

DISCOVERY LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration number 1999/007789/06)  
Legal Entity Identifier: 378900245A26169C8132  
JSE share codes: DSY, DSBP  
DSY ISIN: ZAE000022331  
DSBP ISIN: ZAE000158564  
JSE bond company code: DSYI  
("Discovery" or "the Group")

## **Voluntary Announcement: Purchase of Discovery's Head Office Building, 1 Discovery Place**

### Context

Discovery has been a long-term tenant in the Discovery Head Office Building (1 Discovery Place ("1DP")) in Sandton since 2018. Given the scale of the Group, long-term and strategic nature of office planning, particularly given the scale of Discovery's Johannesburg operations, and with 7 years until expiry of the lease agreement, the Group evaluated its long-term lease and determined it would likely stay beyond the current lease period. In addition, the space requirement has been optimised over the period. The Group is deeply committed to South Africa and believes the head office has served the Group well in all aspects and aligns with its purpose and values and its long-term outlook.

### Transaction details

Based on these plans and space requirements combined with the financial benefits, as below, Discovery will acquire Phase 1 ("Grove and Park buildings") of 1DP and cancel the lease for Phase 2 ("Ridge building"). This will be facilitated by Discovery Propco (Pty) Limited, a wholly owned subsidiary of Discovery, entering into an agreement with Growthpoint and the trustees of the Truzen 114 Trust (collectively referred to as "the Sellers"), to purchase Phase 1 of the letting enterprise of 1DP comprising 91,756 m<sup>2</sup>, as a going concern. The Sellers have also agreed with Discovery Central Services (Pty) Limited, a wholly owned subsidiary of Discovery to the cancellation of the Phase 2 lease of 1DP comprising 19,369 m<sup>2</sup> (collectively referred to as "the transaction"). The total consideration of the transaction is R4.05 billion (exclusive of VAT), with the acquisition to be fully funded through pre-arranged debt.

The transaction is subject to Competition Authority approval and other customary suspensive conditions.

### Financial effects

The transaction provides strong financial and economic benefits to the Group. This arises because economic dynamics have moved in favour of a purchase, with both prevailing interest rates and property prices in Johannesburg having reduced significantly. This has enabled a switch from a long-term lease arrangement to a fully-funded financing arrangement with ownership, at a lower overall cost.

The effect of the transaction is that the Group is locked into an immediate and expanding net annual cash-flow saving, delivering approximately R800 million in net present value over the remaining lease period, in addition to ownership of the building.

From a financial presentation perspective, the Group has accounted for the long-term lease obligations in terms of IFRS 16, where the right-of-use asset and corresponding lease liability are included in the statement of financial position. While the obligations of the financing lease have had a similar risk exposure to debt financing, the accounting treatment is different and, consequently, the value has been excluded from the Group's measure of the financial leverage ratio ("FLR"). Once the transaction becomes effective, the Group expects a positive effect on earnings and an initial increase in the FLR, followed by a continued reduction towards the lower end of the Group's guidance range of 10% to 20% over the next few years.

Further details will be outlined at the Group's interim results announcement.

The information contained in this announcement, including any forecast financial information, is the responsibility of the board of directors of Discovery and has not been reviewed and reported on by Discovery's joint external auditors.

Sandton  
6 February 2026

Equity and Debt Sponsor  
Nedbank Corporate and Investment Banking, a division of Nedbank Limited