

DISCOVERY LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1999/007789/06)
Legal Entity Identifier: 378900245A26169C8132
JSE share code: DSY ISIN: ZAE000022331
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Debt company code: DSYI
Company tax reference number: 9652/003/71/7
("Discovery" or "the Company" or "the Group")

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2025 AND CASH DIVIDEND DECLARATION

KEY FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	Unit	31 December 2025	31 December 2024	% Change
Group earnings(1)				
Normalised profit from operations	R million	8 891	7 188	24%
Profit attributable to ordinary shareholders	R million	5 716	4 448	29%
Normalised headline earnings	R million	5 745	4 511	27%
Headline earnings	R million	5 692	4 428	29%
Basic earnings per share	Cents	846.6	661.3	28%
Basic headline earnings per share	Cents	850.0	667.1	27%
Basic normalised headline earnings per share	Cents	858.0	679.6	26%
Returns, cash conversion and dividends				
Normalised return on equity(1)	%	17.4	15.4	+2%
Annualised return on opening embedded value (RoEV)	%	17.3	19.0	lower by 1.7%
Dividend per share for the period	Cents	111.00000	87.00000	28%
Cash conversion(2)	%	71	76	lower by 5%
Growth drivers				
Income from non-insurance business lines(2)	R million	3 567	3 181	12%
New business annualised premium income (API)(2)	R million	14 026	12 534	12%
	Unit	31 December 2025	30 June 2025	% Change (annualised)
Financial position and embedded value				
Net asset value	R million	73 438	65 699	25%
Embedded value	R million	135 844	126 554	15%
Basic embedded value per share	R	201.97	189.85	13%
Financial leverage ratio (FLR)	%	15.1	16.8	lower by 1.7%

(1) The comparative information for December 2024 has been restated for the correction of the prior period errors in line with and as disclosed in the annual financial statements for the year ended 30 June 2025. Refer to D.1 in the Unaudited Interim Results and cash dividend declaration for the six months ended 31 December 2025.

(2) Refer to Annexure A of the Unaudited Interim Results and cash dividend declaration for the six months ended 31 December 2025, which also includes details on the restatement of the cash conversion.

STRONG PERFORMANCE FROM BOTH COMPOSITES WITH CONTINUED DELIVERY AHEAD OF THE FIVE-YEAR GROWTH CORRIDOR TARGETS

Discovery Group achieved strong growth in the period ended 31 December 2025, evidenced by a 24% growth in normalised operating profit to R8 891 million. Discovery South Africa (SA) delivered 19% growth in normalised profit from operations, reflecting a compelling contribution from each business in SA. The global composite, Vitality, generated 41% growth in normalised profit from operations, reflecting the focus and strong execution within the restructured global operations. Headline earnings increased by 29% to R5 692 million and normalised headline earnings increased by 27% to R5 745 million, reflecting the benefit of the improving financial leverage ratio (FLR) translating into lower finance charges. The normalised return on equity increased to 17.4%, from 15.4% in the prior period.

The Group delivered a strong performance in an environment characterised by increased complexity as a result of geopolitical and trade tensions. In the period under review, economic growth remained below potential in many regions in which the Group operates; however, easing interest rates supported an improved backdrop for investment markets. Specifically in SA, constructive collaboration between private and public enterprise in key areas of service delivery and improved terms of trade have provided a more supportive backdrop for macro-economic and capital market indicators with green-shoots appearing, resulting in strong capital markets and lower bond yields. Fiscal challenges in the United Kingdom (UK) have led to pressure on National Health Service (NHS) delivery and a higher inheritance tax burden. While these macro challenges do constrain economic growth, they also drive increased demand for private health insurance as well as life insurance for estate planning purposes. Globally, healthcare inflation remained elevated, compounded by growing demographic challenges and the acceleration of the "quantified self" leading to a rapidly developing wellness economy; both trends are particularly pronounced in the United States (US). Risks also remain elevated; however, the velocity of AI disruption underpins the relevance of the Vitality Shared-value model and the Group's unique data, positioning it uniquely for continued growth.

EVOLVING THE VITALITY SHARED-VALUE MODEL (SV) TO DELIVER HYPER-PERSONALISED ENGAGEMENT AND VALUE

The successful deployment of the SV model had a significant impact across both the SA and global composites, and within each business of each composite. This manifested in superior margins for the short-term insurance businesses, superior returns on capital for the long-term insurance businesses with strong actuarial outcomes, and scalable growth in value for Discovery Bank. The Group's continued investment and deployment of artificial intelligence (AI) into the platforms provides a clear opportunity to propel the model forward into a new phase, with demonstrable increases in engagement and outcomes.

Over the period, the Group's embedded value increased to R135.8 billion, a 17.3% return on embedded value (RoEV), driven by strong operational performance. Total new business API increased 12%, reflecting the strong competitive dynamics of the SV model, with a focus on deliberate and disciplined pricing strategies, resulting in an improved new business value. Favourable experience variances increased for the period, with positive contributions from each business, reflecting the positive financial dynamics of the model and particularly strong underlying claims dynamics of the in-force pool of clients across the businesses.

