

**FOR OUR
MEMBERS**

DISCOVERY HEALTH MEDICAL SCHEME | ANNUAL GENERAL MEETING

CHARLOTTE MBEWU | PRINCIPAL OFFICER



We exist for our members

MANAGING THE IMPACT OF COVID-19



Supporting our members during the COVID-19 pandemic

IMPROVING QUALITY OF CARE



Leveraging innovation to deliver the highest quality of care for our members

ENSURING THE BEST VALUE HEALTHCARE



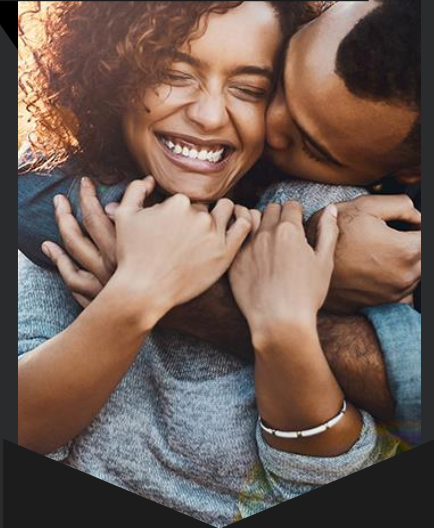
Driving greater cost-effective value for members

ENSURING SUSTAINABILITY & MEMBERSHIP GROWTH



Balancing growth whilst ensuring the long-term financial sustainability of the Scheme

BUILDING A BETTER HEALTHCARE SYSTEM FOR ALL



Strong focus on governance excellence, risk management and regulatory compliance



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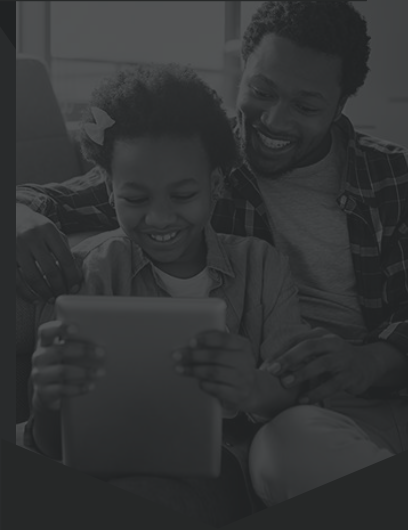
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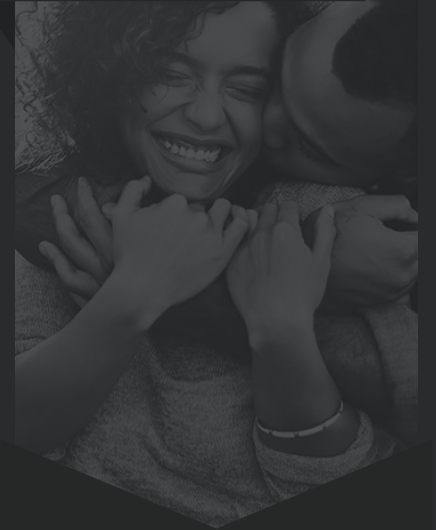
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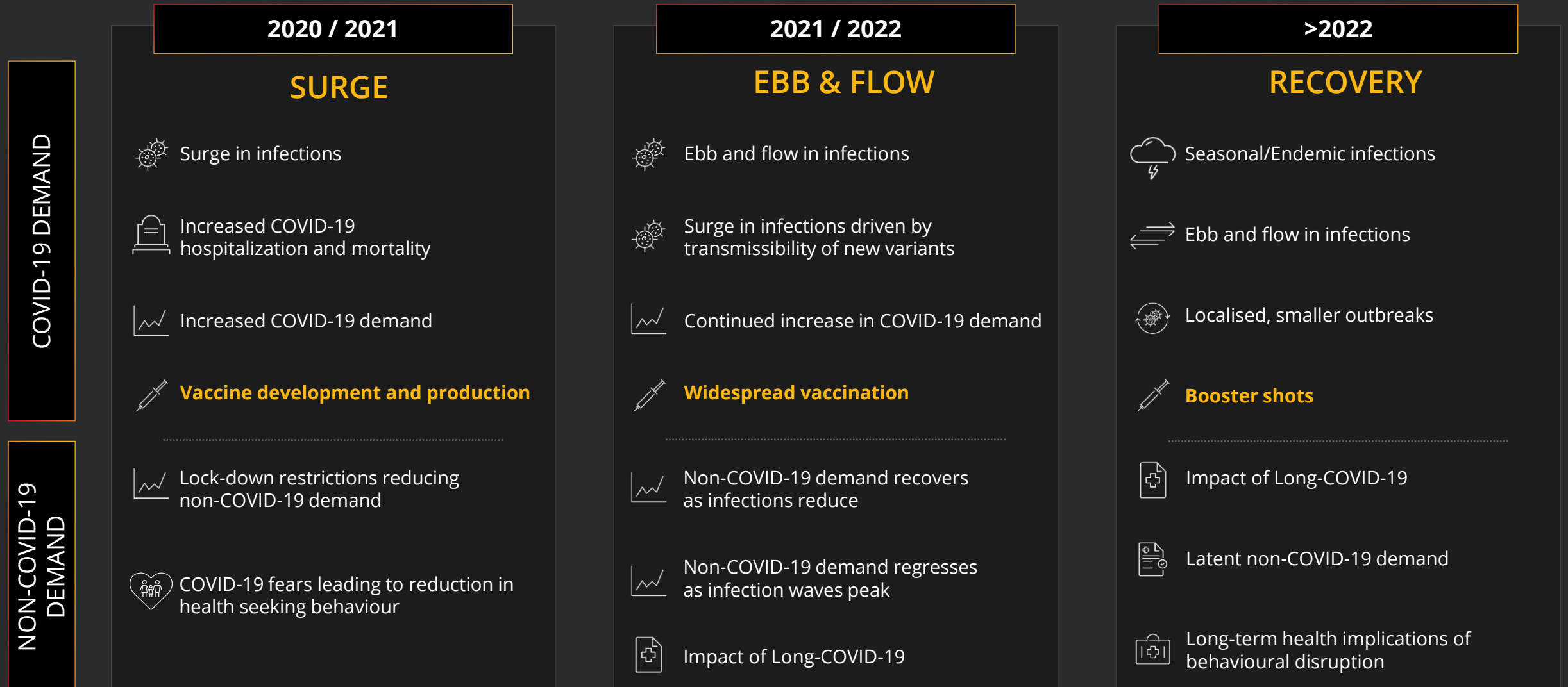
BUILDING A BETTER HEALTHCARE SYSTEM FOR ALL



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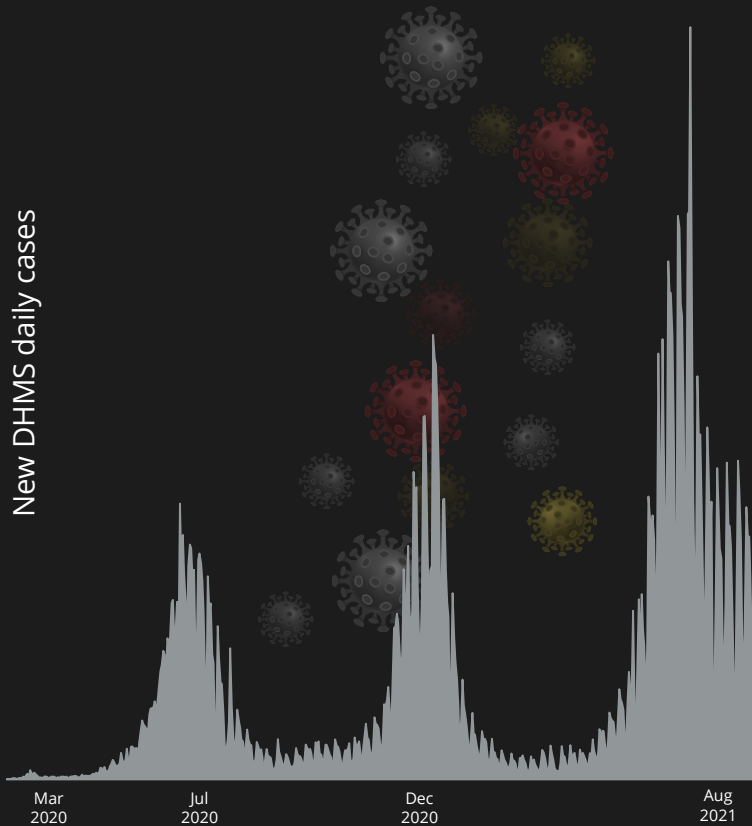
Impact of COVID-19 on healthcare 2020 and beyond



Impact of COVID-19 on Discovery Health Medical Scheme



DHMS daily new infections



Discovery Health Medical Scheme data to date



1 579 451

Members requiring a COVID-19 test



6 102

Members who needed extensive in-hospital intervention (ventilation support)



45 373

Members tested positive and required follow up care (hospital admissions)



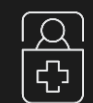
13 460

Members needing care in excess of R100 000 as a result of COVID-19 symptoms



33 611

Members who have received a pulse oximeter



10 999

Members needing ICU level care as a result of COVID-19



68

Members being treated at home with Connected care at Home



29%

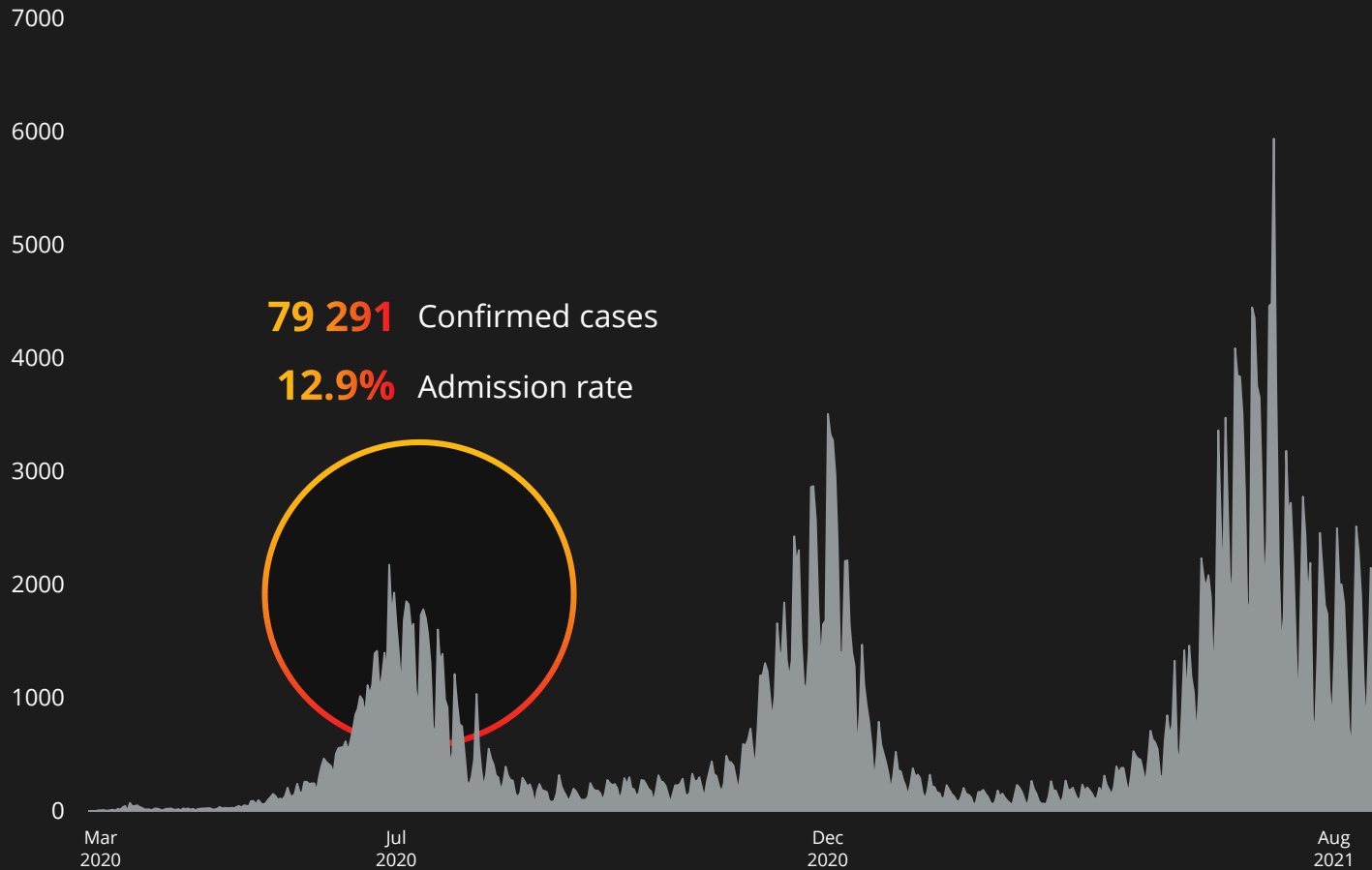
Eligible members who have received one vaccine*

Source: DHMS internal data as at August 2021

* Given data is based on claims data and many members have accessed vaccination at public health vaccination sites

Progression of the COVID-19 pandemic

DHMS daily new infections



1st wave insights



Non pharmaceutical interventions, including a stringent national lockdown were successful in flattening and delaying the COVID 19 peak, while alleviating the pressure on healthcare system



Focus on preparation of the healthcare system including procurement of PPE



Variation in use of clinical treatments, both globally and locally



Significant impact on health-seeking behaviour, with a deterioration in the screening, registration and management of new and existing chronic conditions.



