



Integrated Annual Report

for the year ended 30 June 2025



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Our reporting suite

Our Integrated Annual Report is supported by a comprehensive reporting suite that provides our stakeholders with a holistic overview of the Group, its prospects and performance during the 2025 financial year (FY2025). These reports are available on our website.


THIS REPORT

 **Integrated Annual Report**

Details how we created, preserved or eroded value during the year. This is our primary report to our shareholders and providers of financial capital. This report also includes information relevant to our other key stakeholders.

 **Group Annual Financial Statements**


Contains Group audited consolidated annual financial results for Discovery Limited, the Group's embedded value statement and five-year review.

 **Climate Report**

Details Discovery's approach to climate change and climate-related disclosures regarding governance, strategy, risk management, and metrics and targets.

 **Remuneration Report**

Outlines our Remuneration Policy and implementation approach, along with factors influencing our remuneration-related decisions.

 **ESG Databook**

Contains quantitative and qualitative disclosures across ESG factors over a five-year period, where applicable, and guided by global reporting standards.

 **Sustainability Report**


Discloses the Group's performance against our Integrated Sustainability Framework and, where appropriate, against relevant standards and frameworks.


 **Governance Report**

Outlines the Group's governance philosophy, leadership and compliance with the King Report on Corporate Governance™ for South Africa, 2016 (King IV™)*.

 **Tax Transparency Report**

Communicates material tax disclosure information to demonstrate our commitment to tax transparency and operating as a force for good through our tax contributions.


 **Annual financial results presentation and booklet**

 **Notice of Annual General Meeting (AGM)**


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NAVIGATING OUR REPORTING SUITE


This is an interactive report. Navigation tools on the right of each page and within the report are indicated below.




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 This icon refers to more information in this report

 This icon refers to additional information available on www.discovery.co.za

SECTION 01

About this report

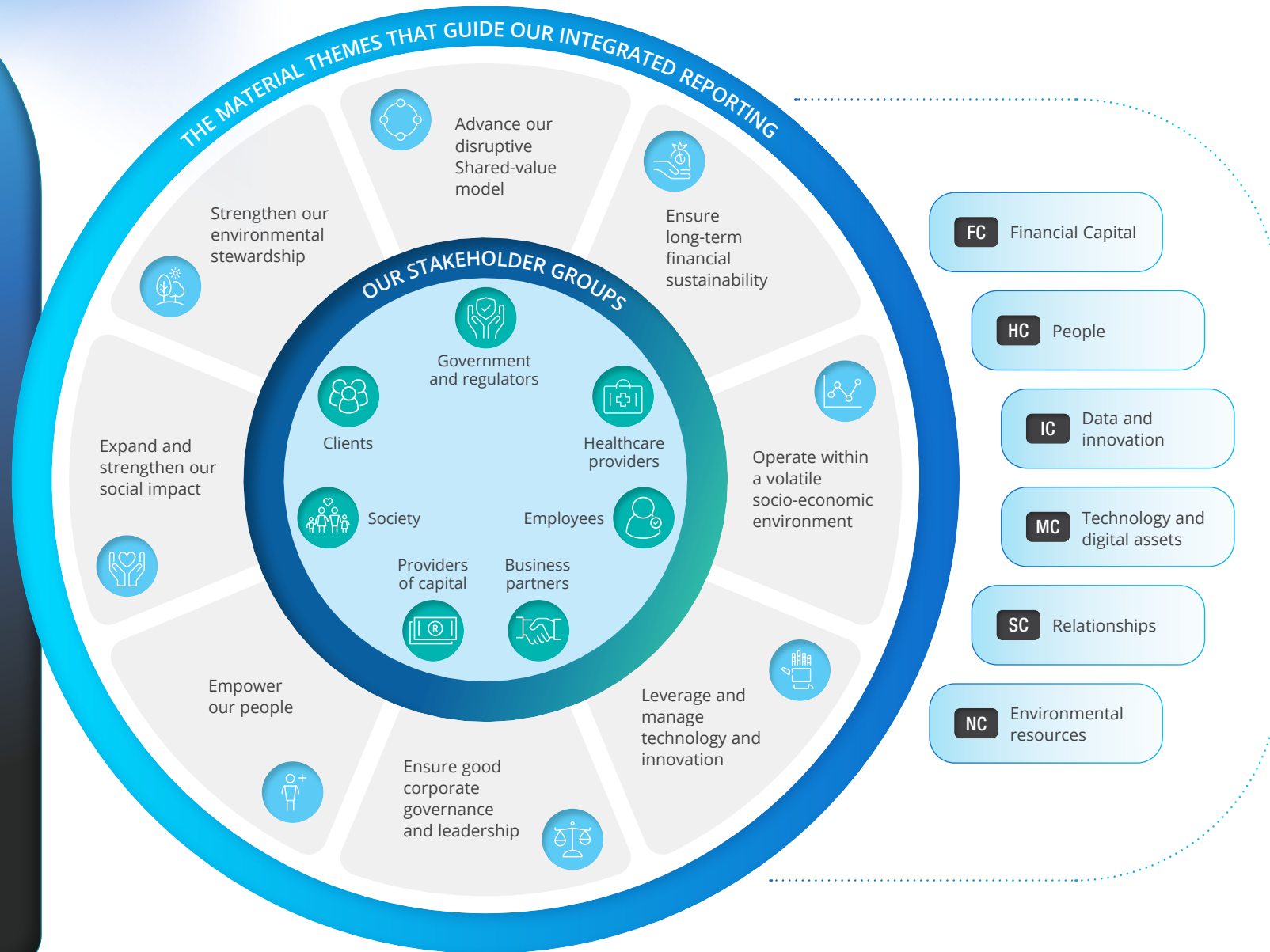
Our FY2025 Integrated Annual Report explains how we created, preserved or eroded value for our providers of financial capital, shareholders and other stakeholder groups during the year. We also detail our progress against our strategic objectives, and report on the Group's material matters – which are informed by our external environment, risks and opportunities and our stakeholders' concerns.



Discovery is a South African-founded, global integrated financial services organisation that uses a pioneering Shared-value model across businesses to achieve our core purpose of *making people healthier and enhancing and protecting their lives.*

Navigating and connecting our value creation story

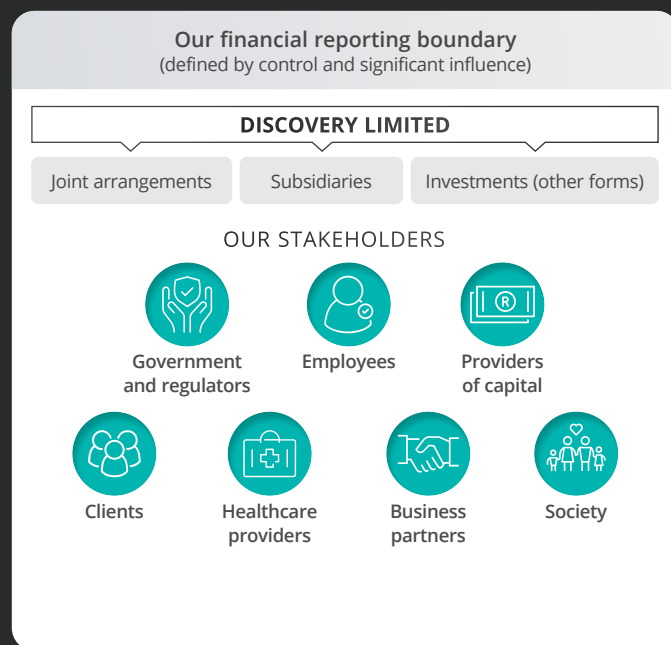
Guided by integrated thinking, this report describes how Discovery uses its unique business model to create value for our stakeholders. As we identify, measure and execute our strategic decisions, we continuously assess how these decisions affect the resources and relationships we rely on and, in turn, how these impact our business. The icons used throughout this report highlight our integrated thinking and demonstrate the connectivity between the resources and relationships essential to creating and preserving value.



Reporting scope and boundary

This Integrated Annual Report provides a holistic view of Discovery Limited (Discovery or the Group) from 1 July 2024 to 30 June 2025. We also include all material events up to the date of Board approval. Furthermore, this report includes financial and non-financial information relating to the performance of our composites: Discovery South Africa (SA) and Vitality (United Kingdom (UK) and Vitality Global).

Our integrated annual reporting boundary covers risks, opportunities and outcomes arising from:



Frameworks applied

In preparing this report, we were guided by the:

- Integrated Reporting Framework
- Companies Act, No 71 of 2008, as amended (Companies Act)
- JSE Limited (JSE) Listings Requirements and JSE Debt and Specialist Securities Listings Requirements
- King IV™ report
- International Financial Reporting Standards (IFRS)

Forward-looking statements

This report may include certain forward-looking statements regarding the Group's future performance and prospects. These statements cannot be considered guarantees of future performance or outcomes as they may be influenced by emerging risks, future events, changing circumstances and other important factors that cannot be predicted and are beyond Discovery's control. These events may cause actual results to differ materially from our current expectations as disclosed in this report.

Materiality

Our material themes and material matters inform the content of this report, as they could substantively impact our ability to create or preserve value for our stakeholders in the short (less than one year), medium (between one and three years) and long term (three years and beyond). Materiality further guides us in identifying matters that could erode value if not managed effectively. Our materiality determination process identified eight material themes that were validated by the Group's Executive Committee and Board.

Combined assurance

Discovery is committed to disclosing accurate information that supports stakeholders in their decision-making. Our Combined Assurance model integrates the efforts of our management and internal and external assurance providers to assure the integrity of this report.

In FY2025, our reporting suite was assured as follows:

- Joint external audit assurance of Financial Statements by KPMG and Deloitte
- Limited external assurance of selected sustainability information by Nexia SAB&T
- Limited assurance of selected factual and quantitative financial and non-financial information by Group Internal Audit
- Limited assurance of selected greenhouse gas (GHG) emissions inventory by Verify CO₂
- Verification of B-BBEE rating by Honeycomb BEE Ratings

Based on these engagements, Group Internal Audit believes the quantitative and qualitative information in this report accurately reflects the Group's performance for FY2025.

OUR INTEGRATED REPORTING PROCESS

This report is the culmination of a Group-wide process led by the Group Finance function, with oversight from the Group Executive.

The report is prepared using internal presentations and communications, risk reports, stakeholder dashboards, marketing documents, articles, content templates and Board packs, with reviews from subject matter experts and business units to ensure accuracy of information.

Our Group Audit Committee reviews the process in detail and recommends the report to our Board for approval.

Board approval

Discovery's Board of Directors is responsible for the integrity of this report, and confirms it materially complies with the requirements of the frameworks listed above. In reviewing this report, the Board considered the Group's risks and opportunities, material matters and operating environment, and the impact thereof on Discovery's strategy, ambition and Shared-value model. The Board believes the report accurately and comprehensively explains how Discovery creates, preserves or erodes value for our stakeholders in the short, medium and long term

The Board unanimously approved this report on 16 October 2025.

Sir Mark E Tucker
Independent Non-executive Chairperson

Adrian Gore
Group Chief Executive



We welcome your feedback on our reporting suite. For copies of this report or to submit any comments, email askthecfo@discovery.co.za.

SECTION 02

Group overview



Who we are

Discovery is a global, integrated financial services organisation that uses a pioneering Shared-value model across businesses in our markets. For over two decades, we have leveraged fintech, actuarial and behavioural science to deliver on our core purpose – **to make people healthier and enhance and protect their lives.**

Our purpose and values guide our decision-making, ensuring we manage value creation, preservation and erosion in a way that is balanced.

We build businesses at the intersection of four key global trends – demographics, the nature of risk, technology and social responsibility – that highlight the growing relevance of our Vitality Shared-value model.

WHY we are in business

CHANGING BEHAVIOUR THAT CONTRIBUTES TO RISK

To achieve our core purpose, we must examine the factors that compromise people's health and mortality, wealth and safety, along with our broader operating context. The success of our Shared-value model is grounded in our deep understanding of the causes of the changing nature of risk. Our model not only leads to better health outcomes and value for clients, but it also enhances actuarial dynamics for the insurer and supports a healthier society. Moreover, we recognise that the physical environment directly and indirectly impacts people's health. To this end, the Shared-value model is also conceptually applicable for environmental behaviour change, supporting our commitment to climate change mitigation.



Health and mortality

Four lifestyle behaviours and four chronic conditions are responsible for

60%

of all deaths worldwide.

World Health Organization and Global Burden of Disease.



Retirement

Three investment behaviours and three financial conditions are responsible for

90%

of South Africans having inadequate retirement funding.

South African National Treasury



Credit defaults

Four financial behaviours are responsible for

80%

of credit defaults and retirement shortfalls in South Africa.

Journal of Economics and Finance and other sources



Motor accidents

Five driving behaviours and three driving conditions are responsible for

60%

of fatal accidents worldwide.

Road Traffic Management Corporation and US Department of Transportation



Climate change

Four lifestyle behaviours are responsible for

85%

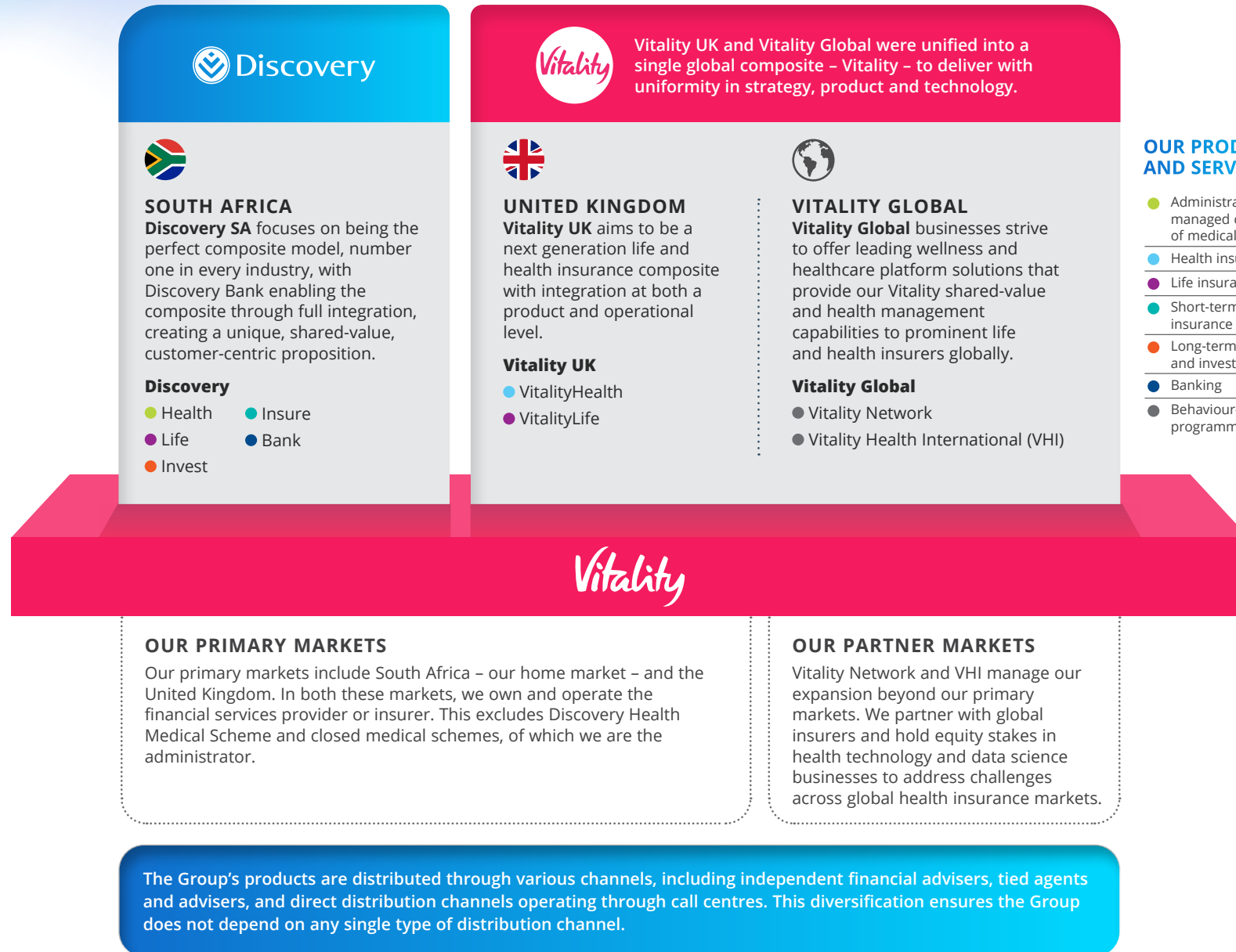
of personal and household carbon emissions.

We create value and differentiate ourselves by integrating our medium-term ambitions with short-term goals and driving our operating model through new business ventures or partnerships across market-specific composites.

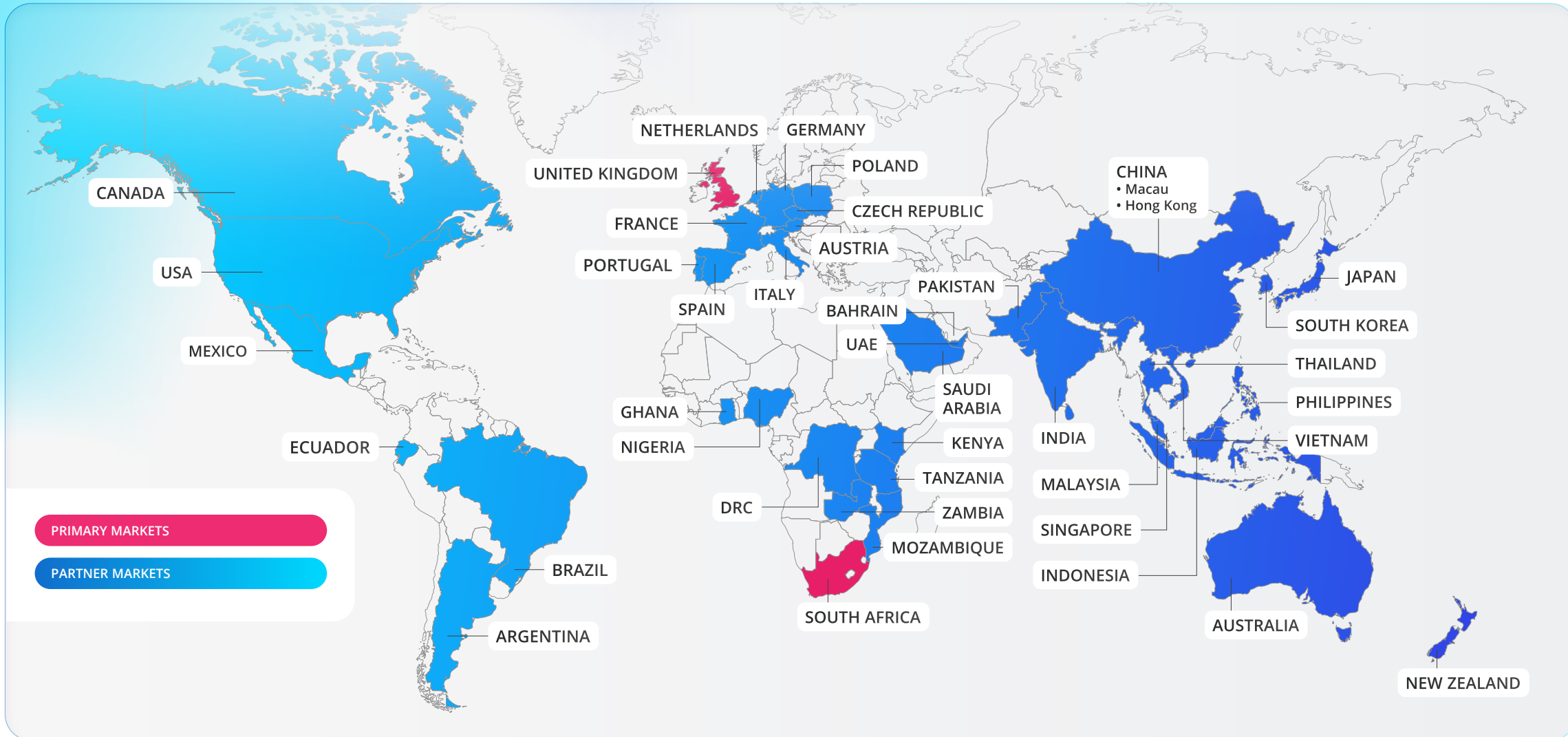
WHAT we do

Our disruptive Vitality Shared-value model enables us to build market-leading businesses, supporting our focus on organic growth and maintaining a founder's mindset. Our shared-value approach has the potential to reshape industries as we create a compelling value proposition by developing innovative products that address complex issues.

This approach is core to each business and is scalable, repeatable and globally relevant. Our Vitality behavioural platform can be applied to a variety of businesses, including banking, savings, health, life or other insurance, whether within a Discovery-owned business or through our strategic partnerships. Furthermore, our Vitality Shared-value model extends to renewable energy through Discovery Green, which was designed to incentivise sustainable behaviour and provide renewable energy solutions to businesses.



WHERE we operate



Snapshot of FY2025

Normalised profit from operations increased by **29%** to **R15 210 million** (FY2024: R11 761 million)*

New business API decreased by **2%** to **R26 486 million** (FY2024: R26 958 million)**

Normalised headline earnings increased by **30%** to **R9 781 million** (FY2024: R7 511 million)*

Normalised headline earnings per share (diluted) increased by **30%** to **1 462.8 cents** (FY2024: 1 129.5 cents)*

Income from non-insurance business lines increased by **12%** to **R6 643 million** (FY2024: R5 906 million)*

Shareholder free cash increase, before ordinary dividend **R3 243 MILLION** (FY2024: R2 643 million)

Group net asset value increased by **21%** to **R65 699 million** (FY2024: R54 451 million)*



* For details of restatements made to the prior period, refer to note 7.5 and, for changes in presentation of segmental information, refer to note 1.1 of the Group Annual Financial Statements.



Employed over **15 000 PEOPLE** (FY2024: 14 800) (including non-permanent employees)



We impact **48.8 MILLION LIVES GLOBALLY** (FY2024: 41.6 million)



Operational in **42 MARKETS GLOBALLY** (FY2024: 41)



Discovery won a **GOLD AWARD FOR PERSONAL HEALTH PATHWAYS** in the Re-imagining the Customer Experience category at the 2025 Qorus-NTT DATA Innovation in Insurance Awards



Maintained Level **1 B-BBEE**

31.2%

reduction in scope 1 and 2 carbon emissions against our 2019 baseline of 35 897 tonnes CO₂e (FY2024: 23.2%)

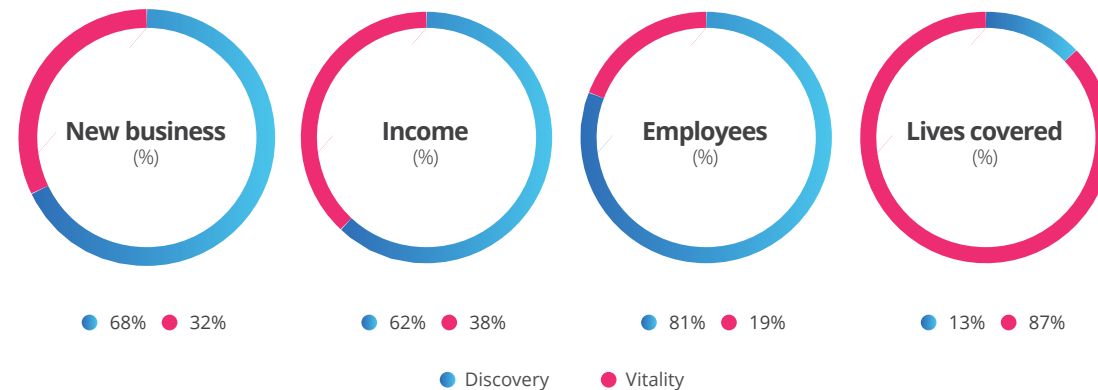
Finalised our Net-zero Transition Plan outlining how we intend to achieve Net-zero GHG emissions by 2050 or earlier

DISCOVERY GREEN, a platform designed to facilitate electricity wheeling to connect companies with renewable energy sources

- Secured long-term partnerships with new clients in the mining, property and hospitality sectors
- Concluded its first renewable energy project agreement with Red Rocket, enabling the construction of phase two of the Overberg Wind Farm, which will be South Africa's largest privately held single wind farm

Discovery continues to engage with key stakeholders on amendments to the National Health Insurance Act (NHI Act). While we support universal health coverage, we remain firm in our stance that, in its current form, the NHI Act is not workable without private sector collaboration.

Phase two of the Government Business Partnership, of which Discovery's Group Chief Executive was a co-convenor, was launched in October 2024 and aims to achieve 3% GDP growth in South Africa.



For more information on our outlook for FY2026, refer to our strategy from page 31 and "Where we are headed" in our business reviews from page 74.

Our business model

We manage the creation, preservation and erosion of value through resources and relationships available or established to provide products and services through our composites. To understand our business is to understand our **WHY, HOW** and **WHAT**.

WHY we are in business

OUR CORE PURPOSE to make people healthier and enhance and protect their lives.

HOW we operate

WHAT SETS US APART

Our core purpose manifests through our pioneering and bespoke Shared-value model across our Discovery SA and Vitality (Vitality UK and Vitality Global) composites – underpinned by our leading Vitality behaviour-change platform and supported by our unique foundation and operating model.

OUR VALUES

Our core purpose and values underpin every decision we make, ensuring we manage value creation, preservation and erosion in a balanced way.

- Great people
- Liberate the best in people
- Intellectual leadership
- Drive, tenacity and urgency
- Innovation and optimism
- Business astuteness and prudence
- Customer, customer, customer
- Integrity, honesty and fairness
- Force for good

OUR STRATEGIC OBJECTIVES

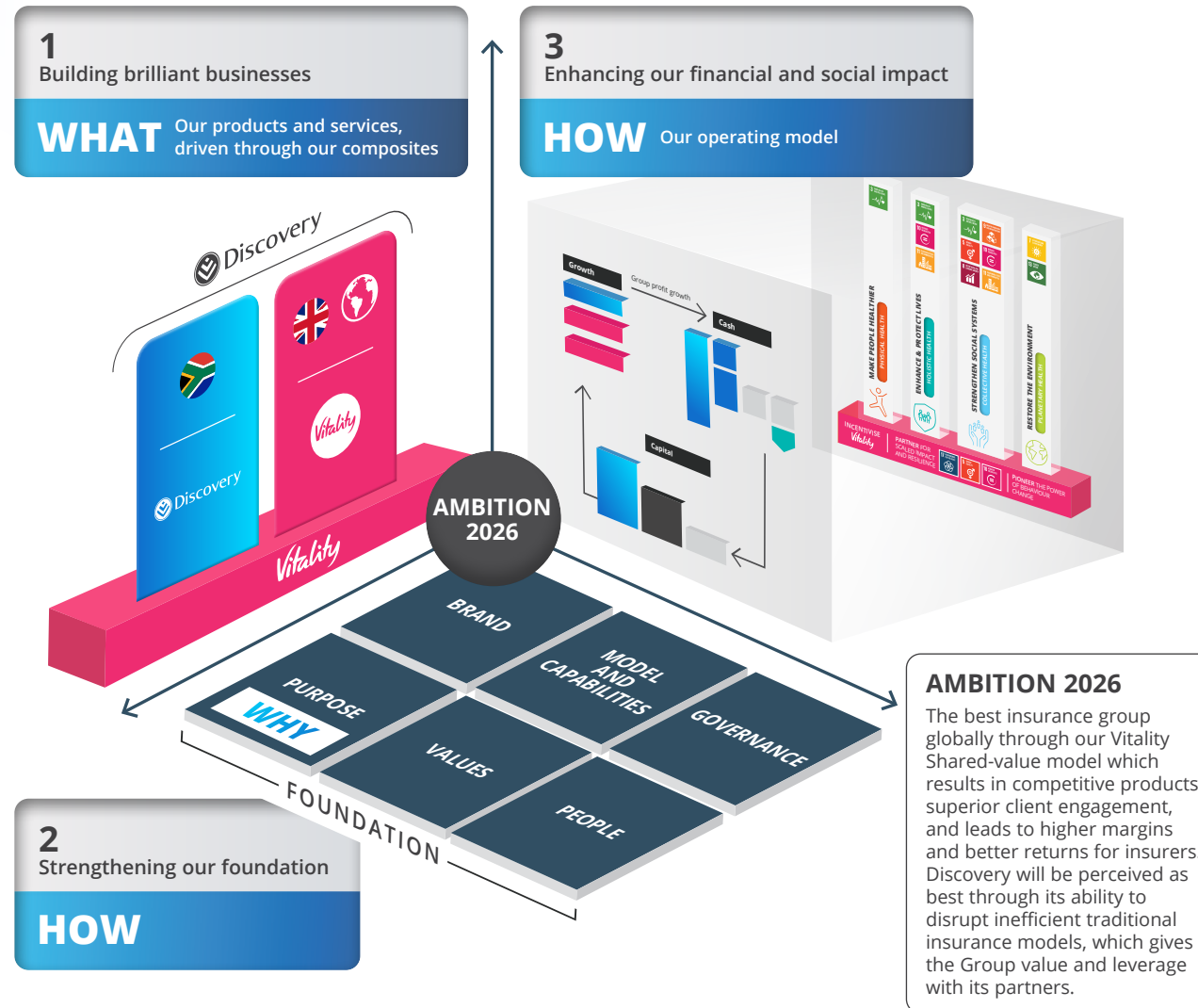
To deliver on our core purpose and strategy, we focus on three strategic objectives:

1 Building brilliant businesses across our composites

2 Strengthening our foundation through key business enablers

3 Enhancing our financial and social impact

Our **WHY, HOW** and **WHAT** are informed by integrated thinking and are fundamentally linked to the resources and relationships we rely on to create and preserve value for our stakeholders.



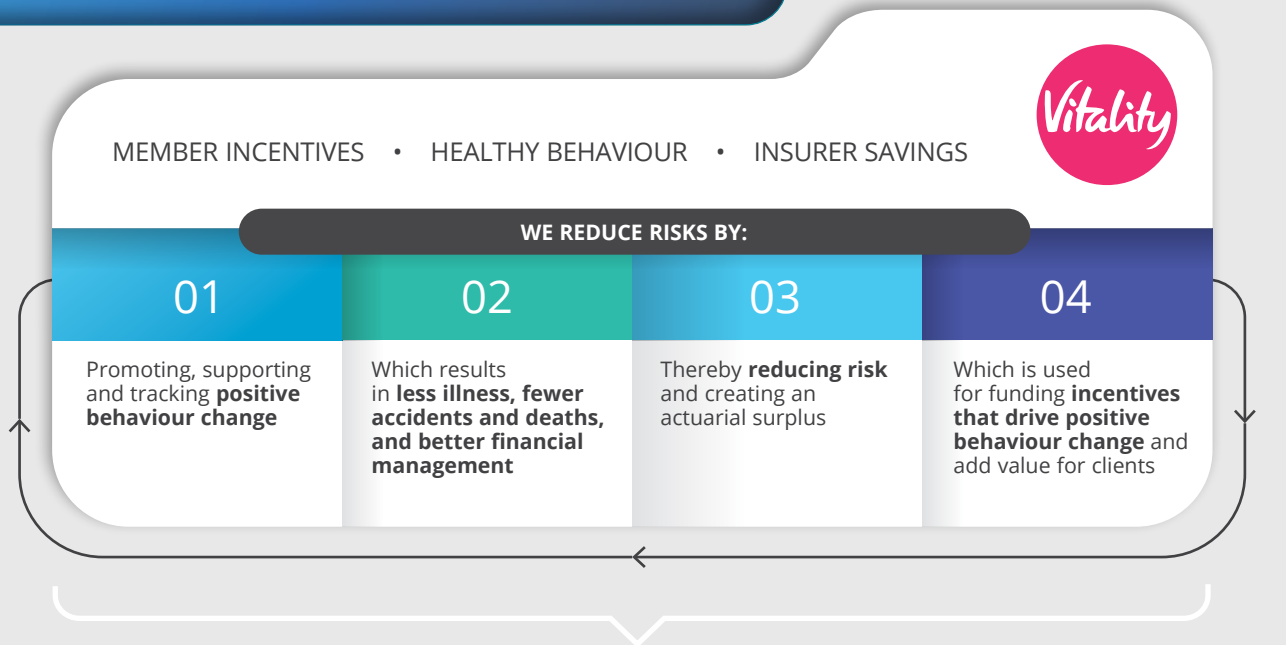
AMBITION 2026
The best insurance group globally through our Vitality Shared-value model which results in competitive products, superior client engagement, and leads to higher margins and better returns for insurers. Discovery will be perceived as best through its ability to disrupt inefficient traditional insurance models, which gives the Group value and leverage with its partners.

Enabling our HOW

Our operating model, Shared-value model and foundation form the basis of the resources and relationships we rely on to create and preserve value in the short, medium and long term. Key INPUTS include:

OUR SHARED-VALUE MODEL

Our Shared-value model is built on the Vitality behaviour-change platform, which guides and incentivises people towards better health, driving and financial behaviour. By understanding the correlations between behaviour, cost and outcomes, we designed the Vitality behaviour-change platform to address those areas with the greatest potential to change risk outcomes over the long term. In leveraging the power of the Discovery dataset, and analysing behavioural and clinical data, we are able to identify our clients' changing health risks, lifestyle habits and individual preferences. This, along with behaviour science, enables us to build Personal Health Pathways and suggest hyper-personalised and real-time Next-best Actions to drive healthier habits and behaviour change, and improve our clients' risk outcomes.



The Vitality behaviour-change platform underpins all our businesses and supports them by enabling product integration and cross-selling opportunities across the Group.

The model offers clients access to a range of pathways and incentives to lessen their personal risk and improve their behaviour through three programmes – Vitality Health, Vitality Drive and Vitality Money.

Independent research confirmed our model's positive impact on reducing healthcare costs, resulting in improved profitability – part of which is reinvested into the incentives that drive positive behaviour change.

The model creates ongoing shared value between our clients, the business and society. Insurance and financial risks are no longer a function of a client's circumstances when taking up the product, but rather a result of how they manage their behaviour across health, driving and financial management.

OUR FOUNDATION

OUR OPERATING MODEL

Our operating model and Integrated Sustainability Framework enable us to achieve financial, social and environmental impact and underpin how we execute our strategy and deliver on our core purpose. Our operating model further supports financial discipline and long-term financial stability by effectively managing liquidity, solvency and financial leverage. Restoring the environment is a key component of our Integrated Sustainability Framework. Maintaining an environment that enables and sustains good health is connected to our core purpose and we are committed to reducing our own environmental footprint.

Equity/capital of R65 699 MILLION <i>(FY2024: R54 451 million)</i>	FC
Debt of R16 103 MILLION <i>(FY2024: R17 511 million)</i>	Investment in new initiatives at 3% <i>(FY2024: 8%)</i>

33 081 MWh total energy consumed <i>(FY2024: 36 244MWh)</i>	89 711 kl total water withdrawn in South Africa <i>(FY2024: 88 603kl)</i>
--------------------------------------------------------------------------	----------------------------------------------------------------------------------------

OUR FOUNDATION



OUR BRAND SC

The Discovery brand is recognised for its intellectual leadership, innovation and purpose-led Shared-value model. Our brand is a key enabler of our long-term strategic objectives. We aim to build the Discovery brand in South Africa and the Vitality brand globally, while leveraging Vitality as a leading global behaviour-change platform in all markets.

Discovery and Vitality's brand strength enables us to take decisive action in a socially and environmentally responsible way across all markets. We leverage our brand equity through innovative marketing strategies that support our global growth across our composites. Elevating the Discovery and Vitality brands increases equity, visibility and trust, enhancing our social and financial impact worldwide.

85%

average score in the Ask Africa brand health tracker for Discovery businesses in South Africa
(FY2024: 88%)

64%

score for Vitality (UK) brand survey, conducted by Immerse
(FY2024: 57%)



OUR PEOPLE HC

Our people bring our Shared-value model to life and, to deliver on our long-term strategic objectives, we seek to employ the best person for every role while creating a diverse and inclusive workplace. We foster a collaborative culture that enables us to work together to navigate an increasingly complex world. To do this, we provide an unrivalled employee experience that motivates and inspires our people to harness their passion for excellence, contributing to our competitive advantage.

We actively seek out thought leaders and action-oriented individuals who are passionate about driving product development, engaging in policy debate and innovative practices based on science. Our industry continues to rely on scarce critical skills, especially in the actuarial, digital and technology sectors. We prioritise hiring and retaining people with humility and empathy (IQ > Ego) and the potential to collaborate and lead thoughtfully (EQ > IQ).

Over

15 000 EMPLOYEES

(FY2024: 14 800)

including our experienced leadership teams



OUR MODEL AND CAPABILITIES IC MC

Our capabilities are a strategic imperative for Discovery and a critical pillar in our strategy and Shared-value model. We leverage our data and technological capabilities to create an integrated experience for our clients across all businesses and to drive our expansion globally.

Our data science expertise drives our efforts to transform the financial services industry. Our innovations are inspired by the societal challenges we face or opportunities we identify while our team employs data-driven strategies and technology to unlock value for our clients. We prioritise responsible data stewardship and have measures in place to support data integrity, protect client data and maintain trust with stakeholders.

VITALITY1 PLATFORM

supporting single integration for wearable devices and health apps

Over

640 MILLION

healthy activities recorded
(FY2024: 576 million)

Good **CORPORATE GOVERNANCE** is key to creating value, as it promotes strategic decision-making that balances short-, medium- and long-term outcomes aligned to the interests of the Group, stakeholders and society. Our governance approach extends beyond compliance, as we are committed to a values-based and ethical culture built on non-discrimination, fairness, integrity and transparency. Entrenching the principles of good corporate governance (including risk management and compliance) and leadership throughout the organisation enables us to deliver on our core purpose.

We engage our **STAKEHOLDERS** at various points throughout our operating model and foundation. Discovery's continued growth and success depend on how we engage with, understand and respond to our stakeholders' needs, concerns and insights.

OUR BUSINESS ACTIVITIES AND OUTPUTS

Supporting our **WHAT**

We conduct business activities across our two composites:



Our main operational **ACTIVITIES** across our businesses include:

- Product development
- Managed care services
- Funding and deposits
- Predictive analytics
- Credit extension
- Business support
- Distribution support
- Transactional services
- Capital and risk management
- Client servicing and support
- Payment of claims

Our products and services (our **OUTPUTS**) include:

- Health insurance, administration and managed care of medical schemes
- Banking
- Long-term savings and investments
- Short-term personal insurance
- Life insurance
- Behaviour-change programmes

Emissions and waste (our **OUTPUTS**):

24 694 TONNES CO₂e (Scope 1 and 2)
(FY2024: 27 579 tonnes CO₂e)

30 TONNES WASTE to landfill (South Africa)
(FY2024: 21 tonnes)

KEY OUTCOMES INCLUDE:

Delivering on our **WHY**

We manage the material effects of our business activities, products and services on our resources and relationships. Our core purpose and values underpin every decision we make, ensuring a balanced approach to value creation, preservation and erosion. Key **OUTCOMES** include:

OUR OPERATING MODEL

- Continued focus on scaled organic growth, with focused extension through our composites
- Targeted growth in Group normalised operating profit of 15% to 20% CAGR
- Strong Group liquidity and solvency with financial leverage ratio less than our internally set guidance threshold of 28%
- Continued implementation of our climate change strategy, reducing our own impact on the environment and leveraging our influence through products and services

Normalised return on equity **FC**
15.4%
(FY2024: 13.5%)

Waste to landfill **NC**
6%
of the waste generated on South African campuses
(FY2024: 4.5%)

OUR FOUNDATION

OUR BRAND **SC**

Our Discovery and Vitality brands strengthen the relevance of our products and services by reflecting our core purpose and contribute to developing businesses expected to generate significant value for the Group. Consumer trust supports client acquisition and retention, driving increased market share in our markets of operation. Our brand equity, marketing capabilities, client experiences and distribution support for financial advisers drive new business growth and sustain client retention.

Client perception score
9.41
(FY2024: 9.04)

ELEVATED BRAND MESSAGING
that highlights shared value

OUR PEOPLE **HC**

Discovery's entrepreneurial spirit is part of our culture and nurtured by employees at all levels, including leadership. Our employees' diverse perspectives drive innovation, and we strive for exceptional performance each day. We encourage employees to participate in and share new ideas for product development and technological enhancements, leveraging their diverse backgrounds, thinking, and experience to build market-leading products and businesses. Our graduate programmes, including the Adrian Gore Fellowship Award and GradHack, assist in building a talent pool of critical skills.

