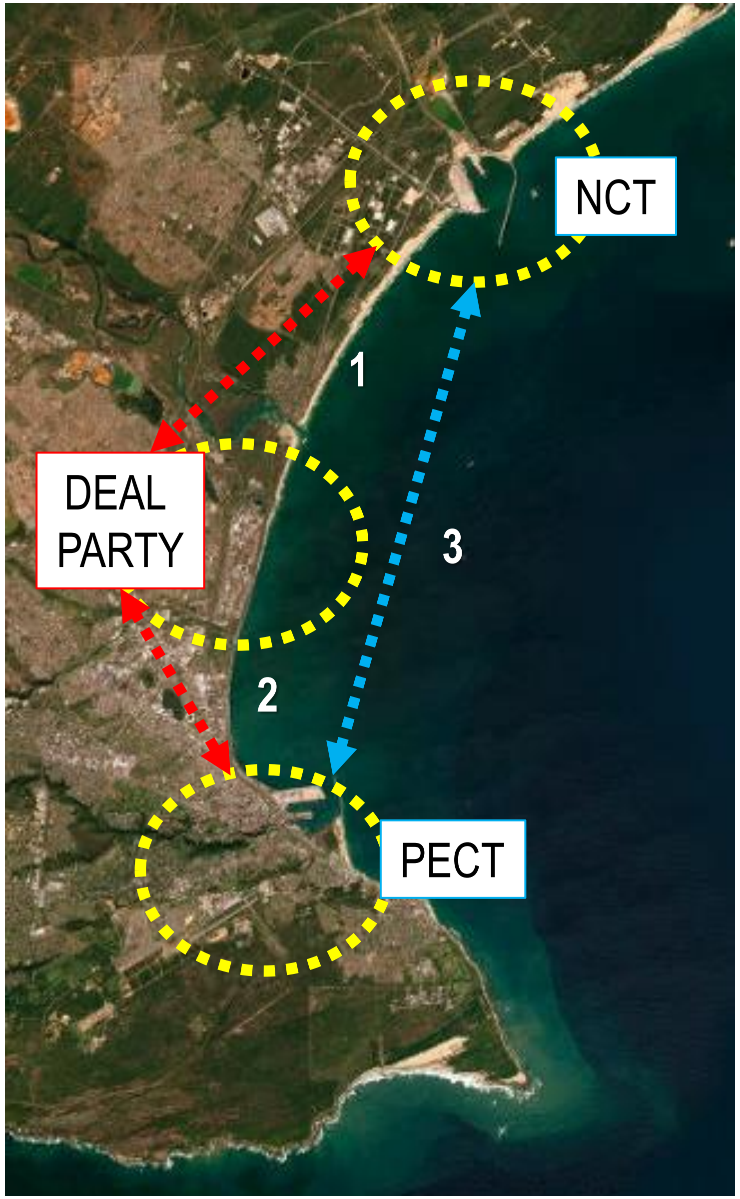
Open land for development

Future Developments

- Upgrade Belcon Terminal to accommodate volume growth.
- Additional land parcels to be made available for long term leases(>5years) to grow volumes on rail.
- Develop truck staging areas within Transnet Park facility to decongest Robert Sobukwe Road.
- Build an additional access road from Kasselsvlei/Robert Sobukwe intersection into Transnet Park to ease traffic flow in and out of Transnet Park precinct.

Source: Transnet Group Strategy, 2025

Deal Party/NCT/PECT Rail Shuttle



OPPORTUNITY	APPROACH	BENEFITS
• Deal Party strategically located: - 15km from Port of Ngqura - 10km from Port of PE • Direct rail link between terminals	Provide short haul rail service: • between Deal Party and both ports • between NCT and PECT	Reduced port congestion by improving traffic flow to NCT and PECT

RAIL SHUTTLE SERVICE OFFERINGS

1 Bidirectional TFR Deal Party & NCT

2 Bidirectional TFR Deal Party & PECT

3 Bidirectional NCT & PECT

INTRODUCTION OF REEFER SERVICE IN 2024/25 WITH UNITED LOGISTICS

- Customer installed own reefer plugs (76) at Deal Party.
- Started rail early July and up until Friday 20th Sept TFR railed 22 shuttle trains with a total of 433 Reefer units.
- 9 trains to NCT = 183 units & 13 trains to PECT = 265 units