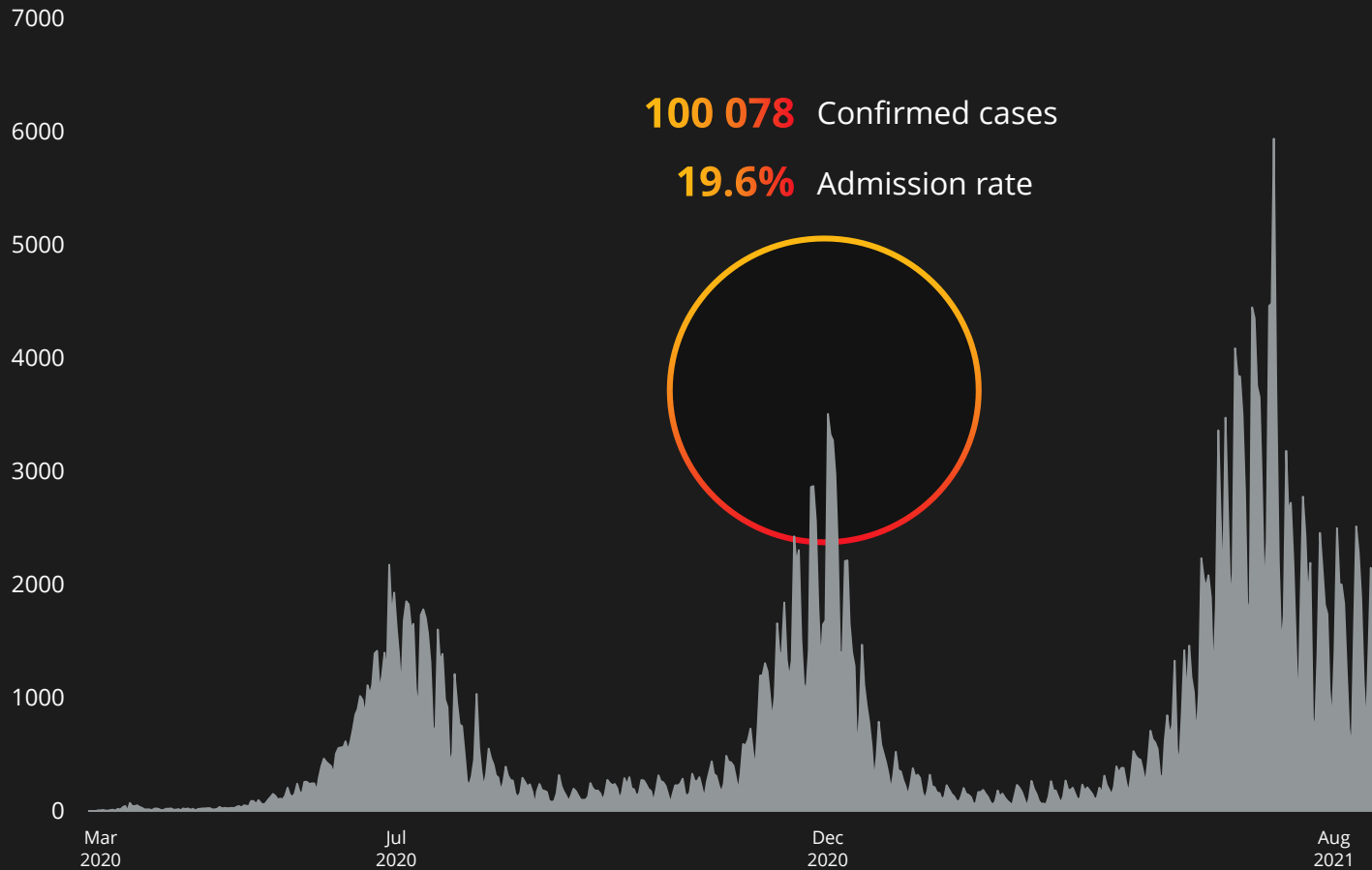
Ramp-up and adoption of digital healthcare technologies



Widespread education and awareness campaigns

Progression of the COVID-19 pandemic

DHMS daily new infections



2nd wave insights



Surge in infections driven by the Beta variant



Series of significant waves with widespread outbreaks initially in Eastern, Western Cape and KZN caused by localized festive season super-spreader events



Adjusted lock-down levels introduced to reduce infection rates whilst balancing the economic impact



Advancements in clinical treatments



Reduction in healthcare utilization due to lack of health-seeking behavior



Improvement in outcomes for high-risk members due to impact of remote monitoring solutions such as pulse oximeters

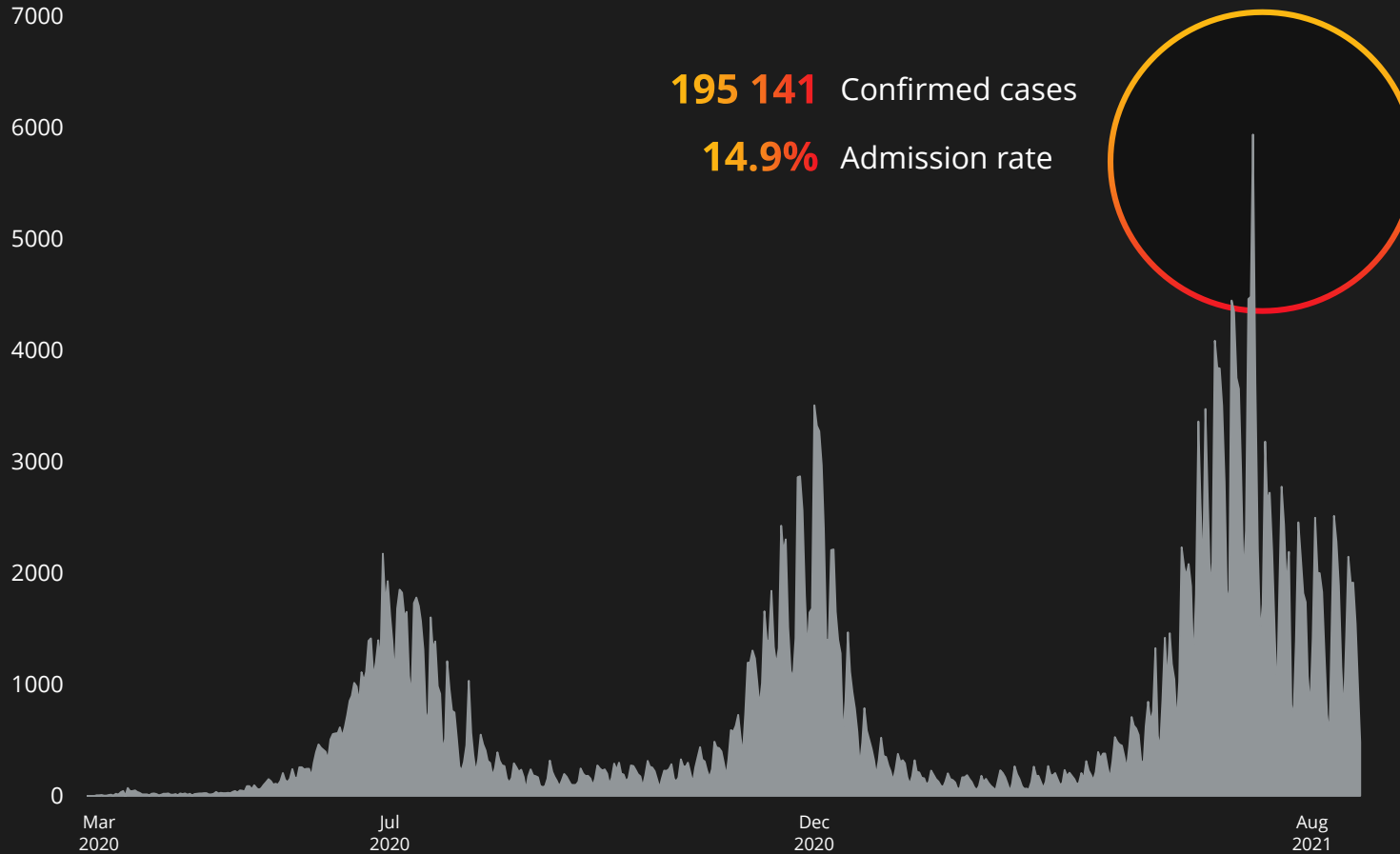


Emergence of "long-COVID" and long-term health implications of non-seeking healthcare behaviour

Progression of the COVID-19 pandemic

DHMS daily new infections

195 141 Confirmed cases
14.9% Admission rate



3rd wave insights



Different wave trajectory to other pandemics (eg. 1912 Spanish Flu). Third wave more severe than first and second wave



Surge in infections driven by Delta variant - 30% - 60% more transmissible than the Beta variant



Surge in infections driven by Gauteng. Provinces which had higher infection rates in second wave were less affected due to persisting immunity



Focus on widespread vaccination to reduce mortality rates, spread and severity of the third wave



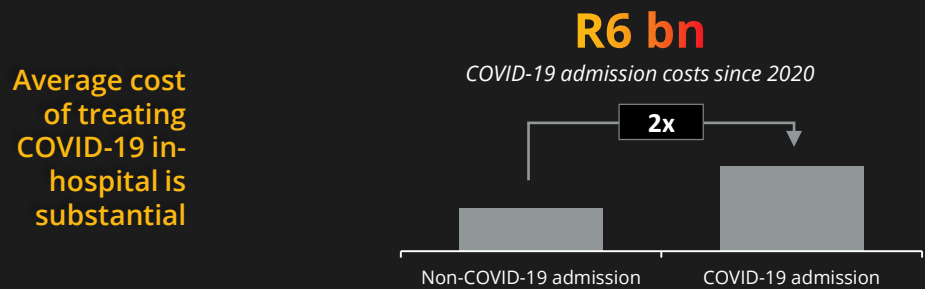
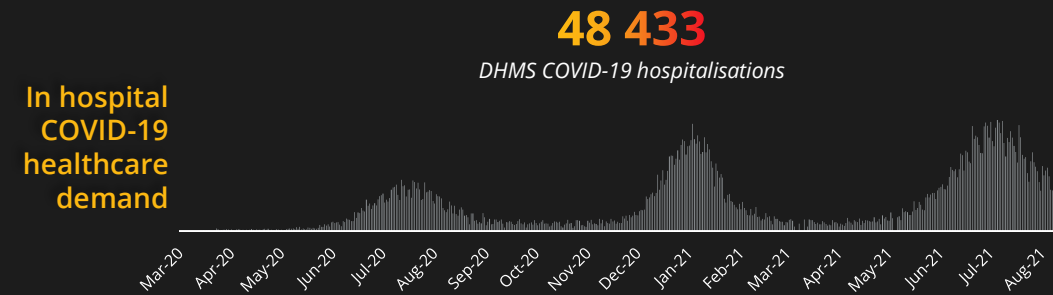
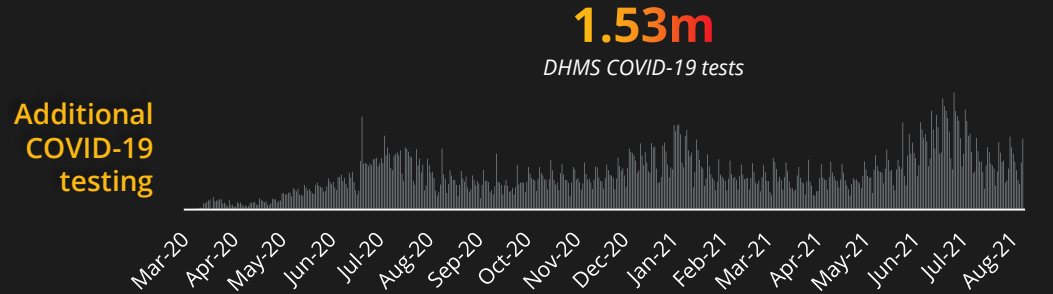
Healthcare workers were prioritised for vaccination resulting in reduced infection and admission rates alleviating the pressure on healthcare system



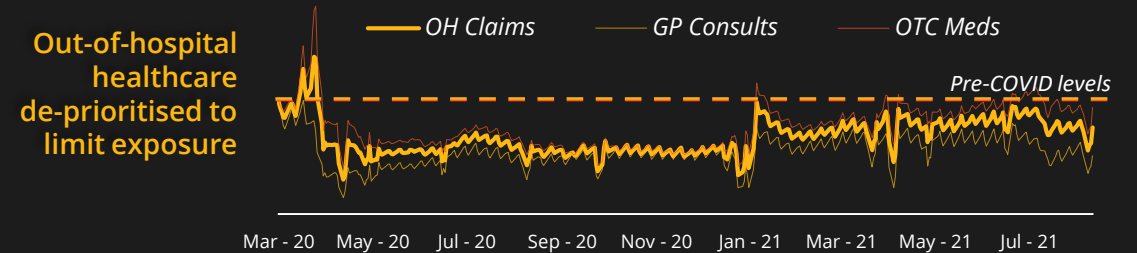
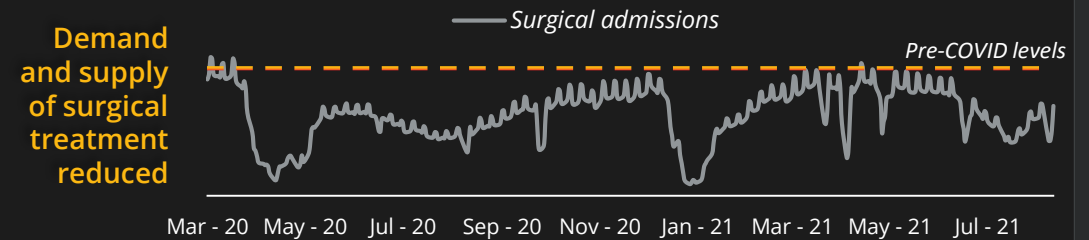
Widespread vaccination with 18.7% of the DHMS population having had at least one vaccine off-setting the impact of the infectious nature Delta variant

How members have used healthcare during COVID-19

2020/21 saw the prioritisation of COVID-19 healthcare to manage the peaks of the pandemic



