

1.3 OPERATING (LOSS)/ PROFIT

	Notes	2026 R'000	2025 R'000
THE FOLLOWING HAS BEEN CHARGED/(CREDITED) IN ARRIVING AT OPERATING (LOSS)/ PROFIT:			
Advertising and promotional expenses ¹		211 961	54 275
Audit fees – services as auditors relating to the year-end audit ²		26 989	19 379
Audit fees – other ³		1 677	-
Consulting fees ⁴		146 702	50 201
Foreign exchange (gain)/loss		(892)	1 578
Gain on effective settlement of pre-existing relationships upon obtaining control of Cell C	2.2.1	(480 707)	-
Gain on settlement by Cell C of leases with Dark Fibre Africa ⁵	1.1	(355 832)	-
Impairment of inventory		17 424	8 034
Insurance ⁶		34 137	27 600
IT infrastructure costs and computer-related costs ⁷		85 136	76 831
Legal fees ⁸		4 417	11 569
Licence fees ⁹		150 291	87 076
Loss on disposal of property, plant and equipment		3 163	1 998
Loss on disposal of intangible assets		37 092	-
Loss on disposal of subsidiary – Cell C (including CEC)	2.2.2	6 027 454	-
Loss on disposal of subsidiary – other		105 060	-
Loss on in-substance written call option over Cell C shares issued to Sisonke Growth Partners Proprietary Limited	3.5	140 000	-
Loss on written put option over Cell C shares issued to Nedbank and Lesaka	3.5	141 117	-
Motor vehicle expenses ¹⁰		11 578	11 450
Software development and IT project costs		56 999	70 390
Staff training ¹¹		45 528	52 492
Transaction costs related to the restructuring, unbundling and the listing of Cell C ¹²		318 992	-
Travel – local and overseas ¹³		24 837	17 544
IMPAIRMENTS OF GOODWILL COMPRISE THE FOLLOWING:			
Impairment of goodwill arising on Glozell Distribution Proprietary Limited	4.1	161 697	-
Impairment of goodwill – other	4.1	38 895	-
		200 592	-
FAIR VALUE MOVEMENTS COMPRISE THE FOLLOWING:			
Fair value gain on surety receivable	3.5	(2 200)	(2 883)
Net fair value gain on financial instruments	3.5	21 896	(171 433)
Fair value gain on Preference shares B	3.5	(242 637)	-
		(222 941)	(174 316)
BAD DEBTS AND EXPECTED CREDIT LOSS COMPRISE THE FOLLOWING:			
Bad debts and expected credit loss on loans		(9 469)	(284 981)
Bad debts and expected credit losses on trade receivables, other receivables and advances to customers		224 994	520 505
		215 525	235 524
MODIFICATION/DERECOGNITION OF FINANCIAL INSTRUMENTS COMPRISE THE FOLLOWING:			
TPC			
(Gain)/loss on modification of financial liability – Class A Preference Shares	3.4.2	(43 238)	18 769
Gain on derecognition of financial liability – SPV5	3.4.2	(165 216)	-
Loss on modification of financial liability – Gramercy	3.4.2	15 792	-
CEC			
Loss on derecognition of financial assets measured at amortised cost		-	34 103
		(192 662)	52 872

¹ Included in 2026 is R150.6 million incurred by Cell C for the three-month period consolidated September to November 2025.

² Included in 2026 is R4.8 million incurred by Cell C for the three-month period consolidated September to November 2025.

³ Included in 2026 is R1.7 million incurred by Cell C for the three-month period consolidated September to November 2025.

⁴ Included in 2026 is R76.6 million incurred by Cell C for the three-month period consolidated September to November 2025.

⁵ Included in 2026 is R355.8 million incurred by Cell C for the three-month period consolidated September to November 2025.

⁶ Included in 2026 is R8.9 million incurred by Cell C for the three-month period consolidated September to November 2025.

⁷ Included in 2026 is R6.2 million incurred by Cell C for the three-month period consolidated September to November 2025.

⁸ Included in 2026 is R0.9 million incurred by Cell C for the three-month period consolidated September to November 2025.

⁹ Included in 2026 is R59.6 million incurred by Cell C for the three-month period consolidated September to November 2025.

¹⁰ Included in 2026 is R1.9 million incurred by Cell C for the three-month period consolidated September to November 2025.

¹¹ Included in 2026 is R2.0 million incurred by Cell C for the three-month period consolidated September to November 2025.

¹² Included in 2026 is R232.5 million incurred by Cell C for the three-month period consolidated September to November 2025.

¹³ Included in 2026 is R2.1 million incurred by Cell C for the three-month period consolidated September to November 2025.