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Port of Durban: Reefer Strategy 2025/2026

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KZN TERMINALS (DCT Pier 1 & 2, DRT)

Source: Transnet Port Terminals, 2025

Pier 1

- Pier 1 has 880 usable Plug Points. **Injection of additional 500 reefer plugs** at 4 high for 2025/26 season will bring total plug capacity +- 1400 points
- Divert Empty Reefer Imports to Top up stack, space & line permitting
- Allow for dual Reefer transactions
- Allocate 20 Export reefer slots per hour over 24 hours
- Streamline truck appointment process for reefer appointments
- Virtual reefer gate for reefer appointments in existence
- An option for Back of Port Export Reefers by Rail
- Volume Projection = Last Years Volume +- 10%

Pier 2

- Pier 2 has 2480 usable Plug Points with 7 dedicated reefer block.
- Divert Empty Reefer Imports to Top up stack, space & line permitting
- Allow for dual Reefer transactions
- Allocate +-20 Export reefer slots per hour over 24 hours
- Inter Facility Transfer (IFT) Gate – separate from ITZ to run in reefers per tower
- Dedicated area for COT reefers
- Option for Back of Port Export Reefers by Rail
- Volume Projection = Last Years Volume +- 10%

Point Containers

- Dedicated reefer express lane to support high reefer volumes/stack dates
- Freeze/Open and close reefers stack dates as and when necessary
- Planning and Commercial to encourage rapid evacuation of import reefers to maintain fluidity
- 2 x Genset to be hired/procured by technical depart for additional plug points required
- 4 hourly temperature monitoring
- Planning to segregate imports from exports

Eastern Cape Terminals: Reefer Strategy 2025/2026

NELSON MANDELA BAY TERMINALS (PECT AND NCT)

PORT & TERMINAL SPECIFIC INITIATIVES

- TPT to collaborate with Shipping Lines to secure Additional Plug Capacity
- Back of Port – Depots & Cold Stores
- Vessel Back Loading – Terminal Fluidity
- Reefer Stack Date Management – Capacity VS. Vessel ETB
- NCT Truck booking system to be implemented after citrus season.
- External pilot boat services providing pilotage services for the NMB ports.
- Port of Port Elizabeth scheduled to receive four (4) shore-tension units to assist with movement of vessels during vessel operations:

ENABLERS

TPT EC Working Committees

Forecast & CTOC Windows

- Negotiations Ongoing: CTOC windows for 25/26 financial year at PECT & NCT are still under discussion.
- Finalization Deadline: Expected by March 31, 2025.
- Reefer Demand & Vessel Callers: Weekly confirmation will occur after contract negotiations conclude.