Resulting in a de-prioritisation of non-COVID-19 healthcare



Health-seeking behaviour depressed during hard lockdown

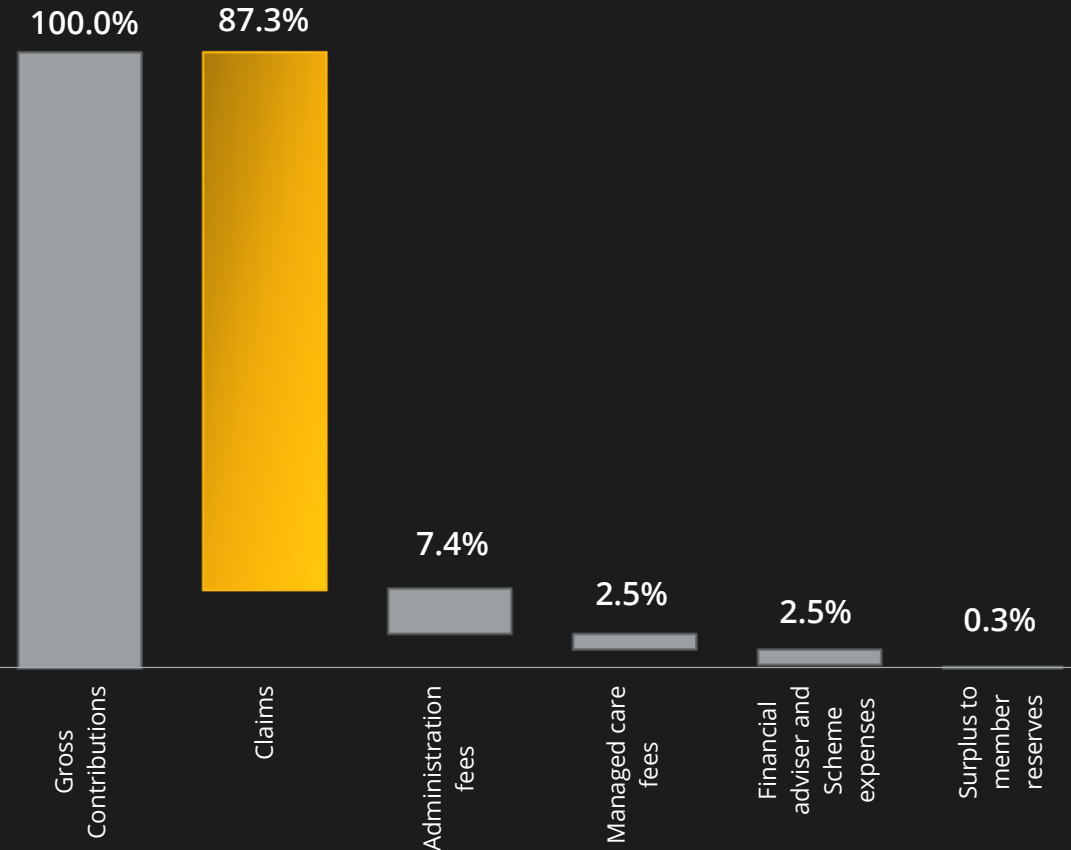
Depression registrations
-20%

Breast cancer screening
-55%

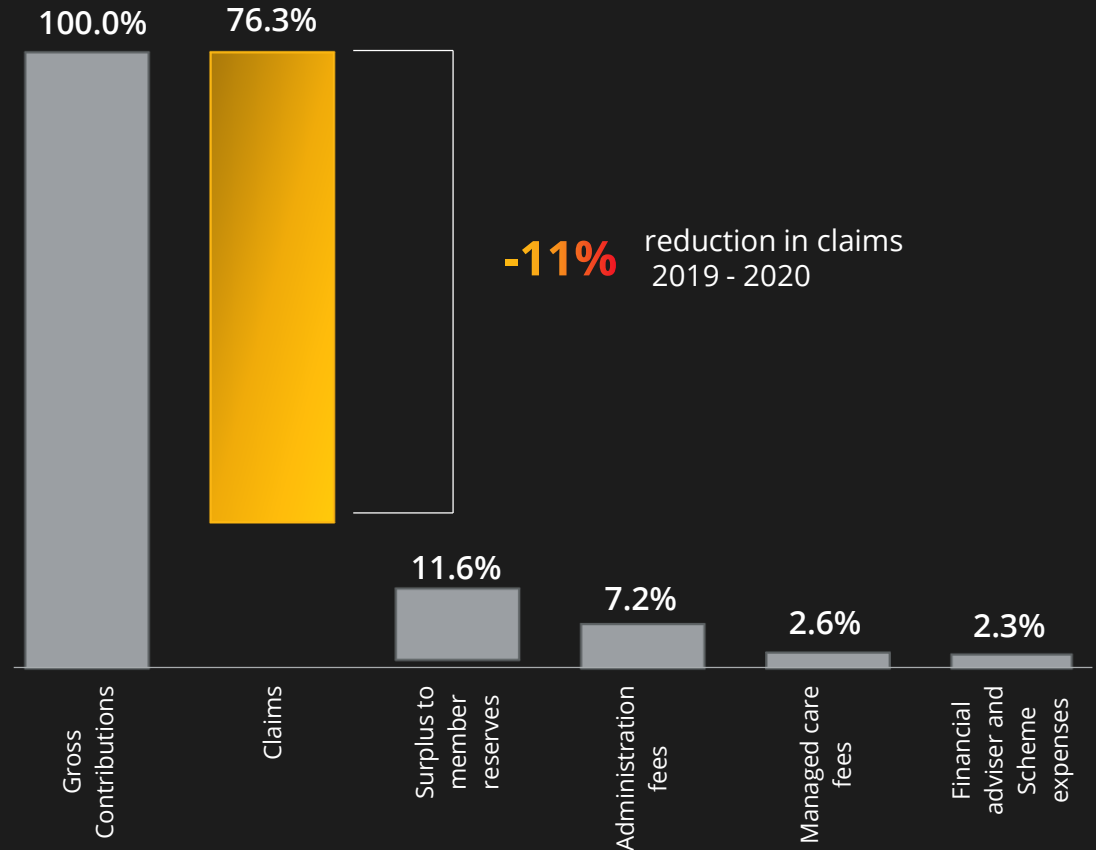
Diabetes management (HBA1C)
-27%

Net DHMS claims expenditure was 11% lower in 2020 due to reduction in health-seeking behavior

DHMS expense breakdown (2019)



DHMS expense breakdown (2020)



video

Protecting and supporting our members during COVID-19

Protecting our members



Adapting to changing healthcare environment



Supporting through financial relief initiatives

Ensure members and employers stay informed and protected

Screening for COVID-19

Discovery Risk Assessment



Discovery call centre support



COVID-19 Resilience Index



Clinical and analytic insights to inform and protect members

COVID-19 information hub



Employer Zone



Guarantee access to high-quality healthcare

First to market COVID-19 benefits

GP initiated virtual consults



WHO Global Outbreak benefit



Oximeter benefit

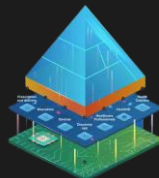


Discovery Vaccination Network



Benefits to support changing healthcare needs in 2020 and beyond

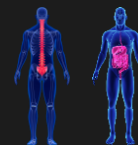
Discovery Connected Care



Mental wellbeing enhancements



Improving health outcomes



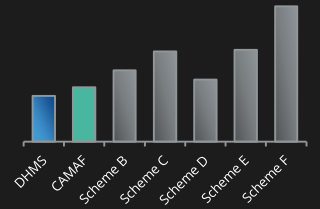
Support members to navigate the financial strain of COVID-19

Unique DHMS Contribution Freeze

R2.2bn

worth of contribution saved for DHMS members

2021 Contribution increases (weighted average)



Contribution relief initiatives for members and employers

Member contribution support

15 000

Members with up to 3 months contribution relief via MSA

COVID-19 concessions

R206m

deferred contributions for SMEs

First to launch COVID-19 WHO Global outbreak benefit

RISK ASSESSMENT & SCREENING

Discovery App



Discovery website

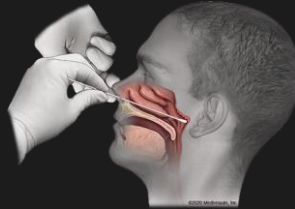


Discovery call centre



1

TESTING



2 PCR tests and antigen testing

4 PCR tests per healthcare professional per year

3

4

ISOLATION



Up to 60%
discount at
certain hotel groups

5

6

SCREENING

Face-to-face consultation

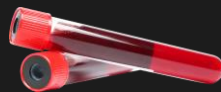


Virtual consultation



OUT-OF-HOSPITAL TREATMENT

Pathology



X-rays and scans



Medicine



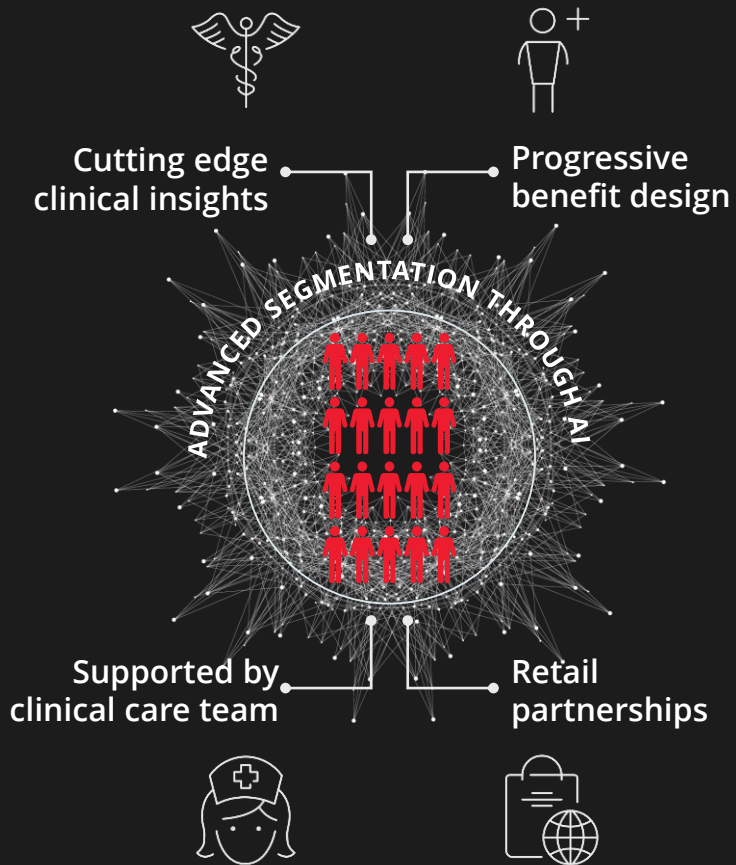
HIGH RISK MANAGEMENT



Funding of pulse oximeters and consultations for monitoring and tracking for at-risk members

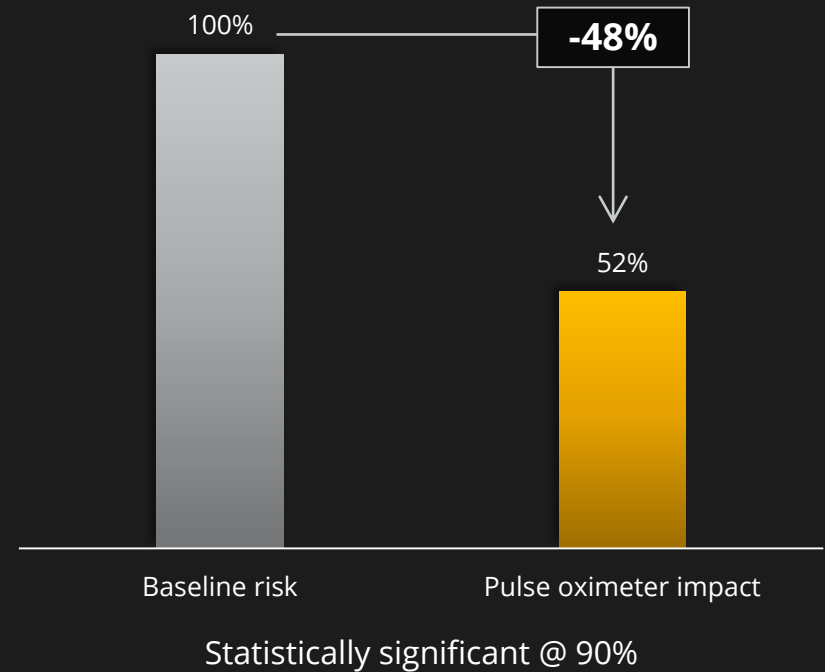
Savings lives by identifying high-risk members and caring for them at home

Using data to identify members at risk



Significant reduction in mortality

Pulse oximeter impact on mortality

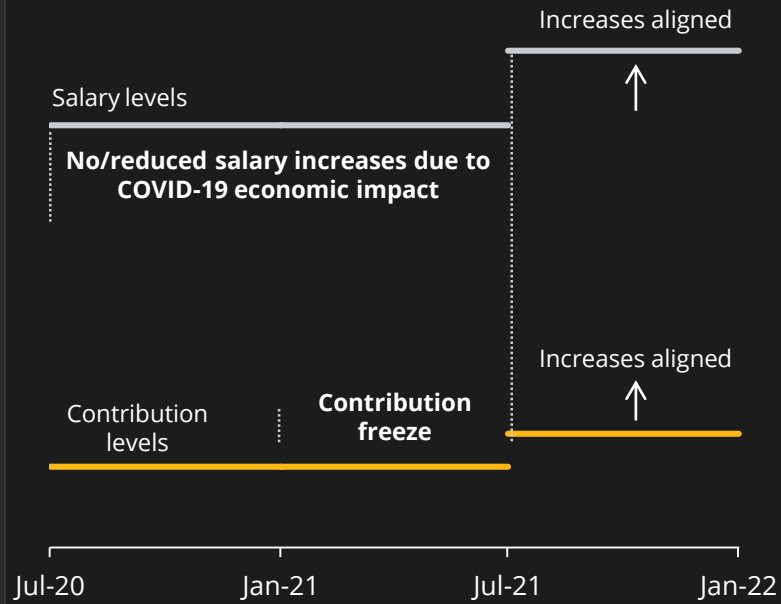


Impact of the 2021 Contribution Freeze for members

Maintains member affordability

-20%

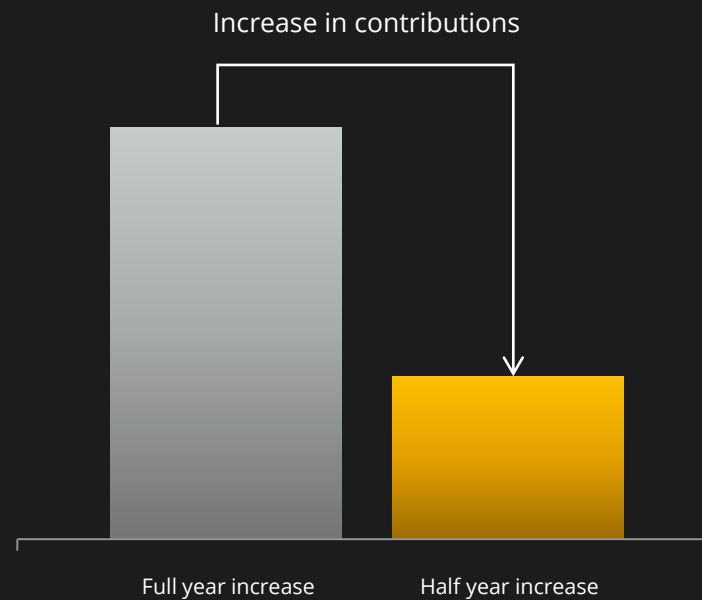
Reduction in salary increases in 2020



Financial relief for members

R2.2bn

worth of contribution savings for DHMS members



Enhanced value for 2021

2.95%

lowest weighted average increase felt by all medical scheme members in 2021



Preliminary Discovery Health vaccination data supports efficacy of vaccination against COVID-19

Early signs of lower infection rates after 1 dose of Pfizer

Relative COVID risk of infection

- Non-vaccinated
- Vaccinated

21% reduction in relative risk

70% reduction in relative risk

14-28 days after first dose

7+ days post dose 2

Improved reduction in relative risk 2nd dose of Pfizer

Relative COVID risk of admission

- Non-vaccinated
- Vaccinated

39% reduction in relative risk

77% reduction in relative risk

14-28 days after first dose

7+ days post dose 2

Post Pfizer dose population vs. non vaccinated based on negative test control study

Caring for members with complex and emergency healthcare needs

10 highest individual member claims paid in 12 months = **R 72 million**

R 13.2m	Age 75: <i>Respiratory infections, COVID-19 infection</i>
R 7.7m	Age 49: <i>Surgical procedures following multiple major injuries, COVID-19 infection</i>
R 7.5m	Age 47: <i>Long term use of a ventilator (cardiovascular)</i>
R 7.0m	Age 46: <i>Extensive burns with skin graft</i>
R 6.9m	Age 49: <i>Long term use of a ventilator (cardiovascular)</i>
R 6.2m	Age 35: <i>Long term use of a ventilator (cardiovascular)</i>
R 6.0m	Age 42: <i>Heart implant/devices procedure</i>
R 5.8m	Age 60: <i>COVID-19 infection infection</i>
R 5.8m	Age 0: <i>Surgical procedures in newborn babies</i>
R 5.6m	Age 0: <i>Long term use of a ventilator (cardiovascular)</i>