R14.8 BILLION
in staff costs, including Executive Directors
(FY2024: R13.7 billion)

Women represent **58%** of our workforce
(FY2024: 59%)

79% black South African employees
(FY2024: 79%)

OUR MODEL AND CAPABILITIES **IC MC**

The data we collect provides insight into client behaviour across our businesses, supporting our shared-value approach and enables us to build a rich multidimensional data asset in life and health insurance. We offer personalised rewards to encourage positive change. Businesses within the Discovery ecosystem, including global insurance partners, have access to our expertise in data science and intellectual leadership, allowing them to gain immediate sophisticated insights and rapidly enter new markets globally. Vitality1, our cloud-based, feature-rich platform, is built to support and enable our diverse and growing set of global partnerships and programmes.

DATA, PRIVACY AND CYBERSECURITY AWARENESS TRAINING
for all employees

PERSONAL HEALTH PATHWAYS
is a digital health platform combining data, actuarial and behavioural science to engage members in a personalised programme that drives them towards healthier habits and behaviour change.

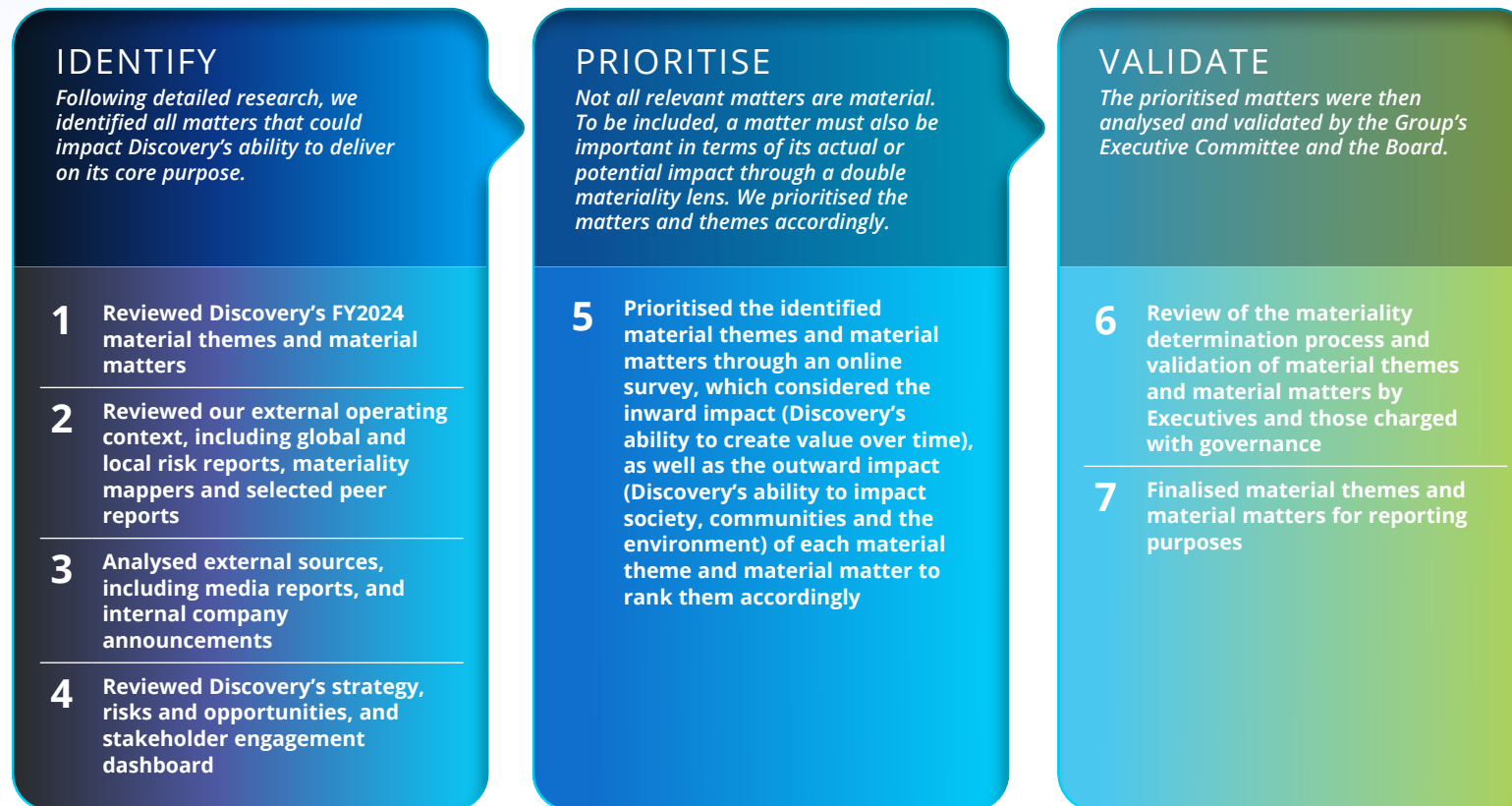
Our material themes and material matters

Discovery strives to positively impact the lives of our clients and society while remaining responsive to the influence of external impacts on our business. Our approach to value creation is guided by our core purpose, which underpins our business decisions.


This report's content is informed by matters that could substantively impact our ability to create or preserve value for our stakeholders in the short, medium and long term, as well as those that could erode value if not managed effectively.

How we determine our material themes and material matters

In FY2025, we conducted a double materiality review to identify, prioritise and validate the Group's material themes and material matters. As part of this process, we evaluated the effect of each material matter on Discovery's ability to create value over time, as well as our impact on society and the environment.



Following this materiality determination process, we identified eight material themes critical to the sustainability of our business, society and the environment in which we operate. These themes, along with the associated material matters, address our stakeholders' concerns and legitimate needs while supporting the delivery of our core purpose of making people healthier and enhancing and protecting their lives.

 For more information on the link between materiality and our risks and opportunities, operating environment and stakeholders, refer to pages 41, 49 and 55.

Our material themes

Our material themes are intrinsically linked to the Group's strategic objectives, as they could affect our ability to create or preserve value and, ultimately, impact our strategic performance. Our strategic objectives are tracked over short-, medium- and long-term horizons through defined performance measures and targets. We regularly monitor progress against these objectives, which are also linked to executive remuneration, to drive accountability and long-term value creation.


The Group's material themes are ranked by their impact on Discovery, as well as on society and the environment.

Weighting of material themes in terms of their impact on Discovery's ability to create value over time (inward impact), and Discovery's ability to impact society and the environment (outward impact) in FY2025

 Higher inward impact


 Higher outward impact

Advance our disruptive Shared-value model

OUR MATERIAL MATTERS Theme impact weighting: 

- Develop innovative and competitive products and services that incentivise positive behaviour change
- Drive organic growth through our own businesses and global partnerships

Leverage and manage technology and innovation

OUR MATERIAL MATTERS Theme impact weighting: 

- Cyber and data security, digital stewardship, and privacy
- Technology, innovation and our unique data set
- Digital inclusion and equality

Empower our people

OUR MATERIAL MATTERS Theme impact weighting: 


- Attraction, retention and culture
- Transformation, diversity and inclusion
- Capability development
- Employee rights, benefits, health and wellbeing

Ensure good corporate governance and leadership

OUR MATERIAL MATTERS Theme impact weighting: 


- Consumer protection
- Good corporate governance
- Supply chain impact management
- Fair and responsible remuneration
- Regulatory change, compliance and participation

Operate within a volatile socio-economic environment

OUR MATERIAL MATTERS Theme impact weighting: 


- Healthcare system strain
- Persistent economic pressure
- Societal shifts
- Economic, socio-political and critical infrastructure uncertainty

Ensure long-term financial sustainability

OUR MATERIAL MATTERS Theme impact weighting: 


- Sustainable financial performance
- Embedding and managing ESG factors
- Climate change resilience and vulnerability management

Expand and strengthen our social impact

OUR MATERIAL MATTERS Theme impact weighting: 

- Amplify our collective impact
- Financial inclusion and education in healthcare, insurance and finance

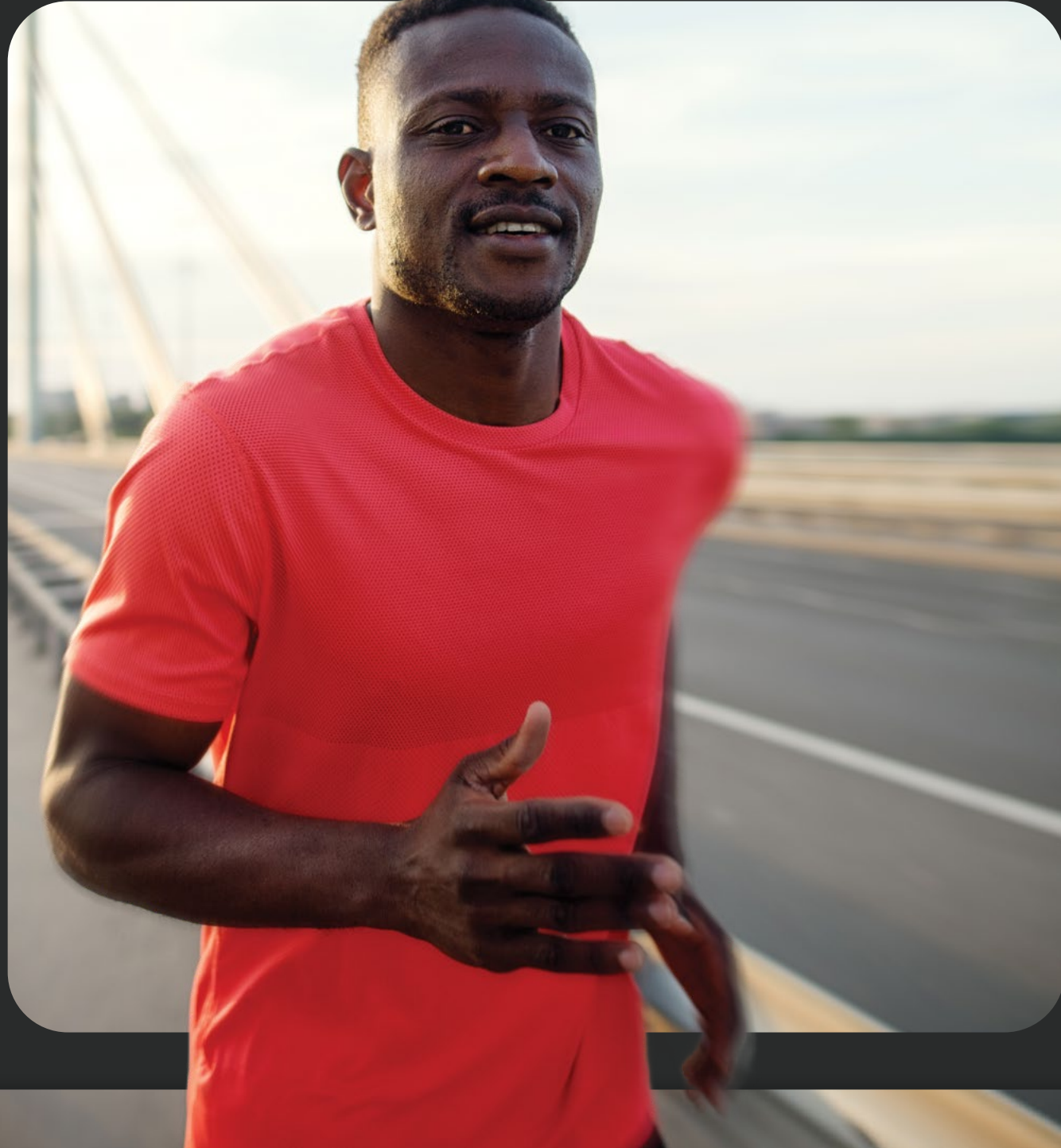
Strengthen our environmental stewardship

OUR MATERIAL MATTERS Theme impact weighting: 

- Climate change mitigation
- Environmental impact management

SECTION 03

Ensuring good **governance**



Chairperson's



reflections
SIR MARK E TUCKER

Discovery's core purpose – to make people healthier and to enhance and protect their lives – was integral to delivering our strategic ambitions during the year. Our Vitality Shared-value model supports the Group's core purpose and focuses clear alignment between our business, clients and society, as well as promoting sustainable growth. The model was key to Discovery achieving strong operating performance in FY2025, despite the challenging external backdrop.

Discovery SA delivered strong performance across all businesses. Specifically, efforts to scale Discovery Bank yielded positive results, with the business accelerating its acquisition of quality clients and generating its first profitable period during the second half of FY2025, ahead of plan.



External environment

The geopolitical and geoeconomic environment remained complex and unpredictable, adding risk to the markets in which Discovery operates. While inflation eased in some countries, in others it remained stubbornly high, affecting the pace and predictability of anticipated interest rate cuts. The changing approach to global trade relations significantly increased economic uncertainty. Growth remains below potential in many regions, where both business and consumer confidence continue to be weak. In stark contrast, investment markets have been generally favourable, providing good support to a number of our businesses.

In South Africa, the establishment of the Government of National Unity (GNU) initially calmed political uncertainty. Since then, the Coalition's resolve has been put to the test, impacting business confidence and raising doubts over policy continuity and the implementation of a reform agenda. While low growth and infrastructure challenges persist, there has been clear progress in key areas. That includes the Government Business Partnership, which advances initiatives that support more robust and inclusive economic growth.

Separately, the UK's economic and fiscal outlook remains challenging. Demand for, and utilisation of, private medical insurance continued, driven by National Health Service backlogs.

China shifted to more pro-actively supporting domestic consumption, while seeking to navigate the changing trade environment. Bond and equity markets performed strongly.

Performance

Notwithstanding this highly complex global economic context, Discovery delivered excellent performance across all business units, in the first year of the Group's five-year growth corridor. That was achieved through focused execution across our two composites – Discovery SA and Vitality.

This yielded solid results, with normalised profit from operations up by 29% and normalised headline earnings increasing by 30% to R9 781 million. Cash generation was strong across the Group. Liquidity and solvency buffers remained comfortably above appetite at both Group and regulated entity levels. Leverage continued to be reduced in line with plans.

Discovery SA delivered strong performance across all businesses. Specifically, efforts to scale Discovery Bank yielded positive results, with the business accelerating its acquisition of quality clients and generating its first profitable period during the second half of FY2025, ahead of plan.

Vitality's results reflect the excellent progress made in integrating the Group's global operations into a single composite. Vitality UK reported very strong earnings growth driven by claims and expense management in VitalityHealth, as well as strong new business growth in VitalityLife.

Vitality Global's performance was driven by strong results generated by Ping An Health Insurance (PAHI) and by the overall restructuring of the Vitality Network, aimed at building longer-term scale and value.

The Board approved the declaration of a final dividend of 201 cents per share, in addition to the interim dividend of 87 cents per share, in line with Discovery's dividend policy under IFRS 17. This represented a 33% increase in full-year dividends.

Board focus areas and operations

The Board oversaw Discovery's strategic and financial performance in an increasingly complex environment. It ensured that the Group's response to global risks balanced financial prudence with stakeholder needs. This involved focusing on the Group's capital position, liquidity, and solvency, to sustain financial stability and achieve growth objectives.

The Board focused on the Group's continued investment supporting Discovery Bank's growth; the improvements in Discovery Insure's personal lines business; restoring growth in VitalityHealth and VitalityLife in the UK; and the consistent strong performance of PAHI.

Chairperson's reflections *continued*

The Board also monitored a number of other initiatives and developments aimed at accelerating growth. That includes the amalgamation of Vitality UK and Vitality Global into a single Vitality composite and advancing the development of Vitality AI.

In addition, the Board oversaw succession planning and internal talent management; the Group's remuneration policies and practices; and organisational and business resilience, with a focus on factors that could impact it.

With respect to regulatory developments, the Group addressed the requirements and ramifications of the Employment Equity Amendment Act, which became effective on 1 January 2025, and of the Council for Medical Schemes' (CMS) Section 59 investigation final report. The Board monitored developments related to the National Health Insurance (NHI) Act and oversaw Discovery's relevant engagement efforts, to deliver a workable model that will benefit all South Africans.

During the year, the Board also considered its own succession plans and those of the material subsidiaries. It made substantial progress in achieving its transformation commitments. Board composition is diverse, comprised of over 50% female and close to 40% Black membership.

In addition, we completed a thorough independent effectiveness review, which pointed to strong progress made and to the effective adoption of the Group's Governance Framework.

Sustainability

Discovery remains deeply committed to supporting sustainability and being a force for social good. To this end, the Group advanced its sustainability goals. It incentivised over 640 million healthy activities in FY2025, with more than 5 million life years saved, and R19.4 billion in value returned to clients.

The Group continued to promote healthcare service delivery in rural and underserved communities in South Africa, through the Discovery Fund. It invested in digital assets to further extend access to healthcare and provided research and training grants to address the critical shortage in medical graduates and specialist skills.

As the adverse impacts of climate change become more evident each passing year, the Group continues to focus on climate-related risks and opportunities, while mitigating our impact on the environment. We made good headway in this regard, achieving carbon neutrality in our UK operations, and exceeding our short-term Scope 1 and 2 emissions goal by achieving a 31.2% reduction against the 2019 baseline. We also furthered our Scope 3 emissions analysis and developed and published our Net-zero Transition Plan to guide our approach to emissions reduction. Our unique business proposition, Discovery Green, made important strides, providing small and medium-sized businesses with access to renewable energy.

Board changes

I want to express my sincere appreciation to our Board members, for their invaluable contributions and their disciplined commitment throughout the year.

In terms of membership, I am delighted to welcome Nolitha Fakude to the Board, who joined as an Independent Non-executive Director on 1 September 2025. She has also been appointed to the Nominations, Remuneration and Social and Ethics Committees. Nolitha brings strong global business experience and expertise to the Board, while further enhancing its diversity. The Board wishes her the very best and looks forward to her valuable contributions.

Looking ahead

We expect the external environment to remain highly uncertain in the year ahead. The Group will face increasingly complex global risks. Against this backdrop, Discovery will continue prioritising our core purpose and effectively deploying the Shared-value model. The Group is well positioned to deliver scaled organic growth through our two composites. As we leverage technology and our unique data assets – Vitality AI in particular – we will seek to accelerate the improvement in key value drivers.

The Group established a five-year ambition to grow its profit from operations by an annual average compounded rate of 15% to 20% from the end of 2024 to 2029. Our strong performance in the first year of delivery has further strengthened the Group's confidence in achieving our stated ambition.

Appreciation

I want to conclude by expressing my sincere appreciation to Adrian and his executive team. They delivered strong performance once again, demonstrating outstanding leadership and professionalism.

I am also immensely grateful to all of our Discovery colleagues for the limitless energy, great efforts, and immense care that they bring to their work. All that we delivered was only made possible by their dedication to serving our clients in the best way possible.

Finally, I am deeply thankful to Discovery's clients and stakeholders for their continued support, as we deliver on our core purpose and create sustainable value.

SIR MARK E TUCKER

Our leadership

Our Board of Directors

Discovery's experienced Board of Directors is purpose driven and committed to our values. As a founder-led organisation, our Board supports the preservation of our unique entrepreneurial spirit, while encouraging innovation and balancing value creation, preservation and erosion.

HOW OUR GOVERNANCE STRUCTURES SUPPORT VALUE CREATION

Discovery recognises that good governance is a critical component of value creation, in that it enables ethical leadership and transparency, supports integrated thinking Group-wide, and strengthens risk oversight and performance management to preserve and grow value. As the highest governing body, our Board aims to embed good governance principles and ethical leadership throughout the business to ensure we deliver on our core purpose.

By promoting strategic, ethical decision-making that balances short-, medium- and long-term outcomes, the Board ensures the interests of the Group, stakeholders and society are protected and aligned, thereby maintaining trust and confidence in the Discovery brand.

IN MEMORIAM

Discovery mourns the passing of Tito Mboweni, who served as an Independent Non-executive Director from his appointment on 5 May 2022 until his death in October 2024. A respected statesman and economic leader, Tito brought valuable insight and expertise to the Board and the Committees he served on. The Group expresses its sincere appreciation for his service and contribution to Discovery's governance and strategic oversight.

Chairperson of the Board



SIR MARK E TUCKER / 67
Independent Non-executive Director
Appointed: 1 March 2019
Qualifications: BA (Hons) (University of Leeds), ACA (ICAEW), CMI

Executive Directors



ADRIAN GORE / 61
Founder and Group Chief Executive
Appointed: Founder
Qualifications: BSc (Hons), FFA, ASA, MAAA, FASSA, Honorary DCom (Wits)



BARRY SWARTZBERG / 60
Co-founder and Executive Director: Discovery
Appointed: Co-founder
Qualifications: BSc, FFA, ASA, FASSA, CFP



DEON VILJOEN / 60
Group Chief Financial Officer
Appointed: 1 May 2017
Qualifications: BCom Accountancy (cum laude), BCom (Hons), CTA, CA(SA)

Non-executive Directors



LISA CHIUME / 46
Independent Non-executive Director
Appointed: 18 September 2023
Qualifications: BCom Business Finance and Economics



RICHARD FARBER / 54
Non-executive Director
Appointed: 1 April 2018
Qualifications: BCom (Hons), MPH, CA(SA), FCMA, CA ANZ, MAICD



MONHLA HLAHLA / 62
Independent Non-executive Director
Appointed: 15 August 2021
Qualifications: BA Economics (Hons), MA Urban Planning, Advanced Management Programme (INSEAD)



FAITH KHANYILE / 58
Independent Non-executive Director
Appointed: 1 October 2015
Qualifications: BA Economics, MBA Finance, HDip Tax, Executive Leadership Programme (Columbia University)



DAVID MACREADY / 66
Independent Non-executive Director
Appointed: 3 February 2020
Qualifications: BCom (Hons), CTA, CA(SA), SEP (Harvard), IDP (INSEAD)



CHRISTINE RAMON / 58
Independent Non-executive Director
Appointed: 18 September 2023
Qualifications: BCompt (Hons), CA(SA), SEP (Harvard)



MARQUERITHE SCHREUDER / 56
Independent Non-executive Director
Appointed: 19 February 2021
Qualifications: BCom (Hons), FIA, FASSA



BRIDGET VAN KRALINGEN / 62
Independent Non-executive Director
Appointed: 7 April 2022
Qualifications: BCom (Hons), MCom



NOLITHA FAKUDE / 60
Independent Non-executive Director
Appointed: 1 September 2025
Qualifications: BA (Hons) Psychology, SEP (Harvard)

New Board appointments since year-end

Board independence, composition and diversity

As at 30 June 2025 our Board, led by our Chairperson in his capacity as an Independent Non-executive Director, comprised 12 Directors – nine Non-executive and three Executive. During the year, Tito Mboweni, an Independent Non-executive Director, sadly passed away. After year-end, our Board increased to 13 Directors with the appointment of Nolitha Fakude with effect from 1 September 2025. Non-executive Directors are appointed for a period not exceeding three years and are subject to re-election on a rotational basis. The reappointment of Non-executive Directors is not automatic and depends on the knowledge and skills required by the Board, the Director's suitability and the diversity targets determined by the Board.

The Board is satisfied with the independence of the Directors and that there are no relationships or conflicts of interest that could prevent them from acting in the best interests of the Group and with due care in discharging their duties. The composition and succession planning of the Board is reviewed regularly, and remedial actions are undertaken where necessary.

The Nominations Committee assists the Board to ensure it has the appropriate balance of skills, qualifications and experience for it to execute its duties effectively. The committee is also responsible for establishing a Board succession plan, which includes identifying, mentoring and developing future candidates.

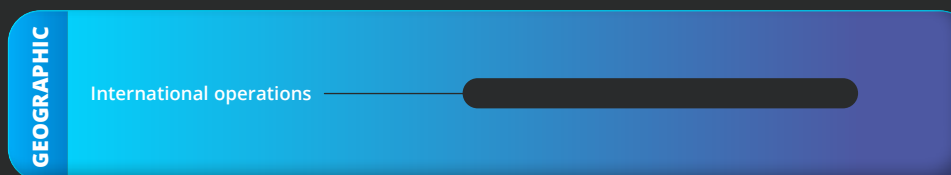
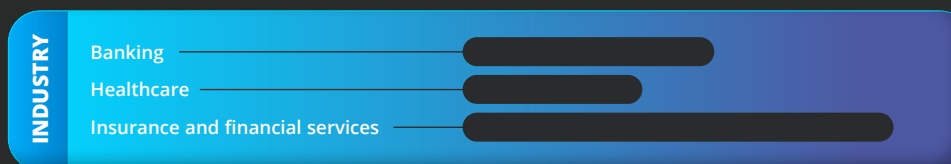
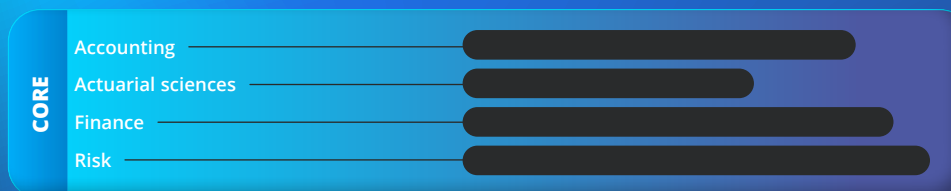


- 69% Independent Non-executive Directors
- 23% Executive Directors
- 8% Non-executive Directors

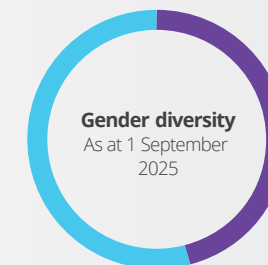


- 70% 0 to 4 years
- 20% 5 to 8 years
- 10% 9 years +

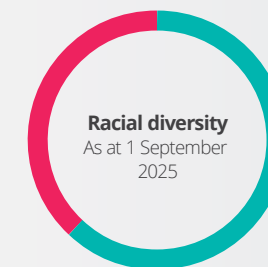
DISCOVERY BOARD AREAS OF EXPERTISE, PRIMARY SKILLS AND EXPERIENCE



BOARD DIVERSITY STATISTICS



- 46% Male
- 54% Female



- 62% White
- 38% Black




























- 15% 55 or younger
- 70% 56 to 64
- 15% 65 or older

Our Group Executive Committee

Discovery's Group Executive Committee consists of 28 members who represent all areas of our business and contribute diverse skills, thought and experience. The Group Executive Committee implements strategies approved by the Discovery Board and manages the day-to-day affairs of the Group. Business units and functional areas across our composites have established executive committees that meet regularly and report to the Discovery South Africa and Vitality executive committees, as relevant. Feedback from the composite executive committees, as well as the Financial and Capital, ESG and Internal Remuneration committees, is provided to the Group Executive Committee during its weekly meetings.

The Group Executive Committee implements strategies approved by the Discovery Board and manages the day-to-day affairs of the Group.

IN ADDITION TO OUR EXECUTIVE DIRECTORS, THE GROUP EXECUTIVE COMMITTEE INCLUDED:

 <p>ROBERT ATTWELL Chief Executive Officer: Discovery Insure</p>	 <p>HYLTON KALLNER Chief Executive Officer: SA composite and Discovery Bank</p>	 <p>ALAN POLLARD President of Product and Innovation: Vitality Global</p>	 <p>RIAAN VAN REENEN Chief Executive Officer: Discovery Life</p>
 <p>FIROZE BHORAT Chief Marketing Officer</p>	 <p>NEVILLE KOOOWITZ Chief Executive Officer: Vitality</p>	 <p>KENNY RABSON Chief Executive Officer: Discovery Invest</p>	 <p>ANDRE VAN ROOYEN Chief Compliance Officer: SA</p>
 <p>DR JONATHAN BROOMBERG Chief Executive Officer: Vitality Health International</p>	 <p>SHAUN MATISONN Head of Insurance Markets: Vitality Global</p>	 <p>ANDREW RAYNER Group Chief Actuary</p>	 <p>DR RONALD WHELAN Chief Executive Officer: Discovery Health</p>
 <p>DAVID FERREIRA Chief Executive Officer: Vitality Asia</p>	 <p>SENELE MBATHA Group Chief Risk Officer</p>	 <p>KARREN SANDERSON Chief Operating Officer: Discovery Health</p>	 <p>DEREK WILCOCKS Group Chief Information Officer</p>
 <p>DINESH GOVENDER Chief Executive Officer: Discovery Vitality (SA)</p>	 <p>LISA MONDSCHIN Chief of Staff: Chief Executive's Office</p>	 <p>ZIMKHITHA SAUNGWEME Chief People Officer</p>	
 <p>PRAV GOVINDER Chief Executive Officer: Discovery Connect</p>	 <p>DR AYANDA NTSALUBA Group Executive</p>	 <p>EMILE STIPP Chief Actuary and Head of Data Science Lab: Discovery Health</p>	
 <p>FRANCOIS GROEPE Deputy Chief Executive Officer: Discovery Bank</p>	 <p>NONKULULEKO PITJE Chief Executive Officer: Discovery Corporate & Employee Benefits</p>	 <p>MAIA SURMAVA Chief Executive Officer: Vitality USA</p>	

Governance overview

We believe that good governance extends beyond compliance. It creates and preserves value by ensuring responsible and ethical behaviour, and enhances accountability, leadership, risk and performance management, and transparency. Our Board is Discovery's highest governing body and is committed to the principles of good corporate governance as set out in King IV™.

King IV™ forms the cornerstone of our governance approach, and we support its overarching goals.

MAINTAINING AN ETHICAL CULTURE



We entrench the King IV™ principles and recommendations in our governance and risk management structures, policies and procedures. This informs how we do business and creates the foundation from which we entrench an ethical culture throughout the Group. The Group has a dedicated Ethics Office that manages and implements the ethics management framework and plan throughout the Group. The Board, assisted by the Social and Ethics Committee, mandates and oversees the Ethics Office. We maintain, review, monitor and report on our Group Conflict of Interest, Group Whistleblowing and other ethics-related policies. Our Ethics Ambassadors Programme further strengthens and cultivates an ethical culture within the organisation.

DELIVERING GOOD PERFORMANCE



Discovery embodies the philosophy of integrated thinking, driven by our core purpose. Annually, the Board reviews and approves the Group's strategy, key performance measures and targets of all Executives, and oversees the implementation of the Group's strategic plans. As we pursue our medium- and long-term strategic objectives, we consider how our decisions affect the resources and relationships we rely on and how these, in turn, impact our business.

Alongside an induction programme when appointed to the Board, our Directors are also required to attend professional development training and briefings to remain updated on legal and regulatory risks, developments and changes, that could impact the environment in which the Group and its subsidiaries operate. During the year, Board training topics included legislative requirements; risks; developments in ESG and climate-related reporting; Discovery Green's renewable energy initiatives, value proposition and business case; phase 2 of the business-government partnership; and the performance, evolution and value contribution of Personal Health Pathways.

In FY2025, Discovery conducted an independent assessment of the Board, its committees, its Chairperson and Board members. Overall, the findings of the review were positive with considerable progress made across several areas. Recommendations for further improvements are being implemented and incorporated in the Board's annual workplan.

ENSURING EFFECTIVE CONTROL



The Board Charter sets out the roles and responsibilities of the Board and is reviewed annually to ensure it continues to align with the principles and practices recommended by King IV™, in addition to other regulatory and legislative requirements.

Effective control is further supported by:

- The separation of roles and responsibilities and delegation of authority to ensure that no individual has unrestricted decision-making power
- Succession planning, which is reviewed regularly and remediated where necessary
- Director appointment and rotation in a formal and transparent manner, overseen by the Nominations Committee
- The Group Company Secretary's objectivity, ensuring sound governance procedures are followed and maintained
- Our Conflict of Interest Policy, which guides our approach, response and mitigation in an ethical and responsible manner
- The Remuneration Committee's oversight of the Group's remuneration practices
- Our focused oversight of technology and information, related legislative compliance and risks
- Our Combined Assurance model, which addresses significant strategic, sustainability, financial, operational and compliance risks

MAINTAINING LEGITIMACY



Discovery is an active corporate citizen in communities where it operates and positively contributes to the economy, society and environment. Our Social and Ethics Committee ensures an inclusive approach to stakeholder engagement and assists the Board with monitoring our relationships with our stakeholders. We support the objectives of the United Nations SDGs, adopted the recommendations of the TCFD and are progressing towards alignment with the ISSB standards. We are also committed to sustainable procurement practices and aim to source high-quality, affordable and environmentally and socially friendly products and services. The Group is a signatory to the Principles for Responsible Investment (PRI) and our Responsible Investment Policy aims to align our investment philosophy with relevant principles and industry codes of best practice. Discovery also supports responsible and transparent tax practices, complying with all statutory tax obligations of the regions in which we operate.

Our leadership's role in corporate governance

As the focal point and custodian of corporate governance within Discovery, the Board is committed to leading the Group responsibly, ethically and with integrity.

FY2025 BOARD FOCUS AREAS

The Board provides oversight to ensure that our medium- and long-term strategic objectives are identified, measured and executed to create sustainable value for our stakeholders. This year, specific focus and deliberation was given to the following areas:

- Monitored risks related to the complex macroeconomic environment and the Group's response to these risks through appropriate mitigating actions that ensured financial prudence while meeting our stakeholders' needs
- Ensured the Group's financial resilience by managing cash, debt and solvency while achieving growth objectives
- Oversight of the Group's strategic and financial performance including our continued investment in Discovery Bank's growth, and monitored improvements in Discovery Insure's personal lines business, stability in VitalityHealth and VitalityLife in the UK, and continued strong performance from Ping An Health Insurance
- Monitored the internal succession and talent pipeline to ensure these remain healthy and robust, and that good succession coverage exists for critical roles in our executive management team
- Focused on compliance planning, performance tracking, talent development and risk management to ensure meaningful transformation in line with the amended Employment Equity Act
- Monitored significant regulatory developments, including the CMS's Section 59 investigation final report and the NHI Act, and the Group's operational readiness, fraud monitoring and stakeholder training for the two-pot retirement system
- Oversight of the Group's ability to anticipate, prepare for, respond to and adapt to incremental change and sudden disruptions, ensuring continuity of operations and the achievement of strategic objectives. This included business continuity planning and disaster recovery, technology and cyber resilience, and AI-related risks, as well as the impact of climate change and the deterioration of public infrastructure that threaten business continuity

- Continued to oversee Discovery's remuneration policies and practices to ensure they are fair, responsible, competitive and transparent. In addition, the Board monitored developments related to the Companies Amendment Act, which was signed into law in July 2024, and the Group's readiness to comply with the new legislation once an effective date is announced
- Monitored the implementation of the climate change strategy, as well as climate-related risks and opportunities, while ensuring climate-related matters are integrated into the Group's policies and practices, investment and procurement decisions, product development and service offerings, and partnerships. The Board also monitored progress against the Group's emission reduction targets and the development of the Group's Net-zero Transition Plan
- Monitored developments related to Discovery Green – including financial close and offtake agreements, electricity trading licencing, and the launching of Ampli Energy
- Approved an interim ordinary dividend declared at 87 cents per share and a final ordinary dividend of 201 cents per share
- Monitored the operational unification of Vitality UK and Vitality Global under a single Vitality composite to unlock long-term international growth and competitive advantage, and enable more consistent use of data, intellectual property and technology across the markets in which we operate

FY2026 BOARD FOCUS AREAS

During FY2026, our Board will oversee, among others, the following matters in its capacity as the Group's highest governing body:

- The Group's continued financial strength and resilience considering the volatile geopolitical and socioeconomic environment
- The execution of the Group's climate change strategy, including performance against climate-related goals and the Net-zero Transition Plan
- Developments as Discovery Green rolls out its business proposition and advances its business model
- Evaluation of emerging technologies for operational efficiency and resilience while ensuring cyber security and data protection
- Scaling of Discovery Bank to enable the Discovery SA composite through full integration, creating a unique, shared-value, customer-centric proposition
- Collaboration with government, business and civil society to address concerns with the NHI Act in South Africa
- The implementation of the Group's employment equity plan, and transformation and talent management initiatives

Discovery's approach to Group governance is articulated in our Group Governance Framework and is supported by Group-wide documents, processes and procedures. The Board is accountable for giving effect to this framework and oversees adherence to it.

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Board committees

The Board delegates some of its responsibilities to appropriately constituted Board committees. Seven Board committees are fully established in line with the requirements of the business, the Companies Act, Insurance Act and King IV™ to assist the Board in fulfilling its responsibilities. Our Board committees act within the bounds of approved Terms of Reference, which clearly define the responsibilities and duties delegated by the Board. The committees are satisfied that they have fulfilled their responsibilities as per their Terms of Reference for FY2025.

The Chairperson of each committee is appointed by the Board and reports directly to the Board after each meeting on the activities, written resolutions and decisions made by the committee, enabling the Board to monitor performance. The Board encourages the sharing of information across committees to drive collaboration and integration while maintaining accountability and empowering independent judgement. To this end, our Non-executive Directors serve on multiple Board committees. Furthermore, Board members may attend any committee meeting as an invitee or observer to provide insight into matters of interest but may not take part in any decisions made by the appointed members of the committee.

When Board committees require additional expertise and consideration, subcommittees are set up under Board committees to address specific issues. For example, The Treating Customers Fairly and the IT subcommittees report to and assist the Risk and Compliance Committee. The Treating Customers Fairly Subcommittee focuses on ensuring the fair treatment of customers by the Group and is chaired by an Independent Non-executive Director of Discovery Insure and Discovery Life. The IT Subcommittee, which is chaired by an independent expert, provides oversight of information systems that are fundamental to the business from a risk and strategic alignment perspective and helps fulfil regulatory requirements.

AUDIT COMMITTEE

AC

The Audit Committee assists the Board in fulfilling its Group governance and oversight responsibilities pertaining to financial reporting processes, internal control frameworks, internal and external audit processes, applicable standards and legislation as well as the impact of IT-related matters on the financial results of the Group. This includes overall tax compliance as well as governance and ethics matters related to the financial results of the Group.

REMUNERATION COMMITTEE

RC

The Remuneration Committee assists the Board in ensuring the Group remunerates fairly, responsibly and transparently. It oversees the implementation of the Remuneration Policy and remuneration philosophy and makes recommendations to the Board regarding the remuneration structure and base fees for Non-executive Directors for approval by shareholders.

RISK AND COMPLIANCE COMMITTEE

RCC

The Risk and Compliance Committee is responsible for ensuring that material risks which could affect the Group are identified, assessed and effectively managed and reported, and that the Group's policies and processes are adequate to maintain compliance with the required legislative and regulatory requirements. The committee also oversees that adequate systems of financial crime management are in place, as well as processes and controls that manage business continuity, disaster recovery, operational resilience, cyber risk, information assets and the IT Governance Framework within the Group.

ACTUARIAL COMMITTEE

ACT

The Actuarial Committee is an independent statutory committee that provides assurance to the Board on all actuarial matters, including the identification, review and management of actuarial risks and the appropriateness of the assumptions underlying the product terms, liabilities and capital of the Group.

SOCIAL AND ETHICS COMMITTEE

SEC

The Social and Ethics Committee is an independent statutory committee that assists the Board in implementing and monitoring strategies related to social, economic, sustainability and climate change developments; monitoring stakeholder relations; and overseeing organisational ethics. The committee also makes recommendations to the Board on good and responsible corporate citizenship and assesses the impact of the Group's activities and products on the environment, people, health and public safety.

NOMINATIONS COMMITTEE

NC

The Nominations Committee oversees the appropriate composition of the Board and its committees to ensure an appropriate balance of knowledge, skills, experience, diversity and independence. It assists in identifying, electing and appointing potential Board candidates and makes recommendations on the appointment of Executive or Non-executive Directors to the Board. Non-executive Directors are presented to shareholders for consideration at the AGM. The committee is also responsible for succession planning for the Group Chief Executive and Board members, promoting independent judgement through appropriate delegation structures, and ensuring ongoing training and development of Board members, and the evaluation of the Board's performance and progress against diversity targets.

TECHNOLOGY WORKING GROUP

TWG

The Technology Working Group (TWG) is a strategic advisory body that assists the Board in fulfilling its information and technology growth aims and strategy. The TWG extends the Board's oversight role of technology more broadly than governance and risk, currently provided by the IT Subcommittee.

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Board and committee meeting attendance during FY2025

Our Board members attended the following formalised Board and committee meetings during the year.