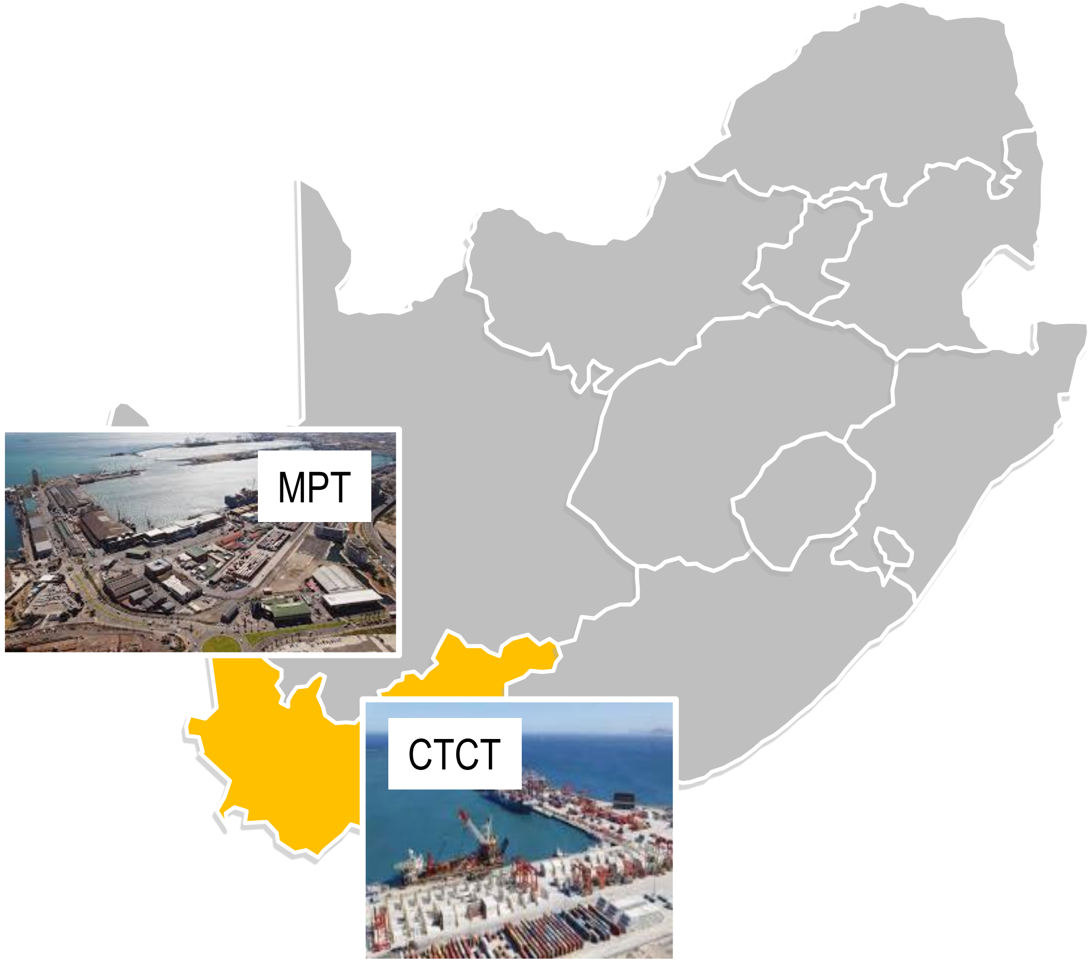
PECT Truck Booking System

- Operating Hours: 24/7 (Monday–Friday) starting June 1, 2025.
- Weekend Operations: Arranged upon shipping line requests, finalized by 12:00 pm every Friday.
- Appointment Slots: Based on forecast demand from shipping lines & terminal capacity.

Source: Transnet Port Terminals, 2025

Port of Cape Town: Season 2025 Strategy

WESTERN CAPE TERMINALS (CTCT & MPT)



TERMINAL SPECIFIC INITIATIVES

- Manage wind recovery optimally
- Integrated supply chain communication
- Improved truck booking procedures
  - ✓ dedicated reefer lanes at main terminal
  - ✓ communicate 4 hourly on terminal slot capacity
  - ✓ appointment of Reefer champions
- Utilise CTMPT as supplementary Terminal
- Central Planning office between CTMPT and CTCT
  - ✓ Appointment of Reefer champions
- Transparent wind start up plans to support Industry decisions
- Leverage BOP plugs (including Maersk @ Belcon)
  - ✓ Achieve 2 trains per day for stacks and imports
- Industry meetings, twice a week to enable quick decision making
- Installation of Shore Tensioners at container terminal
- Enhancement on tug availability to ensure three operational tugs per shift

TPT Fleet Acquisition (Capital Investment): 2024/2025

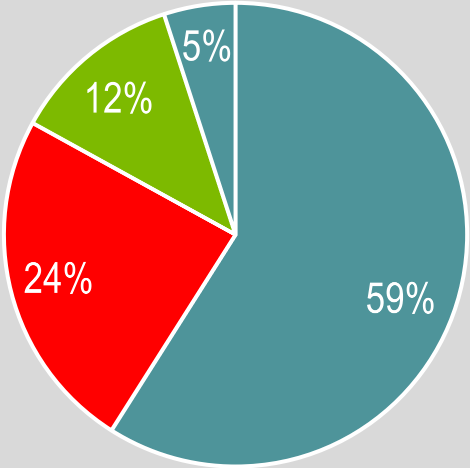
Number of Equipment

KWA ZULU NATAL								
2	2	23	3	20	1	20	40	40
DCT Pier 1 Reach stackers	RCB MPT Haulers	DCT Pier 1 Haulers	Dbn MPT Reach stackers	DCT Pier 2 Haulers	DCT Pier 1 Empty Container Handler	DCT Pier 2 Straddles	DCT Pier 1 Trailers	DCT Pier 2 Trailers
March '24	April		May	June	Nov	March '25		

WESTERN CAPE		
2	2	47
Cape Town Container Terminal reach stackers	Cape Town Container Terminal haulers & trailers	Cape Town Multipurpose Terminal reach stackers
April	May	July