184 years

worth of contributions to fund the highest claim



4 687

individuals claimed over R500 000

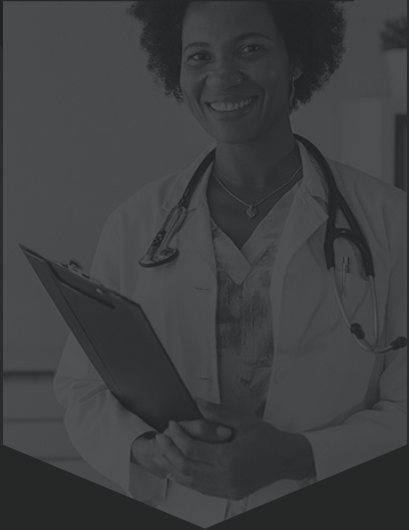


1 250

individuals claimed over R1 million

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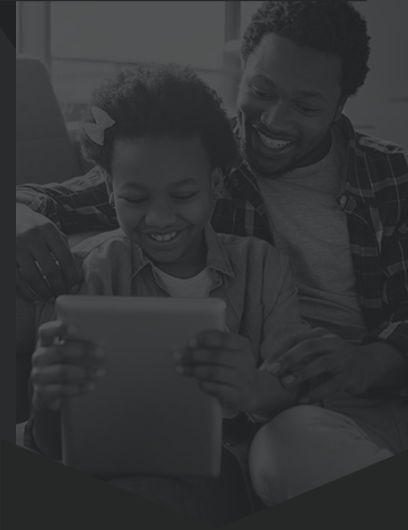
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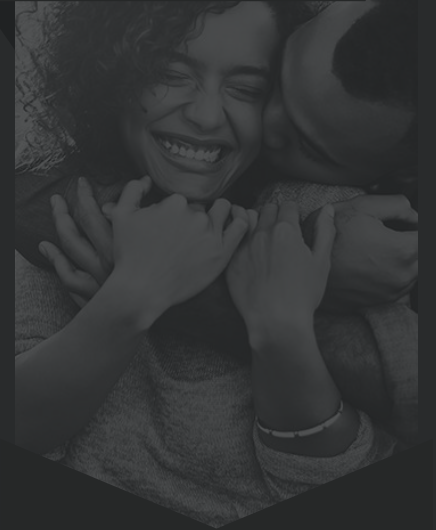
Driving greater value for members at the lowest possible cost

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Balancing growth whilst ensuring the long-term financial sustainability of the Scheme

BUILDING A BETTER HEALTHCARE SYSTEM FOR ALL



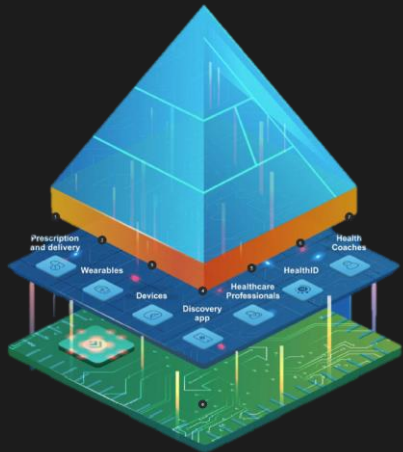
Strong focus on governance excellence, risk management and regulatory compliance

Innovation to deliver better healthcare for our members



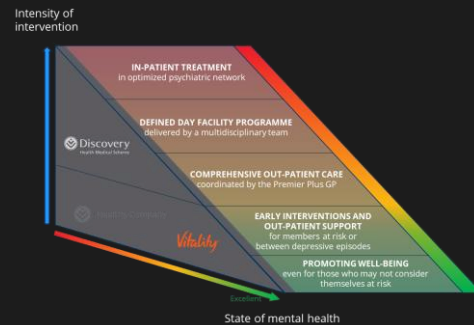
Discovery Connected Care

Enabling digital healthcare services leveraging platforms and big data



Enhanced Mental Wellbeing Programme

Enhanced support and benefit enhancements for mental wellbeing



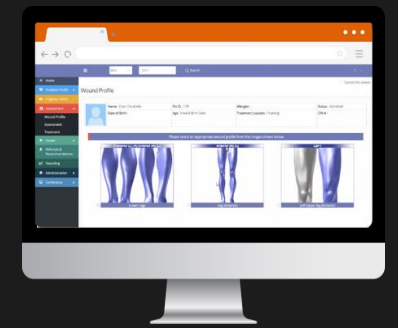
Enhanced Diabetes Care Programme

Improving outcomes for members living with diabetes



Improve quality of care for Discovery HomeCare

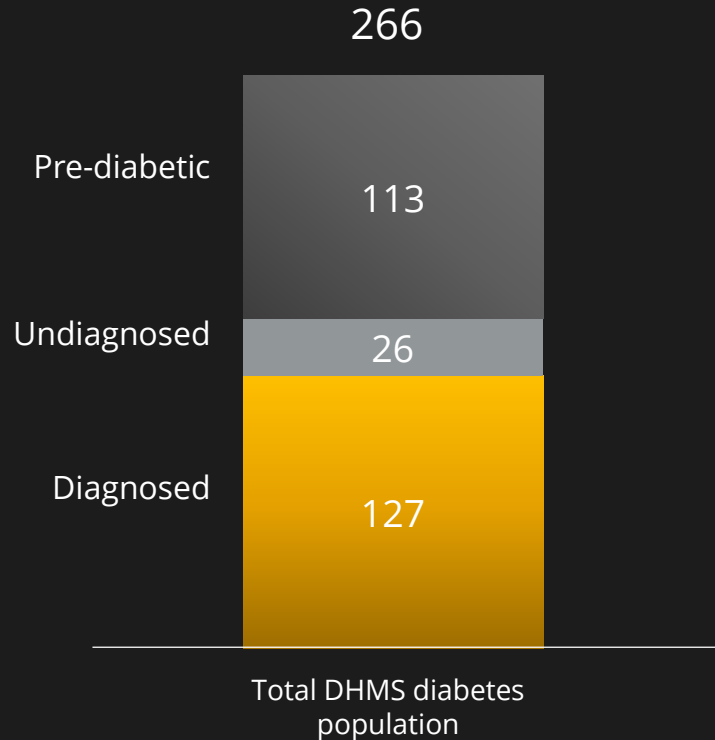
Digital application which heals patient wounds faster with best practice and consistent care



Increasing prevalence of Diabetes in the Discovery Health Medical Scheme

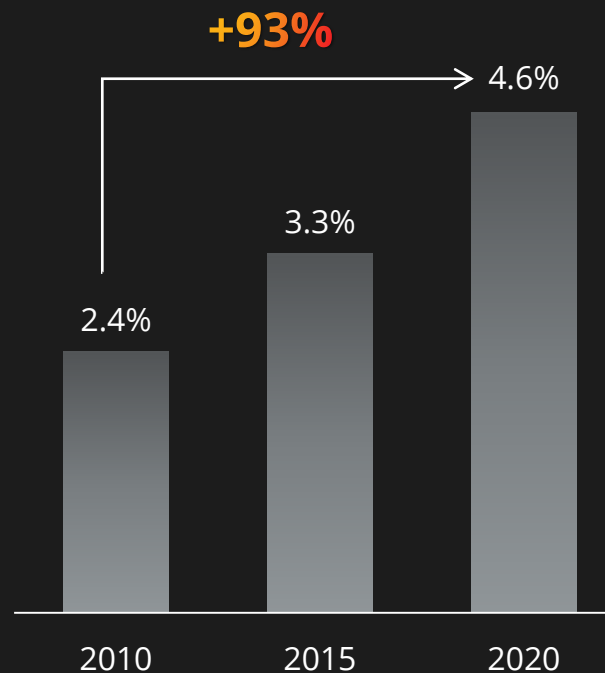
Significant pre-diabetic DHMS population

Total diabetic population landscape '000



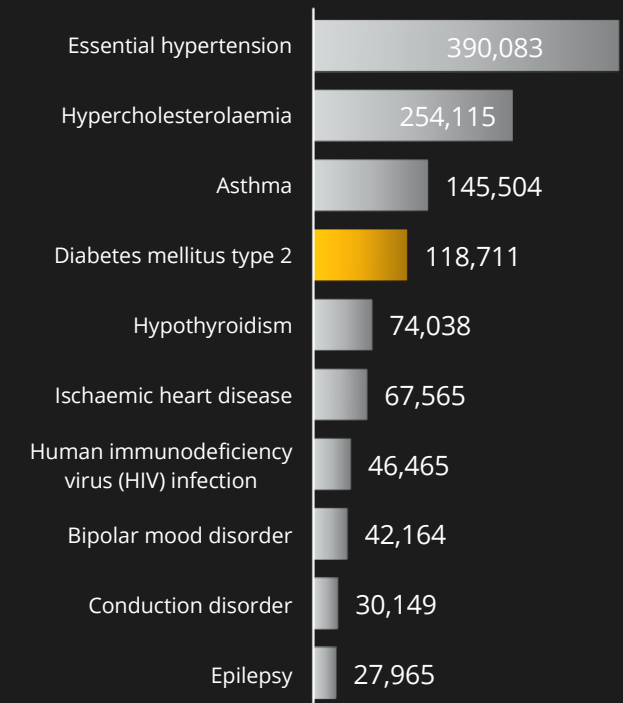
93% increase in prevalence since 2010

YOY diabetic member growth Prevalence (%)



Diabetes in the 4th most prevalent condition

Top 10 chronic conditions No. of members



Providing a holistic response to diabetes

Member focused

Care co-ordination by a primary treating doctor

Virtual and physical access

Access a multidisciplinary team of healthcare professionals

Diabetes-specific coaching and navigation

Diabetes specific condition management

Remote monitoring and care at home

Doctor / Coach focused

Premier Plus network (~2,000 GPs) DCC network (~100 providers)

Shared Value partnership with providers

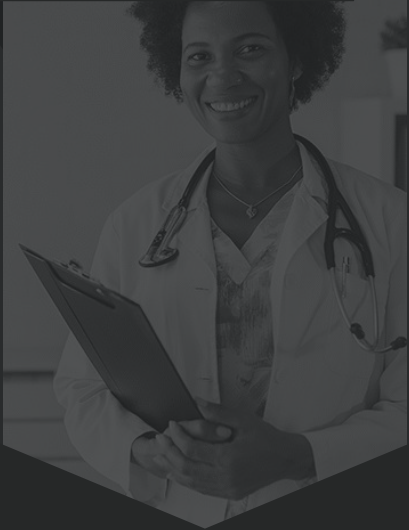
Patient | provider interface: Track patients' compliance

Patient | Coach interface: Remote monitoring and patient support

Virtual Consultation platform

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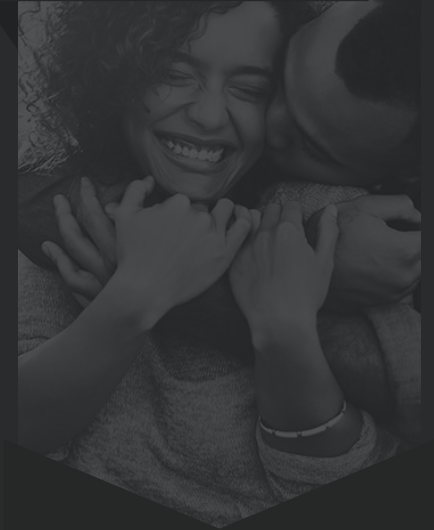
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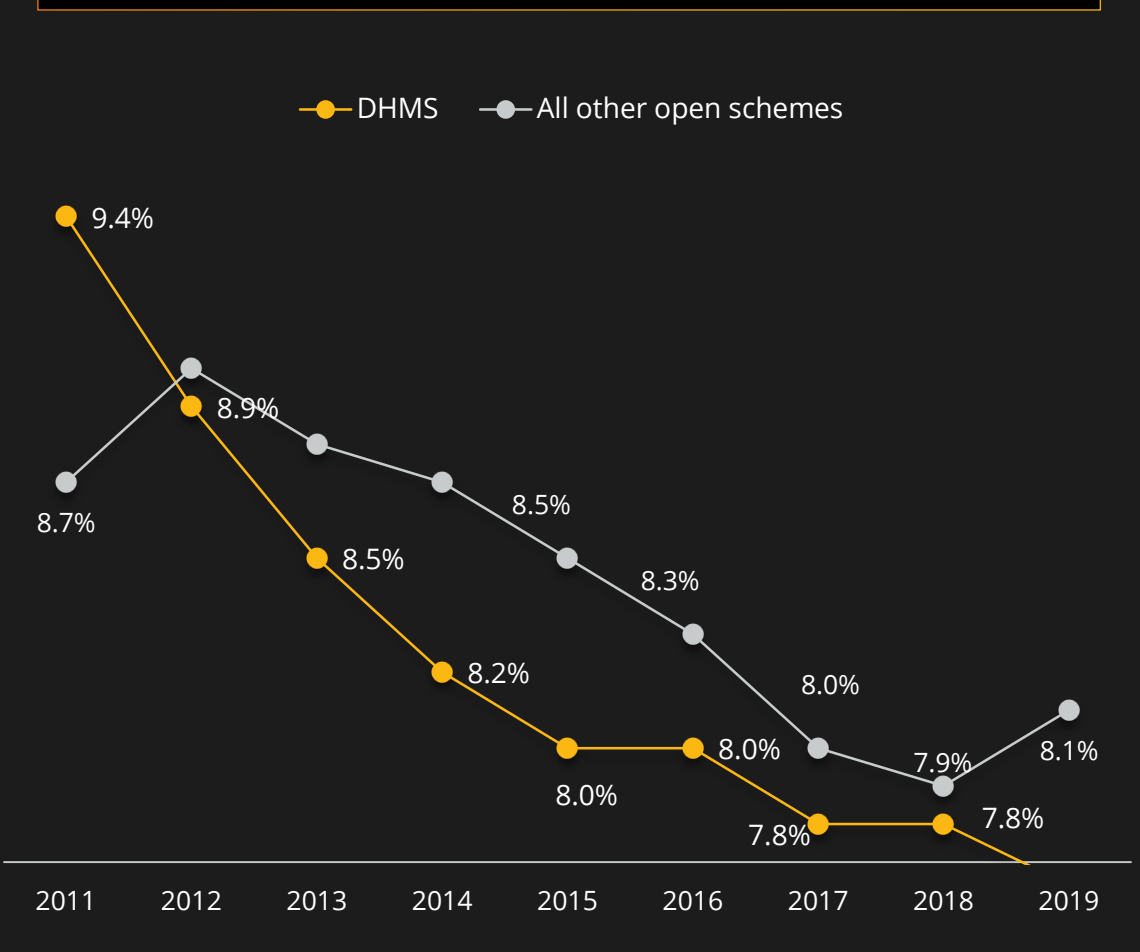
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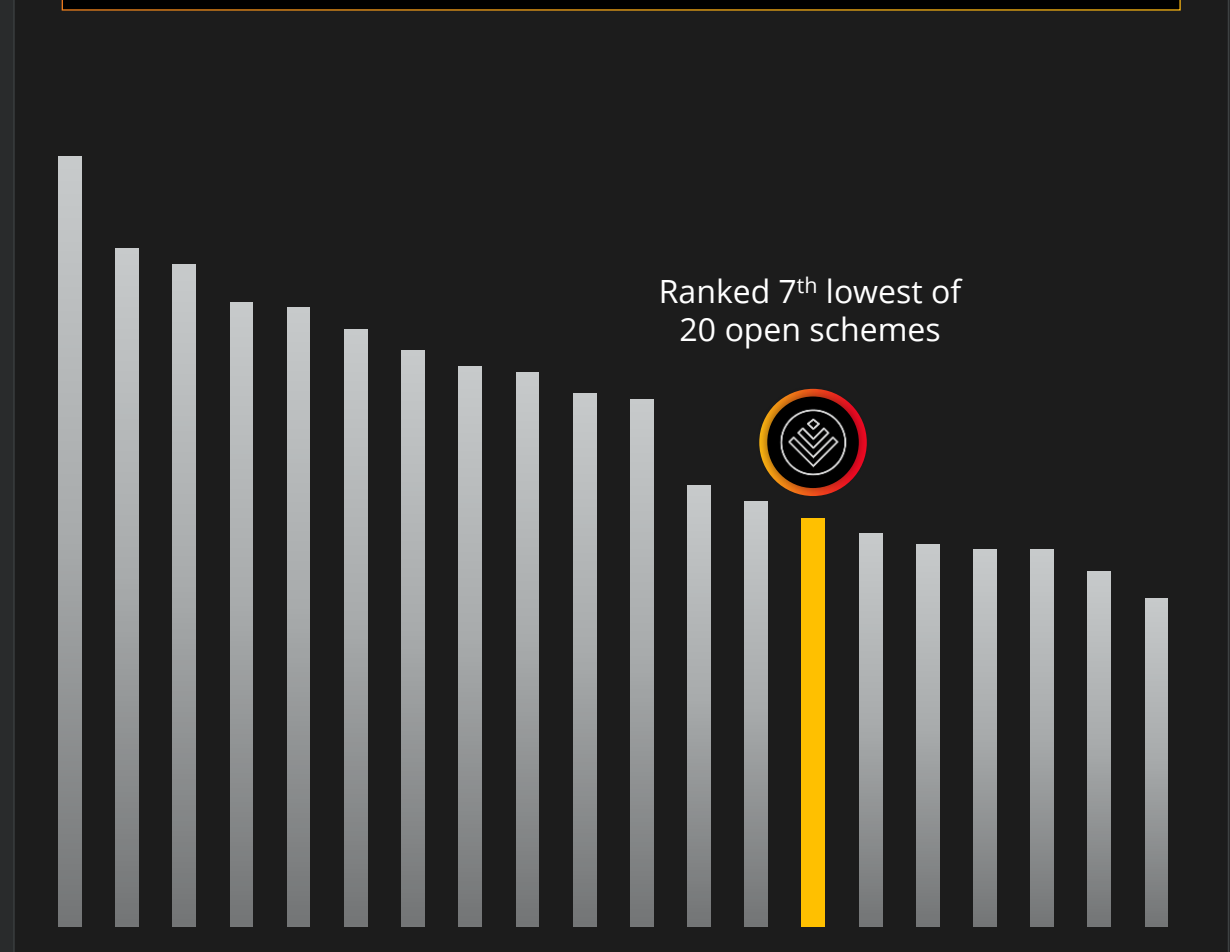
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Members benefit through continuously reducing administration expenditure that is among the lowest in the industry