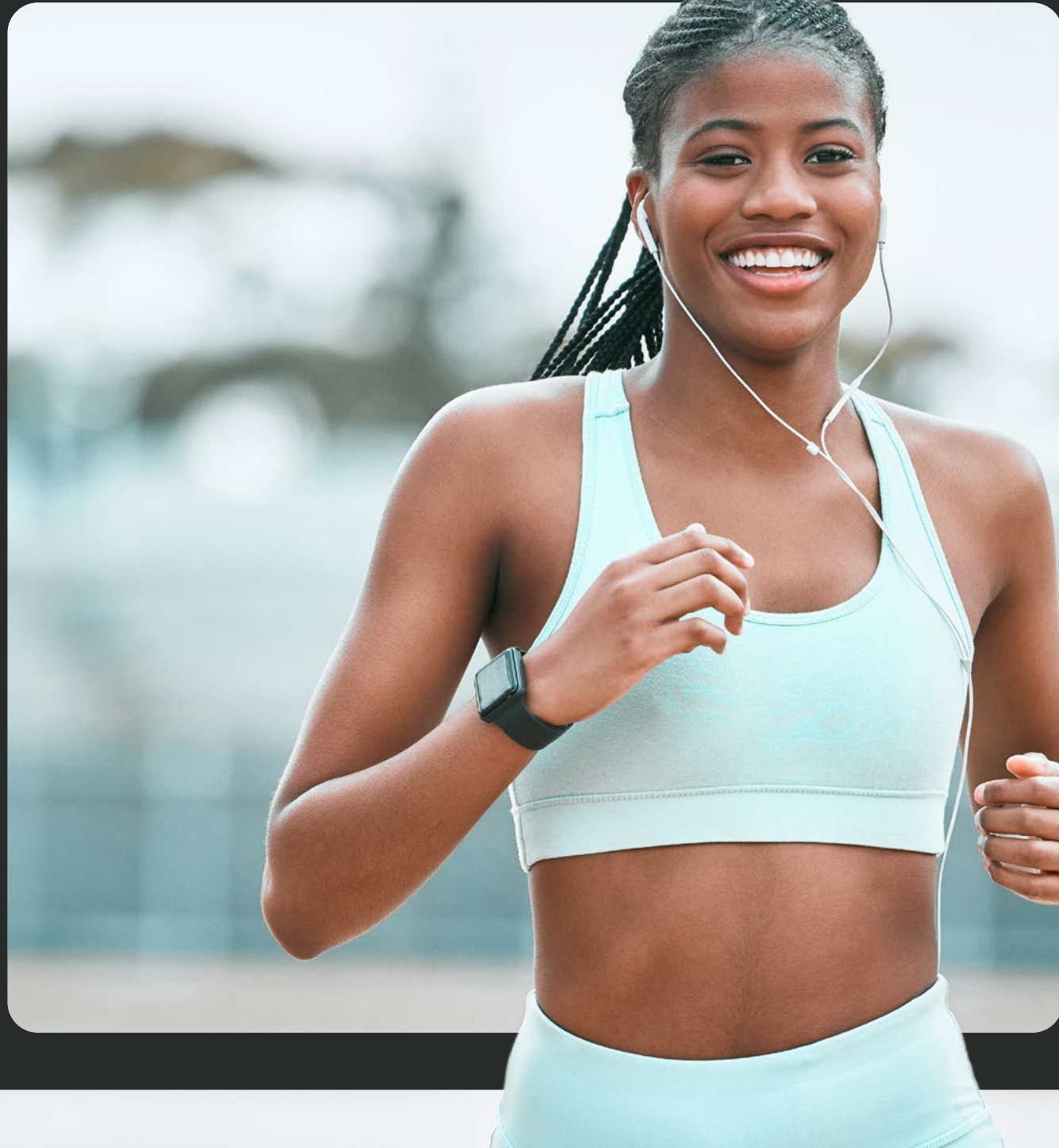
	BOARD ²	AC AUDIT COMMITTEE	RC REMUNERATION COMMITTEE	RCC RISK AND COMPLIANCE COMMITTEE	ACT ACTUARIAL COMMITTEE	SEC SOCIAL AND ETHICS COMMITTEE	NC NOMINATIONS COMMITTEE	TWG TECHNOLOGY WORKING GROUP
Non-executive Directors								
Mark E Tucker ¹ (Chairperson)	4/4						3/3	
Lisa Chiume ¹	4/4	4/4		6/6				
Richard Farber	4/4			6/6	6/6			
Monhla Hlahla ¹	3/4	4/4	4/4			4/4		
Faith Khanyile ¹	4/4		4/4			4/4	3/3	
David Macready ¹	4/4	4/4		6/6	5/6			
Christine Ramon ¹	4/4	4/4	4/4			4/4		
Marquerithe Schreuder ¹	4/4	4/4		6/6	6/6			4/4
Bridget van Kralingen ¹	3/4							4/4
Executive Directors								
Adrian Gore	4/4						3/3	
Barry Swartzberg	4/4							4/4
Deon Viljoen	4/4			6/6	6/6			

¹ Independent.
² Tito Mboweni attended the one Board meeting held prior to his passing in October 2024

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SECTION 04

Value creation



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ADRIAN GORE

The year under review has been an exceptional period. Discovery's ambition to build a financial services group of unique capability and global influence is based on the increasing relevance of our Vitality Shared-value model, which generates better returns for shareholders and value for money for our clients, while having a positive impact on the communities in which we operate. FY2025 clearly illustrates the power of our strategy which will drive future growth and impact.

Our global context has been dominated by geopolitical complexities, global policy shifts and trade tensions, which have created ripple effects for markets and consumers in the countries in which we operate.



Our global context has been dominated by geopolitical complexities, global policy shifts and trade tensions, which have created ripple effects for markets and consumers in the countries in which we operate. Alongside this, economic growth has remained below potential in many regions in which the Group operates. We have continued to operate prudently in this context, maintaining a set of risk principles that navigate environments of high macroeconomic uncertainty, minimising exposure to financial risks.

In addition, the acceleration of key global trends is reshaping health and financial systems worldwide. Rising chronicity, decreasing fertility and ageing populations are inverting age structures, which together with limited fiscal capacity is placing more pressure on insurance systems. We have also seen rapid technological advancements leading to breakthroughs in AI, which have further enabled our model.

Our Vitality Shared-value model, which is uniquely positioned to address these challenges by incentivising healthier behaviours and financial wellbeing, has become increasingly relevant in this context. Given the scale and quality of data and assets accumulated over more than 25 years, we are the only financial services group that can, through precise risk assessment, identify each client's specific risk factors, determine the exact actions needed to reduce them, and accurately price this into insurance and banking models, while incentivising behaviour change.

FY2025 Performance

Our results over the period are framed by three key themes:

01

A strong FY2025 operating performance across the Group

02

An excellent start to the Group's five-year growth corridor

03

Delivering growth through two focused business composites

01

A strong FY2025 operating performance across the Group

The Group's normalised operating profit grew by 29% to R15 210 million for the year ended 30 June 2025, with significant growth in cash conversion, now at 77%. Headline earnings and normalised headline earnings both increased by 30% to R9 625 million and R9 781 million, respectively. This resulted in the normalised return on equity (ROE) increasing to 15.4% from 13.5% in the prior year. Total new business annualised premium income (API) decreased by 2% to R26 486 million given the large Sasolmed take-on in the prior year, however, increased by 8% excluding Sasolmed, with total non-insurance income growing by 12% to R6 643 million.

Embedded value increased to R127 billion, which represents a 15.7% return on embedded value. This included a positive contribution from experience variances over the period, reflecting the positive dynamics of the Vitality Shared-value model. We demonstrated continued resilience across all key liquidity, solvency, and debt metrics, with the financial leverage ratio (FLR) improving to 16.8%.

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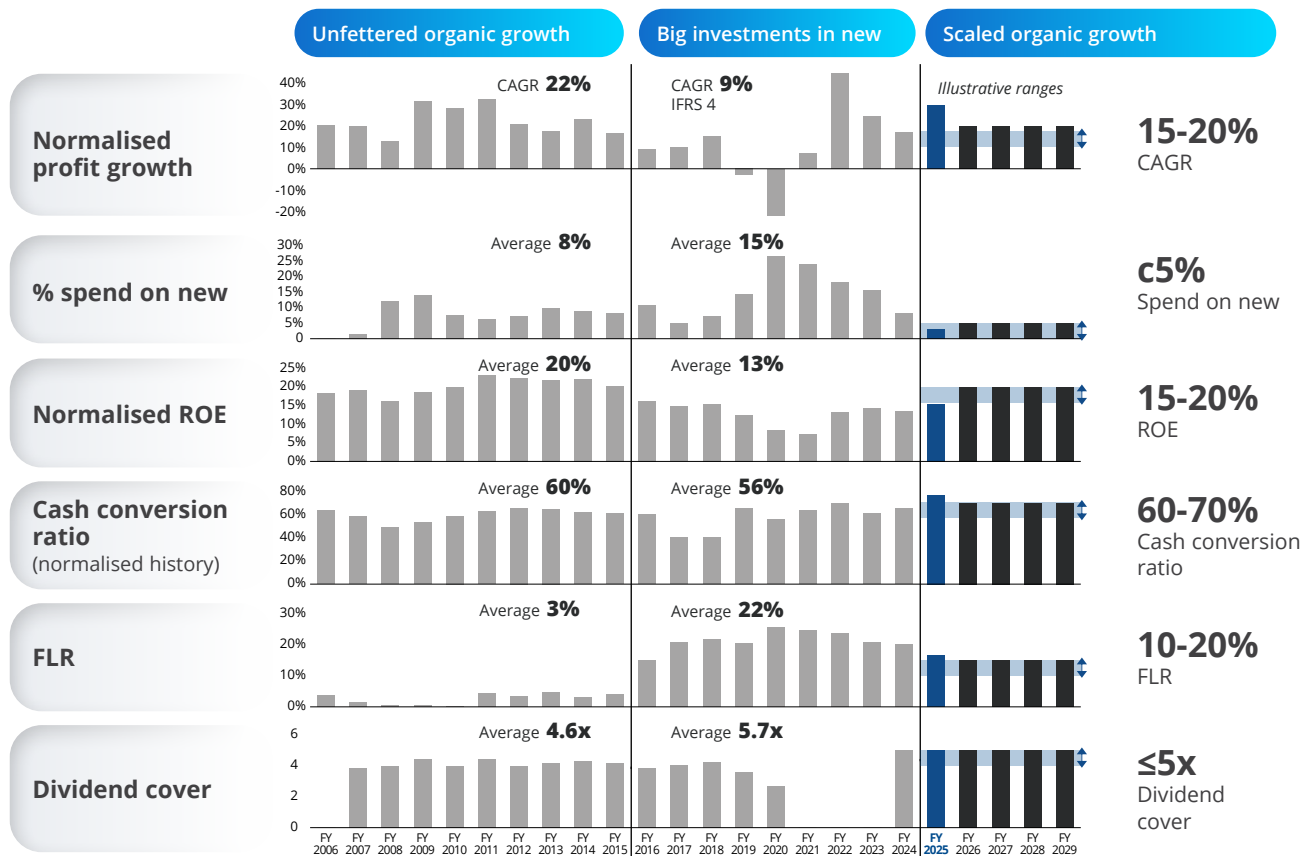
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02

An excellent start to the Group's five-year growth corridor

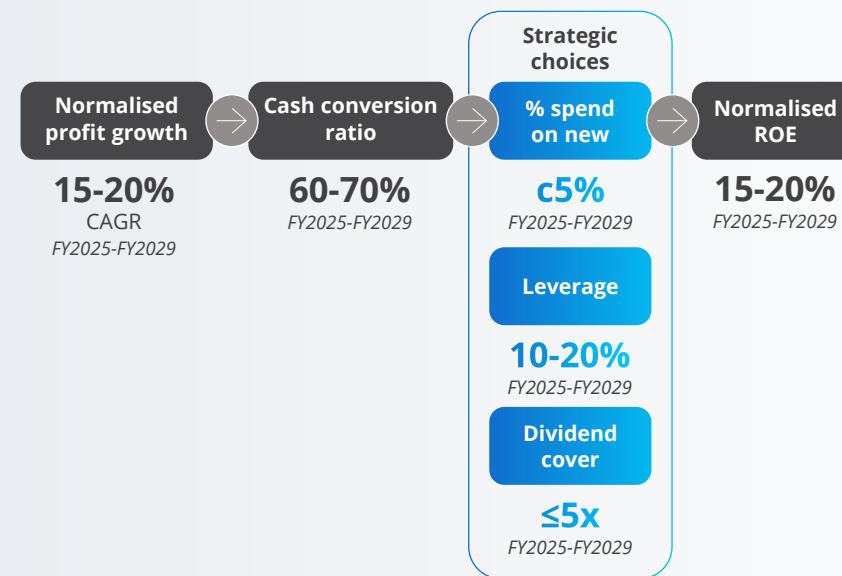
In FY2025 the Group transitioned from a period of significant investment to create new avenues for long-term growth into a phase of scaled organic growth.

DISCOVERY BUSINESSES HAVE BEEN BUILT ORGANICALLY, RESULTING IN DIFFERENT PHASES OF GROWTH



Forward looking information on the above is for illustration purposes and has not been reviewed or reported on by the auditors and reflects the average expected over the time frame

The five-year growth corridor is informed by our capital allocation framework:



Our performance in FY2025 either exceeded or was in line with expectations across all six metrics, reinforcing our confidence in the scalability and resilience of our model. Notably, our normalised profit and cash conversion grew well ahead of the corridor's upper bound, reflecting disciplined capital management and focused execution of the Vitality Shared-value model through our business composites.

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03 Delivering growth through two focused business composites

We have restructured the Group to create two distinct business composites – Discovery SA and Vitality (comprising UK and Global), each with a strong focus and ambition.

DISCOVERY SA

Given its scale as well as the Vitality Shared-value model, Discovery SA is uniquely positioned in SA. Discovery SA aims to be the leading financial services group in SA, with each business being the market leader in their segment, and leveraging the Discovery Bank platform to enable seamless product integration and enhance client value.

The business made good progress across its strategic focus areas and performed strongly, with a compelling contribution from each business in the composite. Normalised operating profit increased by 22% to R12 005 million and new business API by 5% taking account of the prior year take-on of the Sasolmed closed medical scheme (declined by 8% including Sasolmed).

Discovery Bank's performance was pleasing, exceeding expectations. The Bank reached monthly break-even at the end of the first half and generated its first profitable period during the second half of the year, ahead of plan. The business remained focused on high-quality growth, which manifested in strong growth across key operational metrics. Growth on the Discovery Bank lending suite progressed smoothly, with the Revolving Credit Facility doubling from the prior year and new home loan advances growing to R1.7 billion at June 2025. The lending suite was expanded through the launch of personal loans, which went live on 30 June 2025. The Bank continued to provide exceptional service over the period, winning the 2024 Ask Africa Orange Index for the best client servicing in retail banking. In addition, the Bank was the overall

winner in the Top 10 achiever category and the industry winner for private banking.

Discovery Health generated solid earnings growth, while continuing to invest in technology, innovation and AI. Since its launch in January 2025, Personal Health Pathways has achieved over 300 000 activations, which demonstrates the strong forward momentum of the Vitality AI-powered platform.

The business continued to navigate regulatory complexity due to the National Health Insurance (NHI) Act. Our stance of supporting universal healthcare remains firm, but we do not believe that the NHI in its current form is a viable solution without private sector collaboration and broader funding sources. The business remains active in advocating for reforms to the Act, adopting a three-pronged approach consisting of litigation under the Health Funders Association (of which Discovery Health and Discovery Health Medical Scheme are members), engagement with government through Business Unity SA (BUSA), and advocacy with stakeholders.

Discovery Life delivered robust earnings and maintained its leading position in the affluent retail protection market. Discovery Invest's profit grew strongly, benefitting from some one-off items. Discovery Insure sustained its positive trajectory over the year, growing its operating profit by 229% and improving its operating margin to 12%, highlighting the success of targeted management actions.

VITALITY

The Vitality Shared-value model's ability to address the growing structural inefficiencies of insurance markets present a unique opportunity for growth. Vitality is a global next generation life and health insurance business that transforms insurance globally through shared-value powered by Vitality AI.

Vitality made good progress in restructuring all the global operations into a single focused business over the past nine months to effectively deploy capabilities, with a focus on Vitality AI. Going forward, this will be executed through a regionalised operating model to efficiently scale the business.

Vitality performed well as normalised operating profit increased by 70% to R3 205 million, and new business API increased by 16% to R8 373 million. Vitality now covers 10.4 million lives outside of China, up 25% over the year, including two million lives in the UK. The number of Ping An Health Insurance (PAHI) lives increased 17%, exceeding 32 million.

In the UK, VitalityHealth performed well, due to effective pricing actions, a stabilising claims environment and rigorous claims and expense management. VitalityLife's operating profit recovered strongly, with stable lapse

and claims experience reflecting sustained member engagement in the Vitality programme and its positive impact on actuarial dynamics.

Vitality Network's normalised operating profit increased over the period, with the Vitality Shared-value model continuing to demonstrate its efficacy as Vitality-integrated new business increased strongly by 24%. Performance-based revenues were aligned to this, with a growth of 24% but lower solutions revenues resulted in total revenue only increasing by 8%. Following the establishment of the global Vitality composite, Vitality Network restructured its operating model and partnerships to further monetise its unique global position to deliver scaled growth and operational leverage. In particular, the termination of our partnership with Generali, gives us the opportunity to establish optimal, long-term partnerships in Europe.

Vitality Health International's growth was due to PAHI which delivered a strong operating result. Vitality USA continued to gain traction with the successful integration of WellSpark Health. Amplify Health continued its delivery of products and solutions in the Asia-Pacific region.

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Our people

The Group's strong performance is attributable to our people who bring our Shared-value model and values to life. We seek to employ the best person for every role and create an environment that liberates the best in them. We are committed to empowering our people through skills development, leadership, learning and development programmes. Across the Group, initiatives such as Gradhack and the Adrian Gore Fellowship Award provide opportunities to develop critical skills and capabilities that support a workforce equipped for the future.

We are focused on advancing transformation and have a strong, diverse leadership pipeline. In FY2025 we maintained our Level 1 B-BBEE status in South Africa and continued to focus on improving diversity in critical skills areas and at management levels over the period. Pleasingly, we received the Top Employer certification for the sixth consecutive year and maintained our ranking as Top Graduate Employer in the insurance sector.

Force for social good

Our values demand a number of things and being a force for good is central to this. We are determined to make a difference in the communities we operate in. Through the Vitality Shared-value model, we aim to make people healthier and over the period we recorded over 640 million healthy activities – with a future target of achieving 1 billion healthy activities in 2030.

Our commitment to restoring the environment manifests in our climate change strategy which includes targets of achieving carbon neutrality by 2027 and ensuring zero waste-to-landfill. In FY2025, we achieved carbon neutrality in our UK operations and made progress towards achieving carbon neutrality at 1 Discovery Place by 2027. This goal is supported by Discovery Green, which will start supplying 1 Discovery Place with 100% renewable energy by 2027.

In our home market of South Africa, we remain committed to investing in the country and are deeply involved in various nation-building initiatives such as the Government Business Partnership. The Discovery Foundation aims to invest R300 million to train and support 600 medical specialists and institutions by 2026. We also supported various road safety initiatives through Discovery Insure including Pothole Patrol, which has repaired over 295 000 potholes since inception.

Looking ahead

Going forward, we continue to work towards our ambition to build a financial services group of unique capability and global influence through our Vitality Shared-value model. Risks within our operating markets remain elevated, however, the acceleration of technological and demographic trends reinforce the relevance of our Shared-value model and unique data. After a phase of investment, the Group is well positioned for sustained growth through our two powerful and focused composites; Discovery SA and Vitality, with strong platforms in each. The result will be strong growth in earnings, cash generation, and return on equity, as well as lower financial leverage. Our performance in FY2025 represents a successful start to our five-year growth corridor, reinforcing our confidence in achieving our five-year growth ambition.



Thank you

Our performance in FY2025 is the result of years of sustained, focused effort from our people. I have witnessed first-hand their dedication, brilliance, and resilience across all businesses and markets. Together, we have pushed boundaries and positively impacted over 48 million lives globally.

I would like to congratulate and extend my sincere gratitude to every individual who contributed to this remarkable performance. Your commitment and excellence continue to define Discovery and position us for even greater impact and success in the years ahead.

ADRIAN GORE

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Unpacking our purpose-driven strategy

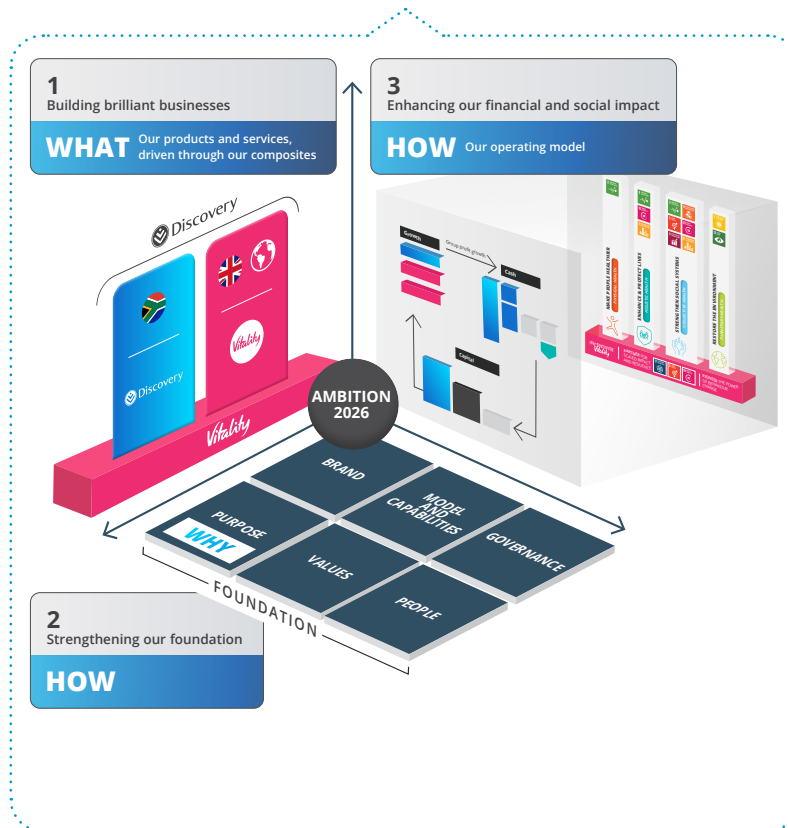
Our core purpose drives our strategy and is the reason WHY we are in business. Our WHAT – the products and services we offer through composites – and our HOW – our operating model and foundation – further inform our long-term strategic objectives.

Our strategy is supported by integrated thinking and considers the resources and relationships we rely on to create and preserve value for our stakeholders.

 We detail our WHY on page 6, our HOW on page 10 and our WHAT on page 7.

WE FOCUS ON **THREE** STRATEGIC OBJECTIVES TO DELIVER ON OUR CORE PURPOSE AND STRATEGY:

- 1** Building brilliant businesses across our composites
- 2** Strengthening our foundation through key business enablers
- 3** Enhancing our financial and social impact



GLOBAL INTERSECTING TRENDS HAVE AMPLIFIED THE IMPORTANCE OF THE VITALITY MODEL:

DEMOGRAPHIC RISING HEALTHCARE COSTS AND RESOURCES STRAIN



Ageing populations and increasing obesity rates contribute to rising healthcare costs. Ageing populations also lead to a growing demand for long-term care services. Prevention, intervention and disease management programmes are integral to improving population health.

NATURE OF RISK A FOCUS ON HEALTH, WELLNESS AND RESILIENCE



Mortality, sickness and healthcare costs are significantly impacted by behaviour change, across age, gender and health status. This creates ongoing opportunities to incentivise clients due to the behavioural nature of risk.

TECHNOLOGY ACCELERATED USE OF TECHNOLOGY AND INCREASED DIGITISATION



The rapid acceleration of the use of technology, digitisation and new ways of working – including advances in AI and machine learning – are revolutionising diagnostics, treatment and care, yet the costs associated with pharmaceutical innovations contribute to the financial burden on healthcare systems. In this era, personalisation, driven by sophisticated analytics, is the new standard for success.

SOCIAL RESPONSIBILITY INCREASED IMPORTANCE OF PURPOSE AND TRUST



As business shifts to create value for all stakeholders, a focus on environmental, social and governance issues has become imperative. Stakeholders expect companies to protect the health and interests of society and the planet. Further, the healthcare industry must adopt a patient-centric approach that improves the quality of care while lowering costs.

The evolution of our growth strategy

We focus on ensuring the resilience of our business through our strategy, which is informed by these four key trends that affect the industries in which we operate. Our unique and sophisticated Vitality Shared-value model – a powerful platform of integrated assets and capabilities – positions us well to respond to these trends.

The Group has an organic growth strategy built on the conviction of the Vitality Shared-value model. Our previous growth phase was characterised by significant investment to build new avenues for

long-term growth, evolving our Shared-value model to increase our impact and creating a single, consistent brand identity and Vitality experience across our markets. We are now in a new, distinct phase of scaled organic growth, with targeted execution through our Discovery SA composite and our successfully combined global composite, Vitality – a unification of Vitality UK and Vitality Global.

We will continue to enhance our social and environmental impact and, in doing so, support the achievement of the UN SDGs.

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Our strategic objectives

Our WHY, HOW and WHAT guide our long-term strategic objectives, which are scaled through our medium-term ambition statement and measured through our short-term KPIs.

THREE STRATEGIC OBJECTIVES

1 Building brilliant businesses across our composites

South Africa

Leading financial services group in South Africa through the consistent application of the Vitality Shared-value model, ensuring every business is a market leader in its category and integrates with other businesses in the Group to benefit clients, with Discovery Bank enabling the composite through full integration, creating a unique, shared-value, customer-centric proposition.

Vitality

Leading international insurance group that revolutionises insurance through the scaling of the Vitality Shared-value Insurance model, utilising a single institutional structure that delivers with uniformity in strategy, product and technology, together with partnerships with the best insurers globally.

2 Strengthening our foundation through key business enablers

- Guided by a strong core purpose and values
- Ethical and effective governance to support value creation, and a diverse Board
- A powerful, globally recognised brand
- Employing and retaining the best person for every role in a diverse and inclusive work environment, and creating an exceptional employee experience
- Disruptive Shared-value model that is unique, scalable and repeatable, with the best insurtech platform and capabilities

3 Enhancing our financial and social impact

- Achieving quality earnings growth while generating sustainable levels of cash and return on capital, manifesting in enhanced value growth
- Scaling our social and environmental impact
- Achieving the highest ratings across selected environmental, social and governance (ESG) indices and rating agencies

OUR LONG-TERM STRATEGIC OBJECTIVES (five to 10 years)

OUR MEDIUM-TERM STRATEGIC FOCUS (three to five years)

Normalised operating profit growth

15% to 20% CAGR

% Spend on new

c5%

Return on equity (ROE)

15% to 20%

Cash conversion (normalised history)

60% to 70%

Financial leverage ratio (FLR)

10% to 20%

Dividend cover

≤5x

OUR SHORT-TERM KPIs (one to three years)

- Core new business annualised premium income (API)
- Biannual launch of new products
- Actuarial dynamics
- Growth of Discovery Bank
- Global expansion
- Normalised ROE
- Investment in new initiatives

BRAND

- Brand measure and market position

PEOPLE

- Employee engagement
- B-BBEE scorecard
- Diversity, inclusivity and transformation

MODEL AND CAPABILITIES

- Focus on hyper-personalisation capabilities
- Contributions to business and product launches
- Cyber and business continuity management
- Efficiency in service operations

GOVERNANCE

- Board effectiveness
- Promotion of Board diversity
- Fair and responsible pay

FINANCIAL

- Normalised operating profit
- Normalised headline earnings
- Headline earnings per share
- FLR
- Cash at centre
- Cash conversion
- Dividend cover

SOCIAL

- Number of markets we operate in
- Number of healthy activities
- Environmental impact
- ESG ratings

AMBITION 2026 *The best insurance group globally through our Vitality Shared-value model, which results in more competitive products and superior client engagement, and leads to higher margins and better returns for insurers. Discovery will be perceived as best through its ability to disrupt inefficient traditional insurance models, which gives the Group value and leverage with its partners.*

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How we performed against our strategy

1 Building brilliant businesses

Our products and services focus on disruption, engagement, actuarial dynamics, meeting complex consumer needs and providing exceptional service. In FY2025, we executed our strategic objectives across our Discovery SA and Vitality composites.

During the year, we:

- Navigated a complex and uncertain macroeconomic environment that led to continued pressure on consumers and constrained economic growth, strengthening the relevance of innovation to meet client needs
- Surpassed our target of reaching one million clients in Discovery Bank – nearly two years earlier than planned. Discovery Bank is the fastest-growing business in the Discovery SA composite
- Successfully unified Vitality UK and Vitality Global into a single global composite of scale, Vitality, and focused on delivering the new composite global operating model to efficiently scale the business with operational leverage
- Continued to strategically invest in technology, AI and personalised healthcare to drive product differentiation in Discovery Health, while managing the forces that increase healthcare costs
- Achieved significant operating profit growth in Discovery Insure's personal lines business through its margin recovery plan, which focused on building margin resilience through pricing discipline and claims efficiency initiatives
- Focused on cost management in VitalityHealth and VitalityLife. VitalityHealth continued to implement price increases to mitigate elevated PMI utilisation due to delays to access care in the NHS, while VitalityLife targeted price optimisation
- Progressed Amplify Health's aim to deploy an integrated suite of products to the largest AIA markets and external clients
- Advanced product and technology implementation in Vitality US and acquired WellSpark, a health and wellbeing coaching provider
- Demonstrated the adoption and impact of the Shared-value model with key Vitality Network partners, and strategically assessed current partnerships and growth opportunities
- Reduced investment in new initiatives to enable focus on the next phase of our growth strategy

OUR PERFORMANCE AGAINST KPIS

R New business API
R26 486 MILLION
(FY2024: R26 958 million)

R Continued to launch new products biannually

Actuarial dynamics exceeded expectations

R **1 246 817**
 Discovery Bank clients
(FY2024: 958 055 clients)

Insurance partner membership in Vitality Global increased by

27%
TO 6.7 MILLION
(FY2024: 5.3 million)

R Normalised ROE
15.4%
(FY2024: 13.5%)

Investment in new initiatives at
3%
 of normalised operating profit
(FY2024: 8%)

FUTURE FOCUS AREAS

- Drive each Discovery SA composite business to become a market leader in terms of market share, margin, product and client value while focusing on new business growth
- Scale Discovery Bank rapidly while maintaining engagement levels, with the Bank app providing a consistent architecture upon which the other Discovery SA businesses sit
- Deploy capabilities in the Vitality composite, including Vitality AI, through a regionalised operating model to efficiently scale the business with operational leverage
- Differentiate Discovery Health's value proposition by leveraging technology and data science to enhance its offerings and continue to engage on NHI
- Discovery Life will manage policy alterations and lapse experience and phase in a well-defined mitigation strategy
- Continue to monitor the impacts of ongoing weather and theft claims to improve Discovery Insure's response to these risks, and drive growth and operating margin resilience
- Integrate Cogence investment proposals with Adviser 360, Discovery Invest's integrated financial adviser platform, and improve the uptake of the Cogence portal
- Increase adoption of VitalityHealth's Care Hub digital claims journeys and evolve Everyday Care to manage higher utilisation against a complex NHS environment
- Focus on price optimisation in VitalityLife to grow the business's footprint and net new business value
- Implement initiatives to support PAH's long-term capabilities and deliver increased value to clients against a backdrop of significant demand for private healthcare insurance in China
- Monetise and scale intellectual property in Vitality Network with key partners while pursuing new opportunities and additional partnerships, particularly in Europe
- Monitor distribution channels with revisions to distribution strategies when required to ensure that they are fit-for-purpose

MATERIAL THEMES

-  Operate within a volatile socio-economic environment
-  Leverage and manage technology and innovation
-  Advance our disruptive Shared-value model
-  Expand and strengthen our social impact

CAPITALS IMPACTED

- FC** Financial Capital
- IC** Data and innovation
- MC** Technology and digital assets
- SC** Relationships

TARGETS

Return on equity:
15% to 20%
 % spend on new:
c5%

R Links to executive remuneration

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How we performed against our strategy *continued*

2 Strengthening our foundation

Our foundation is a critical enabler of our strategy and forms part of HOW we operate.

Our values guide us in delivering on our core purpose through our pioneering Shared-value model, which incentivises positive behaviour change.

Our performance against our purpose, values and governance is embedded in our targets across our three strategic objectives. For example, our success in building brilliant businesses supports the efficacy of our model, and we integrate our core purpose into our people practices and create a value-based culture.

PURPOSE

Our core purpose continues to align with our values

VALUES

Our employees are committed to our values framework

GOVERNANCE

Good governance is a critical component of value creation

We further unpack our brand, people, model and capabilities as part of our foundation in the pages that follow.

BRAND

Our Discovery and Vitality purpose-led brands are fundamental to our strategy. Our Shared-value model, partnerships with leading international insurers, a focus on and progress in market-specific objectives and being a force for good in the communities in which we operate drives the creation of optimal brand value. Over time, we have built brand equity that supports our growth strategy – including our ability to expand the way we do business and launch initiatives in new markets. At the centre of our ability to build our brand is our dedication to upholding good governance, our values, core purpose and building trust.

During the year, we:

- Supported strategic business deliverables with marketing enablement, including the Discovery Day launch, Adviser Summit, and the Discovery Bank, Invest and Life product launches
- Evolved our sponsorship strategy and footprint in South Africa, balancing mass participation properties and niche community properties to drive higher brand visibility and reach
- Continued to invest in our digital marketing capabilities, including leveraging generative AI tools to drive efficiencies
- Launched Personal Health Pathways to Discovery Health Medical Scheme members in South Africa and implemented new marketing campaigns to drive product awareness and uptake and increase client engagement
- Introduced Vitality UK's brand mascot, Stanley the dachshund, across Vitality regions (including the US) to enhance Vitality brand awareness and recognition, and redefine how people engage with their health
- Refined and strengthened ethical standards and policies by ensuring these remain relevant and effective, and developed an AI and machine learning ethical principles framework

OUR PERFORMANCE AGAINST KPIs

85%

average score in the Ask Africa brand health tracker for Discovery businesses in South Africa
(FY2024: 88%)

64%

score for Vitality (UK) brand survey, conducted by Immerse
(FY2024: 57%)

Positive results in terms of brand interest in Discovery products in financial services, as measured through digital channels

R Client perception score

9.41

(FY2024: 9.04)

Awards and accolades

- Discovery won a Gold Award for Personal Health Pathways and a Bronze Award in the Global Innovator category at the 2025 Qorus-NTT DATA Innovation in Insurance Awards
- Discovery Bank was voted the number one bank for client service in the 2024 Ask Afrika Orange Index® survey
- Vitality UK was the winner for best campaign in the financial services category at the Marketing Week Awards 2024

FUTURE FOCUS AREAS

- Support the Group's strategic objectives through marketing programmes and initiatives, including new product launches
- Support new business growth and ventures through marketing initiatives that create brand awareness
- Build the Vitality brand globally
- Support and enable the Discovery Bank brand to drive scale and growth
- Enhance Discovery Vitality's brand position in the South African market as the leading health behaviour-change programme that encourages healthy living
- Further strengthen decision-making competencies for ethics risk mitigation and opportunity detection, and continue developing training and awareness programmes on topical ethics-related themes

MATERIAL THEMES



Ensure good corporate governance and leadership



Leverage and manage technology and innovation

TARGET

Client perception score:
>9.20



Links to executive remuneration

CAPITALS IMPACTED

HC People

IC Data and innovation

MC Technology and digital assets

SC Relationships

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Strengthening our foundation *continued*

PEOPLE

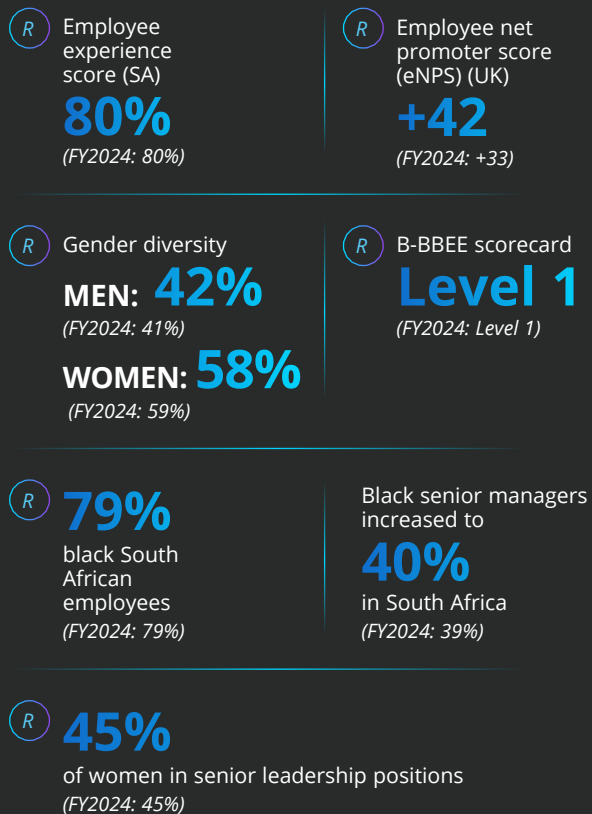
Our people are critical to our success. We strive to employ the best person for every role and attract people who are focused on action and growth. We pride ourselves on creating a work environment that supports excellent performance, strong leadership, innovation and being a powerful force for good. Employing the right people who share our values helps to build highly motivated teams that embody the Discovery culture.

We seek to create a diverse and inclusive work environment that provides all employees – across race, gender and disability – with an exceptional employee experience and ensures every employee has a voice.

During the year, we:

- Continued to upskill our people through skills, leadership, learning and development programmes, with a focus on scarce and critical skills in the insurance and banking industries
- Further embedded our onboarding process to improve the experience of new joiners and reduce new employee turnover
- Continued to focus on talent management, succession planning and implementing internal and external talent strategies that:
 - Attract talent through learnerships, internships, the Adrian Gore Fellowship Award/Mentorship Programme, GradHack and the Discover-Up graduate programme
 - Retain and grow diverse talent in the organisation
 - Leverage partnerships to develop skills and create employment opportunities for previously disadvantaged youth in South Africa
- Launched a Generative AI Academy to upskill our people with generative AI skills at all levels across the organisation
- Drove mental health toolkits within the organisation and held webinars ranging from financial wellbeing to mental wellbeing
- Received Top Employer certification from the Top Employers Institute for the sixth consecutive year and maintained the ranking as Top Graduate Employer in the insurance and healthcare sector by the South African Graduate Employers Association
- Recognised as Best Implementing Partner Employer in 2025 by the Insurance Sector Education and Training Authority (Large Organisation category)

OUR PERFORMANCE AGAINST KPIs



FUTURE FOCUS AREAS

- Continue to entrench a compelling employer talent brand; drive recruitment initiatives to attract and retain diverse talent, particularly in senior, scarce and critical skills through talent pipeline management and our dedicated graduate programmes; and offer competitive total rewards
- Cultivate and sustain diversity, equity and inclusion across our operations through strategic initiatives and programmes
- Understand, support and respond to the holistic wellbeing of our people
- Understand the impact of the evolving world of work on our people and leaders and support them by identifying and building future-fit skills, roles and capabilities
- Improve the employee experience through enhanced employee journeys and interactions that promote a productive and engaged workforce
- Continue succession planning and talent reviews
- Relaunch the Leadership Charter and behaviours expected of leadership, to increase awareness of and emphasise our leadership philosophy
- Execute new plans and milestones to meet revised Financial Services Ministerial Employment Equity targets driven by the Employment Equity Amendment Act for the period 1 September 2025 to 31 August 2030

MATERIAL THEMES

- Operate within a volatile socio-economic environment
- Ensure good corporate governance and leadership
- Empower our people

CAPITALS IMPACTED

- HC** People
- IC** Data and innovation
- SC** Relationships

TARGET

Employee engagement, transformation, diversity and inclusion targets are internally set and tracked

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MODEL AND CAPABILITIES

Our Shared-value model is globally relevant and establishes us as a leader in the category of shared-value insurance.

Technology is a strategic enabler that supports our Shared-value model, providing our clients with an integrated experience across all platforms. By developing most of our solutions in-house, we can optimise our systems for the current environment while gearing for the increasingly digital and AI-driven world.

Research and development drive innovation across the business, while our use of data positions us as a global leader in behaviour change linked to insurance. We leverage our technological capabilities to remain at the forefront of digital trends and innovation, enabling us to expand our global footprint.