EASTERN CAPE	
50	1
Ngqura Container Terminal haulers & trailers	Port Elizabeth Container Terminal Ship to Shore Cranes
July	March '25

Total spend: R3.4 billion across 8 terminals nationwide



Source: Transnet Port Terminals, 2025

TPT Fleet Acquisition (Capital Investment): 2025/26

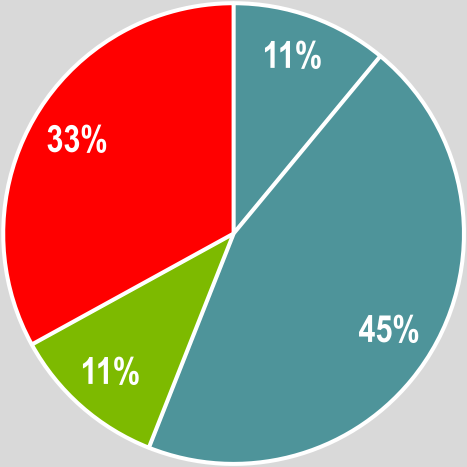
Number of Equipment

KWA ZULU NATAL				
17	16	18	14	4
Richards Bay haulers	DCT Pier 1 RTGs	DCT Pier 2 Haulers	DCT Pier 2 Forklifts	DCT Pier 2 STS Cranes
April				Dec

EASTERN CAPE
12
Port Elizabeth Container Terminal Straddles
March '26

WESTERN CAPE		
8	28	4
Cape Town Container Terminal forklifts	Cape Town Container Terminal RTGs	Cape Town Container Terminal Straddles
April '25	March '26	

Total spend: R4 billion across 5 terminals nationwide



Source: Transnet Port Terminals, 2025

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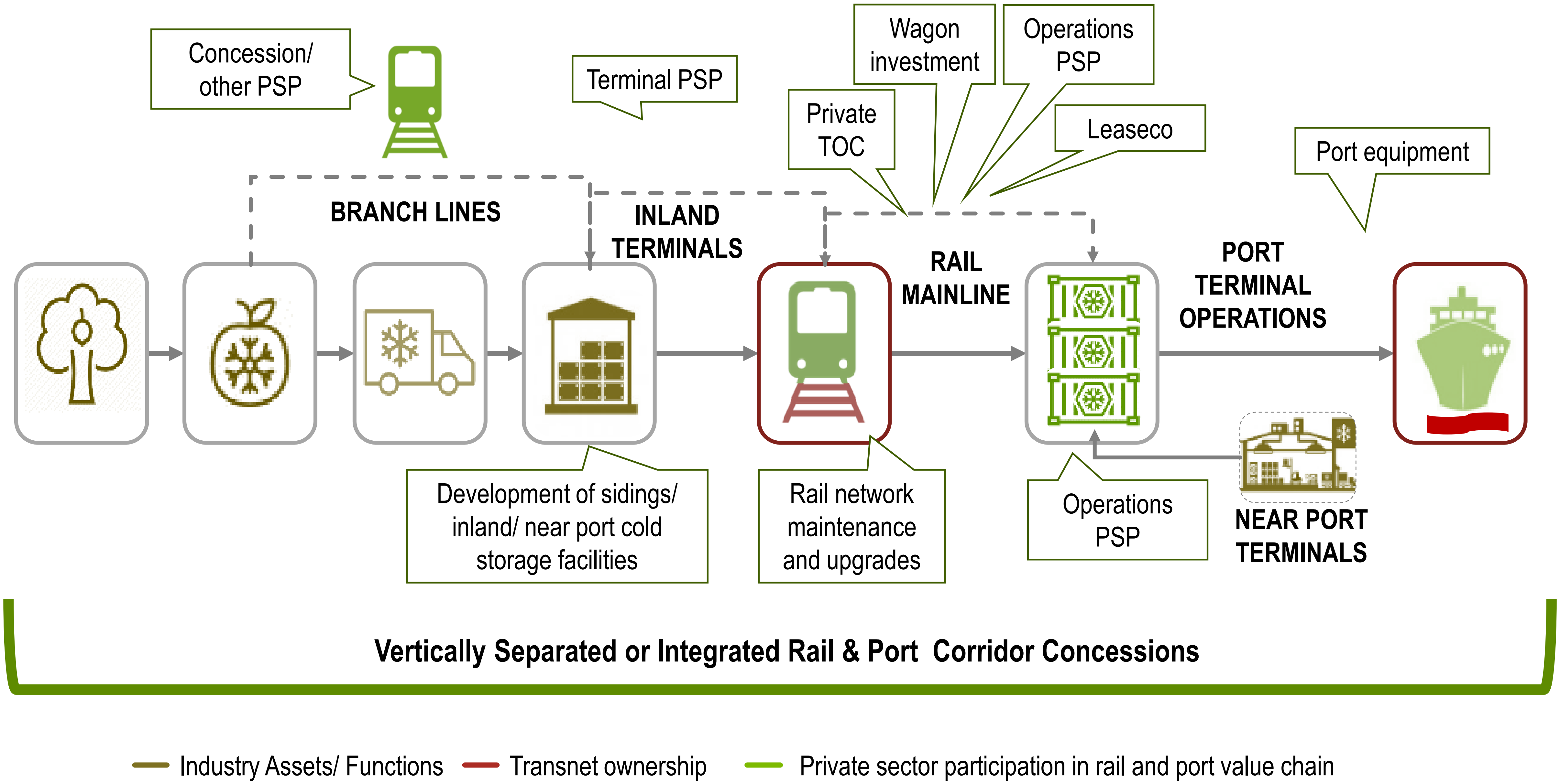
Various Private Sector Participation Opportunities in the Citrus Export Value Chain