Administration expenditure as % of gross contribution income (2011 – 2019)



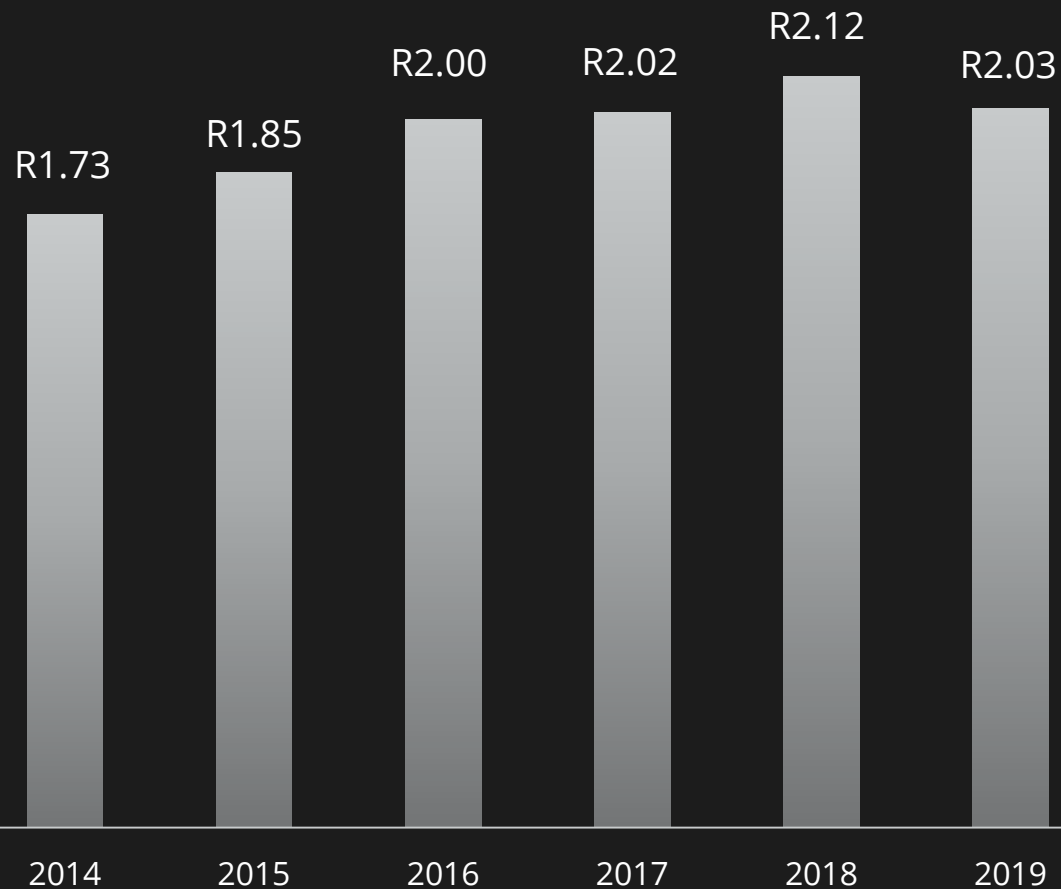
Administration expenditure as % of gross contribution income (2019)



Notes: The latest CMS report is for 2019
 The admin expenditure as % of GCI figure is a weighted average for all other open schemes
 The figure of 7.8% differs from the previous figure of 7.6% because it includes other operating expenses and net impairment losses
 Source: CMS Annual Report 2019-20

Our members receive outstanding value from Discovery Health

Value generated for DHMS members

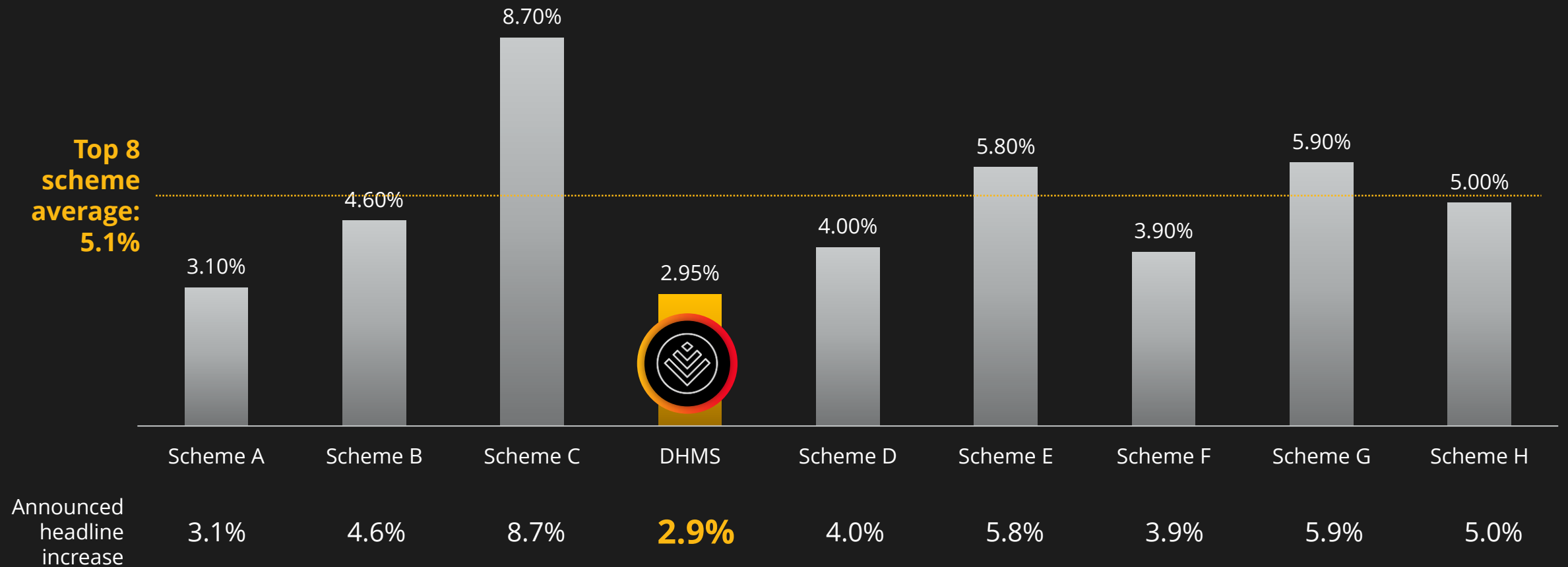


For every R1 spent
on managed care and
administration fees,
members of DHMS derived
R2.03 in value

Deloitte.
Reviewed by Deloitte

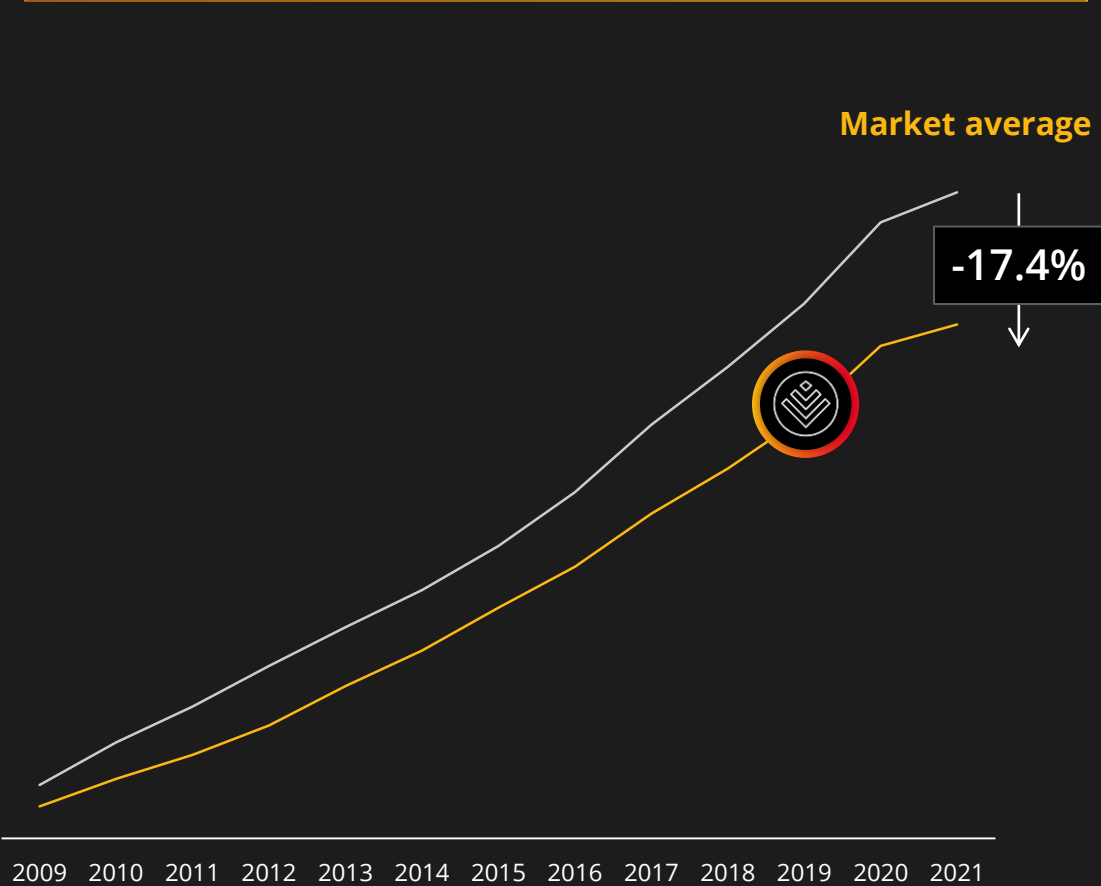
Members experienced a weighted average risk contribution increase of 2.9% for 2021

DHMS estimated weighted average risk contribution increase vs competitors (2021)

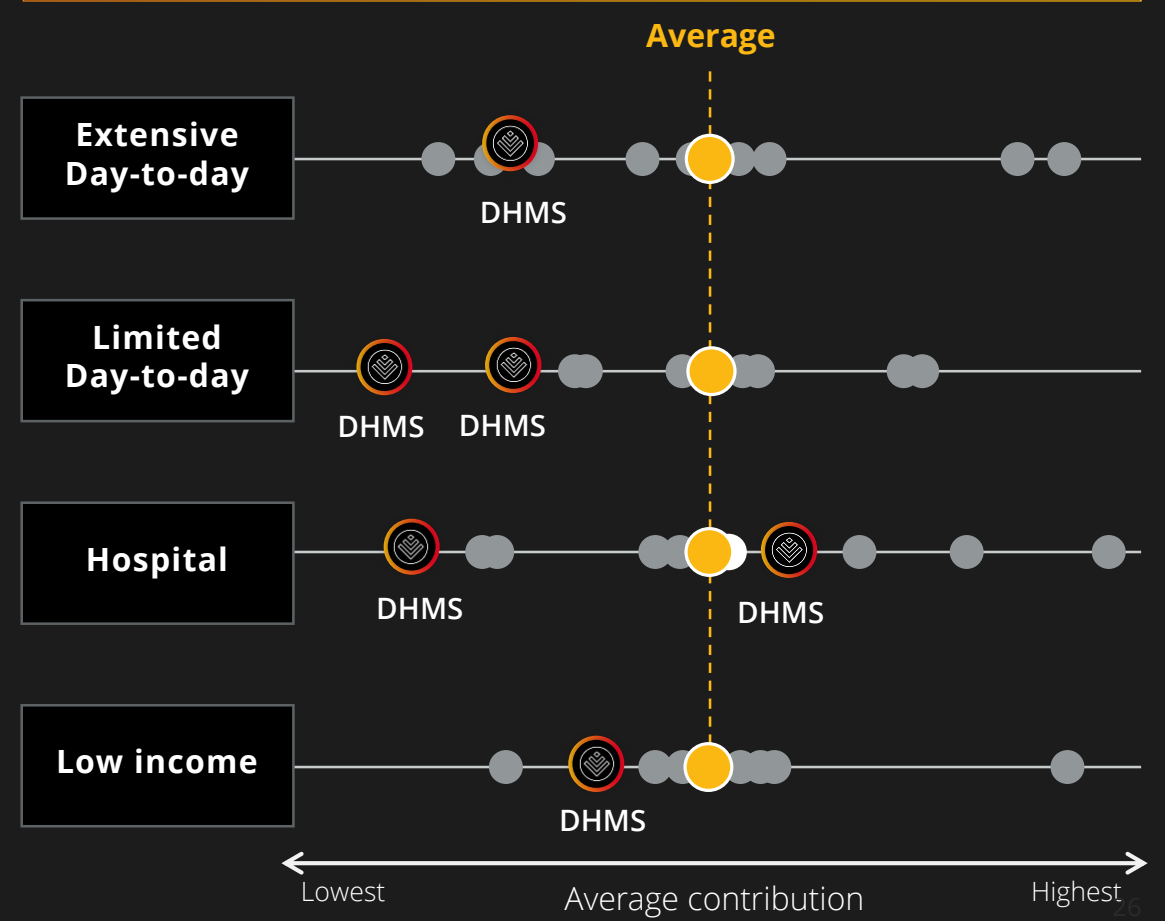


Contributions are competitively priced across all plan types, usually with superior benefits