During the year, we:

- Evolved the Shared-value model by leveraging data and technology assets in developing the Vitality AI platform, which will power hyper-personalised experiences, and enable more precise understanding of clients' health risks and related actions to improve health outcomes
- Continued to enhance system availability and resilience through our Strategic Technology Enhancement Programme by minimising interruptions, reducing outages and resolving incidents faster
- Matured our digital trust posture, with a focus on data and identity. This included strengthening data governance frameworks, policies and standards; improving transparency around data; and enhancing our compliance with evolving privacy regulations. We also strengthened modern identity and access management systems
- Continued to strengthen governance, regulatory alignment and responsible and ethical use of AI across the organisation through our Responsible AI Adoption Forum
- Continued to provide compulsory data privacy and cyber-awareness training to our employees, financial advisers and service providers, including induction and annual refresher training

OUR PERFORMANCE AGAINST KPIS

Successfully contributed to **business and product launches through technology**

Maintained efficiency in service operations

Managed IT operations continuity risks in line with the Strategic Technology Enhancement Programme

Data privacy and security:

- Discovery SA and Vitality Global maintained ISO 27001:2022 (information security management standard) certification while Vitality UK remained ISO 27001:2013 certified
- Discovery SA obtained ISO 27701:2019 (privacy information management) certification
- Conducted privacy impact assessments as part of the product development lifecycle to ensure privacy and information security requirements are met

Launched **Personal Health Pathways**, a hyper-personalised programme, presented in a simple user experience, that uses varied categories and intensity of behaviour change

FUTURE FOCUS AREAS

- Drive continued improvement in key value drivers, leveraging data and technology assets to evolve the Shared-value model through Vitality AI
- Attract and retain exceptional talent that supports the development of our capabilities, aided by our Gradhack initiative in South Africa, Adrian Gore Fellowship Award and Cyber Security Internship Programme
- Optimise the current data and technology environment for affordability, quality and cost
- Monitor and enhance our digital trust framework that supports our identity and data-centric focus and adapts to an ever-changing technology and security landscape
- Develop intuitive technology channels and adopt client-centric processes to meet the needs of the business, clients, intermediaries and healthcare providers
- Expand our use and understanding of digital tools and technologies like machine learning, AI and the Internet of Things while considering related ethics, privacy and security factors
- Strengthen and mature our cyber-security measures to protect against emerging threats and ensure compliance with data privacy regulations to safeguard information assets
- Continue to enhance systems availability, stability and recoverability through our Strategic Technology Enhancement Programme

MATERIAL THEMES

-  Leverage and manage technology and innovation
-  Advance our disruptive Shared-value model
-  Ensure good corporate governance and leadership

CAPITALS IMPACTED

- HC** People
- IC** Data and innovation
- MC** Technology and digital assets
- SC** Relationships

TARGET

Effective management of data privacy and security, technology, cyber risk and business continuity against internally set targets

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3
Enhancing our financial and social impact

FINANCIAL

Our operating model is the framework against which we deliver financial impact. It reflects market-specific strategies across our composites, with our organic growth model embedded within each composite. This allows for reporting of profit per composite.

Our capital management framework ensures we follow a disciplined approach in terms of statutory or required capital that meets solvency requirements, allocation of capital for growth initiatives (guided by normalised return on equity), liquidity requirements, funding sources for our capital plan and liquidity buffers that are monitored in line with an FLR.

During the year, we:

- Remained resilient in a complex and uncertain environment, delivering robust financial performance, with consistent growth across our two composites
- Focused on generating scaled organic growth through Discovery SA and the new Vitality composite as the Group emerged from a cycle of significant investment
- Maintained a strong cash conversion ratio that was driven by robust cash generation, notwithstanding the strong growth in normalised profit from operations
- Demonstrated continued financial strength, with robust capital ratios across every business and liquidity at each regulated entity, and at the centre, remaining well in excess of the required buffers, as demonstrated in the improved FLR
- Generated solid growth in embedded value, supported by positive experience variances as a result of the competitive dynamics of the Shared-value Insurance model, an improvement from non-covered businesses, and a favourable economic basis and exchange rates.

OUR PERFORMANCE AGAINST KPIS

<p>R Normalised operating profit</p> <p>R15 210 MILLION</p> <p><i>(FY2024: R11 761 million)</i></p>	<p>Normalised headline earnings</p> <p>R9 781 MILLION</p> <p><i>(FY2024: R7 511 million)</i></p>
<p>R Headline earnings per share (HEPS) (diluted)</p> <p>1 439.4 CENTS</p> <p><i>(FY2024: 1 110.4 cents)</i></p>	<p>Annualised return on embedded value (ROEV) of</p> <p>15.7%</p> <p><i>(FY2024: 13.2%)</i></p>
<p>R Financial leverage ratio (FLR)</p> <p>16.8%</p> <p><i>(FY2024: 20.3%)</i></p>	<p>R Cash at centre</p> <p>R2.6 BILLION</p> <p><i>(FY2024: R2.1 billion)</i></p>
<p>R Cash conversion ratio</p> <p>77%</p> <p><i>(FY2024: 65%)</i></p>	<p>Dividend cover</p> <p>5x</p> <p><i>(FY2024: 5x)</i></p>

FUTURE FOCUS AREAS

- Drive quality earnings growth and cash generation across our composites
- Minimise the Group's exposure to risk by adhering to risk principles
- Continue to manage lapse risk through reinsurance arrangements and mass lapse protection
- Optimise capital structures and funding in the context of geographical expansion
- Maintain robust solvency, liquidity and leverage buffers, at levels which can sustain significant operating and economic stresses
- Mitigate macroeconomic instability through liability and currency matching, interest rate hedging and monitoring new initiatives

MATERIAL THEMES

-  Operate within a volatile socio-economic environment
-  Ensure good corporate governance and leadership
-  Ensure long-term financial sustainability

CAPITALS IMPACTED

- FC** Financial Capital
- SC** Relationships

TARGETS

Growth in normalised operating profit:
15% to 20% CAGR

FLR:
10% to 20%

Cash conversion ratio:
60% to 70%

Dividend cover:
≤5x

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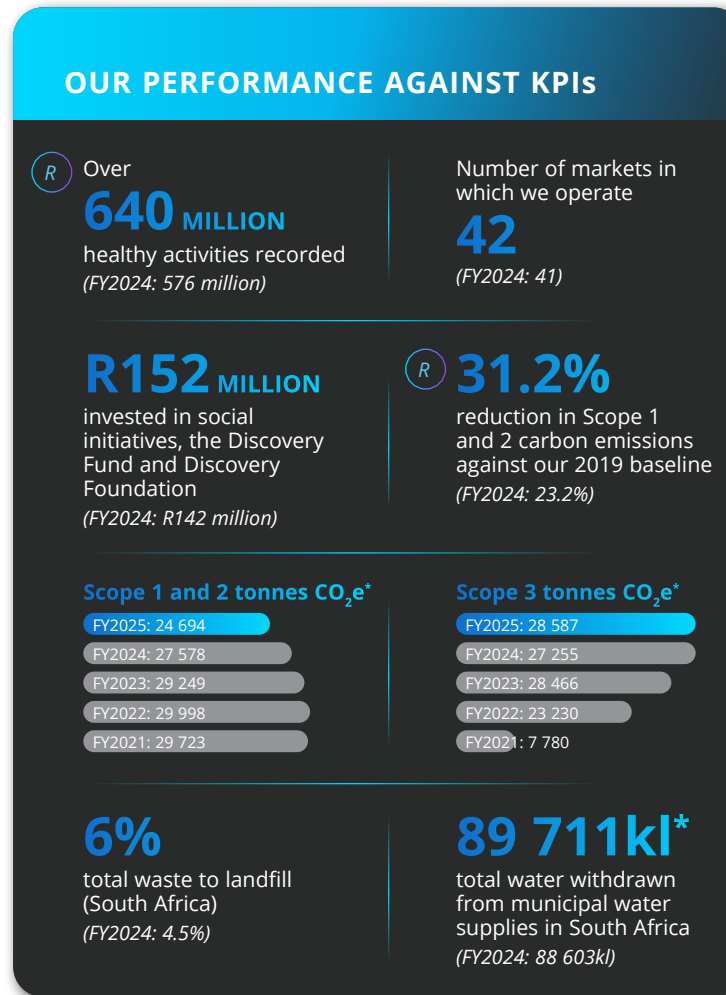
3
Enhancing our financial and social impact *continued*

SOCIAL

We aim to be a good corporate citizen and business partner. Accordingly, we are committed to nation-building and protecting our planet. Our Integrated Sustainability Framework details how we scale our impact, including outlining the SDGs we believe we can contribute to the most and implementing the roadmap we have developed to close the rating gap on key ESG indices.

During the year, we:

- Participated in public-private collaboration to advocate for a viable NHI for South Africa
- Supported healthcare service delivery in rural and underserved communities through the Discovery Fund
- Supported our enterprise and supplier development beneficiaries through additional funding and business development support
- Continued to fill potholes in Johannesburg through Pothole Patrol, in partnership with Avis and the City of Joburg, and respond to fire incidents through Fire Force
- Expanded the Safe Journeys to School programme into Gauteng
- Continued to invest in digital assets to further extend the reach and access of healthcare, improve the quality of care and create new product offerings that will increase opportunities to reach underserved demographics
- Assisted in addressing the critical shortage of medical graduates and specialist skills through Discovery Foundation
- Achieved carbon neutrality in our UK operations and exceeded our target to cumulatively reduce our Group carbon emissions against the baseline (Scope 1 and 2 emissions)
- Received zero waste-to-landfill accreditation at our Cape Town, KwaZulu-Natal and Gqeberha offices
- Continued to address energy efficiency, waste and water reduction to reduce our impact on the environment
- Furthered our Scope 3 analysis, including establishing FY2024 as the baseline year for Scope 3 emissions, which were independently verified
- Developed and prepared for the publication of our Group's Net-zero Transition Plan



* Fluctuation in consumption and emissions due to COVID-19-related lockdowns in FY2021 and employees subsequently returning to the office. Scope 3 emissions increase as we quantify and include relevant categories. Emissions have been restated to reflect the newly adopted DFFE updated national grid emissions factor (GEF 2022) for quantifying South Africa's Scope 2 emissions.

FUTURE FOCUS AREAS

- Continue to support healthcare reform to address unacceptable levels of inequality in access to quality healthcare
- Review the Discovery Foundation's impact and refine its strategy to address evolving healthcare system needs, with a focus on specialist training and deployment
- Impact one million lives in rural and underserved areas by 2026
- Build capacity in our non-profit organisation partners, with a renewed focus on equipping leadership teams with the tools and skills needed to build more resilient funding strategies
- Formalise science-aligned emissions reduction targets
- Implement reduction and engagement strategies aligned to our Net-zero Transition Plan
- Provide 1 Discovery Place with 100% renewable energy by 2027 through Discovery Green

MATERIAL THEMES

- Operate within a volatile socio-economic environment
- Advance our disruptive Shared-value model
- Expand and strengthen our social impact
- Strengthen our environmental stewardship

CAPITALS IMPACTED

- IC** Data and innovation
- SC** Relationships
- NC** Environmental resources

TARGETS

- Reduction in Scope 1 and 2 carbon emissions against 2019 baseline
- Number of healthy activities against internally set targets

R Links to executive remuneration

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Scaling our social and environmental impact

Since Discovery's inception, we have recognised the value of aligning our interests with those of our clients and society. Our ability to do business is fundamentally linked to the wellbeing of the communities in which we operate, and our core purpose is aligned with maintaining an environment that enables and sustains good health. In support of amplifying our social and environmental impact, we have been a signatory to the UN Global Compact since its formation in 2015 and are committed to ending poverty, protecting the planet and improving the lives and prospects of people globally. We have also identified the UN SDGs that are closely aligned with our business and where we believe we can make the most significant contributions as we scale our impact as a demonstrable force for good.

Our Integrated Sustainability Framework guides our approach to ESG, aligns to our core purpose and maximises our impact through our Shared-value model. This enables us to improve health outcomes and strengthen healthcare systems while delivering robust environmental and governance performance. We also apply our shared-value approach to help address climate change by minimising any negative impacts we have on the environment and extending our Shared-value model to provide climate-related solutions – this is the next evolution of our shared-value thinking.

Our Integrated Sustainability Framework differentiators and supporting the UN SDGs

Driving our targets and initiatives through our business

MAKE PEOPLE HEALTHIER
Physical health



- Improve physical and mental wellness to reduce premature mortality from non-communicable and communicable diseases
- Increase members' and clients' healthy life expectancy by incentivising healthier choices through personalised health journeys, including exercise, healthy food, health screenings and tailored product offerings
- Expand access to lower-cost and quality healthcare through innovative products like Discovery Connected Care, Hospital at Home, KeyCare, Discovery Prepaid Health and Smart Active

ENHANCE AND PROTECT LIVES
Holistic health





- Improve members' and clients' wellbeing through the integration of responsible insurance products
- Reduce deaths and injuries from road traffic accidents by incentivising good driving behaviour
- Improve financial health by incentivising clients to manage and withdraw their money wisely

STRENGTHEN SOCIAL SYSTEMS
Collective health








- Strengthen healthcare systems by building capacity in the healthcare system through the Discovery Foundation
- Support service delivery in rural and underserved communities through the Discovery Fund
- Support communities through corporate social investment and public-private partnerships like Pothole Patrol and Safe Journey to School
- Create employment and nurture innovation through the Discovery Enterprise and Supplier Development programme to transform the economic landscape and ensure the sustainability of our supply chain
- Play a leading role in nation building

RESTORE THE ENVIRONMENT
Planetary health




- SHORT TO MEDIUM TERM**
- Reduce Scope 1 and 2 emissions annually against our 2019 baseline
 - Achieve carbon neutrality in our South African and US operations by 2027 and maintain carbon neutrality in our UK operations (Scope 1 and 2 emissions)
 - Reduce waste-to-landfill to zero for all operations
 - Responsible water consumption and improved efficiencies
 - Enhance employees' understanding of their role in restoring the environment
- LONG TERM**
- Achieve net zero by 2050 or earlier

SUPPORTING LEVERS





- Incentivise behaviour change through Vitality
- Partner for scaled impact and resilience
- Pioneer the power of behaviour change

GOVERNANCE COMMITMENTS

Our commitment to partner for planetary and social health is underpinned by the following governance commitments:

Assigning responsibilities at Board and executive level to deliver on our Integrated Sustainability Framework

Assessing, managing and publicly disclosing ESG risks and opportunities across the Group

Reviewing our capabilities, organisational structure and remuneration to deliver on our ESG ambitions and goals

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Our climate change response

Events linked to climate change are increasing in intensity, duration and frequency. The World Meteorological Organization confirmed 2024 as the warmest year on record, with global average temperatures reaching 1.55°C above pre-industrial levels. Climate change is a top risk for both our business and the communities in which we operate, with sustained temperature increases leading to a growing number of extreme weather events and related adverse impacts on human health and wellbeing.

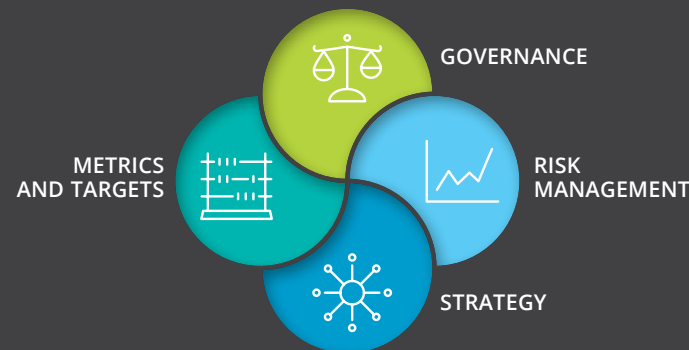
We support the Paris Agreement's goals to limit global warming to well below 2°C and pursue efforts to limit warming to 1.5°C. We face unique challenges in South Africa, our home market, as the need for a just transition to a low-carbon economy is a critical consideration given that the poor, unemployed and those living in rural communities are the most vulnerable to an abrupt transition. As such, Discovery supports a fair, responsible and just transition that will improve the resilience of economic, societal and financial systems.

Our climate change strategy sets out clear targets to reduce the Group's GHG emissions, as well as our approach to integrate climate considerations across our business. It also provides guidance on innovation, product development, risk and investment policies, procurement, facilities and operational processes, employee training and corporate culture. We have a pragmatic, two-pronged approach: firstly, we understand, assess and respond to the impact of climate change on our business and, secondly, we manage our own impact on the environment by reducing our carbon emissions, create carbon-reducing solutions driven by innovation, and encourage behaviour change in our sphere of influence.

Our climate change strategy can be accessed on our website.

Discovery remains committed to transparency and aims to be guided by and align with global reporting best practice. We continue to report in line with the TCFD recommendations – which remain the global benchmark for climate-related financial disclosures – and also align our disclosure with the requirements of IFRS S2 *Climate-related Disclosures*, which build on the TCFD framework to provide a global baseline for sustainability disclosures. In addition, we report in accordance with the GRI. In our Climate Report, we reflect on the work we undertook during the year to enhance our understanding of the Group's climate-related risks, as well as opportunities to lower our impacts and support positive behavioural change through our Shared-value model.

SUMMARY OF OUR RESPONSES ALIGNED TO THE TCFD FRAMEWORK



GOVERNANCE

The governance of climate-related matters is integrated into our established and wide-ranging governance structures. The Board oversees our response to climate change and considers trade-offs related to risks and opportunities in its decision-making. Management is responsible for formulating and implementing climate change strategies, policies and risk management plans in day-to-day operations.



STRATEGY

We understand the actual and potential climate-related risks and opportunities we face, as well as their impact on strategy, financial planning and financial performance in the short, medium and long term. We worked to improve our strategic resilience through scenario planning and analysis, which enables us to understand how the Group might perform under various hypothetical future climate states. Discovery's enterprise suite of stress tests and scenarios collectively covers the spectrum of risks presented by three climate scenarios, ensuring comprehensive risk management under various future climate states. To date, Discovery's climate change impact assessments indicate that risk remains within appetite, based on our current understanding and information.



RISK MANAGEMENT

We incorporate climate-related risks into our well-established and mature Enterprise Risk Management (ERM) Framework, which is underpinned by a comprehensive set of risk policies, frameworks and guidelines to ensure we effectively embed processes and procedures to manage risk appropriately. We manage climate-related risks through a structured process to identify, assess, treat, report and monitor exposures, as well as identify climate-related opportunities.



METRICS AND TARGETS

Our commitment to reducing our environmental impact and improving our environmental performance is integral to our business strategy. We have three climate-related goals that are aligned with global scientific pathways, as we transition to a low carbon future.

- **Short term:** Reduce Scope 1 and 2 emissions annually and cumulatively against a 2019 baseline
- **Medium term:** Achieve carbon neutrality in our South African and US operations by 2027 and maintain carbon neutrality in our UK operations (Scope 1 and 2 emissions)
- **Long term:** Achieve net zero by 2050 or earlier

We will continue updating and refining our goals as we achieve our targets and milestones, which are aligned to our Net-zero Transition Plan.

Incorporating climate-related considerations into our business underscores our commitment to integrated thinking. To this end, we identified climate change mitigation and climate change vulnerability management as material matters that influence our societal and environmental impact, as well as our ability to create or preserve value for our stakeholders. By understanding our business's operating environment and identifying significant risks and opportunities, we can incorporate critical insights into our strategic decision-making. Our climate-related disclosures not only align with our commitment to transparency; they also foster trust and highlight our readiness to navigate the evolving landscape of climate-related challenges and seize opportunities as they arise.



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Risks and opportunities

Our approach to risk management is grounded in our core purpose of making people healthier and enhancing and protecting their lives. Our Enterprise Risk Management Framework reinforces the Group's commitment to risk-informed decision-making, resilience and value creation, and provides a structured, integrated and proactive approach to risk management to ensure we embed risk considerations in strategic planning and operational decision-making.

The Group's risk management process is structured to systematically identify, assess, mitigate, monitor and report on Discovery's material risks, which ensures a structured and consistent approach to managing risk across all business units. Our Enterprise Risk Management Framework includes risk-rating matrices tailored to each entity, which assess and rank the likelihood and impact of various risks. Our risk appetite and limits are set at business entity and Group levels, with clear accountability and reporting requirements.

Through our Risk Management function, we strengthen risk governance and enhance transparency and, by ensuring information is communicated consistently and comprehensively, the Group can respond swiftly to emerging threats and opportunities. To ensure accountability at every level of our business, risks are factored into decision-making through a top-down approach while day-to-day processes and projects employ a bottom-up approach. As our highest governing body, the Board holds ultimate responsibility for risk governance. The Group Risk and Compliance Committee assists the Board in implementing processes to identify and manage risks within the Board-approved risk appetite and limits.

We continually refine and embed our Risk Management model across the Group to address significant strategic, sustainability, financial, insurance, operational, technology and compliance-related risks. We apply a three lines of defence Combined Assurance model – which is core to our operating model – to identify and manage material risks. This model further ensures the collective assurance activities provided by internal and external assurance providers adequately address the Group's material risks. It further seeks to ensure appropriate controls are in place to manage these material risks within approved risk limits.

We evaluate the effectiveness of our robust risk-management system annually through the Own Risk and Solvency Assessment. This assessment offers a comprehensive view of the Group's risks and their impact on capital, solvency and business strategy. In addition, we regularly measure the Group risk culture, using these assessments to identify areas for improvement.

Our top Group risks

Below, we rank Discovery's current top risks in order of priority. We rate risks based on the likelihood of their occurrence and potential impact on Discovery. We also monitor whether the severity of each risk changed during the year.

- 1 Global geopolitical instability¹ ▲
- 2 Impact of NHI ●
- 3 Cyber crime and cyber security ●
- 4 Information risk ▼
- 5 Disruptive technology risk ▲
- 6 Organisational resilience² ▼
- 7 Complex and changing regulatory landscape ▼
- 8 Deteriorating public infrastructure ▲
- 9 Human capital capabilities ●
- 10 Environmental risks (climate change, nature and biodiversity) ●

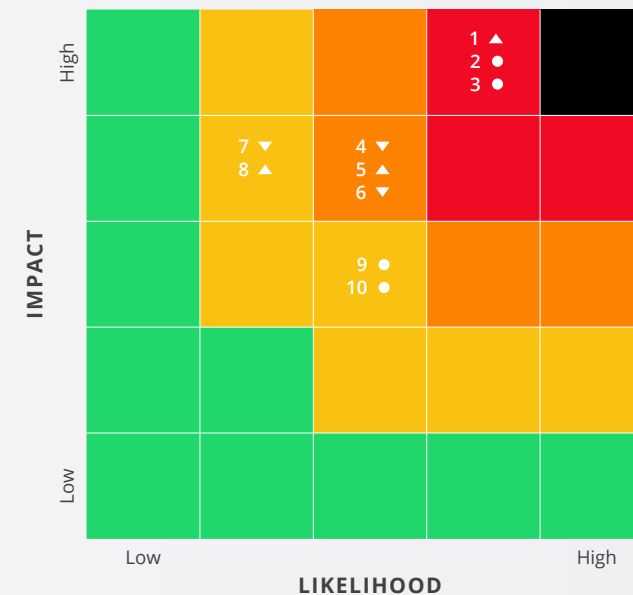
KEY

TREND INDICATOR

- ▲ Increase in risk severity from FY2024
- Risk severity unchanged from FY2024
- ▼ Decrease in risk severity from FY2024

RISK RATING

- Catastrophic
- Very high risk
- High risk
- Medium risk
- Low risk



¹ Global geopolitical instability includes complex political landscapes
² Organisational resilience includes technological, energy crisis and financial resilience

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Understanding our risks and opportunities

1 Global geopolitical instability

(FY2024: 1)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

FY2025 was marked by escalating geopolitical risks and complexity – particularly between global superpowers – with trade tensions and policy uncertainty constraining economic activity. Political stability remains a significant concern both locally and globally, with dynamics impacted by new administrations following several critical national elections that took place in 2024. In addition, significant tariff changes and rising trade tensions create uncertainty and could trigger market volatility – including the risk of a global recession. The ongoing conflict in the Middle East places additional pressure on global trade dynamics. The relationship between the US and South Africa remains strained, and the US administration's abrupt cuts and freezes in foreign aid has significantly impacted the healthcare system of South Africa and its neighbouring countries, and disrupted government-provided health services, community-based programmes and research efforts. Increased pressure on public healthcare may drive more people to seek private care, potentially straining resources and driving up costs for medical schemes.

Discovery could be impacted in several ways, including elevated inflation and interest rates; disruptions to supply chains; negative exchange rate volatility; weak stock market returns; increased likelihood of cyber attacks; reduced global trade, changes to economic bilateral trade agreements and investments; disruptions to the availability and cost of key materials, equipment and parts; and adverse effects on our global partnerships and collaboration. Ultimately, this could place strain on the disposable income of our clients which, in turn, could reduce new business volumes and increase lapses – all of which could lead to lower earnings and reduced return on capital.

KEY MITIGATING ACTIONS

- Continue to evaluate global geopolitical tensions and identify appropriate business responses, key supply chain dependencies and alternative suppliers
- Enhance our understanding and preparedness for potential future conflicts
- Focus on innovation and pricing to attract and retain clients
- Product designs and operating models that protect against inflation
- Continue to monitor interest rate fluctuations that affect solvency and liquidity
- Hedge our currency and interest rate risk, where necessary
- Enhance cyber-security capabilities
- Diversify business to reduce concentration risk

OPPORTUNITIES

- Leverage our shared-value approach, which remains scalable, repeatable and globally relevant
- Develop world-class businesses that withstand changing macroeconomic conditions and pursue growth opportunities
- Continue to play a leading role in business and industry engagements with government and other social partners, to implement key interventions that will increase confidence in South Africa's economic trajectory

RELATED MATERIAL THEMES

-  Advance our disruptive Shared-value model
-  Operate within a volatile socio-economic environment
-  Ensure long-term financial sustainability
-  Leverage and manage technology and innovation

CAPITALS IMPACTED

- FC** Financial Capital
- SC** Relationships

GEOGRAPHIES IMPACTED

South Africa, UK and global partners

FY2025 was marked by escalating geopolitical risks and complexity – particularly between global superpowers – with trade tensions and policy uncertainty constraining economic activity.

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2 Impact of NHI

(FY2024: 3)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

South Africa's NHI Act was signed into law on 15 May 2024. While draft regulations for governance arrangements required to establish the NHI advisory committees have been published for public comment, the NHI Act is not expected to come into full effect for decades due to the significant reorganisation of the healthcare system and funding required to implement the Act's provisions. The Act would also likely face an unprecedented number of legal challenges, some of which have already been initiated, which could result in protracted litigation. Section 33 remains the focal point of contention – apart from affecting medical schemes, it also affects the viability of the private sector and, consequently, the existence of private healthcare in the country.

Our stance of supporting universal health coverage remains firm, but we do not believe that the NHI in its current form is a viable solution without private sector collaboration and broader funding sources. We do not expect significant changes for medical schemes and private healthcare in the foreseeable future. In the short term, however, the rhetoric surrounding the NHI has reduced investor confidence and increased anxiety and speculation among healthcare professionals. These developments may impact infrastructure investment, or lead to a loss of medical professionals to the international market which, in turn, will create a skills gap in an already constrained healthcare system.

KEY MITIGATING ACTIONS

- Participate in collaborative initiatives with healthcare provider groups
- Engage with stakeholders across the healthcare system to ensure the Act is sustainable and feasible
- Engage to drive a workable NHI solution through public and private sector cooperation
- Implement initiatives to support skills development within South Africa's healthcare sector

OPPORTUNITIES

- Strategic diversification into financial services
- Advocate for a robust NHI framework that collaborates closely with the private sector and achieves universal healthcare, supported by a sustainable economic plan
- Implement initiatives to support skills development in South Africa's healthcare sector

RELATED MATERIAL THEMES

- Advance our disruptive Shared-value model
- Operate within a volatile socio-economic environment
- Ensure long-term financial sustainability
- Expand and strengthen our social impact

CAPITALS IMPACTED

- FC** Financial Capital
- SC** Relationships

GEOGRAPHIES IMPACTED

South Africa

3 Cyber crime and cyber security

(FY2024: 4)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

The landscape of cyber crime and data breaches has become more frequent and sophisticated, posing significant risks to businesses worldwide. The financial services sector remains a prime target for cyber criminals due to the sensitive nature of the data it handles and the potential for substantial financial gain. Insider risk has rapidly become the next area of concern.

Despite significant investments in cyber security, Discovery remains particularly vulnerable due to its operations in critical sectors like healthcare, banking and insurance. A cyber attack could substantially disrupt our business by exploiting security vulnerabilities, increasing operational costs and regulatory scrutiny, damaging our reputation, and potentially compromising sensitive client data and confidence. The increased use of AI further exacerbates cyber-security issues. Due to the dynamic nature of these threats, we continuously monitor and update our defences to ensure these are fit-for-purpose and working as designed.

KEY MITIGATING ACTIONS

- Enhance security capabilities, secure user access and protect sensitive information through various initiatives across the Group – which align with industry standards and regulatory requirements
- Maturing cyber-resilience capabilities and performance of regular penetration testing to better anticipate, detect and defend against potential vulnerabilities and mitigate threats in real time
- Continue to educate employees on cyber-security best practices and emerging threats
- Assess and monitor the security practices of key third-party vendors and partners to ensure they meet our security standards
- Leverage monitoring tools and threat detection systems to monitor for unusual activities and potential threats

OPPORTUNITIES

- Enhance client trust, increase client loyalty and attract new clients who prioritise security in their financial transactions
- Enable the development of new secure financial products and services, such as secure digital wallets and advanced fraud detection tools

RELATED MATERIAL THEMES

- Leverage and manage technology and innovation
- Empower our people
- Ensure good corporate governance and leadership
- Ensure long-term financial sustainability

CAPITALS IMPACTED

- HC** People
- IC** Data and innovation
- MC** Technology and digital assets

GEOGRAPHIES IMPACTED

South Africa, UK and global partners

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4 Information risk

(FY2024: 5)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

Given the nature of our business and the volume of data we have access to, the Group is increasingly vulnerable to accidental or intentional unauthorised use, modification, disclosure or destruction of information resources, which would compromise the confidentiality, integrity and availability of our information assets and personal data.

We leverage data to offer services and develop products that meet our clients' needs. Responsible data collection, usage and management are fundamental to our ethical operations, values and maintaining client trust. Inaccurate data management could lead to poor decision-making, financial losses and potential regulatory consequences. By prioritising robust data security practices, we aim to protect our information assets, uphold client trust and support our business objectives.

KEY MITIGATING ACTIONS

- Ensure Board data protection policies are in place to guide how Group data should be managed, accessed and stored
- Implement strict access controls to limit data access to authorised personnel
- Encrypt sensitive data to protect against unauthorised access and breaches
- Ensure compliance with relevant data protection policies, regulations and standards
- Monitor and analyse data exchanged across channels to fortify data protection
- Provide ongoing training and awareness programmes to employees and suppliers on data privacy
- Ensure operational resilience risk is adequately managed
- Safeguard data in line with our fiduciary duty and our Group Privacy Statement, and comply with data protection and privacy legislation

OPPORTUNITIES

- Apply data science to understand people's behaviour and use its correlated impact on risk profiles to design rewards and benefits that drive positive behaviour change

RELATED MATERIAL THEMES

-  Leverage and manage technology and innovation
-  Empower our people
-  Ensure good corporate governance and leadership

CAPITALS IMPACTED

- HC** People
- IC** Data and innovation
- MC** Technology and digital assets

GEOGRAPHIES IMPACTED

South Africa, UK and global partners

5 Disruptive technology risk

(NEW)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

The rapid integration of AI into the Group's Vitality programme, underwriting, claims processing, client service and risk assessment processes presents a significant opportunity for Discovery. By strategically aligning AI adoption with our core business objectives, we can enhance our competitive advantage and drive innovation in the industry. Embracing AI allows us to improve efficiency, reduce costs and provide better services to our clients.

However, if AI adoption is not embraced and strategically aligned, it poses a significant business risk. Traditional insurance firms could lose their competitive advantage as they struggle to keep up with the advancements and efficiencies introduced through AI. This could lead to higher operational costs, slower response times and less personalised client experiences. In addition, failing to adopt AI responsibly and ethically could result in regulatory challenges and damage to our reputation.

KEY MITIGATING ACTIONS

- Maintain knowledge sharing structures to promote visibility and alignment across AI technical teams and encourage employee engagement on the responsible and effective use of AI
- Monitor emerging regulations and best practices to ensure we use AI responsibly, ethically and safely to protect individuals and their data
- Appoint AI owners in each business unit to develop AI architecture and systems that deploy ethical and compliant systems
- Offer training and awareness initiatives to employees using or implementing generative AI solutions
- Maintain cross-functional AI governance and align AI initiatives with strategic business objectives and client-centric values
- Monitor AI-driven decisions and outcomes

OPPORTUNITIES

- Remain competitive by strategically embracing AI developments
- Enhance efficiency, reduce costs and provide better services to clients

RELATED MATERIAL THEMES

-  Advance our disruptive Shared-value model
-  Ensure good corporate governance and leadership

CAPITALS IMPACTED

- MC** Technology and digital assets
- SC** Relationships

GEOGRAPHIES IMPACTED

South Africa, UK and global partners

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6 Organisational resilience

(FY2024: 7)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

For Discovery, organisational resilience encompasses our focus on business continuity, as well as technological and financial resilience. We must ensure that we can operate despite any disruption to our business and, accordingly, organisational resilience ensures we have the ability to anticipate, prepare for, respond and adapt to incremental change and sudden disruptions to achieve our strategic objectives and ensure Discovery's sustainability.

Our technology infrastructure is also central to maintaining organisational resilience, and we must continue ensuring these and related business recovery systems are effective in responding to disruptions and technological changes. Material instability in our core operating systems could impair our business model by deteriorating the speed and quality of services that rely on information processing.

Given the complex macroeconomic landscape, Discovery must continue to focus on ensuring financial resilience, protecting shareholder value and maintaining a strong financial position to navigate economic volatility. Our prudent financial management, diverse revenue streams and disciplined cost controls help us sustain operations as we invest in scaled organic growth and strategic initiatives, even during challenging periods.

The resilience of our people is a defining strength of our business. Amid geopolitical uncertainty, economic headwinds and operational shifts, our teams have consistently demonstrated their agility and commitment, and showed a remarkable capacity to remain collaborative and purpose-driven. This resilience not only sustains our performance but reinforces our culture of accountability and innovation across the Group. We have succession planning in place to ensure the Group can navigate future challenges.

KEY MITIGATING ACTIONS

- Conduct regular business resilience testing across the Group
- Implement robust data backup and recovery procedures to ensure business continuity in the event of data loss or corruption
- Review and refine security requirements and amend capabilities as required
- Work closely with our suppliers and partners to ensure the stability of our supply chains
- Maintain strong relationships with our clients and stakeholders through transparent and responsive communication
- Integrate our approach to growth, liquidity, solvency management and value creation through our clearly defined Group operating model
- Allocate capital in line with our Capital Allocation Framework
- Adopt proactive succession planning, emphasising developing and embedding the Group's leadership charter

RELATED MATERIAL THEMES

-  Ensure good corporate governance and leadership
-  Leverage and manage technology and innovation

CAPITALS IMPACTED

- IC** Data and innovation
- MC** Technology and digital assets
- SC** Relationships
- HC** People
- FC** Financial capital

GEOGRAPHIES IMPACTED

South Africa, UK and global partners

OPPORTUNITIES

- Maintain organisational resilience to deliver an integrated experience for our clients and healthcare providers across our businesses

7 Complex and changing regulatory landscape

(FY2024: 6)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

The Group operates in highly regulated industries across several geographies, where new bills, legal precedents and regulatory requirements are frequently introduced. In the long term, several important regulations may have operational, financial and reputational impacts on our business because of changes to the way we operate. These include changes to the South African Companies Act, NHI Act and Employment Equity Amendment Act, climate-change-related regulations, and global regulations on the use of AI and consumer protection.

In South Africa, the National AI Policy Framework was published in August 2024, laying the foundation for AI governance. While formal regulations are pending, AI uptake in South African businesses has increased, highlighting the need for regulation. The European Union AI Act, effective August 2024, is the first comprehensive AI regulation worldwide.

KEY MITIGATING ACTIONS

- Maintain a stable, safe, fair and regulated business environment
- Monitor regulatory changes through robust governance structures and frameworks
- Proactively build compliance capabilities to address significant developments
- Engage with regulators, lawmakers and thought leaders through industry and professional bodies to influence and stay updated on key regulatory developments
- Address significant developments with dedicated, multidisciplinary project teams

OPPORTUNITIES

- Engage with government proactively to provide policy and regulatory development input

RELATED MATERIAL THEMES

-  Advance our disruptive Shared-value model
-  Ensure good corporate governance and leadership
-  Operate within a volatile socio-economic environment
-  Strengthen our environmental stewardship

CAPITALS IMPACTED

- FC** Financial capital
- HC** People
- SC** Relationships

GEOGRAPHIES IMPACTED

South Africa, UK and global partners

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8 Deteriorating public infrastructure

(NEW)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

The improvement of public infrastructure in South Africa is crucial for ensuring reliable national freight rail, electricity and water supply, which are essential for food security, affordable transport costs and the health of vulnerable populations. Significant progress has been made in energy security, with ongoing efforts to expand and modernise the national energy grid, support growing demands and integrating renewable sources. While energy security remains a focus, there has been a steady decline in the maintenance of roads, railway, water and electricity infrastructure in many parts of the country – including those provinces where most of our exposures lie, which increases the risk of claims. If these issues are not addressed, there could be knock-on implications that may affect the disposable income of our clients.

KEY MITIGATING ACTIONS

- Introduce product enhancements to protect against, for example, power surge claims
- Monitor claims and ensure products are priced appropriately, and that reinsurance is in place
- Conduct ongoing reviews of Discovery's business resilience strategies to ensure these remain appropriate and effective

OPPORTUNITIES

- Strengthen social systems and contribute to societal resilience through targeted strategic interventions
- Drive partnerships with the public sector through initiatives like Pothole Patrol and Fire Force, as well as CSI initiatives in the healthcare space

RELATED MATERIAL THEMES

-  Leverage and manage technology and innovation
-  Operate within a volatile socio-economic environment
-  Expand and strengthen our social impact

CAPITALS IMPACTED

- IC** Data and innovation
- MC** Technology and digital assets
- SC** Relationships

GEOGRAPHIES IMPACTED

South Africa

9 Human capital capabilities

(FY2024: 8)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

Our people are a strategic enabler for the Group, and we continue monitoring trends that could impact employee retention – including trends around hybrid working models; targeted recruitment by competitors; increased emigration; and the competitive labour markets in the UK and US. Skills shortages also remain a risk, especially in critical areas like technology, data science and actuarial science. Furthermore, the increased adoption of AI into business processes requires that employees continuously acquire new skills through education and training.

We are making incremental progress towards having a workforce that is more diverse, inclusive and demographically representative of the markets in which we operate. In addition, macroenvironmental changes together with a rapidly changing world of work have resulted in significant wellbeing challenges globally, including mental wellbeing.

KEY MITIGATING ACTIONS

- Entrench a compelling employer talent brand and drive recruitment initiatives that attract and retain the best talent in critical segments
- Offer competitive total rewards
- Continue employing a hybrid working model across the Group, while monitoring internal challenges and changing trends in the market
- Ensure we have the best person in every role and build highly motivated teams that embody the Discovery culture
- Continue to improve and drive our transformation plans at senior management level
- Identify and implement succession planning across key roles, and invest in training and development for our employees to ensure a healthy pipeline
- Facilitate ongoing diversity, equity, inclusion and belonging programmes for employees
- Monitor employee wellbeing through dedicated programmes

OPPORTUNITIES

- Build our talent pool of critical skills, particularly in actuarial and technology sectors, through our dedicated graduate programmes

RELATED MATERIAL THEMES

-  Leverage and manage technology and innovation
-  Empower our people
-  Ensure good corporate governance and leadership

CAPITALS IMPACTED

- HC** People
- IC** Data and innovation

GEOGRAPHIES IMPACTED

South Africa, UK and global partners

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10 Environmental risks (climate change, nature and biodiversity)

(FY2024: 9)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

In FY2025, South Africans once again faced the human and economic toll of extreme weather events, including deadly and damaging floods in KwaZulu-Natal and the Eastern Cape. Also, in the UK, spring 2025 was the warmest and driest in 50 years, increasing the number of drought warnings.

While several major economies and carbon-intensive companies recently reversed or softened their climate commitments, we recognise the importance of addressing key environmental risks to ensure a sustainable future, and remain committed to reducing carbon emissions and aligning with global climate ambitions by investing in renewable energy. Climate change is leading to more frequent, intense and unpredictable extreme weather events, which increase insurance claims, already further exacerbated by the decline in public infrastructure, particularly in Gauteng and KwaZulu-Natal.