SUMMARY OF NORMALISED PROFIT FROM OPERATIONS AND NEW BUSINESS PERFORMANCE FOR THE CURRENT PERIOD

R million	Normalised profit from operations	% change	New business API	% change
Discovery Health	2 128	5%	5 454	16%
Discovery Life(1)	3 093	15%	1 635	(1%)
Discovery Invest(1)	984	1%	1 961	13%
Discovery Insure	546	34%	646	(2%)
Discovery Bank	75	<(100%)		
Other initiatives and central costs(2)	(51)	(80%)	246	(4%)
Discovery SA composite	6 775	19%	9 942	10%
VitalityHealth	1 186	98%	1 440	9%
VitalityLife	352	8%	1 495	36%
Ping An Health Insurance (PAHI)	573	35%	1 149	6%
Vitality Health International - Other	(16)	(89%)		
Vitality Network	176	(48%)		
Vitality AI(3)	(155)	>100%		
Vitality composite	2 116	41%	4 084	16%
Normalised profit from operations	8 891	24%		
New business API			14 026	12%

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(2) Includes Discovery Vitality SA.

(3) Vitality AI also includes Other Vitality central costs.

WITHIN THE COMPOSITES:

DISCOVERY SOUTH AFRICA

Discovery SA's robust operating performance reflects compelling contributions from each business within the South African composite, with normalised operating profit increasing 19% and new business by 10%. Discovery Bank is a key strategic platform, powered by data, technology and AI, to drive further growth through Discovery SA's 6.5 million customer base, which increased 7% compared to the prior period.

- Discovery Bank performed ahead of plan on all metrics and there was a further acceleration in the acquisition of quality and engaged clients, currently averaging approximately 1,500 clients per day.
- Discovery Health delivered strong new business growth, with an improved risk profile expected to benefit the scheme. Earnings growth was solid, as a result of continued scalability and cost efficiency, fully absorbing a once-off administration concession to members.
- Discovery Life's operating profit grew strongly, with continued favourable mortality and morbidity experience. New business grew 16% on the embedded value basis, while total API declined slightly - a result of the impact of lower inflation rates on automatic contribution increases.
- Discovery Invest benefited from strong growth in capital markets and positive net flows. The rate of earnings growth was dampened by an in-period asset liability matching loss related to the steep decline in yields. Excluding this loss and the equivalent prior period gain, earnings increased 21%.
- Discovery Insure delivered a strong result, with rigorous implementation of the SV model resulting in a substantial increase in operating margin - with specific focus on pricing and claims management, whilst maintaining quality of new business.

VITALITY

The Vitality composite's progress reflects the work done to restructure and scale the composite onto one platform based on the SV model. Normalised operating profit increased by 41% and new business by 16%. Vitality now covers 11.2 million lives outside China, up 15% over the year, including more than two million customers in the UK, and lives in China increased 17%, exceeding 34 million.

- VitalityHealth performed ahead of plan, with a substantial increase in operating margin from the focused execution of the SV model, through rigorous pricing and claims actions, as well as effective expense management. New business production was robust in a challenging economic environment.
- VitalityLife earnings growth largely reflected the margin unwind. Successfully leveraging the SV model delivered excellent levels of new business growth and new business value - important determinants of return on invested capital and future earnings momentum.
- Ping An Health Insurance delivered an excellent performance, with a strong operating result boosted by exceptional investment returns. New business growth was impacted by recent changes implemented to its distribution arrangement with Ping An Life, which will affect new business production in the short term, while the impact on operating profits is expected to be largely mitigated.
- Vitality Network's reported profit was significantly impacted by the decline in the Japanese Yen. Excluding the impact of economics, primarily the significant weakening of the USD/JPY, profits increased 7%, reflecting the restructure underway to build greater longer-term scale and value.
- The Group has invested into Vitality AI, and launched its partnership with Google, over the reporting period, which is anticipated to drive increased engagement in the Vitality programmes globally, accelerating traction in existing partnerships and enhancing the value from new partnerships.

ORDINARY SHARE CASH DIVIDEND DECLARATION

Shareholders are advised that the Board of Directors declared an interim gross cash dividend of 111.00000 cents (88.80000 cents net of dividend withholding tax) per ordinary share, out of the income reserves of the company. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The number of ordinary shares in issue at the date of declaration is 682 491 619.

The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Monday, 30 March 2026
Shares commence trading "ex" dividend	Tuesday, 31 March 2026
Record date	Thursday, 2 April 2026
Payment date	Tuesday, 7 April 2026

Ordinary share certificates may not be dematerialised or rematerialised between Tuesday, 31 March 2026 and Thursday, 2 April 2026, both days inclusive.

DIRECTORS' STATEMENT

This results announcement is the responsibility of the Board of Directors of the Company (Board).

Shareholders and/or investors are advised that this results announcement is a summary of the information contained in the unaudited condensed consolidated interim financial statements for the six months ended 31 December 2025 and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on a consideration of the unaudited condensed consolidated interim financial statements available via the JSE cloud link <https://senspdf.jse.co.za/documents/2026/JSE/ISSE/DSY/HY2026.pdf> and published on our website at <https://www.discovery.co.za/corporate/financial-results> on 3 March 2026.

This results announcement and the unaudited condensed consolidated interim financial statements have not been reviewed or reported on by Discovery's independent joint auditors.

On behalf of the Board

ME Tucker
Chairperson
2 March 2026

A Gore
Group Chief Executive

Directors ME Tucker (UK) (Chairperson), A Gore* (Group Chief Executive), LM Chiume, VN Fakude(1), R Farber, WM Hlahla, FN Khanyile, D Macready, KC Ramon, M Schreuder, B Swartzberg*, BA van Kralingen, DM Viljoen* (Group Chief Financial Officer)

* Executive.

(1) Appointed effective 1 September 2025

Debt officer
DM Viljoen

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Transfer secretaries
Computershare Investor Services Proprietary Limited

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

Company secretary
AC Ceba

Independent auditors
Deloitte & Touche

KPMG Inc.

www.discovery.co.za

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