DHMS relative contribution differential



Comparative affordability by plan type

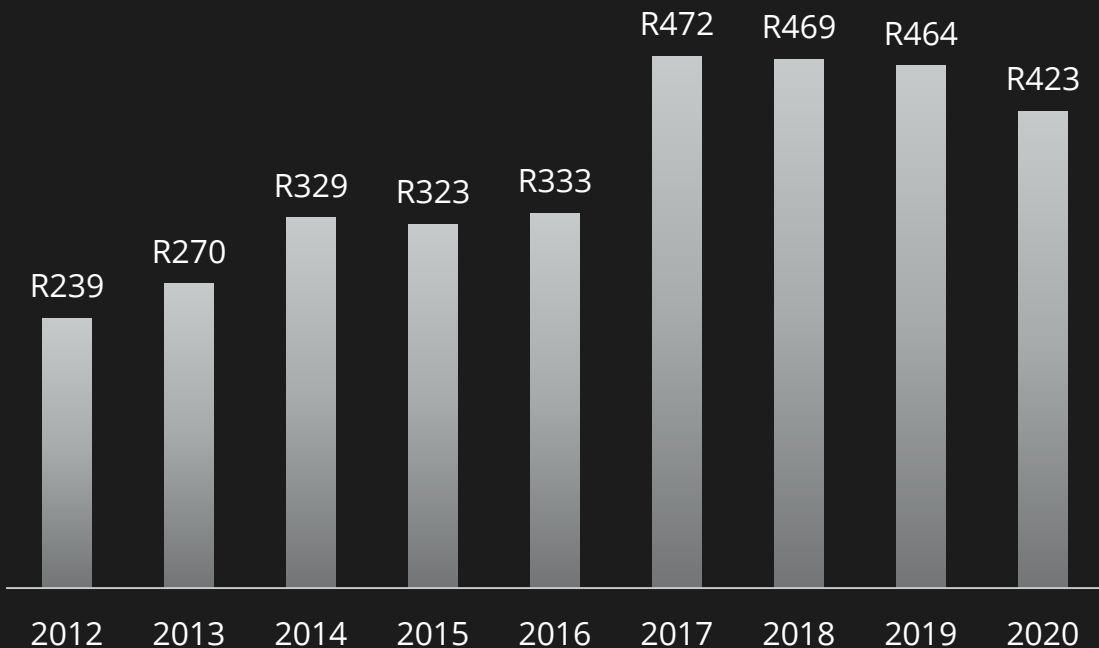


Sources: Published contributions for 2018 - 2021
 P + A + C = Principal member + Adult dependant + Child dependant
 Sizwe Medical Scheme excluded from analysis

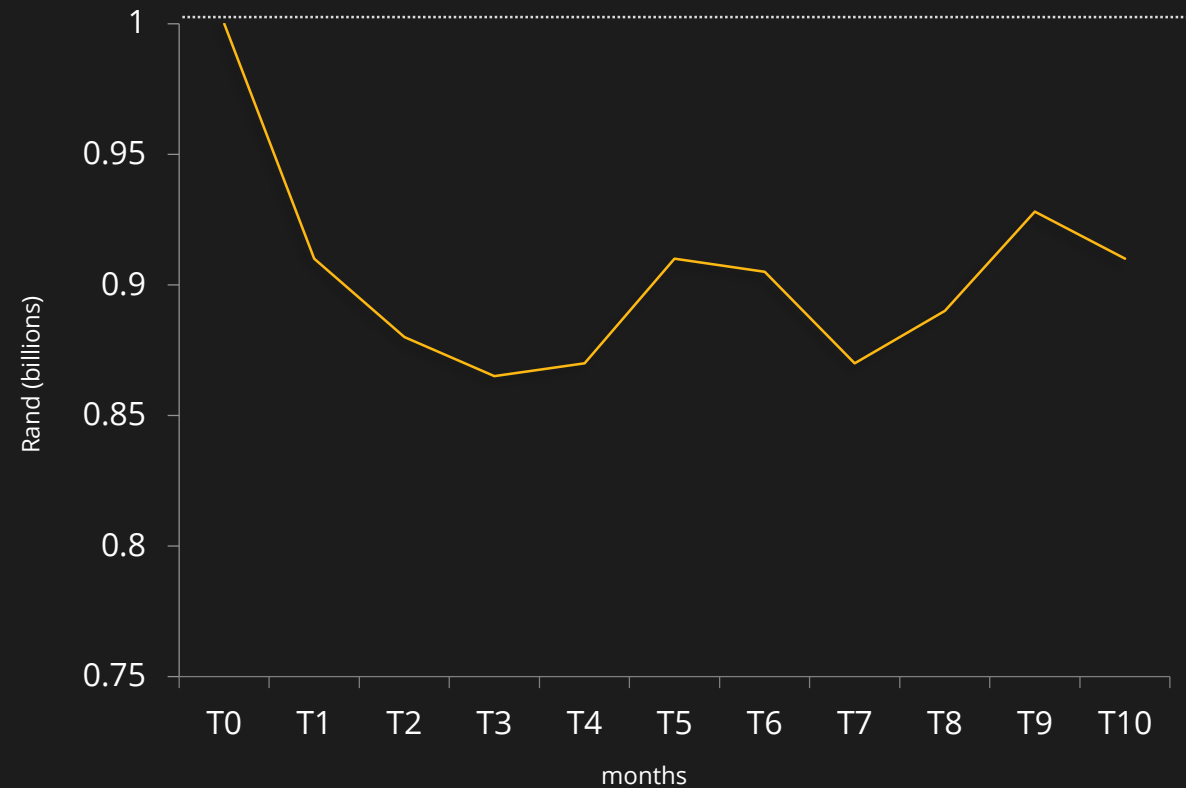
Discovery Health's internal fraud measures have saved the Scheme ~ R1bn per annum

Significant fraud savings and recoveries

Fraud savings and recoveries (Rm)



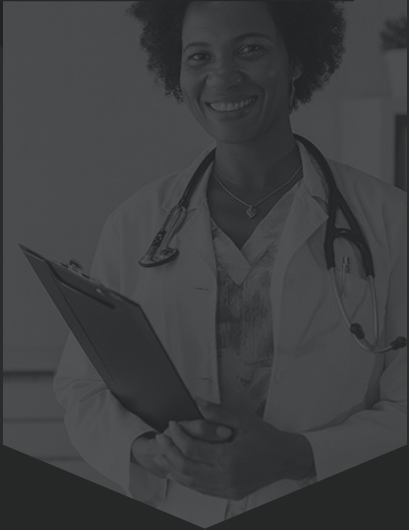
Cumulative halo effect of R14 billion (2012- April 2020)



Members benefit through a 1.0% lower contribution increase every year

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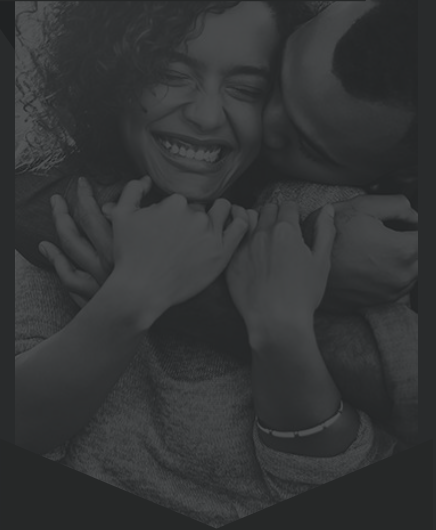
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2019 DHMS financial highlights: the Scheme is financially secure

Measure	2018 (R million)	2019 (R million)	% change pampm ¹
Gross Contribution Income	64,649	69,855	8%
Less savings contribution income	(11,820)	(12,632)	7%
Net contribution income	52,829	57,222	8%
Relevant healthcare expenditure ²	(46,719)	(50,199)	7%
Gross healthcare result (contributions – claims)	6,110	7,023	15%
Broker service fees	(1,314)	(1,444)	10%
Expenses for administration	(4,876)	(5,156)	6%
Other operating expenses	(273)	(286)	0,1%
Net healthcare result (contributions – claims – expenses)	(352)	135	-138%
Net investment and other income ³	1,168	1,757	20%
Net surplus for the year (including investment income)	816	1,563	91%

¹Per average member per month

²Includes accredited managed healthcare fees

³Net investment income and other income (net gains on financial assets at fair value through profit or loss, and sundry income) less other expenses (expenses for asset management services rendered and interest paid)

2020 DHMS financial highlights: the Scheme is financially secure

Measure	2019 (R million)	2020 (R million)	% change pampm ¹
Gross Contribution Income	69,855	74,537	8%
Less savings contribution income	(12,632)	(13,294)	7%
Net contribution income	57,222	61,242	9%
Relevant healthcare expenditure ²	(50,199)	(46,656)	-6%
Gross healthcare result (contributions – claims)	7,023	14,586	111%
Broker service fees	(1,444)	(1,489)	5%
Expenses for administration	(5,156)	(5,389)	6%
Other operating expenses	(286)	(177)	-37%
Net healthcare result (contributions – claims – expenses)	135	7,450	5483%
Net investment and other income ³	1,757	1,920	11%
Net surplus for the year (including investment income)	1,563	9,006	485%

¹Per average member per month

²Includes accredited managed healthcare fees

³Net investment income and other income (net gains on financial assets at fair value through profit or loss, and sundry income) less other expenses (expenses for asset management services rendered and interest paid)

How do we ensure we are here for our members, tomorrow and into the future?

We measure key metrics for a sustainable medical scheme:



How do we ensure we are here for our members, tomorrow and into the future?

We measure key metrics for a sustainable medical scheme:

Growth and sustainability



Membership size

Greater risk pooling means **more predictable claims experience** and accuracy in pricing, leading to stable performance.



Membership growth

Continuous growth of young and healthy **beneficiaries improves risk pooling** and reflects attractiveness and competitiveness of the Scheme through cross-subsidisation principles.



Plan movements

Indicates **satisfaction**, stability in benefit design and appropriate pricing.



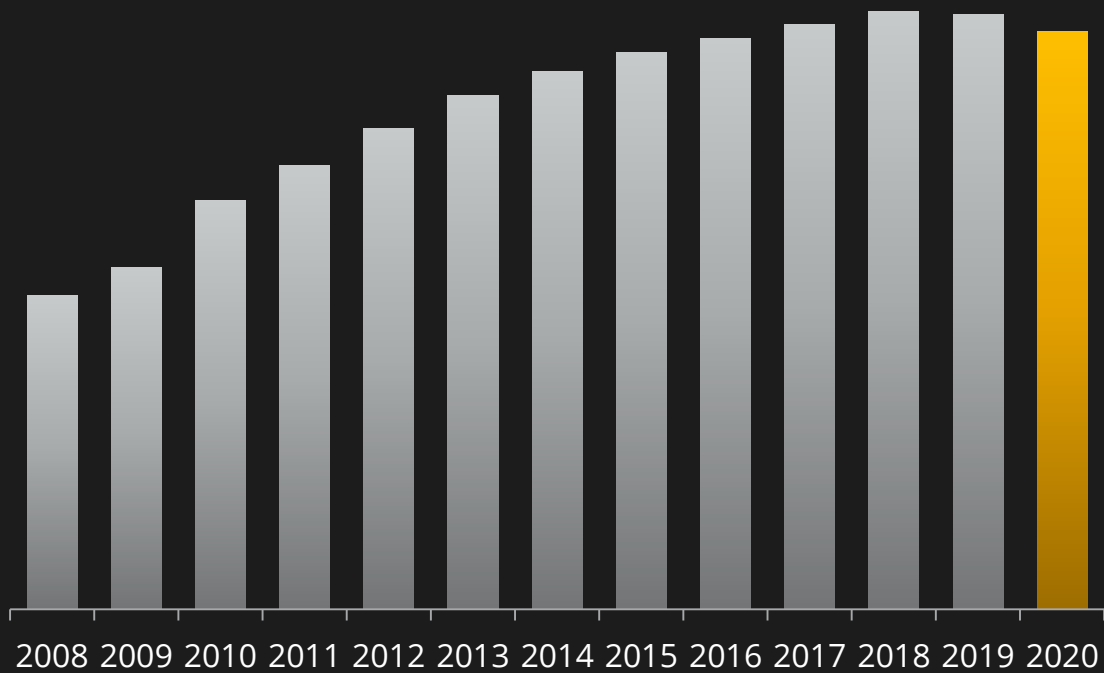
Contribution increases

Reflects **effective risk management** and **value proposition** to members.