KEY MITIGATING ACTIONS

- Align to global best practice by implementing the Group's climate change strategy and proactively reducing our carbon footprint through initiatives relating to power and water usage and waste management
- Integrate climate-related matters into the Group's governance structures, policies and practices, as well as investment and procurement decisions, product development and service offerings, and partnerships
- Ensure adequate reinsurance is in place
- Encourage employees to change behaviours through awareness and education campaigns

OPPORTUNITIES

- Enhance resilience and contribute to overall economic growth
- Innovate and develop products and services that enable our clients to live more sustainably
- Support the provision of renewable energy to the market through Discovery Green

RELATED MATERIAL THEMES

-  Ensure long-term financial sustainability
-  Expand and strengthen our social impact
-  Strengthen our environmental stewardship

CAPITALS IMPACTED

- NC** Environmental resources
- FC** Financial capital
- SC** Relationships

GEOGRAPHIES IMPACTED

South Africa, UK and global partners



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Emerging risks

We monitor external dynamics that could impact the sustainability of our business and, in doing so, consider critical emerging risks that could impact our long-term strategic priorities.

Impacts of second-order tariffs NEW

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

The recent tariffs imposed by the US administration was a significant development in the global trade landscape. These tariffs, aimed at protecting domestic industries and addressing trade imbalances, have sparked widespread discussions and reactions from various stakeholders. As the global economy navigates these changes, the implications of these tariffs are being closely monitored by businesses, governments and consumers. Understanding the motivations and potential impacts of these tariffs is crucial for comprehending the evolving dynamics of international trade.

Tariffs can have significant second-order effects on a financial services group operating in South Africa. Beyond direct cost increases, they could trigger economic contraction, reducing insurable activity and increasing policy lapses as affordability declines. Inflationary pressures can lead to repricing and adjustments in reinsurance structures, while regulatory shifts – especially those linked to trade agreements – may introduce new compliance burdens. In addition, economic stress can increase claims volatility and fraud risk, impacting profitability and operational resilience.

HOW WE RESPOND

- Mitigate the second-order impacts of tariffs through a robust, multilayered strategy
- Actively manage pricing and reinsurance to absorb inflationary pressures and claims volatility, while leveraging data analytics to monitor risk exposure and run stress scenarios
- Maintain earnings resilience and offset local economic shocks through our global diversification
- Strengthen supply chain agility, engage in policy advocacy and embed ESG principles into our operations to ensure long-term sustainability and stakeholder confidence

Longer-term environmental risk NEW

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

As we navigate the complexities of the environment in which we operate, it is crucial to recognise and address the long-term environmental risks that impact our business and society. Climate change, along with issues related to nature and biodiversity, presents significant challenges that require our attention and proactive management. From a long-term perspective, there is a potential link between environmental risks and increased mortality and morbidity rates. These risks include heat-related cardiovascular failure, cancers caused by air pollution and other respiratory issues, vector-borne diseases and mental wellness-related issues.

While we have not observed any notable trends within our health and life businesses to date, we will continue to monitor and reassess these factors as appropriate. This proactive approach ensures we remain vigilant and responsive to any emerging risks, safeguarding the wellbeing of our clients and the sustainability of our business.

HOW WE RESPOND

- Proactively addressing environmental risks to ensure a sustainable future by, for example, investing in renewable energy sources to reduce our carbon footprint and enhance resilience against extreme weather events and actively monitoring water quality and supporting sustainable water management practices

Emerging health trends NEW

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

At Discovery, we recognise longevity risk as a strategic and emerging challenge, shaped by advances in healthcare, wider access to life-extending treatments and shifting demographic trends. As the proportion of the covered population that suffers from chronic conditions like diabetes, cardiovascular diseases, cancer and poor mental health increases, so does the pressure on the sustainability of life, health and investment products – through extended claim durations, increased morbidity costs and pressure on retirement adequacy. Ageing demographics also contribute to a growing demand for long-term care services, further straining financial resources. The obesity epidemic, in particular, is a global challenge and increases the risk of premature death and developing illnesses or non-communicable diseases while also increasing healthcare costs. However, GLP-1 receptor agonists like Ozempic, Wegovy and Mounjaro are transforming the health landscape by promoting significant weight loss and improving metabolic health.

HOW WE RESPOND

- Implement a multilayered strategy that combines dynamic product design, reviewable premiums and reinsurance solutions to manage long-term exposure
- Influence client behaviour and assist in making clients healthier through the Vitality behaviour-change platform and Personal Health Pathways
- Encourage early identification through regular health checks, screening and targeted interventions to prevent and manage long-term illness
- Encourage members to form and maintain healthy habits around physical activity, nutrition and mental wellbeing, and reward them for doing so
- Offer disease management interventions and tailored programmes for high-risk populations living with chronic diseases to improve outcomes and reduce overall costs
- Incorporate dynamic asset allocation and risk profiling in our investment products to support retirement adequacy

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The global macroenvironment remains complex and volatile, with risks mounting on all fronts and optimism fading about the ability of institutions to manage them. Escalating geopolitical and trade tensions are fuelling uncertainty and will likely constrain economic activity, while AI-driven misinformation erodes public trust. At the same time, climate challenges, resource shortages and a weakening of multilateral cooperation further complicate coordinated responses to emerging crises.

We remain anchored by our core purpose, which has never been more relevant given the external impacts on our business. Our Shared-value model is central to our growth and continues to evolve, positioning us to be a global force and achieve our desired relevance and scale.

Escalating geopolitical and trade tensions are fuelling uncertainty and will likely constrain economic activity, while AI-driven misinformation erodes public trust.



The purpose imperative

CONTEXT

We are confronting global challenges of an unprecedented scale, and while individual effort holds value, lasting solutions require the strength and power of collective action. Because of this, there is a growing expectation for businesses and governments to solve systemic challenges – with authenticity and a clear sense of purpose. In an emerging economy like South Africa, the private sector’s skills and expertise can immensely benefit the country. The transformative Government Business Partnership has already achieved significant milestones and is now targeting 3% GDP growth by the end of 2025 in support of sustainable, inclusive economic growth.

Businesses are still expected to create value for clients through products, services and client journeys. In the healthcare industry, for example, this includes improving the quality of care while providing personalised, affordable healthcare solutions. The average age of medical scheme members continues to increase, as does the prevalence of chronic diseases, which contributes to a growing demand for long-term care services as well as higher healthcare costs. These trends require preventative measures, interventions and disease management programmes to improve population health. Within this context, meeting societal demands requires a shared-value business model.

HOW WE ARE RESPONDING

Our purpose is integral to everything we do. We leverage our unique business model to drive growth, achieve our strategic ambition and develop products and services that create shared value while addressing the needs of our clients. Our purpose also steers our approach to scaling our social and environmental impact in the markets we serve.

We engage constructively in public-private conversations to promote cooperation and improve healthcare delivery on a wider scale, including discussions on NHI in South Africa. We believe NHI is not workable without private sector collaboration and, in our engagements, raised concerns about the sustainability and feasibility thereof – particularly around funding and the long-term role of private healthcare. We remain committed to advocating for a robust NHI framework that benefits all South Africans and enables close collaboration with the private sector, supported by a sustainable economic plan.

Discovery strives to be an exceptional employer, partner and corporate citizen. We are deeply committed to nation building and protecting our planet for future generations. To this end, we are a signatory to the UN Global Compact, Principles for Responsible Investment and Principles for Sustainable Insurance, and align our efforts to the UN SDGs.

RELATED MATERIAL THEMES

- Operate within a volatile socio-economic environment
- Advance our disruptive Shared-value model
- Expand and strengthen our social impact
- Strengthen our environmental stewardship

RELATED RISKS AND OPPORTUNITIES

- Global geopolitical instability
- Impact of NHI
- Deteriorating public infrastructure
- Environmental risks

RELATED UN SDGs



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Political and economic uncertainty

CONTEXT

The world continues to face growing volatility, from geopolitical tensions and economic instability to AI-driven misinformation. The past 18 months in particular have been pivotal for global politics following key elections in South Africa, the UK and US.

Global inflation rates have moderated; however, the easing of interest rates was stalled by increased uncertainty around international policy shifts and trade tensions, with consumers and economic growth remaining constrained in many regions. While the global economy appeared to have stabilised in 2024, growth projections have been revised downwards amid a highly unpredictable environment and effective tariff rates that have not been seen in a century. In addition, disparate and swiftly changing policy positions or deteriorating sentiment could tighten global financial conditions, while a trade war and increased trade policy uncertainty could hinder both short- and long-term growth prospects.

While sentiment has stabilised in South Africa, political fragility has tempered business confidence and raised questions about policy continuity and reform momentum. Structural challenges, including low growth and fiscal pressure, persist, as well as the state of key infrastructure systems – particularly water and transport – remains a significant concern. In the UK, the fiscal environment remains constrained, with the NHS backlogs elevating the demand for and utilisation of private medical insurance. China continued to face macroeconomic and growth constraints; however, bond and equity markets delivered a strong performance following some signs of stabilisation.

 For more information, refer to our risks and opportunities on page 41 and our Group Chief Financial Officer's review on page 66.

HOW WE ARE RESPONDING

We track developments and evaluate the impact of global geopolitical tensions on our business and actively engage with relevant stakeholders as necessary. Despite the complex and uncertain environment, the Group remains financially resilient. We believe that our strong focus on financial management – as well as the competitive dynamics of our Shared-value model – enables us to address specific constraints within various financial services sectors.

We have emerged from a cycle of significant investment, focusing on creating new avenues for long-term growth and evolving our Shared-value model to increase our impact. As part of this, we remain dedicated to developing new products and services focused on affordability and value. In FY2025, this included innovations like Personal Health Pathways; launching Discovery Health Medical Scheme's new cost-effective Active Smart plan for young professionals; and introducing Discovery Life's Lock-in 3.0 benefit, which addresses the risk of clients being unable to fund their retirement because of investment volatility and increased longevity.

To manage interest and foreign exchange risks, we employ hedging and asset-liability matching strategies across our businesses, adhering to approved policies that are continually monitored. Our regulated entities are capitalised to meet regulatory solvency requirements, calibrated to withstand a one-in-200-year adverse event. In addition, we apply an extra buffer to ensure compliance with regulatory requirements and sufficient liquidity within each regulated entity, even after a one-in-25-year adverse event, supported by a liquidity buffer at the centre.

Capital ratios remain strong across every business. We apply a disciplined financial framework and allocate capital to ensure we deliver strong growth, cash generation, quality earnings and capital resilience across our two composites.

RELATED MATERIAL THEMES

-  Operate within a volatile socio-economic environment
-  Advance our disruptive Shared-value model
-  Ensure long-term financial sustainability

RELATED RISKS AND OPPORTUNITIES

- 1 Global geopolitical instability
- 2 Impact of NHI
- 6 Organisational resilience
- 7 Complex and changing regulatory landscape
- 8 Deteriorating public infrastructure

RELATED UN SDGs

-  8 DECENT WORK AND ECONOMIC GROWTH
-  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
-  10 REDUCED INEQUALITIES



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The physical environment

CONTEXT

Unsustainable levels of production and consumption continue to drive climate change, pollution and biodiversity loss. Following the trend of the past decade, 2024 was the warmest year on record and, as the burden of climate change becomes more evident each year, so do the impacts thereof on human health and wellbeing. A World Bank study found that changing climate conditions are impacting the burdens of disease, which could lead to death and illness from exposure to extreme heat and weather events; disruptions to food systems; and increased food, water and vector-borne diseases. This places significant strain on health systems, increasing demand for health services while, at the same time, impairing the system's ability to respond. By 2050, changing climate could lead to excess health costs in low- and middle-income countries of at least US\$21 trillion, equivalent to approximately 1.3% of their projected GDP.

While some activities are addressed under climate adaptation and mitigation efforts, including the drive towards net-zero GHG emissions, there remains a significant gap between targets and the actions needed to meet them. Further complicating global environmental efforts, several carbon-intensive companies rolled back their climate commitments in recent years, while a number of global financial institutions are reassessing their involvement in climate coalitions, citing that climate goals can be more effectively and efficiently achieved without the burden of complying with complex regulatory and administrative requirements.

As a developing country, adaptation remains South Africa's primary priority, with both financial and non-financial support needed to ensure an inclusive and equitable transition. This transition requires South Africa to focus on solidifying its Nationally Determined Contribution and scaling clean energy as a key catalyst for economic growth and green industrialisation.

HOW WE ARE RESPONDING

Given the interdependencies between climate, health and insurability, insurers must play a crucial role in addressing the climate crisis. Discovery is a purpose-led organisation, and we are grounded in our values and commitment to being a force for good. Our Shared-value model extends to the environment in which we exist – from this base, we recognise the urgency for climate action and unwavering commitment to promoting planetary health.

Our business is intrinsically linked to the sustainable wellbeing of our communities. We cannot effectively encourage our clients and society to practise healthy habits without recognising the health impacts of the physical environment in which they live. We therefore remain focused on restoring the environment by reducing our environmental footprint, improving our understanding of environmental challenges and promoting behaviour change in our employees and clients. We also work to make renewable energy accessible: in May 2025, Discovery Green reached financial close on the first renewable energy project in its generation portfolio, which will be developed by one of South Africa's leading independent power producers. The wind farm will begin full commercial operation in 2027 and deliver over 489GWh of wheeled renewable electricity each year to Discovery Green clients.

In addition, we have short-, medium- and long-term climate-related goals in place to reduce our emissions in line with the Paris Agreement. We continuously assess climate-related risks and opportunities, addressing both our environmental impact and the ways in which climate change impacts our business.



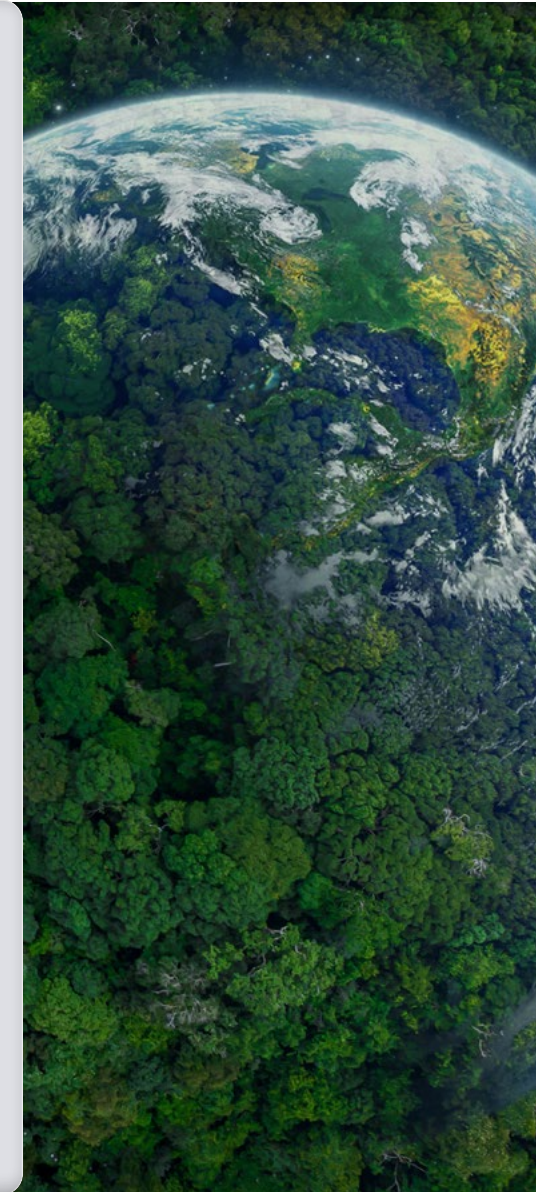
RELATED MATERIAL THEMES

-  Operate within a volatile socio-economic environment
-  Expand and strengthen our social impact
-  Ensure long-term financial sustainability
-  Strengthen our environmental stewardship

RELATED RISKS AND OPPORTUNITIES

- 6** Organisational resilience
- 10** Environmental risks

RELATED UN SDGs



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Human-centred technology

CONTEXT

The rapid advancement of digitisation and automation continues transforming society, driving a shift towards greater personalisation and user control. Breakthroughs in generative AI and quantum computing are revolutionising businesses globally – for example, in the insurance industry, leading insurers using AI can reduce costs related to underwriting and claims by up to 30%. However, progress in these areas remains uneven, with significant developments largely concentrated in a few economies at the forefront of AI exploration – resulting in disparities in global access to these transformative technologies.

Emerging technologies continue to accelerate innovation in medical sciences and drive client-centred digital transformation across sectors – from client interactions in insurance to virtual healthcare solutions. For example, in healthcare, advances in AI and machine learning enable new tools that can reshape diagnostics, treatment planning and patient care. In addition, applying data science can develop personalised solutions and enable the integration of health and wellness products, maximising their potential benefits. However, while opportunities in precision medicine, targeted therapies and advanced pharmaceuticals can lead to breakthroughs, these could add to the growing financial burden on healthcare systems.

It is critical that these technological strides are grounded in ethical and human-centred principles. As digital capabilities evolve, so too do the associated risks – particularly in areas related to cyber security, data privacy and personal information protection – highlighting the need for thoughtful, responsible adoption.

HOW WE ARE RESPONDING

We remain committed to consistent innovation and invest in our capabilities to drive the Group's long-term growth. These capabilities – data, technology and innovation – form an integral part of our business, enabling us to develop and implement advanced solutions and offer seamless, integrated experiences for our clients. For example, the latest iteration of our Shared-value model, Vitality AI, as well as Personal Health Pathways leverages the next generation of data and analytics, focusing on hyper-personalisation to allow for greater and more precise understanding of individuals' health risks and identify the exact actions to improve health outcomes.

Given the nature of our business, we require access to our clients' personal information. We prioritise responsible data stewardship and embrace our fiduciary duty to protect the data we collect from our clients. We have appropriate measures in place to support data integrity, privacy and security, including consideration of ethics and fair use in delivering our products.

RELATED MATERIAL THEMES

-  Ensure good corporate governance and leadership
-  Empower our people
-  Advance our disruptive Shared-value model
-  Leverage and manage technology and innovation

RELATED RISKS AND OPPORTUNITIES

- 3** Cyber crime and cyber security
- 4** Information risk
- 5** Disruptive technology risk
- 6** Organisational resilience
- 9** Human capital capabilities

RELATED UN SDGs



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Our trade-offs

During the year, we navigated complex decisions that required us to balance stakeholder expectations, resource constraints and timelines. These trade-offs, highlighted below, are central to delivering on our strategic ambitions and are informed and influenced by our operating environment.

Ensuring long-term financial resilience

Discovery has emerged from a cycle of significant investment, during which we created new avenues for long-term success and positioned the Group for a new, distinct phase of growth driven by our domestic business, Discovery SA, and our global composite, Vitality. Our focus now shifts to scaling our Shared-value model through organic growth and leveraging the power of our global partnerships to ensure we capture tactical opportunities and unlock further value.



As we move into this phase, we have a strategic opportunity to evaluate options like debt repayment, increasing shareholder dividends, or selectively investing in initiatives that align with our long-term growth strategy. We will also continue investing in our business – focusing particularly on technology and product development – to support innovation and efficiency. In this transition, Discovery remains committed to financial discipline, guided by a balanced and structured capital allocation framework that prioritises sustainability and resilience.

Amid ongoing macroeconomic uncertainty, we recognise the importance of protecting shareholder value. Aligned with the Group's current dividend policy, annual ordinary dividends must be covered approximately five times by normalised headline earnings, with interim ordinary dividends expected to be paid within 30% to 40% of the expected total annual ordinary dividend. In line with this guidance, the Group has declared its final ordinary dividend for the period at 201 cents per share for FY2025.

RELATED MATERIAL THEMES

-  Advance our disruptive Shared-value model
-  Operate within a volatile socio-economic environment
-  Ensure long-term financial sustainability

CAPITALS IMPACTED

-  **FC** Financial capital
-  **SC** Relationships

IMPACTED STAKEHOLDER GROUPS

-  Providers of capital
-  Society
-  Business partners
-  Clients

Balancing growth ambitions with quality new business



While growth remains a priority, the Group consciously focuses on high-quality business while delivering shared value. This approach favours long-term client value and resilience over short-term gains with a focus on sustainable growth through a quality client base.

Across Discovery's business units, there has been a deliberate and ongoing effort to balance the volume and quality of new business with the Group's long-term strategy – especially in the face of macroeconomic headwinds. While economic pressures have impacted affordability, our focus remained on enhancing the quality of our in-force book, refining product structures and risk-based pricing. This is evident in the careful calibration of fee structures, the evolution of product offerings and the emphasis on driving behaviour change. Not only is our business growing, but it is doing so with strategic intent and purpose.

RELATED MATERIAL THEMES


-  Advance our disruptive Shared-value model
-  Operate within a volatile socio-economic environment
-  Ensure long-term financial sustainability

CAPITALS IMPACTED

-  **FC** Financial capital
-  **SC** Relationships

IMPACTED STAKEHOLDER GROUPS

-  Providers of capital
-  Society
-  Business partners
-  Clients

 Denotes an increase/decrease in impact on components within each capital

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We continue to enhance our existing technology while investing in new developments to retain our position at the forefront of digital trends.



↑↓
Denotes an increase/decrease in impact on components within each capital

Navigating the NHI Act

In South Africa, the NHI Act was signed into law during FY2024, posing risks to the country's private healthcare sector – including Section 33, which proposes limitations on the cover provided by medical schemes. While we remain committed to supporting universal health coverage, we do not believe the NHI in its current form is feasible without the collaboration of the private health sector and broader funding sources. The Act would also likely face a number of legal challenges, some of which have already been initiated, which could result in protracted litigation.

The establishment of the Government of National Unity (GNU) in South Africa has deepened stakeholder engagement and fostered strong policy debate. Constructive engagement has significantly improved, as we continue to engage in public-private conversations to promote cooperation and improve healthcare delivery on a wider scale. We will advocate for a robust NHI framework that benefits all South Africans, supported by a sustainable economic plan.

RELATED MATERIAL THEMES

- Operate within a volatile socio-economic environment
- Ensure long-term financial sustainability
- Expand and strengthen our social impact

CAPITALS IMPACTED

- ↑↓ **SC** Relationships

IMPACTED STAKEHOLDER GROUPS

- Government and regulators
- Society
- Healthcare providers

Ongoing investment in technology and digital capabilities

Our Shared-value model is supported by technology which, as a strategic enabler, is an area of ongoing investment for Discovery and a driver of innovation in the business. We continue to enhance our existing technology while investing in new developments to retain our position at the forefront of digital trends. By developing most of our solutions in-house, we can optimise our systems for the current environment while gearing for the increasingly digital world.

This year, we continued to leverage our data and technology assets to develop the Vitality AI platform – and, while this required significant short-term investment, we believe it will deliver measurable improvements in health outcomes, service delivery and profitability over time. Critically, we understand that the benefits posed by AI should be embraced responsibly and ethically, and align with strategic business objectives and our client-centric values. In addition, given the increased adoption of AI into business processes, we will offer training and awareness initiatives to our employees who are using or implementing generative AI solutions at all levels across our business.

RELATED MATERIAL THEMES

- Advance our disruptive Shared-value model
- Leverage and manage technology and innovation
- Empower our people
- Ensure good corporate governance and leadership
- Operate within a volatile socio-economic environment
- Ensure long-term financial sustainability

CAPITALS IMPACTED

- ↑↓ **FC** Financial capital
- ↑↓ **HC** People
- ↑ **SC** Relationships
- ↑ **MC** Technology and digital assets
- ↑ **IC** Data and innovation

IMPACTED STAKEHOLDER GROUPS

- Employees
- Providers of capital
- Society
- Business partners
- Clients
- Healthcare providers

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Engaging with our stakeholders

Building and maintaining good stakeholder relationships is fundamental to creating and sustaining value across the Group. We understand that our continued success depends on how we engage with, understand and respond to our stakeholders' needs, concerns and insights. We therefore proactively identify and engage stakeholders who could be impacted by or are interested in our business activities, processes or decision-making.

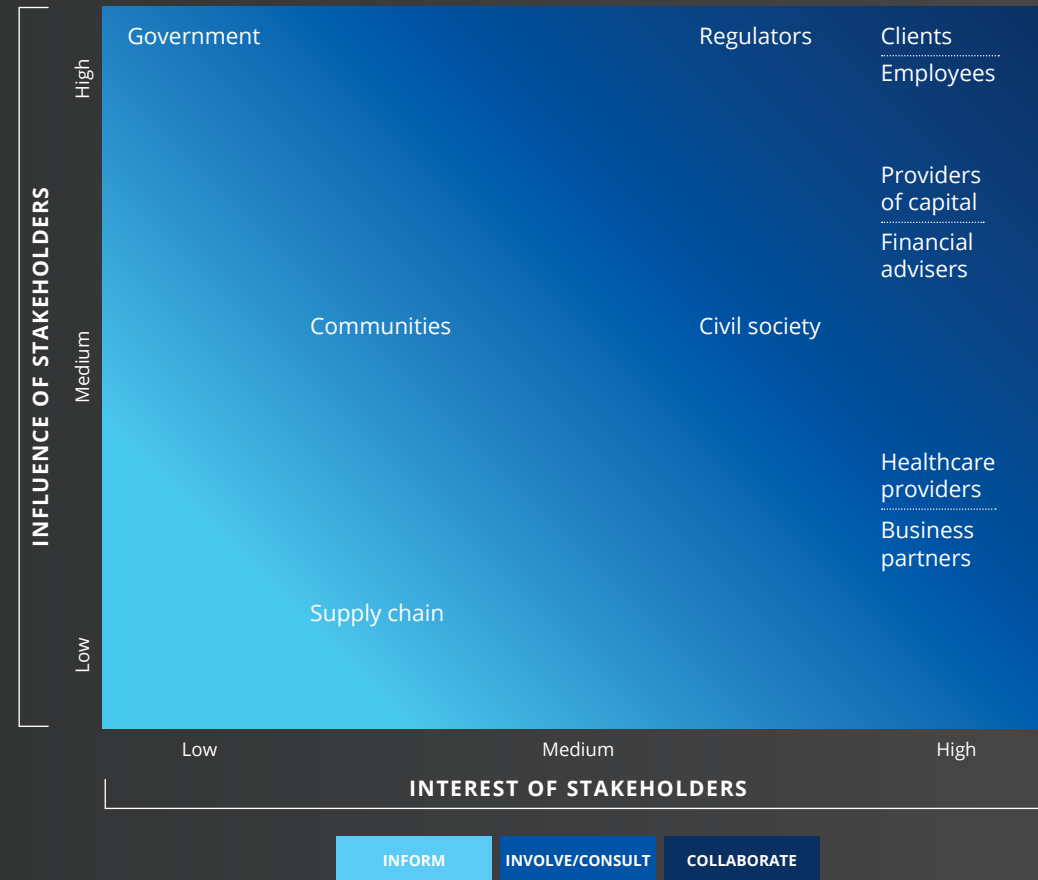
Our Board adopts a strategic approach to stakeholder engagement and, in doing so, is guided by our Stakeholder Engagement Policy and Framework. The framework aligns with principles 5 and 16 of King IV™ and helps our business units and internal departments identify, assess, manage and evaluate stakeholder engagement activities. It sets out key principles for engagement, a defined engagement approach and a stakeholder matrix that ensures engagement levels with each stakeholder group can be tailored based on our objectives, outcomes, timeframes, resources and their influence or interest.

We are committed to improving the quality of our stakeholder engagements and our understanding of their needs. We use various mechanisms to regularly assess our stakeholder relationships and ensure we meet their expectations.

Our stakeholder groups

-  **Government and regulators**
-  **Employees**
-  **Providers of capital**
-  **Clients**
-  **Healthcare providers**
-  **Business partners***
-  **Society****

* Includes financial advisers.
 ** Includes civil society, communities and our supply chain.



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QUALITY OF ENGAGEMENT

Good quality existing relationship

Relationship exists but there is room for improvement

Existing relationship is poor



Government and regulators

Basis of assessment: Feedback from government and regulators, and meeting our obligations and commitments.

WHY WE ENGAGE

Government stakeholders guide our operations through policies and regulations that shape the environment in which we operate. Regular engagement allows us the opportunity to contribute to the development of policy and regulation. Because our businesses operate under various licences across regulated sectors, maintaining these licences requires ongoing, transparent engagement. We recognise that maintaining good relationships with regulators is essential – not only to ensure compliance, but also to foster sustainable growth and trust in the markets we serve.

HOW WE CREATE VALUE

- Cultivate a zero-tolerance culture for regulatory non-compliance
- Financial prudence and ethical operations
- Ensure our clients are treated fairly
- Engage on critical issues impacting our industries and markets
- Publish research and share technical expertise to strengthen healthcare systems

STAKEHOLDER EXPECTATIONS

- Compliance with regulatory and legal requirements, including employment equity (EE) and Broad-based Black Economic Empowerment (B-BBEE) requirements, and meeting targets in South Africa
- Participation in advisory or review committees
- Adherence to occupational health and safety standards
- Payment of taxes, levies and fees
- Doing business in a way that protects the Group's financial stability and maintains market integrity
- Protection of consumer, environment, labour and human rights
- Open and transparent client communication

HOW WE ENGAGE

- Virtual or in-person meetings, emails and telephonic discussions
- On-site inspections and periodic or thematic assessments
- Participation in forums and through industry bodies
- Statutory reporting, licensing applications and regulatory submissions
- Input into new legislation affecting the industries in which we operate
- Annual B-BBEE submissions and EE reporting in South Africa



SIGNIFICANT FY2025 FOCUS AREAS

- Discovery Health continued to actively engage various stakeholders particularly through Business Unity South Africa (BUSA) – including government – on matters related to NHI
- Engaged with the Presidency under the Health Compact on initiatives to strengthen South Africa's healthcare system
- Ongoing proactive engagement with the Council for Medical Schemes (CMS), including input towards new research and initiatives
- Through the Health Funders Association, engaged with the CMS on topical industry issues like low-cost benefit options (LCBOs); fraud, waste and abuse; prescribed minimum benefits; the cost of medicine; and reporting requirements
- Continued engagement with the Department of Employment and Labour in relation to the EE Amendment Act

RELATED MATERIAL THEMES



Ensure good corporate governance and leadership



Empower our people



Expand and strengthen our social impact

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Relationship exists but there is room for improvement

Existing relationship is poor



Employees

Basis of assessment: Employee experience score, eNPS and employee engagement response rate.

WHY WE ENGAGE

Discovery's success is driven by innovation and ensuring we meet the needs of our clients. Our people are at the heart of this, enabling the delivery of market-leading products and services that sustain our competitive advantage.

HOW WE CREATE VALUE

- Review total rewards structures to ensure competitiveness when attracting and retaining talent
- Offer continuous performance engagement
- Facilitate professional opportunities that enable skills development, drive career growth and futureproof capabilities
- Offer attractive talent pipeline programmes for critical skills
- Provide opportunities for mentorship, innovation and leadership development
- Invest in employee wellbeing initiatives, portals and other resources
- Advance and support diversity and inclusion objectives

STAKEHOLDER EXPECTATIONS

- Competitive total rewards
- Effective performance management, career growth, and intellectual and leadership development
- Access to training and development interventions
- Alignment between work and organisational purpose and values
- Opportunities for innovation
- An ethical, fair and inclusive work environment
- Protection of labour and human rights

HOW WE ENGAGE

- Onboarding new employees
- Annual employee engagement and business unit-specific pulse surveys
- Annual talent reviews and ongoing performance management
- Learning and leadership development programmes
- Internal publications, communications and emails
- Podcasts, masterclasses and webinars by internal and external experts and leaders
- One-on-one engagement
- Focus groups and staff dialogues
- Self-service people portals to enable processing, enquiries, policies and process information



SIGNIFICANT FY2025 FOCUS AREAS

- Engaged employees through designated EE Forums to provide updates on progressive legislation changes
- Conducted talent reviews within business units and functions to ensure a healthy talent pipeline
- Facilitated continuous performance engagement and wellbeing masterclasses to support employees and leaders with process, systems and capability requirements
- Facilitated signature development programmes and launched our Executive Leadership Development Programme
- Hosted various diversity, equity, inclusion and belonging sessions across the business
- Continued embedding mental health toolkits for employees and leaders and introduced financial wellbeing coaching

RELATED MATERIAL THEMES



Operate within a volatile socio-economic environment



Leverage and manage technology and innovation



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Providers of capital

Basis of assessment: Feedback from providers of capital and analyst reports.

WHY WE ENGAGE

Providers of capital – including shareholders, current and prospective investors, debt funders, and investment and ESG analysts – are integral to our long-term sustainability. Their feedback informs our management approach and our reporting practices.

HOW WE CREATE VALUE

- Pursue sustainable growth in capital and distributions
- Focus on our deliberate strategy to grow organically
- Pay interest on and repay debt capital
- Consistently strengthen and evaluate our governance structures
- Maintain transparent communications and reporting
- Engage with analysts and investors
- Align our incentive plans with long-term shareholder interests

STAKEHOLDER EXPECTATIONS

- Sustainable returns on investment
- Effective growth strategy
- Strong balance sheet
- Good corporate governance
- Experienced leadership teams
- Transparency and accountability

HOW WE ENGAGE

- Annual and interim reports and presentations
- Local and international investor conferences and roadshows
- Local and international one-on-one or group engagements
- AGM and voting
- Media and regulatory releases, including SENS announcements
- Analyst reports
- ESG indices, questionnaires and portals



SIGNIFICANT FY2025 FOCUS AREAS

- Hosted a capital markets day for institutional investors and analysts, focusing on the strategic benefits and potential of Vitality
- Engaged with investors through virtual and in-person conferences, roadshows and one-on-one meetings
- Engaged with key shareholders ahead of the AGM to discuss proposed resolutions
- Ad hoc engagements with analysts on topical issues, including the impact of IFRS 17 and the NHI Act
- Engaged with ESG ratings agencies to improve our disclosures
- Raised a further R1.75 billion in debt through our Domestic Medium Term Note Programme in November 2024 and an additional R1.5 billion in May 2025 to apply towards maturing notes

RELATED MATERIAL THEMES



Advance our disruptive Shared-value model



Operate within a volatile socio-economic environment



Ensure good corporate governance and leadership



Ensure long-term financial sustainability



Leverage and manage technology and innovation



Strengthen our environmental stewardship

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Existing relationship is poor



Clients

Basis of assessment: Client satisfaction surveys, net promoter and member perception scores, and app usage statistics.

WHY WE ENGAGE

Discovery aims to incentivise clients towards better health, driving and financial behaviour. We engage with them to understand the market's perception of our products and services, and to assess whether we meet their changing needs and expectations as we evolve our offerings to remain relevant and deliver on our purpose.

HOW WE CREATE VALUE

- Drive continuous product innovation to meet our clients' needs
- Focus on servicing and the client journey to simplify the client experience
- Communicate with clients continuously, including onboarding, product information and education, product enhancements and launches
- Ensure fair and equitable claims and complaints processes
- Invest in digital innovation to enhance client experience
- Comply with our Data Privacy and Protection of Personal Information Policy

STAKEHOLDER EXPECTATIONS

- Market-leading and innovative products and services
- Value-for-money premiums
- Exceptional client service
- Responsible insurance services and solutions
- Convenience in doing business
- Safeguarding of client privacy
- Protection of client rights, health and safety

HOW WE ENGAGE

- Written communications, product and service brochures
- Meetings and engagements with employer groups
- Upfront policy documentation and ongoing contractual communication campaigning
- Benefit update webinars and videos
- Website, media, social media and advertising campaigns
- Service and product questionnaires and surveys
- Call centres and walk-in centres
- Continuous monitoring of complaints, lapse rates and persistency, client surveys and feedback and quality assessments



SIGNIFICANT FY2025 FOCUS AREAS

- Product launches and enhancements
- Continued management of client complaints and ongoing initiatives that support client retention
- Regular communication to promote Vitality and drive digital adoption
- Ongoing training programmes for employees to improve service delivery and client interaction skills
- Conducted regular quality audits of client interactions to ensure adherence to service standards
- Leveraged technology to streamline processes and enhance client experience
- Targeted interventions based on health risks and goals

RELATED MATERIAL THEMES



Advance our disruptive Shared-value model



Operate within a volatile socio-economic environment



Ensure good corporate governance and leadership



Leverage and manage technology and innovation



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Existing relationship is poor



Healthcare providers

Basis of assessment: Regular engagement, feedback and deep-dive surveys.

WHY WE ENGAGE

Healthcare providers deliver essential services to our clients and ensure the sustainability of both public and private healthcare systems in the markets where we operate.

HOW WE CREATE VALUE

- Contract with healthcare providers based on increased value and quality of care rather than price
- Improve patient care through HealthID and reduce the administrative burden for doctors in South Africa
- Identify healthcare providers that deliver exceptional care, and provide positive recognition through Patient Survey Scores (PaSS) in South Africa
- Invest in the medical education of specialists in South Africa's public health sector through the Discovery Foundation
- Expand the Premier Consultant Network to represent a full range of specialties and regions in the UK
- Engage with healthcare partners to develop a sustainable healthcare ecosystem

STAKEHOLDER EXPECTATIONS

- Fair remuneration for services provided
- Quality of care initiatives
- Training and development
- Appropriate communication
- Overall sector sustainability
- Minimise administrative burden and perceived intervention in clinical decision-making

HOW WE ENGAGE

- Ad hoc and regular discussions between healthcare providers and account managers
- Dedicated meetings and society events
- Engagement with leadership, advisory boards, medical society executive committees and key opinion leaders
- Personal feedback and regular panel meetings
- Doctor sentiment scores



SIGNIFICANT FY2025 FOCUS AREAS

- Ongoing engagements on key activities, including price negotiations, new product launches, health technology assessments and alternative reimbursement models
- Strengthened relationships with healthcare partners and medical societies
- Developed various shared-value projects with healthcare providers to enhance collaboration and align interests more closely
- Enabled personalised patient care through digital tools and integrating AI insights with clinician expertise
- Direct communication with doctors to proactively address concerns related to NHI developments
- Introduced remedial interventions to support holistic clinician wellbeing

RELATED MATERIAL THEMES



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Existing relationship is poor



Business partners

Basis of assessment: Biannual experience survey, feedback and broker satisfaction scores.

WHY WE ENGAGE

Our global insurance and reward partners enable the expansion of our Shared-value model in our international markets. In return, we help strengthen their client value propositions.

Financial advisers are a critical distribution channel, driving new business growth and client retention. We engage with them to ensure they are equipped with the tools and insights needed to deliver exceptional client service.

HOW WE CREATE VALUE

- Engage with insurance partners to support the shared-value cycle of business profitability, client value and benefits for society
- Expand our Shared-value model globally, thereby increasing brand awareness through association while also creating higher sales and client volumes
- Integrate our digital platforms and leverage Discovery Health and Vitality's intellectual property
- Provide unique reward partner offerings, contract negotiation and servicing
- Invest in digital innovation to enhance financial adviser experience, including digital portal and AI quote enhancements
- Provide ongoing sales and training support to financial advisers



SIGNIFICANT FY2025 FOCUS AREAS

- Product launches and enhancements
- Driving partnership growth and developing direct relationships with in-country teams that support the expansion of Vitality Global
- Resolved pain points and focused our engagements in challenging markets
- Ongoing engagement, training and onboarding
- Provided financial advisers with targeted support through individual ad hoc training and engagement sessions
- Delivered a dedicated sustainability programme to our advisers in the UK

STAKEHOLDER EXPECTATIONS

- Meeting contractual terms and agreements
- Financial and non-financial support
- Long-term beneficial relationships with regular engagement
- Increased revenues and volume growth
- Sales remuneration
- Ease of market rollout

HOW WE ENGAGE

- Contracts
- Regular meetings and engagements
- Conducting a quality service-score assessment every six months with our insurance partners
- Conferences and summits
- Ad hoc market business reviews and product innovation forums
- Professional development days for financial advisers
- Product launches, masterclasses and related training
- Annual broker roadshows
- Broker satisfaction surveys
- Newsletters, brochures and electronic media

RELATED MATERIAL THEMES



Advance our disruptive Shared-value model



Operate within a volatile socio-economic environment



Ensure good corporate governance and leadership



Leverage and manage technology and innovation



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Relationship exists but there is room for improvement

Existing relationship is poor



Society

Basis of assessment: Monitoring and evaluation of programme outcomes, supplier engagement and evaluations.

WHY WE ENGAGE

We engage across all levels of society – including communities, civil society and our supply chain – to understand and respond to these stakeholders’ needs, helping to protect our reputation and support the Group’s long-term sustainability.

These interactions are aligned with our core purpose and strategic goals, enabling us to address ESG-related risks and opportunities while managing the resources essential to our business.

We also engage with our suppliers to support business continuity and advance our B-BBEE objectives through enterprise supplier development.