PSPs are fundamental enablers of the Branch line Network Strategy

	CATEGORY	KILOMETRES
BACKBONE 9 072 KM	Bulk Minerals Corridors (BMC)	2 405
	*BMC Dependent (some CFN & Feeder)	3 717
	Core Freight Network (CFN) Remaining	1 960
	Key Redundancy	990
FEEDER 3 261 KM	Feeder	2 224
	Feeder Strategic	1 037

ALIGNMENT WITH THE NATIONAL RAIL POLICY AND FREIGHT LOGISTICS ROADMAP

1. Right size the network to protect its commercial viability
2. Make non-strategic non-core lines available for ownership or co-funding by the public and private sector
3. Dispose of non-strategic non-core lines where no EOIs are received, while protecting the alignments and ROWs for possible future use .
4. Concession strategic non-core lines where funding is inadequate to maintain individual lines
5. Private investors must be afforded the opportunity to purchase and take over short lines
6. When the IM proposes to close a line – a 3 months public announcement is required with an offer to purchase or subsidise the line.
7. The IM **must align with DOT on the B-Network Catalogue/List** and which lines are deemed as Strategic, Non-Strategic with potential, assignment to PRASA, redundant and dormant (**NRP Section 6.1.4**)

Indicative Timelines for Open Access on the B-Network: 2025

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FEB | MAR | APRIL | MAY | JUN | JULY | AUG | SEP | OCT - MAR

Evaluation of slot applications from Version 3

Allocations of slots to successful applicants

Publish Version 4 of Network Statement

Conclude current upliftment of lines underway

Exco & BoD approval for B-network categorisation approach

Public consultations on disposals and call for expression of interest

Launch 2nd Batch for Upliftment Programme

Finalise categorisation of B-network with DOT, NRMP team, PRASA

Consult and Develop B Network concessioning and ownership models

Shareholder Minister approval of Strategy Prospectus

Publish Draft B-network Prospectus

Strategy and Prospectus co-development with DOT'S PSP unit

Internal Transnet Approvals:
- TRIM Exco
- Rail Reform Steerco
- OPCO
- Transnet Exo
- Board Approval

Issue Strategic and Non-Strategic RFPs to market

Evaluation

Contracting and implementation of PSP agreements

Alignment with the DOT RFI PSP Process

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PURPOSE

DEPARTMENT OF TRANSPORT REQUESTS FOR INFORMATION (RFI) FOR POTENTIAL RAIL AND PORT INVESTMENTS

Purpose:

- Inform public about possible PSP projects
- Gather insights on PSP involvement opportunities including design
- Grow rail volumes to 250 Mtpa by 2030
- Reinvigorate the logistics sector as an enabler of economic prosperity

MILESTONES

03/25	06/25	08/25 onwards
Issue & Evaluate RFIs	PSP Problem Definition and Feasibility Studies	Commence with Issuing of RFPs

THANK YOU