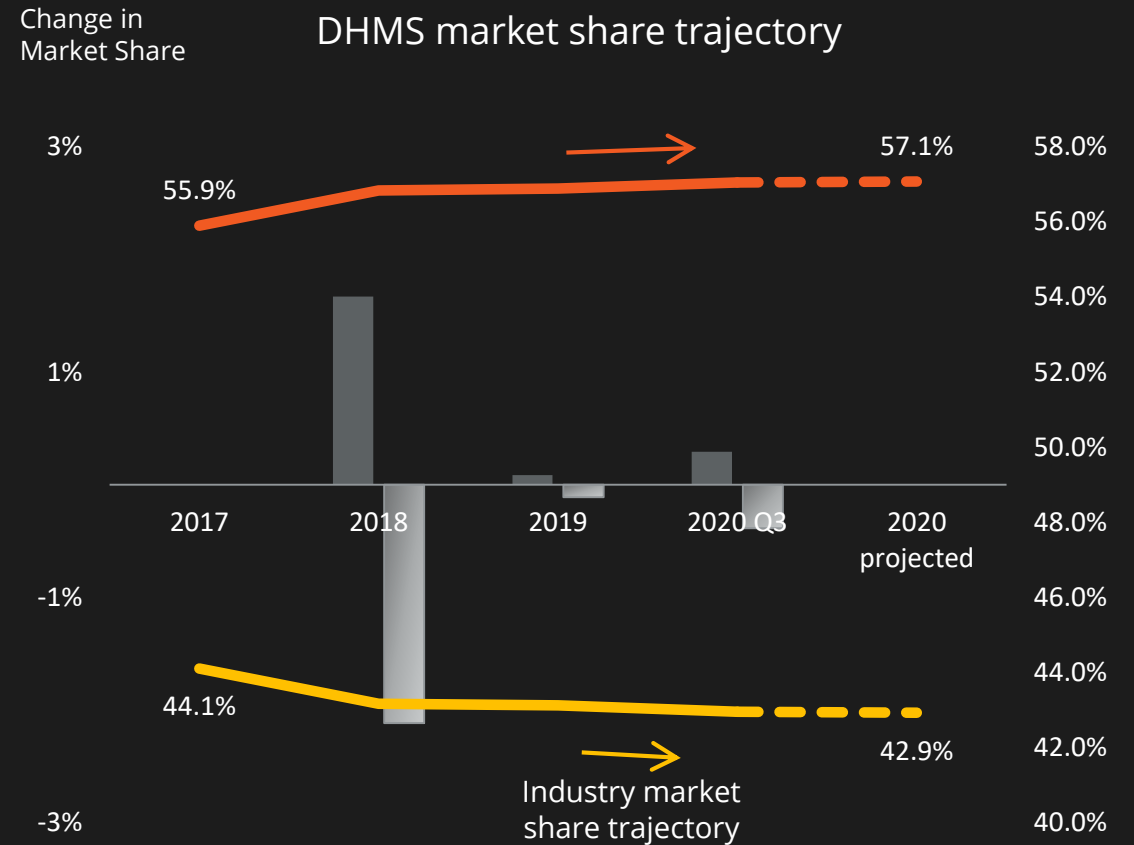
DHMS continues to gain market share through a challenging 2020 economic environment

Resilient DHMS membership base

2.76M
Beneficiaries
in 2020

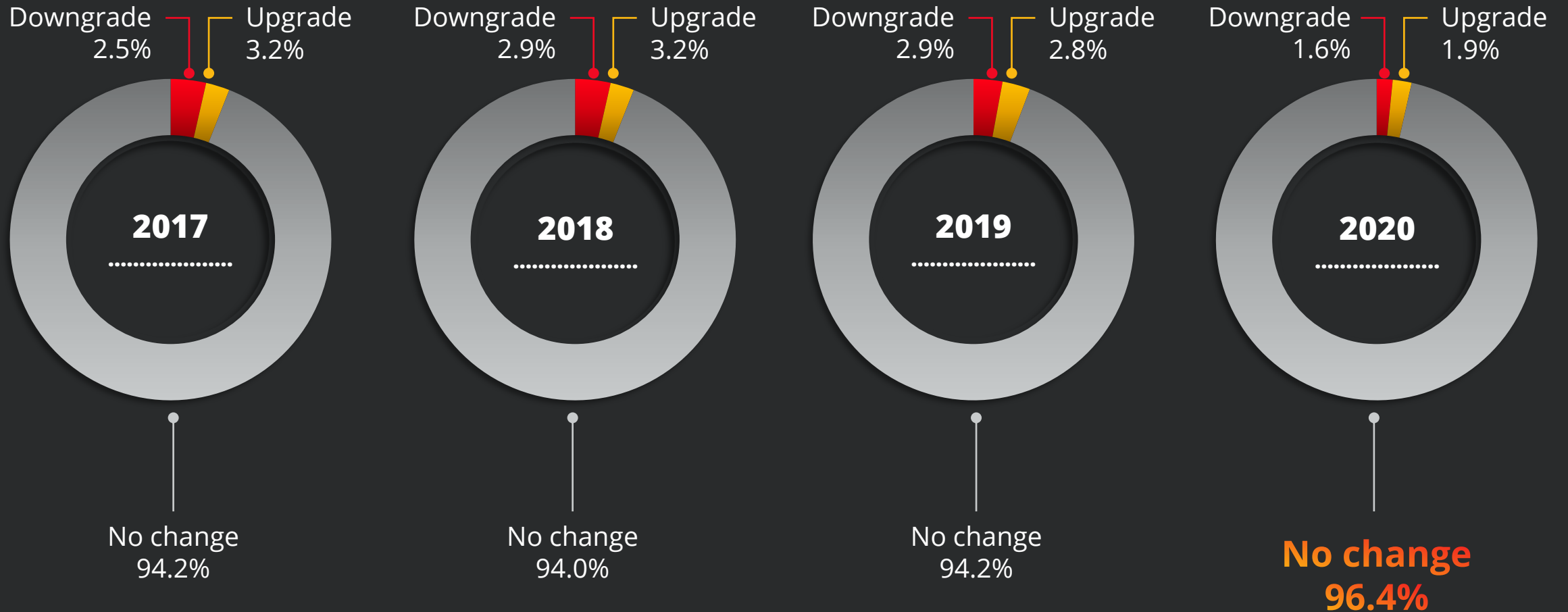


DHMS market share trajectory different to the rest of the industry



Consistent pattern of stable plan distribution

Stability in plan movements over time | 96% of members do not change plans



How do we ensure we are here for our members, tomorrow and into the future?

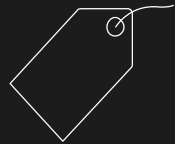
We measure key metrics of a sustainable medical scheme

Financial strength



Absolute reserves

Demonstrates ability to **meet large, unexpected claims variation.**



Pricing sufficiency

Surplus year-on-year reflects **contribution levels** that are in line with expected membership and claims.



Prudent investments

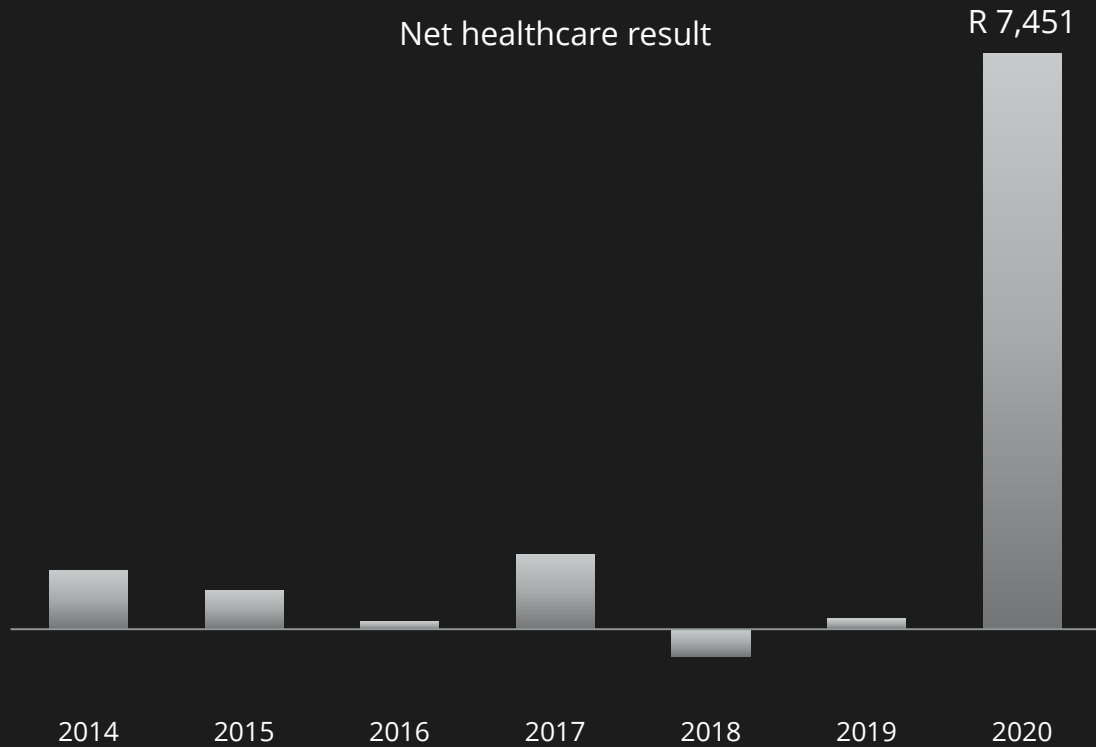
Ensuring that **investment returns** are maximised within an acceptable and conservative level of risk

DHMS is well-placed to manage healthcare utilisation uncertainty in 2021 and beyond

Favourable 2020 DHMS performance

R7.45bn DHMS net healthcare result 2020

Net healthcare result



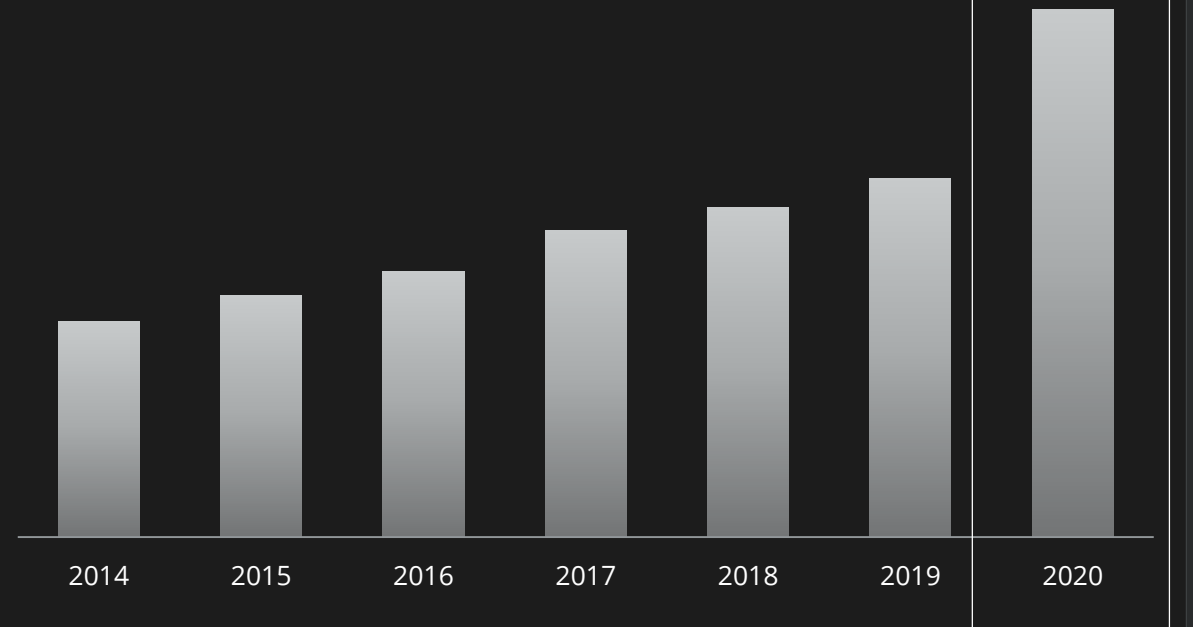
Strong security and surplus to manage utilisation volatility in 2021

AAA Credit rating

36.9% Solvency ratio

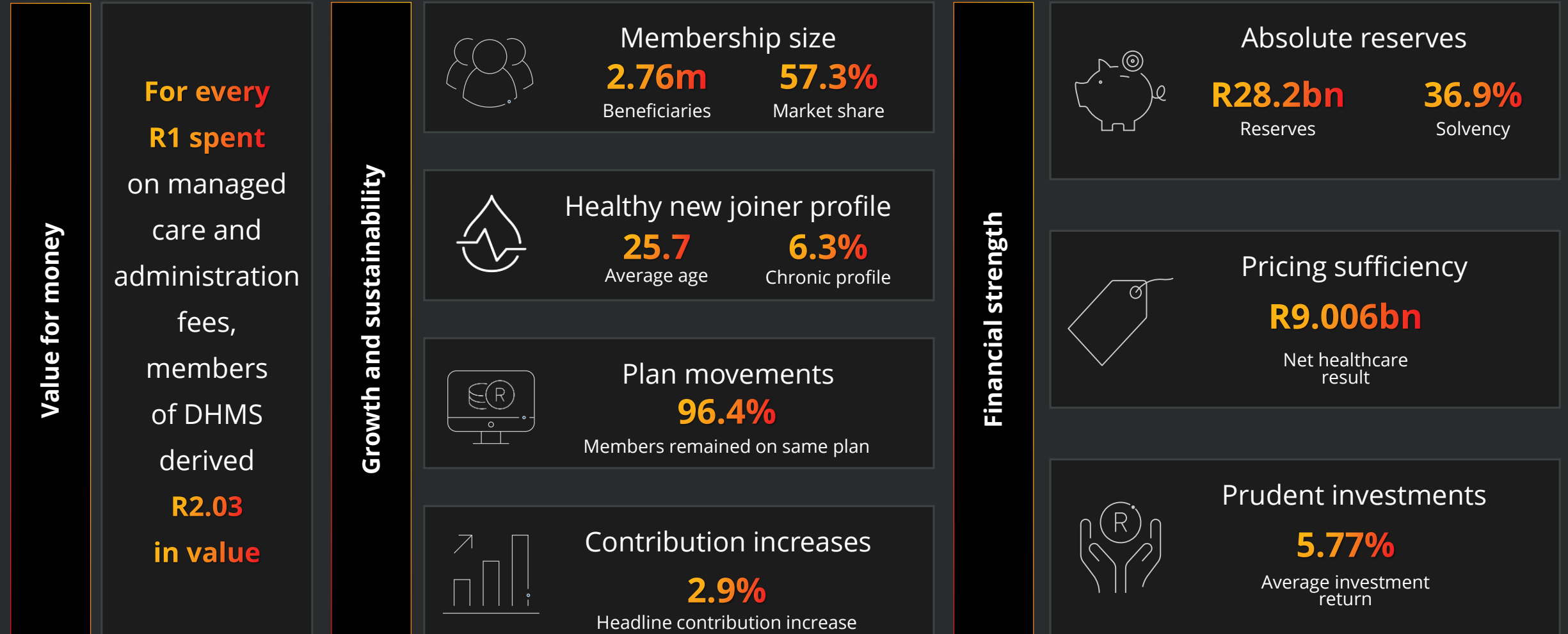
R28.2bn Reserves

Surplus build-up emerging due to COVID-19



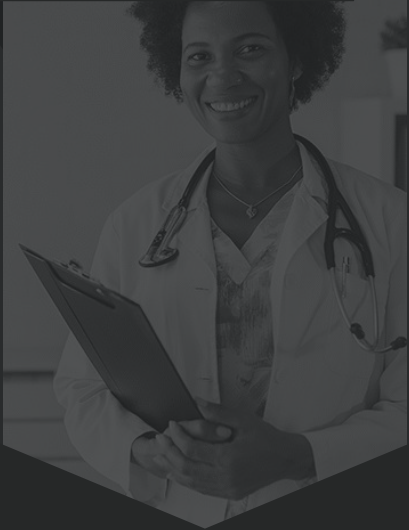
How do we ensure we are here for our members, tomorrow and into the future?