HOW WE CREATE VALUE

- Link healthy behaviour with philanthropy to raise funds for various charities and encourage employee volunteerism and skills transfer
- Forge strategic partnerships to enhance public safety
- Develop programmes to sustainably improve the lives of those who live in rural and underserved communities through Discovery Fund
- Invest in medical education of specialists in South Africa’s public healthcare system through the Discovery Foundation
- Support transformation by developing a roadmap to improve our B-BBEE scorecard in South Africa
- Increase suppliers’ scope with a long-term goal to collaborate on innovation
- Build our South African supply chain by providing financial and non-financial support to selected enterprise and supplier development beneficiaries



SIGNIFICANT FY2025 FOCUS AREAS

- Supported initiatives aimed at strengthening South Africa’s healthcare system, along with other related operational reforms
- Reported to the Discovery Fund and Discovery Foundation trustees on our activities
- Awarded research and training grants through Discovery Foundation to strengthen the healthcare workforce
- Partnered with various organisations to drive community development
- Coordinated employee volunteer initiatives
- Implemented initiatives to support the delivery of our climate change strategy
- Engaged regularly with key suppliers

STAKEHOLDER EXPECTATIONS

- Transparent and comprehensive reporting on material ESG-related risks and opportunities
- Community health and education supported through sustainable interventions
- Positive social impact driven by investment and upliftment
- Protecting human rights
- Creating employment opportunities
- Preferential procurement in line with South Africa’s B-BBEE codes
- Understanding the potential impacts of climate change, and implementing necessary actions to safeguard and protect the environment

HOW WE ENGAGE

- Individual engagements, meetings and press publications
- Working groups, committees and industry forums
- Discovery Foundation awards
- Discovery Fund and CSI initiatives
- Engaging with and participating in civil society programmes, including education and training initiatives
- Employee volunteerism and skills transfer
- Monitoring against contractual arrangements
- Performance management and audits of service providers
- Monitoring Discovery’s progress across ESG rating indices

RELATED MATERIAL THEMES



Ensure long-term financial sustainability



Operate within a volatile socio-economic environment



Ensure good corporate governance and leadership



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Remuneration overview

We believe great people are the foundation of our success, and we rely on individuals who are deeply connected to our core purpose and enable us to create sustainable shared value. We offer impactful work that empowers our people to grow and unlock their full potential, while maintaining a fair and responsible pay structure that recognises individual performance, value and contribution to our strategic ambitions. As a purpose-led business, we are pleased to see strong alignment between our core purpose and the performance, engagement and commitment of our people.

Our Remuneration Policy aligns with our shared-value approach, which is rooted in our core purpose and values. This forms the basis from which the Remuneration Committee (RemCo) makes decisions, as it strives to balance the often-conflicting needs of various stakeholder groups.

In this overview, we highlight the factors that influenced Discovery's remuneration and key decisions during FY2025. We also include important elements of our Remuneration Policy, its implementation and how remuneration supported our strategic objectives during the year.

Remuneration governance

RemCo supports the Board in ensuring Discovery's remuneration practices are fair, responsible and transparent. The committee also oversees the application of the Group's Remuneration Policy, and is confident that the policy and remuneration philosophy continue to align with our business strategy and shareholder expectations, delivering competitive, fair and equitable outcomes for our employees.

RemCo remains informed of emerging trends and leading practice in both local and international remuneration landscapes. Accordingly, our independent external advisers provide regular updates on key developments and offer guidance on matters like the Group scorecard, remuneration benchmarking for Executives and Non-executive Directors, and fair and responsible pay analysis. RemCo is satisfied that the services provided by the external advisers are credible, independent and objective.

Rewarding performance that supports strategic value creation

INCENTIVISING PERFORMANCE ACROSS THE GROUP

We offer competitive guaranteed rewards at the market median, with many roles able to earn additional variable pay-for-performance incentives – leading to above-market median total rewards for top performers. We review and adjust performance targets as required and at the discretion of management to drive continuous improvement.

REMUNERATION THAT SUPPORTS OUR STRATEGIC OBJECTIVES

Our total rewards approach encompasses financial and non-financial elements.

At staff and team leader levels, short-term incentive schemes encourage and reward participating employees for achieving agreed-upon stretch targets at individual, team and/or business unit levels. Business units' incentive schemes are based on specific priorities and, accordingly, payout percentages, pay periods and calculations vary. Sales team members participate in production-related incentives relevant to their roles. Managers and divisional managers participate in a short-term management incentive scheme (MIS), which pays a percentage of the annual package based on both individual and business unit performance twice a year.

Management (Deputy General Managers and above) and Executive-level employees participate in the Single Incentive Plan (SIP), which awards

Engagement with shareholders

We aim to foster constructive engagement with our shareholders to better understand their views and ensure our remuneration practices balance their legitimate expectations with the Group's strategy and performance. Shareholders are invited to take part in a non-binding advisory vote at our Annual General Meeting (AGM) on our Remuneration Policy and the implementation thereof, as well as the approval of Non-executive Directors' fees.

a percentage of the annual package based on performance at individual, business unit and Group levels. A portion of the award is paid in cash, while the remainder is deferred in shares that vest over a period of between three to five years. RemCo sets the short- and long-term Group performance measures, targets and weighting annually to reflect Discovery's key financial, operational and strategic priorities.

The summarised Group scorecard for FY2025 is shown below and aligns to the Group strategic objectives.

Area	Measure	Weight
FINANCIAL 65%	Growth in normalised operating profit	20%
	Headline earnings per share growth	10%
	Return on equity (average over trailing three years)	15%
	Revenue growth	10%
	Cash conversion ratio	10%
SUSTAINABILITY 35%	Client perception	8%
	ESG ¹	8%
	Strategy	9%
	People	10%
		100%

¹ Includes GHG emissions

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CONTRACT TERMS FOR EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

Executive Director and Prescribed Officer contract terms aim to align their interests with the interests of our shareholders and ensure stability within Discovery's leadership. These include a minimum shareholding requirement, notice periods and malus and clawback, among others.

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' SINGLE FIGURE REMUNERATION

The remuneration earned by Executive Directors and Prescribed Officers during FY2025 is presented in a single-figure format in our Remuneration Report. It reflects earnings received and due to each, based on performance during the year, in line with King IV™ principles. Details of executive performance for FY2025, including the Group scorecard and individual performance scorecards, are also provided.

NON-EXECUTIVE DIRECTOR REMUNERATION

Non-executive Directors receive a fixed retainer fee to participate during Board and Board committee meetings, and do not receive any annual incentive awards. RemCo annually reviews the fees paid to Non-executive Directors, considering their individual responsibilities, Board committee memberships and market benchmarks. Our Board and RemCo Chairpersons are not present when their remuneration is reviewed or discussed.

Our focus areas and remuneration decisions in FY2025

Our approach to remuneration was informed by several elements, including the impact of our operating environment and our performance during the financial year.



Refer to page 49 for more information on our operating environment, and page 66 for our financial performance.

Despite an evolving operating environment, Discovery made progress on several remuneration-related initiatives. Considering this and following research, consultation and robust debate, RemCo applied its mind as follows:

APPROVAL AND IMPLEMENTATION OF OUTPERFORMANCE SINGLE INCENTIVE SCHEMES

Discovery's expansion – particularly the unification of our global operations into the Vitality composite and growth in new banking and insurance initiatives – requires access to critical skills. Our outperformance single incentive (OPSI) schemes are designed to retain and reward key executives and managers, aligning to the requirements of these strategic areas. Where appropriate, OPSI schemes are implemented to incentivise and retain key talent. To ensure balance and mitigate risk, maximum caps are applied to these schemes.

In FY2025, RemCo approved OPSI schemes to incentivise and retain key talent in critical teams, and established ambitious goals and stretch targets to align with the Group's long-term strategy. RemCo subsequently monitored the implementation of OPSI schemes for key growth businesses. The committee is pleased with the performance of our OPSI schemes as they continue to increase alignment with shareholders and other stakeholders' needs by promoting a focus on long-term value creation.

ADDRESSING PAY GAPS

RemCo remains committed to fair and responsible remuneration across Discovery and continues to identify and address potential pay gaps. In South Africa, Discovery's minimum annual wage was maintained at R200 000 for permanent employees; similarly, in the UK and US, employees are paid above the real living wage. Although the Companies Amendment Acts have been signed into law, RemCo is awaiting confirmation of the effective date to begin implementing the required disclosures and resolutions. The committee is actively preparing to comply with these Acts, including reviewing the vertical pay gap between the top 5% and bottom 5% paid employees. Discovery conducts an annual gender pay gap analysis and, in the most recent review, no unexplained gender-based pay disparities were identified.

GROUP SCORECARD AMENDMENTS AND IMPLEMENTATION

Discovery's SIP rewards management and executives based on performance at individual, business unit and Group levels. Group-level performance is measured against the Group scorecard, which consists of financial and sustainability measures. RemCo can adjust the weighting to be in line with Discovery's key financial, operational and strategic priorities.

In FY2025, following feedback from our shareholders, RemCo reviewed and approved increasing the weighting of financial performance measures from 65% to 70%, which will apply to the Group's FY2026 scorecard. RemCo monitored performance against the FY2025 Group scorecard and approved related incentives.

ESG CONSIDERATIONS

The Group continues to focus on embedding ESG into our business. RemCo acknowledges that ESG considerations are closely linked to its responsibility to promote fair and responsible pay, uphold strong governance and support environmental sustainability across the Group. Given the dynamic nature of the ESG landscape, it is essential that ESG-related performance measures identify, track and disclose areas most relevant to Discovery – accordingly, ESG is increasingly embedded in our operations and is reflected in the Group's scorecard.

OTHER FOCUS AREAS

Ongoing engagement with our shareholders is important and allows us to understand their views on our Remuneration Report. The feedback and corresponding responses taken by RemCo are detailed in our Remuneration Report. Other focus areas and remuneration decisions of RemCo included benchmarking the remuneration of our Executives and Non-executive Directors, with the support of our independent advisers.

Planned focus areas in FY2026

Monitor remuneration-related regulatory developments, including the Companies Amendment Acts and Fair Pay Bill in South Africa to ensure Discovery is prepared to comply with prescribed requirements once effective

Monitor local and global remuneration trends and assess their impact on our business and our people

Embed and strengthen fair and responsible remuneration practices by reviewing and addressing identified pay disparities and reviewing Discovery's minimum pay level

Benchmark Non-executive Directors' fees

Ensure remuneration structures remain suitable and competitive to attract and retain critical skills and diverse talent in key positions

Review ESG-related targets linked to remuneration practices

Maintain alignment with the Group's long-term strategy through stretch performance targets that drive exceptional performance and deliver superior shareholder returns

Monitor performance against the Group scorecard and approve incentive vesting and allocation, including monitoring the performance of the OPSI schemes

Address any shareholder issues as they arise

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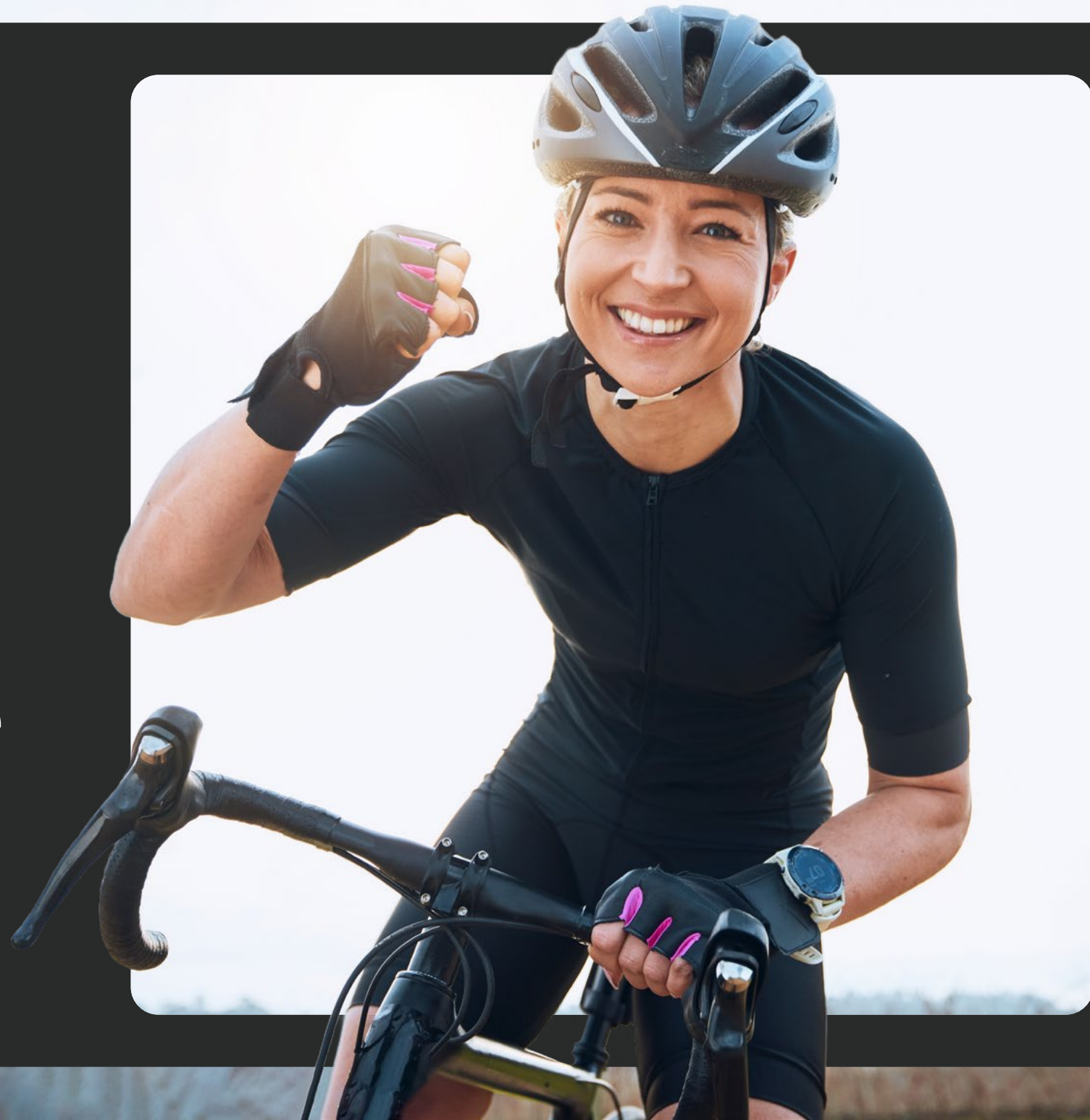
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Discovery Bank

VitalityHealth

VitalityLife

Vitality Network

Vitality Health International

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DEON VILJOEN

Discovery Group achieved strong growth across its operations in FY2025, delivering a 29% growth in normalised profit from operations to R15 210 million and significant increase in cash conversion, now at 77%. Headline and normalised headline earnings both increased by 30% – to R9 625 million and R9 781 million, respectively – increasing normalised return on equity to 15.4%.

The year under review was characterised by increased geopolitical complexities and uncertainty around global policy shifts and trade tensions. While global inflation rates have moderated during the year, and gradual reductions in interest rates eased some of the pressure on consumers and provided a better backdrop for investment markets, economic growth remained below potential in many regions where we operate. In South Africa, confidence increased following the positive election outcome in May 2024; the programmes driving energy and logistics reforms; and the more constructive engagement around the NHI Act to facilitate a viable journey to universal healthcare coverage in the country. The fiscal environment in the UK remains constrained, while the NHS backlogs keep the demand for and utilisation of PMI elevated. China continued to face macroeconomic and growth constraints, however domestic bond and equity markets followed the robust performance of global markets over the year.

Overview

This report provides a high-level overview and more technical analysis of Discovery's Annual Financial Statements. It should be read in conjunction with our Group Chief Executive's report and operational business reviews for more context.

Total new business API declined by 2%, but increased by 8% when excluding the large Sasolmed take-on by Discovery Health in FY2024, with stronger growth delivered in our Vitality composite. The Group focused on deliberate and disciplined management actions in various areas which included pricing strategies, claims expense management and back-book retention, while continuing to leverage the Vitality Shared-value model to optimise margins and retain quality business. This, along with macroeconomic challenges, constrained new business growth in certain businesses while income from business lines and activities not covered by the new business API definition increased by 12% to R6 643 million.

As indicated in FY2024, Discovery emerged strongly from a cycle of significant investment, which focused on creating new avenues for long-term growth characterised by substantial investment in new initiatives, most notably the build of Discovery Bank.

The Group is well positioned for a new distinct phase of scaled organic growth, as those initiatives gain momentum and scale, and are expected to turn profitable. FY2025 marks the end of the first year of this new phase of growth and our performance has reinforced our confidence in achieving this goal.

Over the year, the Group's focused execution of its growth strategy, delivered 29% growth in normalised profit from operations. Discovery SA delivered 22% growth in normalised profit from operations, reflecting a compelling contribution from each business in South Africa. Vitality generated 70% growth in normalised profit from operations, driven by particularly strong growth in the UK, as well as the excellent progress made in restructuring the Group's global operations into a single focused business over the past nine months.

Headline and normalised headline earnings both increased by 30%, delivering a normalised return on equity of 15.4% – up from 13.5% in FY2024. Earnings per share (basic) increased by 26% to 1 402.2 cents, headline earnings per share (basic) increased by 30% to 1 447.0 cents and normalised headline earnings per share (basic) increased by 29% to 1 470.4 cents. The growth in fully diluted per share metrics reflect equivalent growth as shown alongside.

Normalised profit from operations increased by

↑ **29%**
to **R15 210 million**
(FY2024: R11 761 million)

Diluted earnings per share increased by

↑ **26%**
to **1 394.9 cents**
(FY2024: 1 103.7 cents)

Diluted headline earnings per share increased by

↑ **30%**
to **1 439.4 cents**
(FY2024: 1 110.4 cents)

Diluted normalised headline earnings per share increased by

↑ **30%**
to **1 462.8 cents**
(FY2024: 1 129.5 cents)

Embedded value increased by

↑ **15%**
to **R126 554 million**
(FY2024: R110 354 million)

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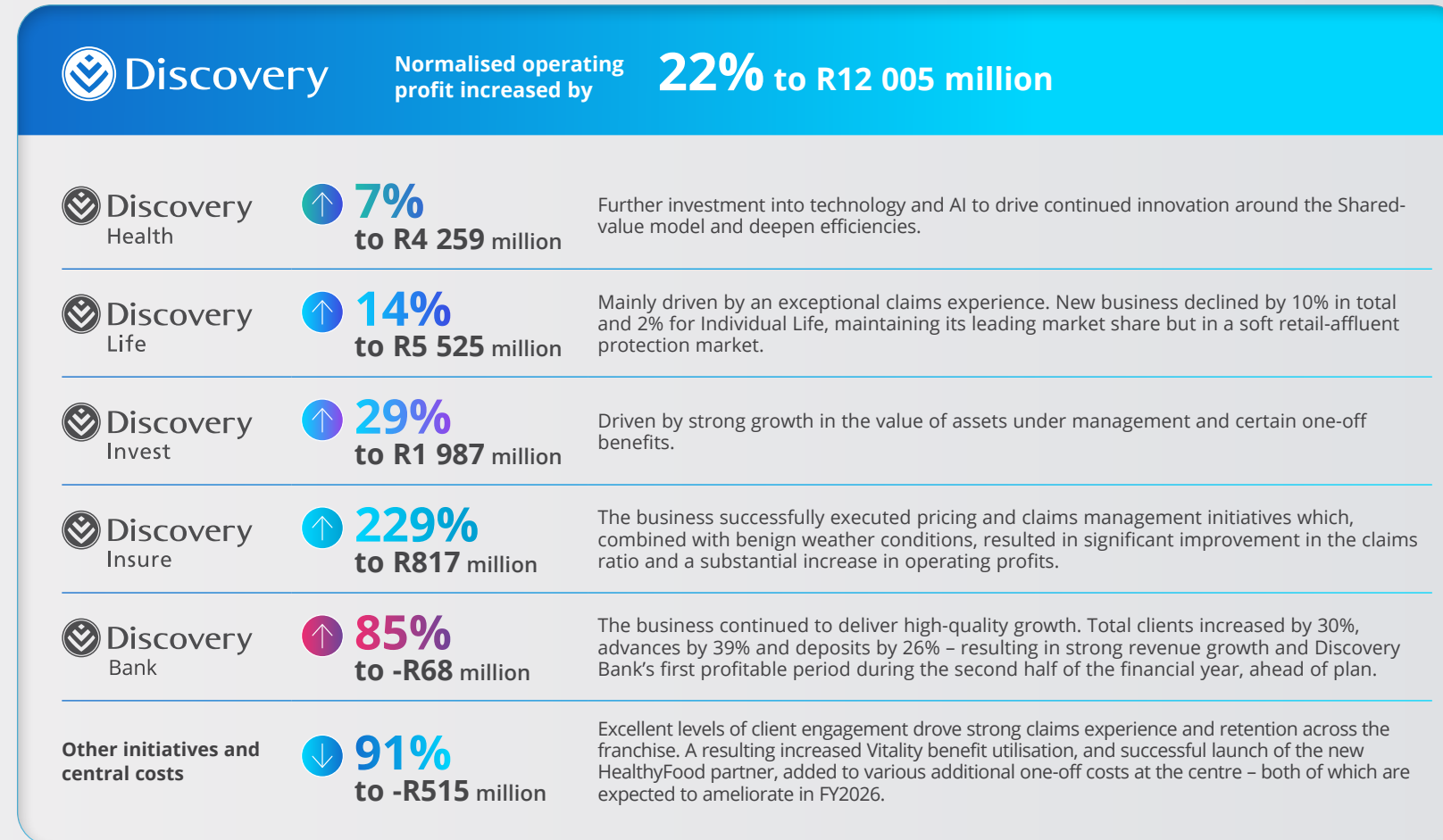
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Dividends

In terms of the Group's current Dividend Policy and guidance, annual ordinary dividends are expected to be covered approximately five times by normalised headline earnings, with interim ordinary dividends expected to be paid in the range of 30% to 40% of the expected total annual dividend. In line with this, the Group declared its final ordinary dividends for the period at 201 cents per share (cps), representing an annual cover ratio of five times. Total dividends declared for FY2025 increased by 33% and amounted to 288 cps (FY2024: 217 cps).

Summary of our financial performance

HOW WE PERFORMED WITHIN OUR COMPOSITE STRUCTURE



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Normalised operating profit increased by **70% to R3 205 million**

Health Insurance ↑ **173%** to R1 188 million
 Driven by effective pricing actions, a stabilising claims environment and rigorous claims and expense management.

Life Insurance ↑ **70%** to R637 million
 Recovered strongly, increasing 70%, with new business growing 28%. VitalityLife sustained its positive sales momentum, driven by effective execution of the Vitality Shared-value Insurance model and dynamic Optimiser pricing. An expanded distributor footprint and disciplined expense management contributed to strong new business growth, improved quality, and a significant uplift in net value.

Network ↑ **4%** to R554 million
 Vitality Network's model gained significant traction with integrated new business API by partners increasing 24% to almost US\$2 billion. Earnings growth was lower, at 4% (7% in US\$), reflecting lower solutions revenues and additional expenditure during the year.

VHI - Other ↑ **25%** to -R291 million
 VHI represents a key future potential growth area for the Group. The business has invested in developing technology and distribution to deliver a capability integrating wellness with disease management, leveraging the Group's broader health and wellness assets. For FY2025, particular focus was placed on Vitality US, which successfully integrated WellSpark Health, a personalised coaching business acquired in November 2024 and made good progress in building out its technology to facilitate its strategy for the health plan market.

VHI - PAH1¹ ↑ **7%** to R1 206 million
 Delivered a strong operating and investment result to increase pre-tax profit by 22%, notwithstanding a sizeable COVID-19 reserve release in the prior year. Discovery's equity-accounted share, after tax and costs, increased by a lower 7%, following the prior year benefit of a tax gain.

Other initiatives and central costs ↑ **54%** to -R89 million
 Includes closure costs of VitalityInvest in prior year.

The weighted average exchange rates – which impacted the conversion of earnings from Vitality UK and Vitality Global – and the closing rates used for consolidation purposes are shown below:

Average exchange rates	FY2025	FY2024	Closing exchange rates	FY2025	FY2024
Rand/£	23.48	23.55	Rand/£	24.34	23.07
Rand/US\$	18.16	18.71	Rand/US\$	17.77	18.26
Rand/RMB	2.51	2.59	Rand/RMB	2.48	2.51

The rand experienced significant volatility during the previous two financial years; however, the change in average exchange rates for FY2025 was moderate – limiting the impact on reported growth in normalised operating profit of Vitality UK and Vitality Global when converted to rand. The increase in the foreign currency translation reserve of R861 million was largely driven by the movement in closing Rand/£ exchange rates.

To facilitate analysis of the results, we provide reconciliations on a segment total view between normalised profit from operations and profit attributable to ordinary shareholders, and profit attributable to ordinary shareholders to headline earnings and normalised headline earnings.

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¹ Equity-accounted profit net of tax and VHI support costs

Summary of our financial performance *continued*

Reconciliation between normalised profit from operations and profit attributable to ordinary shareholders:

R million	FY2025	FY2024	% change	Comments
NORMALISED PROFIT FROM OPERATIONS	15 210	11 761	29%	
Foreign exchange losses	(36)	(87)	41%	During the year, the rand to US dollar closing rate strengthened while the rand to the pound sterling closing rate weakened.
Investment income on shareholder investments and cash, and net fair value gains on financial assets at fair value through profit or loss	457	480	(5%)	Lower interest rates impacted investment income and net fair value gains on financial assets. This was mitigated by additional interest on excess proceeds from pre-financing debt in May 2024, ahead of the refinancing of the domestic medium term notes (DMTN) maturing in November 2024.
Finance charges (excluding 1 Discovery Place finance lease)	(1 810)	(1 750)	3%	Additional cost of pre-financing debt in May 2024 ahead of DMTN maturing in November 2024.
Amortisation of intangibles from business combinations	(122)	(105)	16%	Increased, following the Wellspark acquisition.
Other	(204)	(131)	56%	Includes the impact of replacing market-related rentals in respect of Discovery's head office with depreciation and finance costs as required by IFRS 16 <i>Leases</i> and costs incurred in restructuring our global operations into a focused single business over the last nine months.
Profit before tax	13 495	10 168	33%	
Tax	(3 937)	(2 619)	50%	The higher effective tax rate (ETR) is largely relating to Discovery Life Policyholder Taxes which increased the ETR by 2.6% in FY2025 compared to a reduction of 0.8% in FY2024. The current year was largely driven by an increase in deferred capital gains tax liabilities on unrealised policyholder portfolios, the movements of which in FY2024 were offset by policyholder fund Deferred Tax Asset recognitions.
Profit attributable to preference shareholders	(93)	(91)		
Loss/(profit) attributable to non-controlling interest	6	10		
Profit attributable to ordinary shareholders	9 471	7 468	27%	

Reconciliation between profit attributable to ordinary shareholders and headline earnings and normalised headline earnings:

R million	FY2025	FY2024	% change	Comments
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	9 471	7 468	27%	
Profit attributable to non-forfeitable dividend share plan	(144)	(128)		Adjustment required for the calculation of earnings per share in terms of IAS 33 <i>Earnings per Share</i> , relating to equity-settled employee incentive schemes.
Adjusted for (net of tax):	167	41		
• Loss on impairment and on derecognition of intangible assets				Scrapping of dormant software components and impairment of certain software assets.
• Loss on impairment of non-current assets held for sale	79	-		Impairment of an office building in the UK classified as held-for-sale.
Other	52	3		Includes loss on dilution and disposal of equity-accounted investments and impairment of goodwill.
HEADLINE EARNINGS	9 625	7 384	30%	
Amortisation of intangibles from business combinations	104	90		
Other	52	37		Includes restructuring costs.
NORMALISED HEADLINE EARNINGS	9 781	7 511	30%	

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Group statement of other comprehensive income

The most significant contributors to the other comprehensive income for the year net of tax of R2 699 million, are net finance income/(expense) from insurance contracts issued and reinsurance contracts held of R1 904 million, and currency translation differences totalling R861 million. These items are explained in Other Reserves on page 72.

Capital management

Our Capital Management Framework and approach are discussed below.





STATUTORY OR REQUIRED CAPITAL

Regulated entities are capitalised in line with regulatory solvency requirements calibrated to withstand a one-in-200-year adverse event. We apply an additional buffer to ensure we would still comply with the minimum regulatory requirements after a one-in-25-year adverse event.

For Group subsidiaries operating in the insurance and financial services industries, the relevant regulator specifies the minimum amount and type of capital that must be held in addition to their insurance liabilities. The minimum required capital must be maintained at all times throughout the period.

VitalityHealth and VitalityLife are regulated under the Solvency UK regulatory regime. Discovery Life and Discovery Insure are regulated under the Insurance Act, No 18 of 2017 (Insurance Act) and the related Prudential Standards, implemented from 1 July 2018.

The table below summarises the capital requirements on the statutory basis across the Group's subsidiaries, and the actual solvency capital held in relation to these requirements.

	June 2025			June 2024		
	Statutory capital requirements R/£ million		Cover	Statutory capital requirements R/£ million		Cover
 Discovery Life		R23 479	1.9 x		R22 365	1.8 x
 Discovery Insure		R1 112	2.1 x		R1 222	1.6 x
 Vitality Health Insurance	£126	R3 072	1.8 x	£116	R2 670	1.6 x
 Vitality Life Insurance	£383	R9 322	2.0 x	£350	R8 070	2.0 x

Discovery Bank's common equity tier 1 ratio is 16.31% (FY2024: 17.63%). In addition to the minimum regulatory requirement, Discovery Bank holds an internal management buffer to cater for future unexpected growth and volatility in risk-weighted exposures, as well as an estimation risk buffer.

ALLOCATION OF CAPITAL

Capital is managed according to a five-year funding plan that details the anticipated sources and uses of capital through the planning period to allow for all known strategic initiatives, including new business strain in existing businesses and business development costs. The funding plan assesses the adequacy of funding resources, over and above statutory capital and associated buffers for prudence held within each regulated entity, as well as Group level – allowing for the timing of the various sources and uses of capital. Stress tests are applied to establish the resilience of the plan and determine whether additional capital is likely to be required. Explicit buffers for uncertainty and prudence are provided for, including a liquidity buffer.

In capital allocation decisions, reference is made to the Group's required hurdle rate of 15-20%. The normalised return on equity (ROE) for FY2025 was 15.4% (FY2024: 13.5%), calculated as normalised headline earnings ÷ average normalised equity (adjusted for insurance finance reserve). For a detailed calculation, refer to page 19 of the Additional Analyst Information available on our website.

FUNDING APPROACH

The capital plan and liquidity buffers are funded internally from retained earnings and externally from financial reinsurance and borrowings.

As part of the capital management process, the Group monitors its capital structure in line with a Financial Leverage Ratio (FLR) risk appetite. The Group's strategy is to maintain a prudent FLR in line with Discovery's risk appetite statement, with an overall maximum FLR of 28%. The FLR is calculated as follows: total debt ÷ (total debt + total equity + 50% Contractual Service Margin (CSM) net of reinsurance and net of tax). Non-recourse financial reinsurance and all IFRS 16 lease liabilities are not included in the measurement of total debt. The FLR at 30 June 2025 of 16.8% (FY2024: 20.3%) is well within risk appetite.

DOMESTIC MEDIUM TERM NOTE ISSUANCE

Discovery had R2.2 billion in domestic medium term notes (DMTN) maturing in November 2024. As a risk mitigation measure, the Group raised R1.5 billion DMTN in May 2024 and, to complete the refinancing of the maturing November 2024 DMTN and avail itself of continued favourable debt markets, the Company raised an additional R1.75 billion in November 2024. To facilitate these issuances, in advance of settling the maturing DMTN, Discovery increased its DMTN programme size from R10 billion to R12.5 billion with the same terms and conditions. The excess proceeds were used to settle R1.1 billion DMTN maturing in February 2025, with the remaining R1.4 billion maturity extended to 21 May 2025. An additional R1.5 billion DMTN were issued on 21 May 2025 to apply towards those maturing.

LIQUIDITY REQUIREMENTS

We hold conservative liquidity buffers within each regulated entity, with an additional liquidity buffer at the centre. In terms of the operating model requirements, the key cash and liquidity metrics remained above target for all businesses, with cash available to support Group liquidity requirements of R2.6 billion (FY2024: R2.1 billion). The Group also has undrawn revolving credit facilities of R2 billion at 30 June 2025. Total Group liquidity, comprising cash at centre and undrawn revolving credit facilities, is above the targeted range of R1 billion to R2 billion.

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Our cash management philosophy

The Group has an established framework for liquidity management, which allows for the maturity of the relevant businesses, provides for regulated businesses to build capital resources and for all businesses to continually invest in new business.

ANALYSIS OF GROUP STATEMENT OF CASH FLOWS

It should be noted that the IFRS statement of cash flows includes cash flows relating to policyholders, as well as those arising from the consolidated Discovery Unit Trusts. To assist readers in understanding cash flows not distorted by policyholder flows, we included a Group shareholder free cash movement in our additional analyst information on our website.

R million	Reference	Group 2025	Group 2024
Cash flows from operating activities	i	8 667	2 733
Cash flows from investing activities		(1 823)	(1 886)
Cash flows from financing activities	ii	(4 016)	(780)
Net increase in cash and cash equivalents		2 828	67

- (i) The primary factors contributing to the improvement in cash flows from operating activities are as follows:
- An increase in organic cash generation driven by:
 - Discovery Life (both individual and Corporate Employee Benefits) delivering exceptional claims performances
 - Discovery Insure experiencing benign weather conditions in FY2025, in addition to improving non-weather-related claims experience
 - Discovery Bank's improvement in operating losses, coupled with fewer investments purchased in the current year
 - VitalityHealth's effective pricing actions, stabilising claims environment and tight claims and expense management
 - VitalityHealth elected to transition between Insurance Premium Tax Schemes in the UK, with the agreement of HMRC, resulting in the deferment of payment to HMRC in line with the collection of the tax from policyholders rather than upfront at inception
 - Additional value of in-force monetisation in VitalityLife, used to cover operational cash flow requirements and ensure the business maintained cash above its liquidity risk appetite
 - Net investment withdrawals in the prior year, not recurring in FY2025, as VitalityInvest in the UK wound down its operations
- (ii) The increase in cash outflows from financing activities was due to increased dividends paid to ordinary shareholders of R1 614 million (FY2024: R1 178 million), as well as net repayment of borrowings of R2 309 million (FY2024: R620 million net proceeds), given the timing of refinancing actions explained on page 70

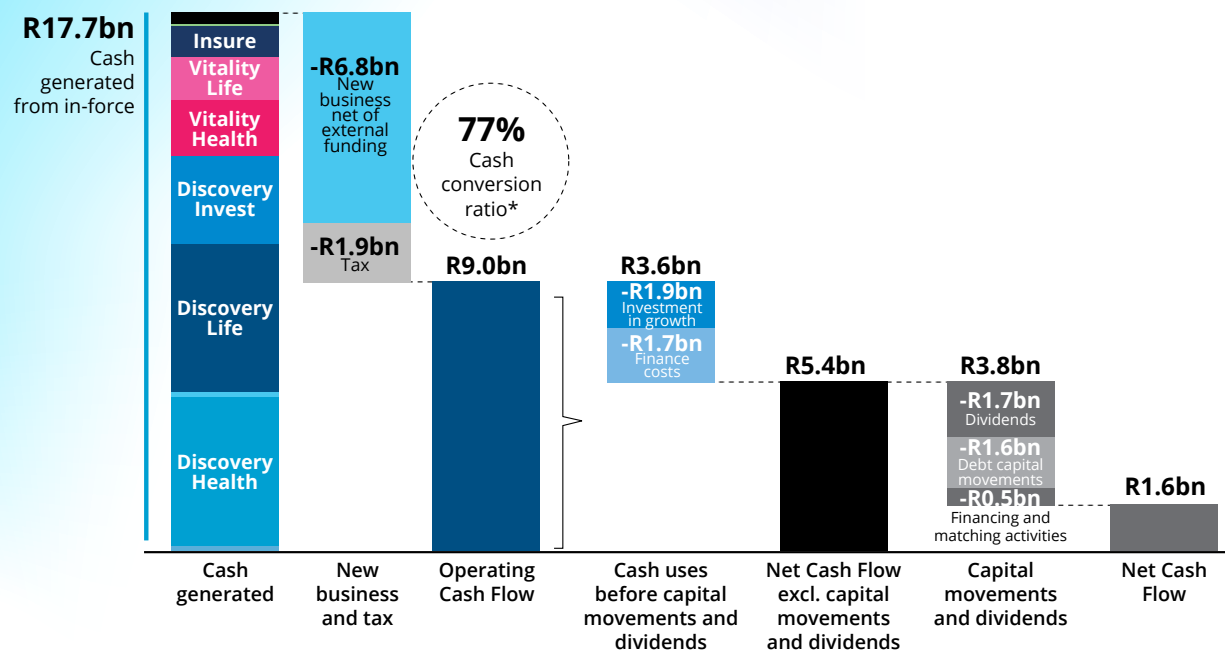
CASH AND CASH EQUIVALENTS

R million	FY2025	FY2024
Unit-linked investment and insurance contracts	4 752	4 817
Shareholder cash	17 216	14 154
Closing balance	21 968	18 971

The cash held in the Group's insurance entities funds new business expenses and matches claims and other policyholder-related liabilities. Although unencumbered, this cash – together with the cash balances held by Discovery Bank of R6.3 billion (FY2024: R4.8 billion) – is held for specific purposes and, therefore, not considered available for distribution. Cash available to support Group liquidity requirements is R2.6 billion (FY2024: R2.1 billion), with undrawn revolving credit facilities of R2 billion (FY2024: R2 billion).

CASH MANAGEMENT SUPPORTING OUR GROWTH METHODOLOGY

Our Group shareholder free cash movement is summarised below:



* Cash conversion is calculated as operating cash flow (R9 billion), divided by normalised profit from operations (IFRS total) net of income tax expense (IFRS total) per segment information of R11.7 billion.

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Summary of our statement of financial position

In the commentary that follows, we explain the significant items in our statement of financial position not detailed elsewhere.

ASSETS ARISING FROM INSURANCE CONTRACTS ISSUED

Assets under insurance contracts comprise the present value of future cash flows offset by the CSM and RA, which reflect a store of future value that will emerge as earnings over time as the best estimate actuarial assumptions are expected to transpire. The growth in the assets under insurance contracts in FY2025 to R48 047 million (FY2024: R37 339 million) was driven by the following:

- Interest accreted on all components of the insurance contract balances, with the accretion of interest on the present value of future cash flows exceeding that on the CSM and RA, leading to a growing asset value on a net basis
- Both Discovery Life and VitalityLife continue to write profitable life insurance business, which leads to additional expected future cash flows in the year, with CSM and RA being established and run off to ensure an appropriate release of this value over time
- Negative non-economic experience variances, and non-economic assumption and methodology changes are offset against CSM for profitable policies, with variances on onerous policies recognised in earnings. Estimates may also be revised in accordance with developing experience and expectations of future developments. Such non-economic assumption and methodology changes are typically based on longer-term observations of underlying trends and experience. In FY2025, assumption and estimate changes resulted in RA and CSM, net of reinsurance and gross of tax impacts, decreasing by R3 billion due to the following:
 - In Discovery Life, the lapse basis on Standard Plan policies was strengthened and there was a negative impact from a change in assumptions related to Vitality status
 - VitalityLife strengthened the Prudential Assurance Company (PAC) business lapse basis and the business's servicing assumptions

Under IFRS 17, non-economic assumption and methodology changes adjust the CSM prior to the release of the CSM for services rendered during the year. Accordingly, the CSM release for FY2025 had already factored in the impact of these basis changes.

For impact of changes to financial risk assumptions, which are updated annually based on the current market prices as at the beginning of the financial year, refer to Other reserves alongside.

ASSETS ARISING FROM CONTRACTS WITH CUSTOMERS

Assets arising from contracts with customers at 30 June 2025 increased to R3 722 million (FY2024: R2 598 million). The increase was largely driven by Vitality Network's successful renegotiations of certain contracts which accelerated the income recognition profile.

LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST

Loans and advances at 30 June 2025 increased to R8 513 million (FY2024: R6 028 million), driven by a significant increase in home loans granted.

FINANCIAL ASSETS – INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments at fair value through profit or loss at 30 June 2025 increased to R193 776 million (FY2024: R165 671 million). This increase is mainly attributable to the growth in assets under administration in Discovery Invest and our Umbrella Fund business, supported by strong market performance. These factors were also reflected in the increase in liabilities arising from insurance contracts to R118 878 million (FY2024: R105 070 million), the increase in third-party interest in consolidated funds to R35 932 million (FY2024: R31 456 million) and an increase in financial liabilities – investment contracts at fair value through profit or loss to R32 188 million (FY2024: R25 710 million).

INVESTMENTS IN EQUITY-ACCOUNTED INVESTEEES

Investments in equity-accounted investees increased to R8 989 million (FY2024: R8 189 million), mainly driven by strong PAHI performance.

LOANS AND ADVANCES TO CUSTOMERS, DEPOSITS FROM CUSTOMERS AND INVESTMENTS AT AMORTISED COST

Discovery Bank's focus on high-quality growth is reflected in the increase to R8 513 million (FY2024: R6 028 million) in loans and advances to customers at amortised cost and the increase in deposits from customers to R23 326 million (FY2024: R18 467 million), with excess liquidity reflected in the increase in investments at amortised cost to R12 812 million (FY2024: R11 100 million).

OTHER RESERVES

Other reserves increased to R4 921 million (FY2024: R2 176 million), due to the increase in the insurance finance reserve by R1 904 million to -R2 928 million (FY2024: -R4 832 million).

Financial risk assumptions are updated annually based on the current market prices as at the reporting date. Higher interest rates in the UK at 30 June 2025 led to an increase in the insurance finance reserve relating to PAC, partly offset by the negative impact on the VitalityLife Limited book. In Discovery Life, a reduction in nominal interest rates resulted in an increase in the insurance finance reserve.

A summary of the movements in the Insurance Finance Reserve, net of reinsurance and net of tax, for the respective portfolios during the period is set out below.

R million (Cumulative debit balance)/ Cumulative credit balance	SA Life Risk (GMM)	SA Life: Group Life and Other (PAA)	UK Life Risk (GMM)	Total
Balance at beginning of the year	(7 004)	214	1 958	(4 832)
Effects of changes in financial risk	934	48	922	1 904
Balance at end of the year	(6 070)	262	2 880	(2 928)

The foreign currency translation reserve, which increased by R861 million to R6 375 million (FY2024: R5 514 million), was driven by the weakening rand against the pound sterling.

BORROWINGS AT AMORTISED COST

R million	FY2025	FY2024
Borrowings from banks and listed debt	16 103	17 511
– UK borrowings	3 710	3 549
– South African borrowings	12 393	13 962
Bank overdraft in underlying liabilities of consolidated unit trusts	2	6
Lease liabilities	3 941	4 145
Total borrowings at amortised cost	20 046	21 662

The reduction in South African borrowings in FY2025 is a result of the timing of refinancing actions as discussed in the Funding Approach section of Our Capital Management Approach on page 70.

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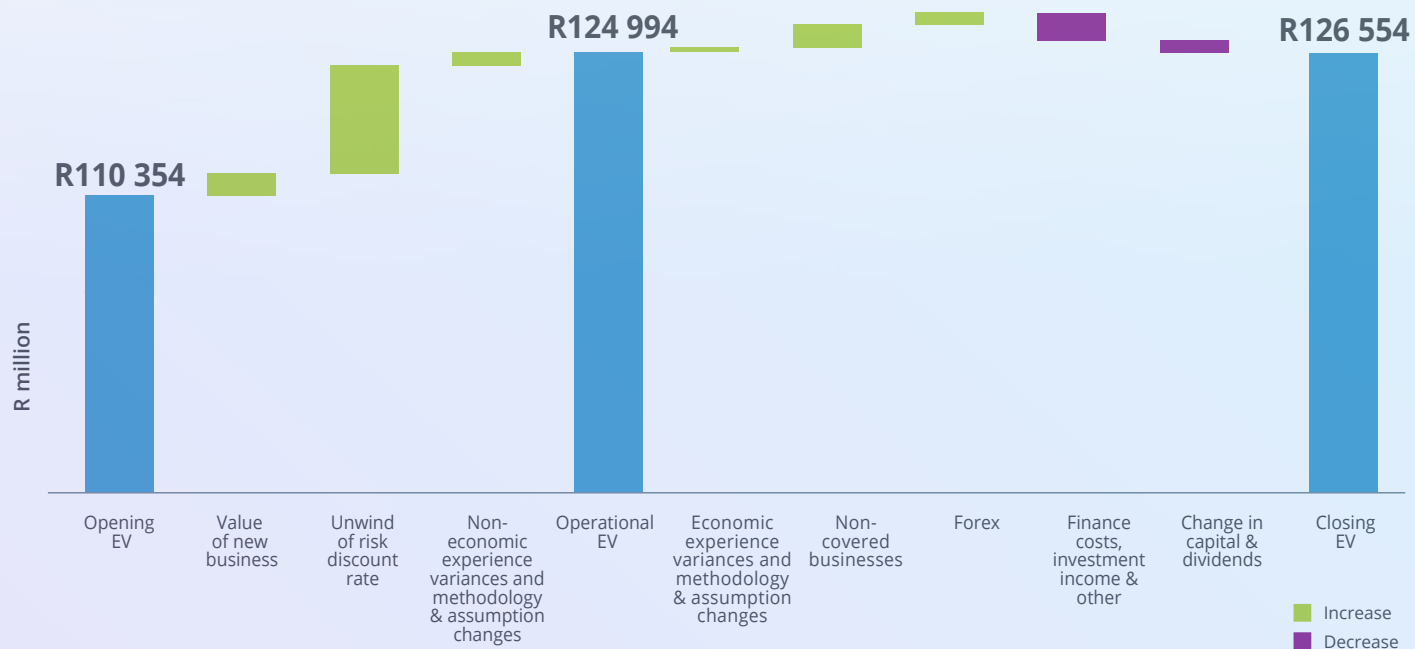
DISCOVERY LIMITED'S CREDIT RATING

In November 2024, Moody's Investors Service reaffirmed Discovery Limited's global-scale long-term issuer rating of Ba3 and upgraded the national-scale long-term issuer rating to Aa3.za from A1.za. The outlook remained unchanged as stable, aligned to the outlook of South Africa.

Embedded value

Discovery's Embedded Value (EV) includes certain of the Group's insurance and administration businesses (covered businesses). Covered businesses include businesses written in South Africa through Discovery Life, Discovery Invest, Discovery Health and Vitality SA and, in the UK, through VitalityLife and VitalityHealth. For non-covered businesses like Discovery Bank, Vitality Global, PAHI and Discovery Insure, no published EV was presented on current in-force business as these are unsuited for application of an EV methodology or have not yet reached a suitable scale with predictable experience.

EV increased by 15% to R126 554 million (FY2024: R110 354 million), a 15.7% return on EV (FY2024: 13.2%). This included an increasing contribution from non-covered businesses and robust experience variances over the year, with positive contributions from each business, reflecting the competitive dynamics of the Shared-value model. The movement in exchange rates and economic basis assumptions were favourable in aggregate.



Looking ahead

Despite a challenging and uncertain macroenvironment, the Group has consistently proven the strength and scalability of its Shared-value model. Following a period of significant investment, we are now entering a phase of sustained growth, driven by our two powerful and focused composites – Discovery SA and Vitality. These platforms will continue to drive growth in earnings, cash generation and return on equity – positioning us well for long-term success.

The Group established a five-year ambition to grow profit from operations between 15% to 20% on a compound annual basis from the end of 2024 to 2029. The strong performance in the first year of delivery has reinforced our confidence in achieving this goal. From a financial management perspective, we will continue enhancing operational efficiency and driving improvements across our Finance function by investing in automation and digital tools, with a future focus on leveraging AI. We will maintain disciplined oversight of our capital and funding plans and, through continuous refinement and stress testing, we aim to ensure resilience, optimise capital allocation and align funding with our debt maturity profile.

Cost efficiency remains a priority across the Group, alongside proactively managing interest and foreign exchange risks through targeted hedging and asset-liability matching strategies. We are committed to monitoring regulatory developments across our markets and ensuring our reporting remains transparent and responsive to stakeholder needs. Where necessary, we will implement operational and risk management interventions to mitigate key risks and maximise the value of our investments.

My appreciation extends to every person within Discovery for their commitment to our business as we enter our new distinct phase of scaled organic growth – our success is only a result of our collective effort to deliver on our core purpose.

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We operate across two market-specific composites, allowing us to create value and differentiate ourselves by integrating our medium-term ambitions with short-term goals and driving our operating model through new business ventures or partnerships.



SOUTH AFRICA

Discovery SA focuses on being the perfect composite model, number one in every industry, with Discovery Bank enabling the composite through full integration, creating a unique, shared-value, customer-centric proposition.

Discovery Health

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Discovery Invest

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Discovery Bank



UNITED KINGDOM

Vitality UK aims to be a next generation life and health insurance composite with integration at both a product and operational level.

VitalityHealth

VitalityLife



VITALITY GLOBAL

Vitality Global businesses strive to offer leading wellness and healthcare platform solutions that provide our Vitality shared-value and health management capabilities to prominent life and health insurers globally.

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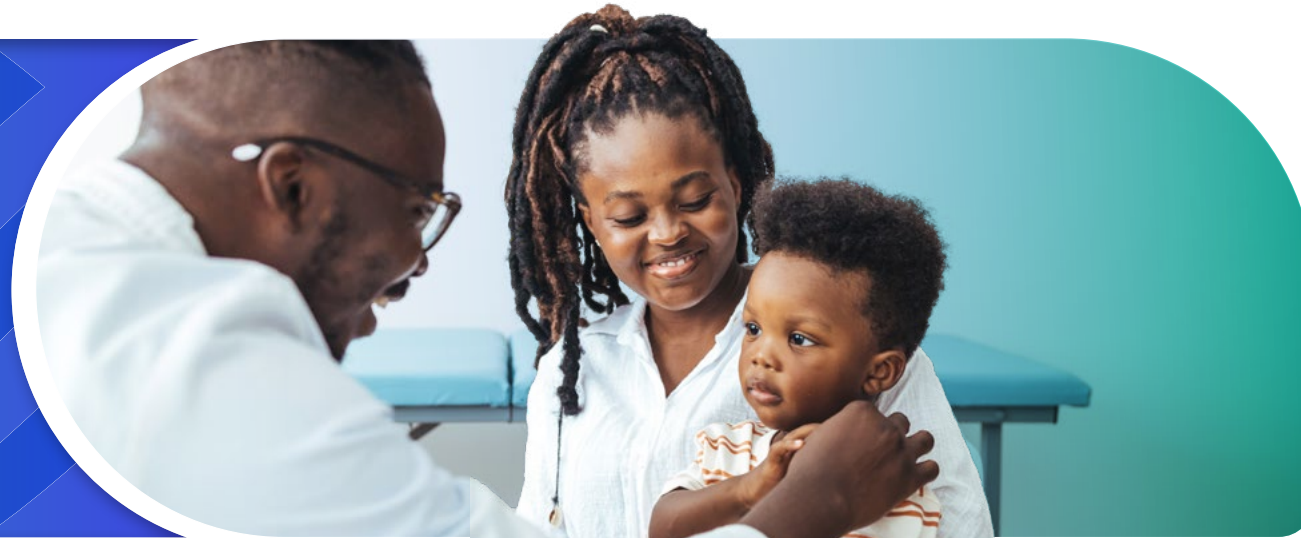
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What we offer

Discovery Health is South Africa's leading medical scheme administrator and managed care provider. We manage 38.3% of the total membership of South African medical schemes, including Discovery Health Medical Scheme (DHMS) – the country's largest open medical scheme, representing 58.0% of the open medical scheme market.

Discovery Health also offers a range of non-medical scheme-related health products, including Gap Cover to protect clients against unexpected shortfalls in medical costs, and Flexicare, a primary care insurance product that provides affordable access to high-quality private sector primary healthcare. In addition, Discovery Health incorporates Vitality Health International (VHI) Africa, which provides shared-value health insurance products and healthcare solutions to employer groups and individuals across seven countries in Africa.

What sets Discovery Health apart

Discovery Health is committed to providing its clients world-class service, and high-quality and affordable healthcare through continuous innovation and a diverse portfolio of products and services. We strategically balance long-term sustainability with immediate affordability by leveraging advanced digital healthcare solutions, innovative products and market-leading benefits.

Our value-driven healthcare operating system was established based on innovative product development, sophisticated data science and a deep commitment to service excellence. By harnessing our scale and unique capabilities, we deliver exceptional service, quality healthcare and value for money through offerings like Care at Home, Virtual Urgent Care, point-of-care pathology testing and Personal Health Pathways, providing members with precise, personalised care based on their unique needs and circumstances. Coupled with our shared-value approach, this ensures we maintain quality healthcare while reducing costs, leading to efficient healthcare delivery and lower member contributions.

Our key performance indicators



Normalised operating profit increased by
7%
to R4 259 million
(FY2024: R3 972 million)



Total revenue increased by
10%
to R11 888 million
(FY2024: R10 841 million)



Total new business annualised premium income (API) decreased by
14%
to R9 573 million
*(FY2024: R11 069 million)**



Non-scheme and other revenue increased by
27%
to R1.9 billion
(FY2024: R1.5 billion),
representing 15.8% of total revenue
(FY2024: 13.5%)

* FY2024 API includes the onboarding of Sasolmed, a restricted medical scheme
** Includes lives with non-medical scheme products



Lives under management exceeded
3.98 million
*(FY2024: 3.92 million)***

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Our performance against strategy

Discovery Health maintained its strong financial performance, delivering growth in operating profit and revenue during the year. New business increased 12%, excluding the prior period impact of the Sasolmed closed medical scheme take-on. We continued to strategically invest in technology, AI and personalised healthcare, with innovations like Personal Health Pathways and the Active Smart plan driving product differentiation and managing the forces that increase healthcare costs. Since its launch in January 2025, Personal Health Pathways has achieved over 300 000 activations and DHMS members have accumulated more than R149 million in their Personal Health Funds, demonstrating strong uptake and engagement by members.

Non-medical scheme products – comprising Flexicare, Gap Cover, Healthy Company, Trauma and Emergency Cover, and VHI Africa – covered 448 687 lives in FY2025 (FY2024: 381 550). Non-medical scheme revenue, including Discovery Healthcare Services*, accounted for 15.8% of total revenue, with growth underscoring opportunities in non-medical scheme products and healthcare services.

Discovery Health administers 18 restricted medical schemes, as well as DHMS, South Africa's largest open medical scheme. All schemes performed well in FY2025 notwithstanding challenging macroeconomic conditions. DHMS demonstrated resilience amid low growth levels in the open medical scheme market and increased financial pressure experienced by consumers. DHMS's financial position remains robust, as demonstrated by an audited solvency level of 31.01% as at 31 December 2024, well above the 25% regulatory requirement. During the year, Discovery Health was appointed as the administrator for MEDiPOS Medical Scheme, boosting total lives under administration by 11 200 lives.

Engaged Vitality members' hospital costs were

26% lower and lapse rates 3.6 times lower

compared with non-Vitality members, illustrating shared-value benefits realised.

Within the schemes we administer that opted in, value-based care contracts cover

38% of all healthcare professional spend and more than 61%

of contracted hospital spend.

* Discovery Healthcare Services is a strategic portfolio of incorporated entities within Discovery Health delivering healthcare services to patients (including Grove Nursing Services, Nanolabs and Southern Rx).



-  We continued to differentiate our services and drive increased digital engagement through our investment in technology. In FY2025, 73% of all Discovery Health client engagements took place through digital channels (FY2024: 70%).
-  DHMS made several plan updates and enhancements to improve affordability and access to healthcare. These included the new Active Smart plan specifically developed for young professionals, as well as the additional income band and expanded regional footprint introduced for the KeyCare Start and KeyCare Start Regional plans.
-  Eligible DHMS members have access to Personal Health Pathways and a Personal Health Fund, which provide access to rewards and additional day-to-day benefits based on members' engagement and completion of personalised health and exercise actions. Personal Health Pathways strategically differentiates DHMS and will yield lower long-term healthcare costs by encouraging healthy behaviours.
-  Contributions for DHMS members increased between 7.4% and 10.9% for 2025 with a weighted average contribution increase of 9.3%, the lowest weighted average contribution increase compared to the Scheme's main competitors. Increases ensure contributions match the healthcare utilisation experience of members, while supporting affordability through other benefit optimisation and plan updates.
-  Discovery Health further expanded its product offering during the year, with more medical emergency cover options for Flexicare clients and a new Gap Cover plan, Gap Active, which offers young professionals affordable protection against common medical cover shortfalls.
-  The NHI Act has not yet been proclaimed and will take several years to implement. Multiple parties, including the Health Funders Association (HFA) – of which Discovery Health and DHMS are members, alongside 19 other schemes and two administrators – have initiated litigation challenging various constitutional and other aspects of the Act.
-  Discovery Health has applied to the Supreme Court of Appeal to compel the Road Accident Fund to comply with a High Court ruling that its directive to deny payment of medical expenses for medical scheme members is unlawful. In parallel, the HFA has submitted an industry-wide representation to the Standing Committee on Public Accounts regarding the conduct of the Road Accident Fund.
-  The final report of the Section 59 inquiry into allegations of racial bias by medical schemes in forensic processes was published in July 2025. The report made no legal finding of unfair discrimination or racial profiling. Discovery Health is engaging with the CMS and other stakeholders on the recommendations in the report.

Where we are headed

Discovery Health remains committed to broadening access to quality healthcare for all South Africans, reducing costs in the South African private healthcare system and providing differentiated products and services to medical scheme members and healthcare consumers. To this end, we are leveraging technology and data science to make healthcare more precise and personalised, and enhancing both the products and service offerings of the medical schemes we administer and those that we provide, including Flexicare, Gap Cover and Trauma Cover.

Discovery Health and DHMS also continue to motivate for Low Cost Benefit Options (LCBOs) to be introduced into medical schemes, giving uninsured South Africans greater access to healthcare.

The NHI Act is facing ongoing criticism and legal challenges. Our stance of supporting universal health coverage remains firm, but we do not believe that the NHI in its current form is workable without private sector collaboration and broader funding sources. Discovery Health remains active in advocating for reforms to the Act, adopting a three-pronged approach consisting of litigation under the HFA, engagement with government through BUSA, and direct advocacy with health system partners and other stakeholders.

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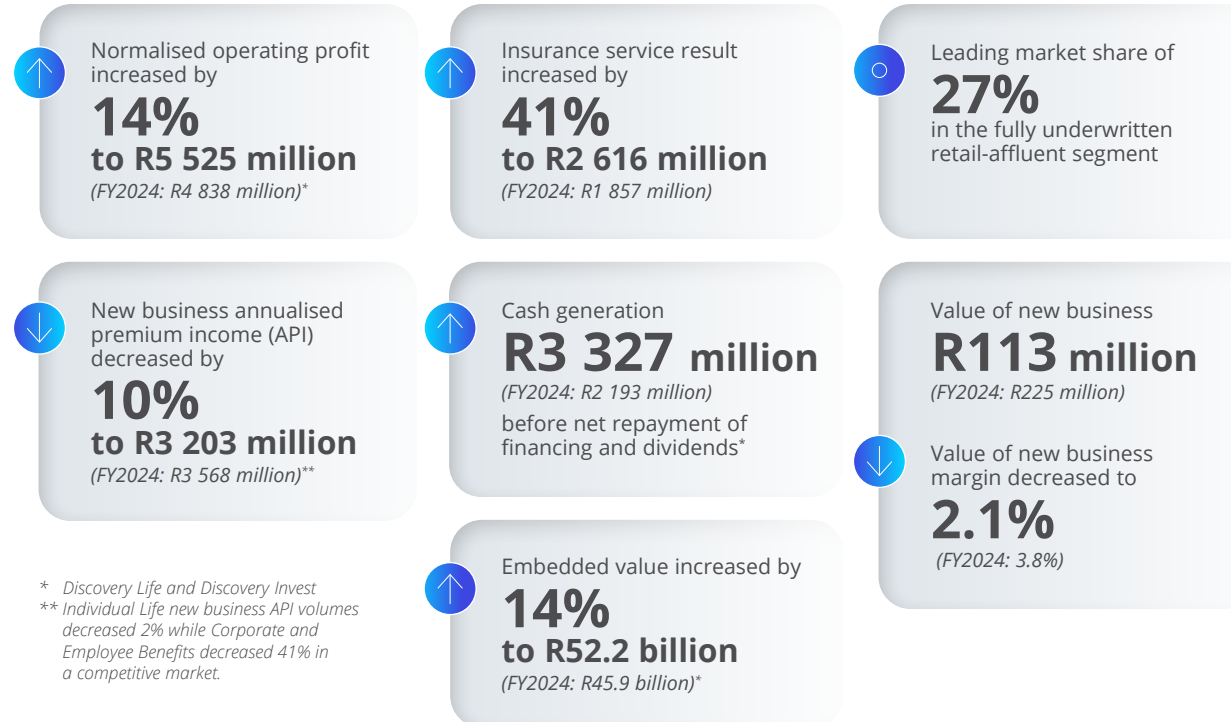
What we offer

Discovery Life and Corporate and Employee Benefits (CEB) provide risk protection and retirement solutions to individual and business clients through comprehensive life, capital disability, income and education protection, severe illness, funeral, home loan protection cover and umbrella retirement funds. Discovery Life also offers estate planning to support the winding up of estates through Discovery Wills and Trust Services. The Individual Life business holds a leading position in the intermediated retail-affluent South African protection market, with a market share of 27% for the year ended 30 June 2025. Our Umbrella Fund products offer corporate clients substantial incentives for long-term investing at an attractive price point.

What sets Discovery Life apart

Discovery Life provides a comprehensive risk offering that meets the needs of our clients at every stage of their life, underpinned by market-leading innovation and services. Discovery Life has transformed traditional insurance models to enable the dynamic assessment of risk over time. Through this approach, the business differentiates itself in the highly penetrated South African insurance market by empowering clients to actively manage their health and rewarding them through premium discounts and payback and cash conversion returns. Discovery Life's Life Plan incorporates shared-value principles by enabling interactivity and personalisation and giving clients a simplified view of their cover and rewards.

Our key performance indicators



* Discovery Life and Discovery Invest
** Individual Life new business API volumes decreased 2% while Corporate and Employee Benefits decreased 41% in a competitive market.

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Our performance against strategy

Discovery Life's profit growth was supported by strong claims performances in the Individual Life and Group Life segments, positively impacting cash flow. The claims performances offset a significant decrease in the insurance finance income and expense due to lower implied inflation as a result of the updated systematic interest rates at the beginning of the financial year. The decline in new business growth was primarily driven by a reduction in CEB new business volumes and a smaller reduction in the Individual Life new business premium income. We maintained our leading position in the retail-affluent protection market.


The business maintained robust solvency and liquidity positions, with a solvency coverage ratio of 192% and liquidity coverage in excess of 200%, reflecting the business's continued resilience. Cash generation was strong, driven by positive variances – particularly claims experience. Embedded value delivered an annualised return of 15.7%, driven by positive experience variances in Individual Life, Group Life and Discovery Invest, as well as lower interest rates at the end of the period. From an IFRS 17 perspective, the business delivered a 4% growth in future insurance risk and finance reserves, comprising CSM, RA and Insurance Finance Reserve (IFR), despite a 5% decline in CSM that was impacted by negative basis and experience variances.

We remained focused on growing profitable new business through product and systems development, building an innovation pipeline and maintaining quality new business. We launched several benefit and product updates during the year that align to our key growth focus of expanding our product offering and optimising value for clients.

R2.5 billion provided to clients
through shared-value benefits in FY2025 – including PayBack and Cash Conversions.

Total gross claims of R9.6 billion paid during FY2025.



-  Discovery Life achieved favourable mortality and morbidity claims experience in FY2025, validating the Shared-value model.
-  Consumer pressure due to the challenging economic environment continued to adversely impact policy alterations experience. We expect the recent CPI reductions over 2025 to positively impact policyholders over time.
-  Pressure on new business volumes across the retail-affluent protection market and the corporate market negatively impacted Discovery Life's value of new business margin. Our strategy remains to prioritise quality of business over quantity.
-  We launched the Personalised PayBack Booster, linked to Personal Health Pathways. Qualifying clients can now earn up to 100% of their Discovery Life Plan premium back for up to three months when they complete their Next-best Actions and close their health rings through Personal Health Pathways. Discovery Life can return significant additional value to clients by unlocking actuarial surplus through personalised actions that improve mortality and morbidity outcomes.
-  Discovery Life launched the Lock-in 3.0 pre-funding benefit during the year to promote premium sustainability for clients at older ages, particularly considering increasing longevity trends.
-  We developed various digital solutions for advisers to provide them, as well as their clients, with excellent operational service and ensure advisers have the leading tools in the market. To this end, we announced an enhanced estate planning solution through Discovery Wills and Trust Services to help clients prepare for the complexities and financial impact of winding up an estate.
-  During the year, CEB launched:
 - A Digital Declaration of Health which has significantly enhanced the member experience and reduces the turnaround of medical underwriting of qualifying members from 17 days to three days
 - A group risk cancer-only severe illness product, which is strategically impactful as cancer is a growing concern with universal resonance. As a market leader in group severe illness cover, with 27% market share, Discovery is well positioned to offer this product at affordable pricing with unique supporting features

Where we are headed

Discovery Life will continue to prioritise profitable new business growth, supported by product development, the efficacy of the Shared-value Insurance model, as well as distribution strategies across products and channels.

The management of policy alterations and lapse experience remains a key focus area and a well-defined mitigation strategy is being phased in.

The Group Life new business pipeline remains healthy despite challenges experienced with moving schemes in the current economic environment as well as more competitive market rates. We will continue to focus on building long-term strategic relationships with large schemes. CEB has deployed a multi-pronged distribution strategy which aims at strengthening the broker partnerships, to deliver against growth targets.

CEB will also continue to focus on profitable new business growth in the Umbrella Funds business, supported by strong preservation strategies through targeted boost campaigns and innovative products and services.

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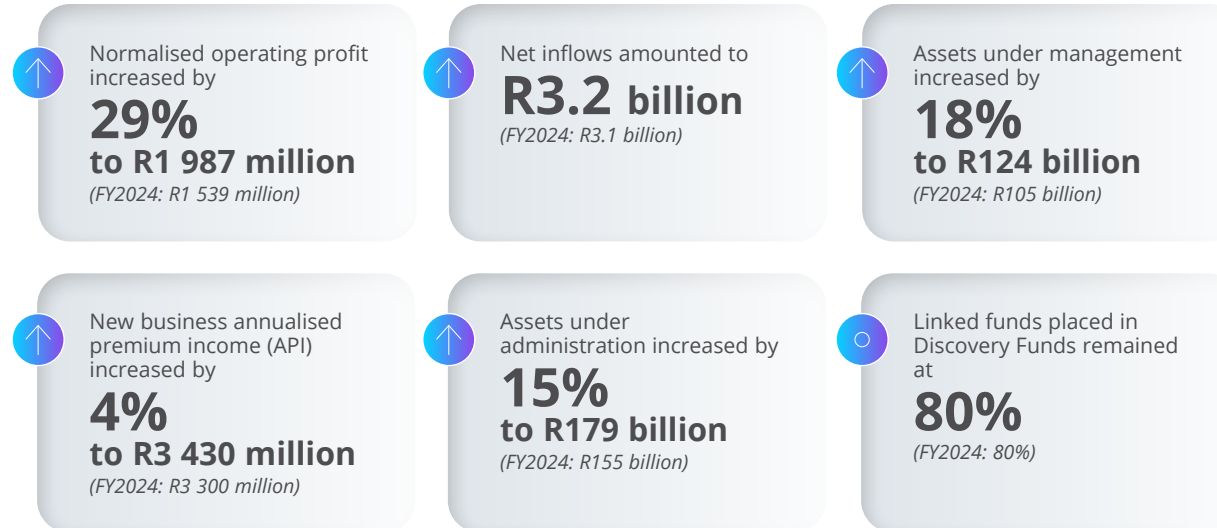
Discovery Invest provides comprehensive and flexible local and offshore investment plans to help clients achieve their investment goals across the short, medium and long term. Discovery Invest is the fastest-growing active fund management retail investment provider in South Africa*, with assets under administration of R179 billion. In addition, Cogence, our shared-value discretionary fund manager, combines the expertise of Discovery, whose behaviour-change platform is the largest of its kind, with the global investment expertise of BlackRock, one of the world's leading asset managers.

* Source: Association for Savings and Investment South Africa (ASISA), Analysis Ninety One, as at 30 June 2025

What sets Discovery Invest apart

Discovery Invest encourages clients to improve their investment behaviours and rewards them for investing more for longer, living well and managing and withdrawing their money wisely in retirement. This is underpinned by our Shared-value model for investments, which enhances clients' outcomes by combining powerful, simple benefits with cost-effective products and world-class investment funds. These shared-value benefits improve how clients approach investing, allowing them to receive higher income in retirement, pay lower fees and be more resilient to market downturns. Our unique approach – supported by strong asset management partnerships – assists clients in securing their retirement or achieving other short- or medium-term goals.

Our key performance indicators



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Our performance against strategy

Discovery Invest achieved strong operating profit growth, which was boosted by R85 million in asset liability matching gains reported in December 2024 and a R129 million release of a reserve for tax recoveries from policyholders, which was accrued over prior periods. Assets under administration were 16% higher than in FY2024, and assets under management increased by 18%. This growth was supported by strong market performance, with the JSE Top 40 Index rising 21.6% and the MSCI World Index up 13.2% in rands over the year.

Higher sales of single-premium-linked products drove an increase in new business volumes, despite declining market interest rates negatively impacting sales of guaranteed products. Net client cash flows increased by 3%, contained by expected elevated maturity outflows of five-year guaranteed endowments sold during the beginning of COVID-19.

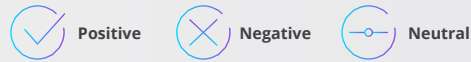
Cogence's assets under management increased to R27.4 billion (FY2024: R18.2 billion). Cogence continues to focus on gaining traction among independent financial advisers and further developing Aladdin Wealth™ and the Vitality Shared-value model.



Since inception in 2007, we have created over

R23.9 billion in additional value for clients through boosts and benefits that drive positive investment behaviour.

Clients exhibited 11% lower drawdowns, up to 32% lower lapse rates

and two times more ad hoc contributions to their investment savings compared to figures prior to the launch of our retirement planning model in 2015.



-  Sales of guaranteed plans decreased by 21% (FY2024: 31% increase) as a result of declining market interest rates, and sales of linked products increased by 9% (FY2024: 5%).
-  Following implementation of the two-pot retirement system in South Africa in September 2024, Discovery Invest now offers a product-specific tool on Adviser 360 to help advisers understand the impact of clients' savings pot withdrawals on their fund value and shared-value boosts and benefits.
-  Cogence now offers South African investors access to private market asset classes that are typically only accessible to high-net-worth clients due to their illiquidity, high minimums and lock-in periods – restricting most investors to public companies listed on major stock exchanges. The portfolios, which span privately owned investment opportunities, infrastructure and real estate, target a 10% annual return in euros and offer improved diversification, the potential for enhanced long-term returns and a transparent investment structure.
-  The business introduced the Lifespan Linked Income Plan, a new category of annuity that mitigates the risk of clients outliving their savings by providing guaranteed future income from the age of 80 that is payable for life. The plan also offers clients market growth, income flexibility and boosted income for withdrawing wisely and living well.
-  Our previous structured products have an excellent performance track record, and all open tranches of our Discovery Capital 200+ structured products are currently well above their opening value and are on track to give clients 100% return on their investment.
-  Discovery Invest added a Retirement Needs Target metric to Adviser 360 that gives advisers a view of clients' financial needs for retirement and enables advisers to create personalised proposals and recommendations for clients to improve retirement outcomes.

Where we are headed

Discovery Invest continues to enhance its product range and digital capabilities to provide new opportunities in the investment market and deliver more value to clients. For example, with our new Lifespan Linked Income Plan, clients get both a living annuity and a specially designed fixed annuity providing guaranteed income for life. The business has also started factoring Private Market solutions into some of its portfolios further complementing traditional balanced portfolios.

In addition, we are developing a solution to streamline the actioning of Cogence investment proposals on the Discovery platform through integration with Adviser 360. Improving the uptake of the Cogence portal among independent financial advisers remains a priority, and we have focused initiatives and targets in place to drive growth.

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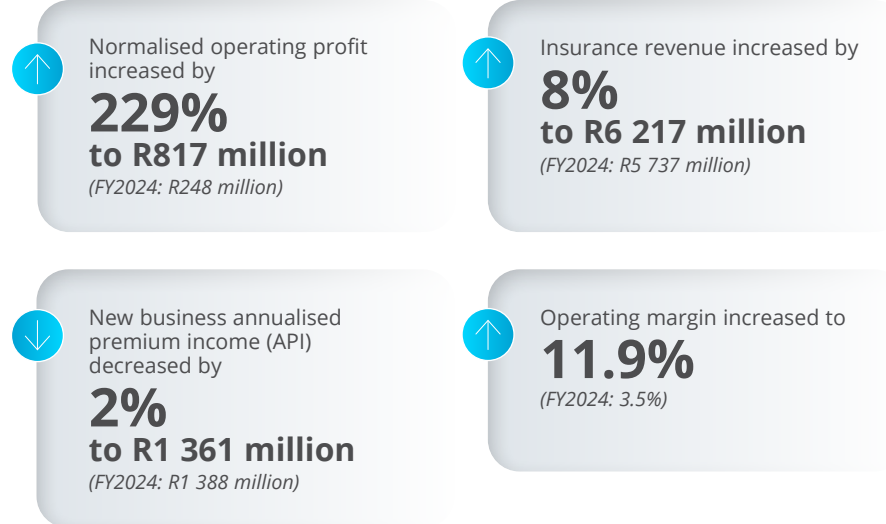
What we offer

Discovery Insure provides flexible, innovative and comprehensive car, home and travel insurance. The business covers over 278 000 cars and over R539 billion in personal insured assets in South Africa. Vitality Drive, an internationally recognised and award-winning behaviour-change programme, is a key differentiator in the market that incentivises and rewards clients for driving well. The Vitality Drive programme has been scaled to local and international markets, which now include Canada and the Middle East. Discovery Insure continues to grow its footprint by leveraging strong partnerships and helping to foster a nation of responsible drivers.

What sets Discovery Insure apart

Discovery Insure has been a disruptor in the South African short-term insurance market for over a decade, and pioneered telematics-based vehicle insurance in the country. We leverage our big data capabilities through complex actuarial modelling, integration with the Discovery ecosystem and strong partnerships to offer differentiated insurance. Discovery Insure's innovative products across car and home insurance are built on the Shared-value Insurance model, offering our clients compelling incentives supported by advanced technology. Vitality Drive, our incentive-based behaviour programme, is integral to our approach. By rewarding clients for driving well, the programme helps prevent accidents, deaths and injuries – making a material difference to the health and safety of our clients and broader society. These benefits are also available to clients of our global insurance as well as rental and fleet management partners through Vitality Drive International.

Our key performance indicators*



* Personal lines (including Vitality Drive International)

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Our performance against strategy

Discovery Insure sustained its positive trajectory in FY2025, delivering a strong operating profit. The operating margin remains within a strategically targeted range, reflecting disciplined execution and effective cost management. The business continued to focus on building a margin that is resilient to increased weather unpredictability through pricing discipline and claims efficiency initiatives – particularly on the motor vehicle book, which saw a continued reduction in the frequency of accident and theft claims during the year. Reductions in both weather and non-weather events led to fewer claims than expected. This resulted in improved loss ratios, which were further supported by higher premiums from anniversaries and midterm increases, and the impact of claims initiatives implemented over the past two years.

We continually monitor our product offering to ensure we provide clients with relevant cover and introduced new products and enhancements to our existing offerings to respond to evolving client needs. We continue to drive the efficacy and sustainability of the Shared-value Insurance model to optimise pricing while ensuring selective retention and new business. Because of this, insurance revenue increased during FY2025 despite lower new business due to repricing actions. We made progress in implementing various initiatives across sales channels to drive growth and are exploring further growth opportunities.

The success of the business's Vitality Drive programme continues to be seen globally, with over 550 000 local and international drivers on the programme to date. Vitality Drive International established a joint venture with Geotab, a global fleet management provider based in Canada with a presence in over 160 markets around the world. Leveraging behavioural science and telematics data, the joint venture will provide fleets with access to a behaviour-change platform to incentivise and reward safe driving and enhance operations. In addition, Vitality Drive International partnered with IGI in Pakistan and Solidarity in Bahrain.

We have paid our clients over R2.2 billion in fuel cash back









for driving well, demonstrating the efficacy of our Shared-value Insurance model in encouraging good driving behaviours.

The Discovery Insure driver fatality rate is 9.4 driver deaths per 100 000 lives,

which is lower than South Africa's driver road fatality rate, creating a nation of great drivers.*

* To date since inception in 2011



-  Discovery Insure is the fastest-growing short-term insurer in the market. Our sustained growth has enabled us to expand our product offering while continuing to reward clients for driving well.
-  Discovery Insure concluded its exit from the commercial insurance market effective 1 September 2024.
-  Since launching travel insurance in 2022, we have attained almost 10% of the market share. Our travel insurance offering provides comprehensive travel benefits and efficiency through Discovery Bank and Lift.
-  Through Vitality Drive, we have collected over 20 billion kilometres of driving data, including information on driving behaviour. Drivers on the programme show improved behaviour, with a lower claims experience and lower lapse rates, contributing to positive actuarial dynamics.
-  In response to increasing demand for second-hand vehicles, Discovery Insure launched the Vitality Car Rating, which leverages Vitality Drive claims history and driving behaviour data to measure a vehicle's condition and boost its resale value by up to 15%. The Vitality Car Rating certificate can be used at Weelee or Motus dealerships, thereby helping buyers make more informed decisions about the car they are buying.
-  **Our shared-value initiatives enable us to be a force for social good:**
 - On average, Fire Force responds to two to three fire incidents daily, in partnership with Advanced Emergency Management Services in Johannesburg, leading to fewer, less severe fire-related claims
 - Pothole Patrol, a joint initiative with Avis and the City of Johannesburg, has filled over 295 000 potholes across Gauteng since 2021, resulting in fewer pothole claims
 - Discovery's Pothole Patrol Academy offers a 12-month practical skills training programme providing an NQF Level 3 qualification
 - Discovery Fund and Afrika Tikkun's Safe Journeys to School programme provides school transportation to children across the Western Cape and Gauteng using vehicles fitted with Discovery Insure monitoring devices to track driving behaviour and enhance safety
-  We made the decision to discontinue the Vitality Drive 65+ benefit due to low uptake.
-  We introduced several enhancements and new product offerings during the year, including vehicle scratch and dent cover – which includes a cover level boost based on Vitality Drive status – updates to the Drive Me benefit, and liability cover as part of our firearms cover.

Where we are headed

Discovery Insure is focused on driving growth, while maintaining operating margin resilience. To achieve this, we are implementing several initiatives across sales channels, including leveraging the Discovery ecosystem.

In addition, we are driving secondary growth through our warranty and other value-added products, such as our new scratch and dent product. On an international scale, we will continue to explore further expansion opportunities through Vitality Drive.

We expect weather volatility and shifts in trends of other risks to continue in the future. The extensive data we collect is invaluable to improve our understanding of the persistent and emerging risks we face, including extreme weather-related events and other claims, and we remain responsive to these risks.

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What we offer

Discovery Bank is a full-service digital retail bank with a suite of banking products accessible through the Discovery Bank app and the online banking platform. This offering includes day-to-day transactional products, savings accounts, and borrowing solutions, which are embedded with Vitality Money to reward clients for managing their finances well.

What sets Discovery Bank apart

Discovery Bank has transformed traditional banking by combining innovative technology and leading digital capabilities with the Group's understanding of risk and behaviour change to create a new category of banking underpinned by our Shared-value model.

Vitality Money drives our shared-value approach by considering individual financial behaviours to understand clients' financial health. As clients improve their Vitality Money status, they unlock greater value through personalised rewards, which include better interest rates, discounts at lifestyle and travel partners, and Discovery Miles – the shared-value rewards currency that is more valuable than cash when spent within our vast online and retail partner network.

Discovery Bank's differentiated digital banking platform delivers a streamlined end-to-end client journey, with seamless onboarding supported by geolocation-enabled know-your-customer processing and immediate transactional capability. Clients can make secure contactless payments; access unique account management features; experience personalised interactions with the Bank; get 24/7/365 assistance including Live Assist, WhatsApp servicing and Smart Notifications; and bank safely with our advanced security features.

Our key performance indicators

<p>↑ Normalised operating loss decreased by 85% to R68 million <i>(FY2024: R454 million)</i></p>	<p>↑ Net interest income (NII) increased by 30% to R1 017 million <i>(FY2024: R780 million)*</i></p>	<p>↑ Credit loss ratio of 3.03% <i>(FY2024: 2.78%)**</i></p>
<p>↑ Total revenue increased by 31% to R2 390 million <i>(FY2024: R1 819 million)</i></p>	<p>↑ Retail deposits of R23.3 billion <i>(FY2024: R18.5 billion)</i></p>	<p>↑ 1 246 817 clients <i>(FY2024: 958 055 clients)</i> and 2 995 078 accounts <i>(FY2024: 2 271 703 accounts)</i></p>
<p>↑ Non-interest revenue (NIR) increased by 32% to R1 373 million <i>(FY2024: R1 039 million)</i></p>	<p>↑ Total advances of R9.2 billion <i>(FY2024: R6.6 billion)</i></p>	

* NII Includes the allocation of interest earned on the bond trading portfolio (recognised at fair value gains in the income statement).
** Calculated as the expected credit loss (ECL) charge, including overlays and IFRS adjustments, on the year-end advances balance across the products.

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Our performance against strategy

Discovery Bank achieved monthly operational break-even, after new business acquisition costs and ahead of target, and performed well across all key metrics. The business returned an operating profit before new business acquisition costs of R368 million, from a loss of R52 million in FY2024. We surpassed our one million clients target in August 2024 – nearly two years earlier than planned, which led to a 30% increase (FY2024: 36%) in the total client base, while quality of new business remains high. The Revolving Credit Facility product has more than doubled since the prior year and home loans have had significant growth, moving to R1.7 billion (FY2024: R17.1 million).

Discovery Bank is the fastest-growing business in our Discovery SA composite and remains an important focus for the Group. We prioritised high-quality growth and customer primacy during the year, alongside our broader strategic focus areas to scale the business – namely, accelerating growth; leveraging our composite model; offering disruptive, market-leading products; and providing unparalleled service and operational excellence. We progressed in these areas by improving our product offerings and digital servicing capabilities – most notably, developing Discovery AI – and increasing deposits and advances.

Clients earned **₪10.93 billion and received an 18.4% average discount** when spending their Discovery Miles in-store, online and in Vitality Mall.*

Discovery Miles ₪-Day continues to drive engagement, **with a combined spend of ₪2.55 billion** (valued at R341 million) in FY2025.

Clients earned **over R87 million in interest boosts and over R34 million** in Vitality Money cashbacks.

* Not including Discovery Miles spent on travel and value-added services



-  NIR increased by 32%, driven by growth in the client base and fee income per client, increased product take-up and engagement levels.
-  Deposits increased by 26% to R23.3 billion, due to more clients using Discovery Bank as their primary account, and advances grew by 39% to R9.2 billion with the launch of home loans. The increase in deposits and a lower cost of funding led to NII growth. In addition, the Bank increased its loan-to-deposit ratio to 39% (FY2024: 36%).
-  Our credit loss ratio was below the industry trend, despite sustained macroeconomic challenges impacting arrears and non-performing loan ratios. We manage credit effectively and utilise a conservative economic risk management strategy to protect us against higher-than-expected credit losses.
-  Client engagement levels increased, with 38% growth in payment volumes and a 16% increase in normalised spend values in June 2025 compared to June 2024.
-  We added a new behavioural ring to our Vitality Money programme that rewards clients for financial planning, including budgeting, financial education and having a will in place.
-  We introduced new safety and security features to our banking app, including a digital account vault and security and panic codes. Hidden accounts stay locked until clients enter a personal security code, and a panic code can be used under duress to silently trigger fraud monitoring and safety protocols, alert law enforcement and dispatch armed response if needed. In addition, Discovery 911 on the banking app login screen now provides direct access to emergency services including medical, roadside, and home assistance, as well as international medical assistance when clients are travelling.
-  Discovery Bank developed an innovative new offering – Discovery AI, accessible through the Bank’s WhatsApp channel. Discovery AI provides a personalised banking experience by analysing clients’ spending and saving patterns, helping clients understand how their accounts work and offering insights and recommendations on maximising account features and rewards.

Where we are headed

Discovery Bank continues to scale rapidly, focusing on driving growth while maintaining engagement levels through concentrated efforts in our four strategic areas. We are targeting new clients through various marketing, product and operational initiatives, including enhancing the client onboarding journey to increase conversion rates. Discovery Bank provides a seamless entry point into the Discovery Group and we will continue strengthening its role in Discovery SA, leveraging it as the ideal platform for product integration across the Discovery SA businesses.

Supporting our strategic focus areas, we plan to increase the value of new business by growing higher value products, credit cards and suites; and ensure every product line is profitable through product mix optimisation, fee initiatives and cost efficiencies. Balance sheet management underpins these efforts, with several solutions being implemented to optimise funding and support the Bank’s growth strategy.

We made key updates to our digital servicing proficiencies in FY2025 – including introducing an AI-powered client servicing feature for call centre bankers and developing Discovery AI for clients – which are expected to yield financial benefits and enhance client experience. Our home loans book also remains promising, with a robust pipeline. Discovery Bank remains driven by our bold ambition of targeting two million clients and R3 billion in operating profits in FY2029.

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Health Insurance



What we offer

VitalityHealth specialises in private medical insurance (PMI), providing a unique and comprehensive health and wellbeing solution to individuals, corporates and small and medium-sized businesses in the UK. These services are offered either directly or through financial advisers.

What sets VitalityHealth apart

VitalityHealth promotes healthy living and rewards people for embracing healthier lifestyles – a core element of our Vitality Shared-value model. Through the Vitality programme, we empower our members to actively manage their wellness and build sustainable healthy habits, which creates value for members, our business and society as a whole.

VitalityHealth prioritises prevention, primary care and digital pathways that help members navigate the complex healthcare system. Our tailored PMI products for employers provide broader wellbeing programme options for their workforce. We also offer Care Hub, a digital platform that lists healthcare providers through the Consultant Finder feature – including Vitality Premier Consultants, a panel of designated consultants with excellent performance outcomes like lower lengths of stay and reduced re-admission rates.

Our key performance indicators



Normalised operating profit increased by

174%
to **£50.6 million**
(**R1 188 million**)

(FY2024: £18.5 million/R435 million)



Insurance revenue (earned premiums) increased by

16%
to **£814.5 million**
(**R19 124 million**)

(FY2024: £699.3 million/R16 474 million)**



New business annualised premium income (API) increased by

3%
to **£121.4 million**
(**R2 851 million**)

(FY2024: £118.0 million/R2 779 million)*



Operating margin increased to

6.2%

(FY2024: 2.6%)

* New business API aligns with Vitality UK's internal definition of total sales, which includes scheme expansions and pipeline business

** Excludes notional premium for Trust schemes

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Our performance against strategy

VitalityHealth performed well, with operating profit increasing substantially, notwithstanding our continued investment in healthcare risk management capabilities, primary care assets and digital servicing to realise cost efficiencies. Delays to access care in the National Health Service (NHS) persisted, driving further increases in PMI utilisation. In response, we implemented significant price increases to new business and renewal premiums. Despite these increases and a challenging macroeconomic environment, new business grew by 3% (FY2024: 7%) and retention remained strong, reflecting the value members place on our products.

VitalityHealth's total lives covered increased by 3% to 1 056 777 (FY2024: 1 027 569). In addition, earned premiums increased and have now caught up with the significant claims increase experienced in FY2024. The claims experience has since stabilised. The business's unique operating model and market-leading capabilities position it well for continued success despite challenges facing the PMI market.

Between 2022 and 2024,

43% of members with type-2 diabetes who took part in the first phase of the Vitality weight management pathway reversed their diabetes.

Approximately

100 million physical activity events were recorded through the Vitality programme in 2024.

✔ Positive
 ✘ Negative
 ○ Neutral

- NHS backlogs continue to drive demand for private healthcare, although economic pressures on businesses and individuals are leading to increased competition among insurers for new business.
- ✔ VitalityHealth's new digital mental health pathway, accessible through an app designed by psychologists, offers access to 150 evidence-based exercises for better mental health – complementing our wider mental health support offerings.
- ✔ The recently launched Pick and Play, a gamified extension of the Vitality programme, gives members a choice of weekly Active Rewards and the chance to play for more rewards. Rewards are unlocked when members earn 12 activity points, encouraging them to be more physically active.
- ✔ As part of its weight management pathway, VitalityHealth is providing access to discounted weight loss medications for members with a BMI of over 35 and with weight-related health conditions. Members will also have access to personalised lifestyle support and coaching with a dietitian.
- ✔ Primary Care services comprise 64% of all member claims – up from less than 10% in 2015 – demonstrating the shift in the type of care people are expecting. Primary Care services encompass digital care pathways and go beyond GP access. They include commonly used treatments that do not need a GP referral, such as physiotherapy and Talking Therapies.
- ✔ The Premier Consultant Network continues to drive claims cost efficiencies and improve care outcomes. As of June 2025, 60% of our consultant-led appointments were through the Premier Consultant Network. Under our other partner networks, 95% of new outpatient physiotherapy authorisations and 88% of new outpatient mental health authorisations were within the network.
- ✔ Care Hub engagement continued to grow with 67% of claims facilitated digitally.
- ✔ We made progress in implementing Secondary Care networks, which provide services following an initial consultation with a GP, doctor or nurse. We also expanded the geographic coverage of network providers.

Where we are headed

VitalityHealth has a clear growth strategy and a diversified distribution network to drive profitable growth, and we continue to optimise our products and services to improve members' health. To this end, we are integrating AI technologies within the Everyday Care journeys to improve triage options and the accuracy of diagnosis and referrals. We also encourage Care Hub adoption and are implementing enhancements to improve digital servicing.

As the demand for private medical services continues to grow, we are carefully managing claims and ensuring price increases for renewals and new business are sustainable while maintaining strong retention levels. We are exploring risk-appropriate new business opportunities and regularly evaluate our pricing renewal discount strategy to ensure increases and discounts are risk-appropriate, while monitoring member and adviser sentiment in this regard.

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Life Insurance



What we offer

VitalityLife provides long-term life, serious illness, income and mortgage protection cover to individuals. VitalityLife is a top 5 market leader in the UK for protection business in the independent financial adviser market.

What sets VitalityLife apart

VitalityLife promotes healthy living through our Shared-value model, allowing clients to access cover at the best risk rate upfront and maintain this over time by engaging in the Vitality programme. Paired with unique and innovative products, this approach delivers market-leading protection at competitive prices.

We adapt our products and services to meet clients' changing needs, which enables us to move away from a transactional insurance approach. This will increasingly address broader societal issues by reducing the healthcare burden and integrating behaviour-change products and services with everyday life. Daily interactions that incentivise and reward healthy behaviour not only improve our clients' lives and deliver tangible value, but generate higher levels of engagement – thereby improving persistency.

Our key performance indicators



Normalised operating profit increased by
70%
to £27.1 million (R637 million)
(FY2024: £15.9 million/R375 million)



New business annualised premium income (API) increased by
28%
to £106.4 million (R2 499 million)
(FY2024: £83.1 million/R1 956 million)



Insurance revenue (earned premiums) increased by
11%
to £447.8 million (R10 514 million)
(FY2024: £401.9 million/R9 464 million)



Value of new business margin increased to
0.2%
(FY2024: -1.3%)
 with a positive step change in the new business net value generated



New business API from policies with serious illness cover increased by
27%
to £33.5 million (R787 million)
(FY2024: £26.3 million/R620 million)
 while new business API from policies with Optimiser increased by
25%
to £41.7 million (R979 million)
(FY2024: £33.4 million/R787 million).

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Our performance against strategy

VitalityLife's operating profit recovered strongly. It maintained its robust underlying business performance. Stable lapse and claims experience demonstrated clients' continued engagement in Vitality – which, in turn, encouraged positive actuarial dynamics. Lives covered and earned premiums also increased, reflecting strong retention levels.

We sustained our positive sales trajectory from the second half of FY2024, and new business API increased despite the stagnant UK market. Our continued focus on price optimisation, together with the efficacy of the Shared-value model, resulted in new business growth of 28% and strong new business quality. Through disciplined expense management, new business value generated also increased significantly.

98.9% of life cover claims paid totalling £95.7 million and 88.6% of serious illness cover claims paid totalling £44.4 million.*

Optimiser rewards clients with discounts on their life cover for making healthy lifestyle choices.

VitalityLife saved members £40 million (CY2023: £43 million) on their insurance premiums through Optimiser.*

* In CY2024

Positive
 Negative
 Neutral

- Lives covered increased by 12% to 903 996 (FY2024: 810 050) while growth in premium income was driven by strong retention, new business and the indexing up of client premiums.
- According to our VitalityLife Claims & Shared Value Report 2025, members who engage with the Vitality programme can reduce their risk of death by up to 57%, adding up to five years to their life expectancy*.
- VitalityLife launched product enhancements focused on increasing member engagement, as well as enhancements to income protection cover and extending the recovery benefit to include support for neurological conditions.
- VitalityLife continued the extension of price optimisation initiatives to other products, allowing for targeted sales growth in more profitable product lines while managing onerous business. Alongside this, we focused on refining the automation, quality and speed of repricing.
- While the insurance market is becoming increasingly commoditised, VitalityLife's advanced price optimisation capabilities and Optimiser allow it to compete in profitable product lines.
- We continued to make progress in our system modernisation programme to unlock improved system stability, performance and quicker deployment of product enhancements. This will yield improved adviser sentiment and reduced unit costs per policy in future.

Where we are headed

VitalityLife operates within a large UK life insurance market, where the exit of several competitors and a stabilising economic outlook are creating opportunities for growth. In this context, VitalityLife focuses on generating new business value and expanding its footprint through price optimisation and distribution. The business is well positioned to do so by driving profitable business and managing expenses. We are also in a strong position to drive favourable mortality, morbidity and retention experience over time through the Shared-value model.

We will continue pursuing sales growth in profitable products, including income protection, whole of life, serious illness, indexed and optimised business. Our additional focus areas include product innovation to integrate the Shared-value model into a larger portion of new business and reinsurance structures, optimising our reinsurance strategy and digitising key processes to increase expense efficiencies. Upgrades to the VitalityLife legacy system architecture are also still underway to improve stability and performance, lower third-party medical costs in underwriting through the use of machine learning, reduce underwriting turnaround times, and enhance adviser and operational team experience.

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What we offer

Vitality Network, a distinct unit of Vitality Global, partners with and licenses shared-value insurance to major insurers globally through relevant expertise, data and technology. Vitality Network operates in 38 international markets.

What sets Vitality Network apart

Vitality Network strives to be the world's leading behaviour-change partner platform in the insurance and financial services industries. We collaborate and partner with the most forward-thinking insurers globally and in their respective markets. This scale empowers Vitality Network to offer best in class solutions, aspirational rewards with its global reward partners and diverse perspectives.

Vitality Network leverages Discovery's Shared-value Insurance model to drive behaviour change worldwide, creating a new insurance category that positively disrupts the industry. Our shared-value insurance offering is underpinned by one of the world's largest and richest data sets, analytical expertise and proven solutions that make people healthier and transform insurance economics. Vitality Network's solutions are supported by our Vitality1 technology platform, which is scalable and easily deployed to multiple markets in multiple languages.

Our key performance indicators



Normalised operating profit increased by **7%** to **US\$30.5 million (R554 million)** (FY2024: US\$28.5 million/R533 million) while operating margin remained unchanged at 28%



Integrated annualised premium income (API) by insurance partners increased by **24%** to **US\$2 billion (R35.4 billion)** (FY2024: US\$1.6 billion/R29.7 billion)



Revenue increased by **8%** to **US\$108.9 million (R2.0 billion)** (FY2024: US\$101.3 million/R1.9 billion)*



Insurance partner membership increased by **27%** to **6.7 million** (FY2024: 5.3 million)**

* Excluding solution revenue from internal clients and rewards income

** Comprises enrolled members on the Vitality1 platform (net of cancellations/lapses)

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Our performance against strategy

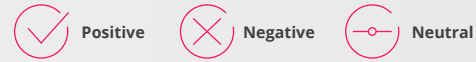
Vitality Network's operating profit increased, supported by strong growth in integrated product fee revenue and foreign exchange gains. The increase in Vitality-integrated new business drove performance-based revenues up by 24%, however, lower solutions revenues resulted in total revenues increasing only 8%. The operating margin remained unchanged at 28%, following additional expenditure during the year.









The unification of Vitality UK and Vitality Global into a new composite, Vitality, will further advance Vitality Network's growth strategy and enhance support to partner markets. Following this development, Vitality Network restructured its operating model and partnerships – including the termination of the Generali partnership, which opens up large European markets – to further monetise its unique global position and deliver scaled growth and operational leverage. The business also continued to assess current partnerships and growth opportunities across markets, while investigating new partnerships with other insurers.

Our Shared-value Insurance model continues to be globally relevant, demonstrated by robust membership growth. The model positively impacts our partner businesses by reducing lapse rates and making people healthier through behaviour-change incentives and rewards, which are enhanced through our collaborations with global reward partners. Our new mobile app experience, developed in FY2024, incorporates reward programmes with Adidas, Headspace and Expedia. We rolled out the app to five markets in FY2025 – the Netherlands, Pakistan, Ecuador, Japan and Mexico.

The Vitality1 platform creates value

for our partners by offering product enhancements, new features readily available to all markets and better performance at reduced shared services and localisation costs.



-  Vitality Network's mobile app experience was well received by members following its phased roll-out across international markets.
-  Discovery and AIA agreed to increase investments into AIA Vitality. These investments will create short-term cost pressure – including into FY2027 – but are essential to building long-term sustainable value and deeper engagement across the network.
-  Vitality Network and Generali terminated their partnership effective 1 May 2025 with integrated in-force policies to be run off by February 2026. Vitality Network is exploring new partnership opportunities in Europe.
-  Vitality North America's growth is progressing according to plan. We continue to support stronger sales of Vitality at John Hancock by expanding its market presence and enhancing features and distribution in the markets where John Hancock is already present. We are also focusing on modernising the John Hancock and Manulife technology stack.
-  Vitality Ecuador achieved excellent sales and retention, with the Apple benefit showing signs of success.
-  Sumitomo Life Insurance has sold 2.3 million policies at 30 June 2025 and has 2 million lives on the Vitality1 platform. It also introduced a new integrated disability product and new payment mechanisms during the year, which accelerated sales.
-  Prudential Brazil and Vitality are finalising a roll-out to the Prudential Group Life book to increase membership, and Vitality Network will monitor developments in performance.
-  Tawuniya in Saudi Arabia experienced strong growth in its health book and Vitality membership, surpassing 1.2 million members. The business is building new features into its Tawuniya SuperApp, and a life insurance integration design is underway. In addition, Tawuniya's Corporate Champs programme led to a 16% increase in member engagement.

Where we are headed

Vitality Network is focused on three strategic areas: growing revenue by strengthening existing partnerships and pursuing new opportunities, unlocking geared profits through operational efficiencies generated from scaling, and evolving Vitality products through hyper-personalisation and Vitality AI.

Our constantly evolving global partner network leverages our unique intellectual property and the Vitality Shared-value Insurance model. We began rolling out enhanced Vitality products during the year and anticipate significant growth in these markets. We are also exploring additional partnerships within existing markets.

In the Japanese market, Sumitomo Life Insurance is targeting five million active Vitality clients by 2030, and we are collaborating on several initiatives to achieve this, including developing new products, upselling clients towards integrated insurance products, and strengthening the acquisition of new customers through digital marketing. The business delivered excellent new business growth during the year, and we are expecting this strong trajectory to continue over the next three years.

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Health International



What we offer

Vitality Health International (VHI), a distinct business unit of Vitality Global, leverages Discovery's health and Vitality intellectual property to create strategic partnerships through equity holdings in health insurance and health technology and solutions businesses.

VHI offers health insurance in China through a 24.99% equity stake in Ping An Health Insurance (PAHI) and provides health technology and wellness and care solutions through its 25% shareholding in Amplify Health Asia (a joint venture with AIA) and its 100% shareholding in Vitality US. VHI also owns 50% of Quantum Health, a data and analytics joint venture with Quantum Group, which is headquartered in Australia and has operations in the UK and South Africa. Vitality Asia, a business unit of VHI, manages Discovery's investment in PAHI, delivering value-adding, capability-enhancing projects to drive Discovery's relationship with Ping An Group (PAG).

What sets VHI apart

VHI comprises all of Discovery Limited's international health interests outside of South Africa, Africa and the UK. VHI holds strategic equity stakes in joint venture businesses, which combine Discovery's and our partners' distinctive and complementary strengths, specifically Discovery's market-proven health insurance and Vitality assets. We purposely deployed these joint ventures in markets with high growth potential, creating opportunities to further utilise VHI's health-related intellectual property. Similarly, VHI's wholly owned business in the US aims to tap into the world's largest healthcare market.

Our key performance indicators

<p>↑ Total VHI normalised operating profit increased by 28% to US\$50.3 million (R915 million) <i>(FY2024: US\$39.4 million/R738 million)</i></p>	<p>↑ Administration, solution services and intellectual property revenue (excluding PAHI) increased by 8% to US\$54 million (R985 million) <i>(FY2024: US\$50 million/R935 million)</i></p>	<h3>PAHI-SPECIFIC KEY PERFORMANCE INDICATORS</h3>	
<p>↑ Normalised operating profit from PAHI (after tax) increased by 10% to RMB479 million (R1.21 billion) <i>(FY2024: RMB434 million/R1.12 billion)*</i></p>	<p>↓ VHI (Other) normalised operating loss decreased by 23% to US\$16 million (R291 million) <i>(FY2024: US\$20.7 million/R386 million)</i></p>	<p>↑ PAHI new business written premium (PAHI own licence) increased by 25% to RMB4.8 billion (R12.1 billion) <i>(FY2024: RMB3.8 billion/R9.9 billion)</i></p>	<p>↑ PAHI total earned premium (PAHI own licence) increased by 21% to RMB17.8 billion (R44.8 billion) <i>(FY2024: RMB14.7 billion/R38.2 billion)</i></p>
		<p>↑ PAHI total written premium (PAHI own licence) increased by 17% to RMB18.8 billion (R47.4 billion) <i>(FY2024: RMB16.1 billion/R41.7 billion)</i></p>	<p>↑ Number of lives insured increased by 17% to 32.1 million <i>(FY2024: 27.4 million)**</i></p>

* After Discovery's costs to support the business
** Excluding reinsured lives

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Our performance against strategy

VHI performed strongly during the year, driven by operating profit growth and increased investment returns in PAHI, notwithstanding a positive tax benefit and COVID-19 reserve release in FY2024. This profit growth was partially offset by planned investments in Vitality US and equity losses in Amplify Health due to product build expenses and deployment, and revenue lag.

Amplify Health continued to build out scalable solutions, and deploy solutions and products, across Asia-Pacific – including its core claims system – with early traction in key markets. The business is progressing towards its aim of deploying an integrated suite of products to both the largest AIA markets and external clients while reducing its cost base. The establishment of the Vitality1 platform in the Asia-Pacific region marks a significant step towards enabling scalable delivery of Vitality features via Amplify Health to AIA markets, with the Healthy Futures feature scheduled for rollout in late 2025 and early 2026.

Vitality US remained focused on targeting a larger addressable market by expanding beyond employee wellness into digital health and care. To this end, it continued to progress the build of Vitality 3.0 and acquired WellSpark in November 2024. The integration of WellSpark progressed smoothly, generating higher earnings than anticipated during the year. The acquisition also included a multiyear contract to provide the Vitality AI platform to EmblemHealth, New York’s leading health plan provider. In addition, Vitality US made several sales to health plans, including BlueCross BlueShield plans, and expanded to the Medicare Advantage market. The business is currently loss-making due to its investments in digital health and care capabilities, including Vitality AI, but is expected to break even in FY2027.

PAHI has consistently achieved significant balance sheet growth, improved operating performance and strong persistency. Its continued capital strength and prudent capital management were reflected in an increased solvency ratio in FY2025. The business also recorded an 84% rise in investment income and gains, which was boosted by lower interest rates on held-for-trading bonds and a surge in the Shanghai Stock Exchange in September 2024 following a government stimulus. A low claims ratio in FY2024 and a one-off COVID-19 reserve release led to the profit before investment income and gains declining slightly in FY2025, resulting in a net margin that remains healthy, albeit somewhat compressed. New business on the PAHI insurance licence also increased, driven by a rise in new business through both Ping An Life and non-Ping An Life channels, and a market shift towards higher-end products. This continued growth in new business and an improved renewal rate supported an increase in own-licence earned premiums that significantly outpaced the industry. PAHI remains focused on driving growth in own-licence business.

Quantum Health rightsized its cost base and continues to drive efficiencies, while focusing on improving sales by diversifying its footprint geographically and across client segments. Following pressure on the business’s revenue, a more robust revenue pipeline is now emerging. In addition, the business supported the set-up of Discovery’s Vitality AI data science platform during the year.

Vitality engagement in the US led to a **4% decrease** in medical claims costs over a five-year period, equivalent to a **180% return on investment**.

55% of Vitality US members are highly engaged, reaching silver status or above.*

* At 31 July 2025

Positive
 Negative
 Neutral

Amplify Health plays a key role in providing health technology and analytics to AIA’s health insurance businesses across Asia-Pacific. Amplify Health has access to Discovery Group’s health and Vitality technology and intellectual property, and has an integrated product stack available for deployment to AIA markets and external clients.

Quantum Health successfully developed the Personal Health Pathways platform for Discovery Health, which was launched to clients in South Africa in FY2025, and is developing the Vitality AI platform for Vitality US, to be launched to clients in FY2026. However, the business experienced minimal losses due to revenue contracts being delayed or not materialising.

Vitality US’s acquisition of WellSpark, a leading personalised coaching provider, from EmblemHealth, will give clients access to customised wellbeing, coaching and disease prevention services. Vitality US is also partnering with EmblemHealth to offer clients a full range of health and wellbeing solutions.

Discovery received a second cash dividend of R412 million, net of withholding tax, from PAHI in June 2025, representing a 62% increase from June 2024.

An increasing demand for private healthcare is driving growth in private health insurance in China. PAHI continues to grow rapidly within this competitive market, with strong performance and a growing market share.

PAHI has grown faster than the market over the last five calendar years due to its industry-leading product, data and risk management capabilities, and differentiated distribution strategy. Its innovative features also include full value chain management capabilities and a managed claims model.

PAHI progressed in embedding shared value into its insurance model by integrating wellness features from its HuoLiGO platform into flagship products like eShengBao and Gemini. These enhancements incentivise healthier behaviour, improve client outcomes and align long-term value creation with better health.

Where we are headed

Challenges in global health insurance markets provide opportunities for growth, and we believe the Group’s technology and data science assets across the health insurance value chain are highly suited to address these challenges. Accordingly, VHI will continue to expand its footprint through equity partnerships in key markets with high growth potential and, in turn, aims to globalise Discovery’s intellectual property by creating profitable businesses in attractive markets, supported by the experience gained from existing Group businesses.

Quantum Health remains focused on rebuilding revenue, while Vitality US’s priorities are strengthening the Vitality proposition, migrating clients from WellSpark’s old technology platform to the Vitality 3.0 platform and growing sales significantly, with a focus on health plans. In Asia, the health market is material and growing rapidly. In response, Amplify Health continues to commercialise assets for use across Asia-Pacific markets and is implementing an integrated product package to accelerate growth and drive revenue.

China’s ageing population and strong policy support are expected to continue driving significant demand for private health insurance in the future. Against this backdrop, PAHI is well positioned to sustain its growth trajectory through disciplined underwriting, digital engagement and a growing base of insured lives. In addition, the business is continually upgrading the client experience and health incentive system of various products to deliver increased value to clients. To develop long-term capabilities, current initiatives are intended to further foster collaboration among VitalityHealth, Discovery Health and PAHI. At the same time, PAHI has continued to distribute dividends, diversifying its distribution models and network while preserving quality profit growth, and focusing on continued scaling of individual new business via non-Ping An Life channels.

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Integrated Reporting Framework application register

Our Integrated Annual Report applies the requirements of the Integrated Reporting Framework, providing insight into the resources and relationships we use and impact in pursuit of sustainable value. The framework refers to these as the six capitals. We explain what these capitals mean for our business alongside.

OUR RESOURCES AND RELATIONSHIPS (CAPITALS) AND WHAT THEY MEAN FOR US

FC

FINANCIAL CAPITAL

The pool of funds, including equity and debt, used to support our global expansion, scale existing businesses for future growth and invest in new products, services and technology.

HC

PEOPLE

The human capital we depend on, including our people's diversity, skills, experience and expertise.

IC

DATA AND INNOVATION

The intellectual capital we leverage to enhance our data and actuarial science capabilities to drive innovation – supported by big data, machine learning, automation and AI.

MC

TECHNOLOGY AND DIGITAL ASSETS

Our manufactured capital, including the Shared-value model and Vitality1 platform, as well as the assets developed through the model such as behaviour-change programmes.

SC

RELATIONSHIPS

The social and relationship capital we rely on to establish equity and credibility in the market, including global partnerships and relationships with clients, governments and communities, and brand assets.

NC

ENVIRONMENTAL RESOURCES

The natural capital used during normal business activities, including energy consumption and water usage.

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Our Board of Directors assumes responsibility for the integrity of this report and confirms that it complies with the requirements of the Integrated Reporting Framework. We describe and reference the application of the framework's guiding principles and content elements in the sections that follow.

Guiding principles

STRATEGIC FOCUS

An integrated report should provide insight into the organisation's strategy and how it relates to the organisation's ability to create value in the short, medium and long term, and to its use of and effects on the capitals.

Our Integrated Annual Report sets out our medium-term ambition statement and long-term strategic objectives, along with the key performance indicators we measure in the short term to ensure we deliver on our core purpose. We also consider the Group's significant risks and opportunities stemming from our market position and global footprint, along with how the six capitals contribute to our ability to achieve the Group's strategic objectives.

CONNECTIVITY OF INFORMATION

An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organisation's ability to create value over time.

Discovery embodies the philosophy of integrated thinking, and our Integrated Annual Report aims to provide a comprehensive but concise overview of how the Group creates, preserves and/or erodes value for its stakeholders. The report follows a logical structure and uses effective navigation devices to connect the various elements of our value creation story. Furthermore, it shows the linkage between the six capitals, our stakeholder groups, risks and opportunities, and material themes to explain how they impact our ability to create and preserve sustainable value.

STAKEHOLDER RELATIONSHIPS

An integrated report should provide insight into the nature and quality of the organisation's relationships with its key stakeholders, including how and to what extent the organisation understands, takes into account and responds to their legitimate needs and interests.

This report reflects on Discovery's relationships with its stakeholder groups, including how we perceive and measure the quality of these relationships. We provide useful information relating to our stakeholder groups' legitimate needs, interests and expectations, as well as how we create value. We also discuss the risks and opportunities, and material themes that impact these groups.

MATERIALITY

An integrated report should disclose information about matters that substantively affect the organisation's ability to create value over the short, medium and long term.

In compiling this report, we applied our judgement to only include information that could affect value creation. We followed a structured double-materiality process – which is integrated into our management processes – to identify and prioritise the material themes and material matters we believe could have direct implications for Discovery or our stakeholder groups.

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Guiding principles *continued*

CONSISTENCY AND COMPARABILITY

The information in an integrated report should be presented:

- *On a basis that is consistent over time*
- *In a way that enables comparison with other organisations to the extent it is material to the organisation's own ability to create value over time*

We ensure that we report on information that is comparable year on year, including the key performance indicators used to measure our performance at a business unit and Group level. We also follow industry and global reporting best practice.

CONCISENESS

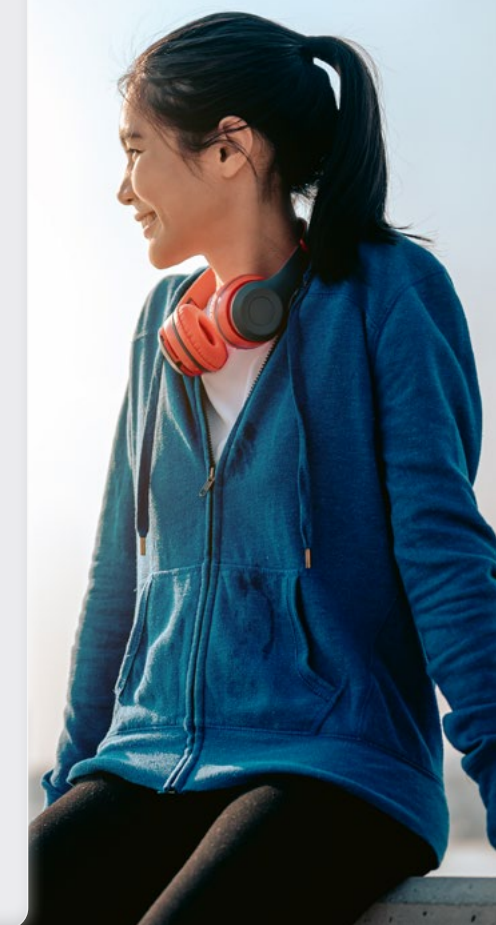
An integrated report should be concise.

Our Integrated Annual Report is structured logically, using cross-referencing and links to external sources to avoid repetition of information. While maintaining conciseness, we also ensure that we include the necessary information relating to our strategy, governance practices and performance to enable our stakeholder groups to make informed decisions on our prospects.

RELIABILITY AND COMPLETENESS

An integrated report should include all material matters, both positive and negative, in a balanced way and without material error.

Our reporting process is subject to a rigorous internal review as part of our commitment to providing accurate information. Following an extensive review by our Group Internal Audit function, we believe that the quantitative information in this report – which includes both positive and negative information – is an accurate representation of Discovery's FY2025 performance. The report is also reviewed by our Group Audit Committee and, in turn, approved by our Board.



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Content elements

ORGANISATIONAL ELEMENTS

What does the organisation do and what are the circumstances under which it operates?

We unpack who we are as a South African-founded, diversified, global financial services organisation and leader in shared-value insurance. We explain why we are in business, how we operate and what we do, and include key quantitative information to provide a holistic overview of our business and performance. We also disclose the material trends impacting our operating environment and our ability to create and preserve value in the short, medium and long term.

GOVERNANCE

How does the organisation's governance structure support its ability to create value in the short, medium and long term?

Our report provides insight into our leadership structure, including our Board members' backgrounds, qualifications, skills, experience and expertise. We also disclose key Board composition indicators, including race, gender, independence and tenure. Furthermore, we explain how our governance structures support value creation for our stakeholder groups by monitoring the Group's strategic direction.

BUSINESS MODEL

What is the organisation's business model?

This report includes a detailed section explaining how we create and preserve value, including how our business activities transform our inputs into outputs – our products and services – and outcomes in pursuit of our medium-term strategic focus, Ambition 2026, and our long-term objectives.

Our WHY, HOW and WHAT are fundamentally linked to our integrated thinking and the resources and relationships we rely on to create and preserve value for our stakeholders.

Our Shared-value model incentivises positive behaviour change – delivering better value for clients, superior actuarial dynamics for the insurer, and a healthier society.

RISKS AND OPPORTUNITIES

What are the specific risks and opportunities that affect the organisation's ability to create value over the short, medium and long term, and how is the organisation dealing with them?

This report identifies Discovery's current and emerging risks, along with the steps we are taking to mitigate them and capture any opportunities that may arise.

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STRATEGY AND RESOURCE ALLOCATION

Where does the organisation want to go and how does it intend to get there?

We detail our purpose-driven strategy, including our long-term strategic objectives across market-specific composites. We also discuss our performance against Ambition 2026 and the short-term key performance indicators that will help us achieve our goals.

PERFORMANCE

To what extent has the organisation achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?

Throughout this report, we disclose both quantitative and qualitative information on Discovery's FY2025 performance. We report on our progress against key performance indicators across our three strategic objectives, as well as how our performance impacted the six capitals. We also unpack the performance of each of our business units.

OUTLOOK

What challenges and uncertainties is the organisation likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?

We highlight Discovery's expectations for the short and medium term, as well as how we plan to achieve our long-term strategic objectives. We explain how we respond to changes in our operating environment to ensure the sustainability of our business, as well as the current and emerging risks we are likely to face in the short, medium and long term. Furthermore, we provide information on whether we are equipped to respond to future challenges given the difficult macroeconomic environment.

BASIS OF PREPARATION AND PRESENTATION

How does the organisation determine what matters to include in the integrated report and how are such matters quantified or evaluated?

The content in this Integrated Annual Report is guided by issues that could substantively impact our ability to create or preserve value for our stakeholder groups over time, as well as those issues that could erode value if not managed effectively. We outline a summary of the double-materiality determination process followed during FY2025, and the material themes and material matters that arose from this process. In preparing this report, we were also guided by specific principles, requirements and legislation.

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Adviser 360	Our virtual sales platform for advisers that provides an integrated sales experience
AGM	Annual General Meeting
AI	Artificial intelligence
API	Annualised premium income
ASISA	Association for Savings and Investment South Africa
B-BBEE	Broad-based Black Economic Empowerment
BUSA	Business Unity South Africa
CAGR	Compound annual growth rate
CEB	Corporate & Employee Benefits
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMS	Council for Medical Schemes
CO ₂ e	Carbon dioxide equivalents
Companies Act	South African Companies Act, 71 of 2008, as amended
CPI	Consumer price index
CSM	Contractual service margin (unearned profit)
CY	Calendar year
DHMS	Discovery Health Medical Scheme
Discovery	Discovery Limited Group consisting of Discovery SA and Vitality composites
Discovery SA	Consists of Discovery Health, Discovery Life, Discovery Invest, Discovery Insure and Discovery Bank business units in South Africa including other initiatives and central costs (such as Vitality SA etc)
DMTN	Domestic Medium Term Note
EE	Employment equity
eNPS	Employee net promoter score
ESG	Environmental, social and governance
ERM	Enterprise risk management
FLR	Financial leverage ratio
FY	Financial year
GDP	Gross domestic product
GHG	Greenhouse gas
GNU	Government of National Unity

GRI	Global Reporting Initiative
Group	Discovery Limited Group consisting of Discovery SA and Vitality composites
HE	Headline earnings
HEPS	Headline earnings per share
HFA	Health Funders Association
IFIE	Insurance finance income and expense comprises the change in the carrying amount of the group of insurance contracts arising from: <ul style="list-style-type: none"> ■ The effect of the time value of money and changes in the time value of money, and ■ The effect of financial risk and changes in financial risk
IFRS	International Financial Reporting Standards
IFRS 17 margins	Refers to the contractual service margin plus the risk adjustment
IFRS 17	IFRS 17 <i>Insurance Contracts</i> (effective for Discovery post 1 July 2023)
ISSB	International Sustainability Standards Board
IT	Information technology
JSE	JSE Limited
King IV™	King Report on Corporate Governance™ for South Africa, 2016
LCBOs	Low-cost benefit options
LTIP	Long-term Incentive Plan
Morbidity	Morbidity claims are claims which arise as a result of an impairment of life due to an illness or disability event insured by the policyholder
Mortality	Mortality claims are claims which arise from the death of an insured life
NEFCF	Net expected future cash flows
NHE	Normalised headline earnings
NHI	National Health Insurance
NHS	National Health Service (UK)
NII	Non-interest income
NIR	Non-interest revenue
OCI	Other comprehensive income
ORSA	Own Risk and Solvency Assessment
PAHI	Ping An Health Insurance Company of China, Ltd
PAG	Ping An Insurance (Group) Company of China, Ltd

PAL	Ping An Life Insurance Company of China, Ltd
PaSS	Patient Survey Scores
Personal Health Pathways	A hyperpersonalised programme, presented in a simple user experience, that uses varied categories and intensity of behaviour change
PMI	Private medical insurance
PRI	Principles for Responsible Investment
RA	Risk adjustment
RAF	Road Accident Fund
RemCo	Remuneration Committee
ROE	Return on equity
ROEV	Return on embedded value
SA	South Africa
SCR	Solvency capital requirement
SDG	Sustainable Development Goal
SIP	Single Incentive Plan
TCF	Treating customers fairly
TCFD	Task Force on Climate-related Financial Disclosure
TWG	Technology Working Group
UK	United Kingdom
UN	United Nations
US	United States of America
VHI	Vitality Health International
Vitality	Our single composite consisting of Vitality UK and Vitality Global
Vitality AI	An evolution of the Vitality behaviour-change platform with a centralised data and coding stack powering hyper-personalisation and automation that combines clinical, lifestyle and behavioural data to enhance risk prediction
Vitality Global	Our composite consisting of Vitality Network and VHI business units
Vitality Shared-value model	Our unique Shared-value model that is built on the Vitality behaviour-change platform, which guides and incentivises people towards better health, driving and financial behaviour
Vitality UK	Our composite consisting of VitalityHealth and VitalityLife business units
WACC	Weighted average cost of capital

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Discovery Limited | +27 11 529 2888 | askthecfo@discovery.co.za | www.discovery.co.za

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