We measure key metrics for a sustainable medical scheme:



We exist for our members

MANAGING THE IMPACT OF COVID-19



Supporting our members during the COVID-19 pandemic

IMPROVING QUALITY OF CARE



Leveraging innovation to deliver the highest quality of care for our members

ENSURING THE BEST VALUE HEALTHCARE



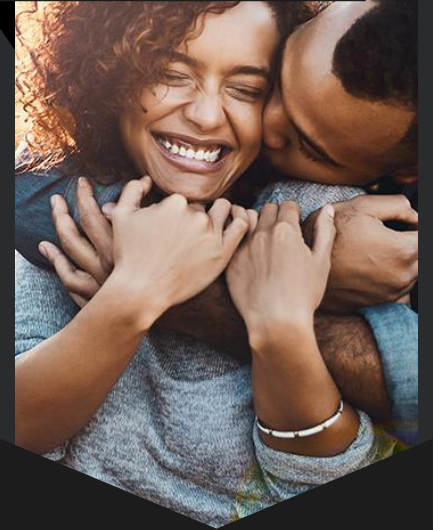
Driving greater cost-effective value for members

ENSURING SUSTAINABILITY & MEMBERSHIP GROWTH



Balancing growth whilst ensuring the long-term financial sustainability of the Scheme

BUILDING A BETTER HEALTHCARE SYSTEM FOR ALL

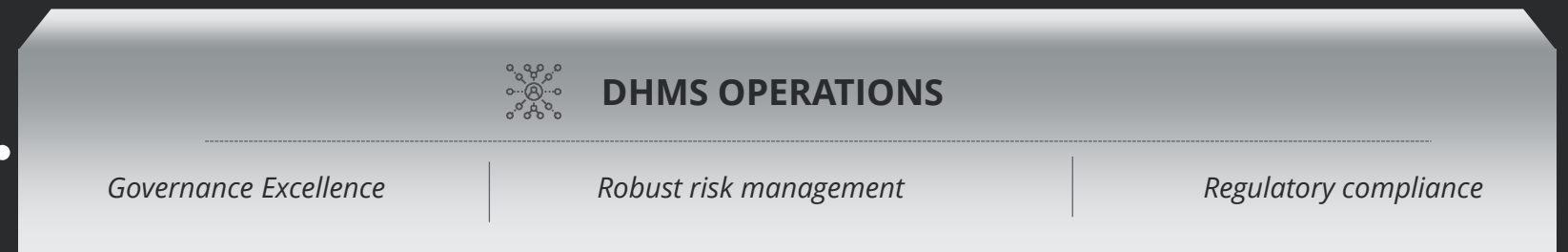


Strong focus on governance excellence, risk management and regulatory compliance



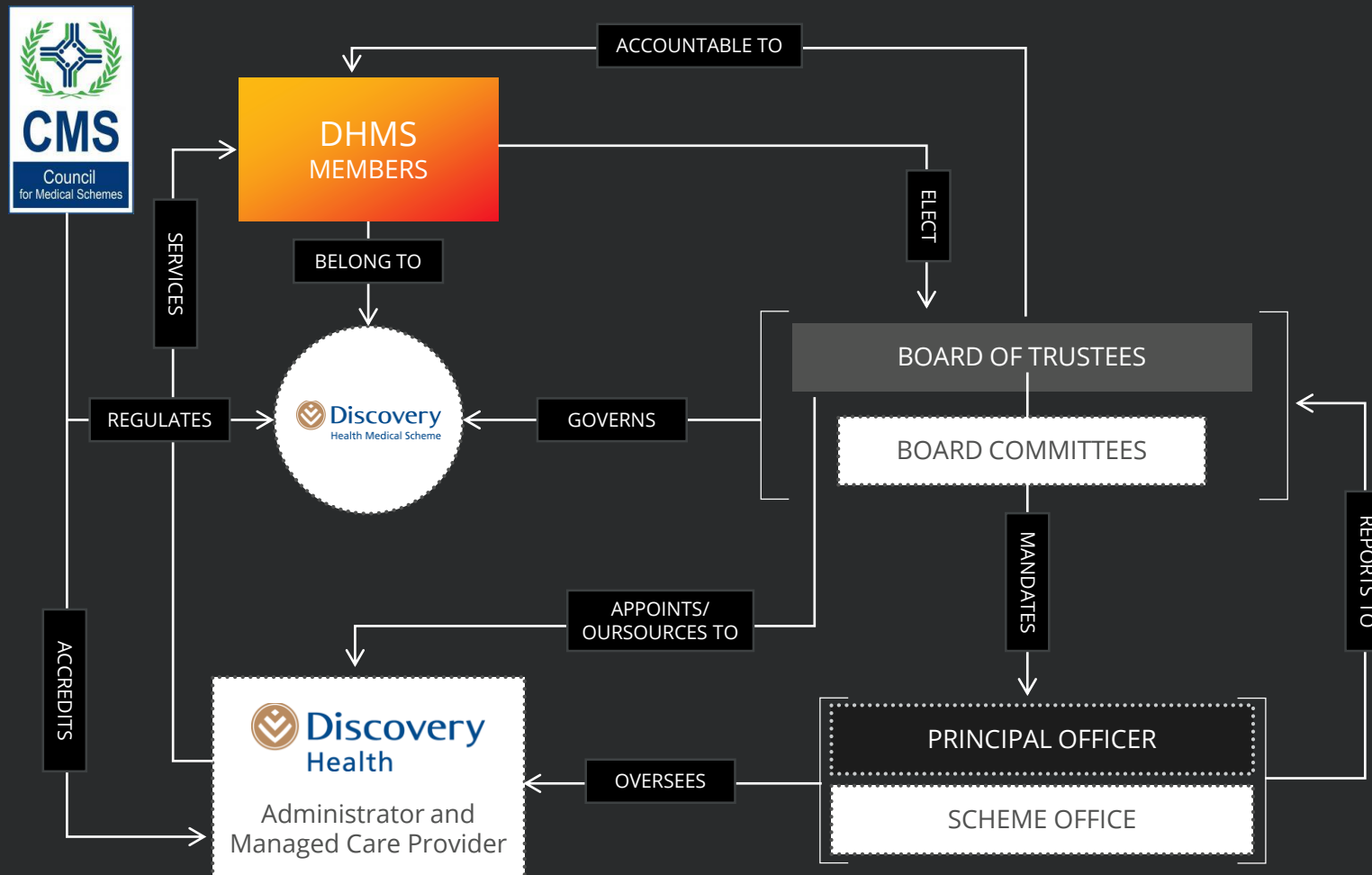
DHMS is conscious that it is part of the larger South African society, and acts in accordance with the principles of responsible corporate citizenship

*Essential underpinning to
conduct operations and
fulfil social obligations*

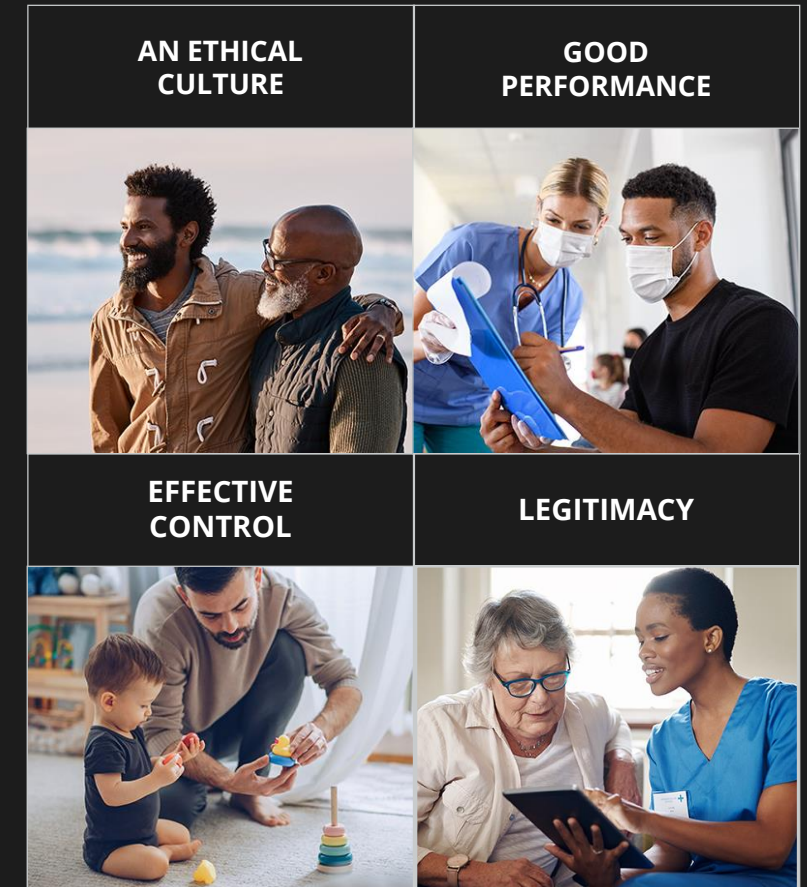


Strong, independent governance structures with majority member-elected Trustees

Our governance structures



To promote desired outcomes in accordance with King IV



DHMS is conscious that it is part of the larger South African society, and acts in accordance with the principles of responsible corporate citizenship

Ensuring Scheme sustainability through decisions based on sound values and ethics; ensuring inclusive engagement with stakeholders



SCHEME SUSTAINABILITY

Operational excellence

Quality of care

Adaptability

Resilience

Essential underpinning to conduct operations and fulfil social obligations



SCHEME OPERATIONS

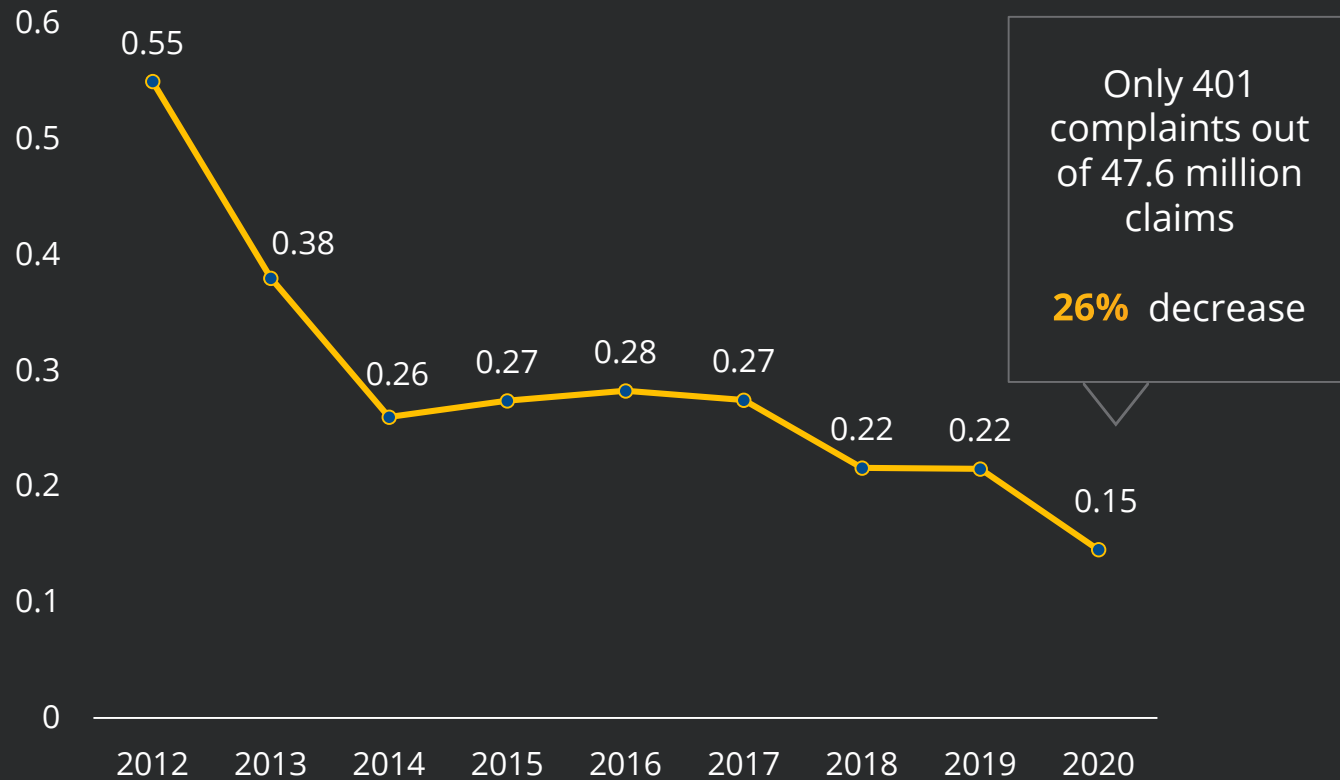
Governance Excellence

Robust risk management

Regulatory compliance

Ensuring Scheme sustainability and service levels through improving member satisfaction

Lower levels of CMS complaints



Consistently high stakeholder satisfaction

Member
Perception
Score



8.74
out of
10

Overall
Perception
Score



9.06
out of
10

DHMS is conscious that it is part of the larger South African society, and acts in accordance with the principles of responsible corporate citizenship



Ensuring Scheme sustainability for the benefit of members by contributing to the improvement and development of the South African healthcare system as a whole



BUILDING A BETTER HEALTHCARE SYSTEM FOR ALL

Industry participation

Regulatory engagement

Ensuring Scheme sustainability through decisions based on sound values and ethics; ensuring inclusive engagement with stakeholders



SCHEME SUSTAINABILITY

Operational excellence

Quality of care

Adaptability

Resilience

Essential underpinning to conduct operations and fulfil social obligations



SCHEME OPERATIONS

Governance Excellence

Robust risk management

Regulatory compliance

Supporting Health Market Inquiry recommendations



- Contributing to Health Quality Assessment to improve quality measures for the industry
- Through HFA, engaging with the Competition Commission to collaborate towards implementation of recommendations

Protecting members' funds



- Signatory to the FWA Industry Charter
- Contributing to the development of an industry code of conduct

Expanding access to healthcare



- Low Cost Benefit Options Framework
 - Ensuring access to primary care for currently uncovered population
 - More than 2.5 million people could afford this cover
 - Less than 40% of formal sector employees have access to their employer's medical scheme

DHMS fully support the principles of NHI

Discovery Health Medical Scheme fully supports the principles of NHI, and wants to be a part of the solution towards universal healthcare for South Africa



We propose certain key amendments to the bill in order to strengthen governance, improve clarity and enable the private healthcare system to co-exist in parallel while NHI evolves



This supports better levels of healthcare for the entire population



**FOR OUR
MEMBERS**

DISCOVERY HEALTH MEDICAL SCHEME | ANNUAL GENERAL MEETING

CHARLOTTE MBEWU | PRINCIPAL OFFICER





DHMS ANNUAL GENERAL MEETING

CEO Discovery Health | Dr Ryan Noach
August 2021





Review
of past
performance



Member support
throughout
COVID-19



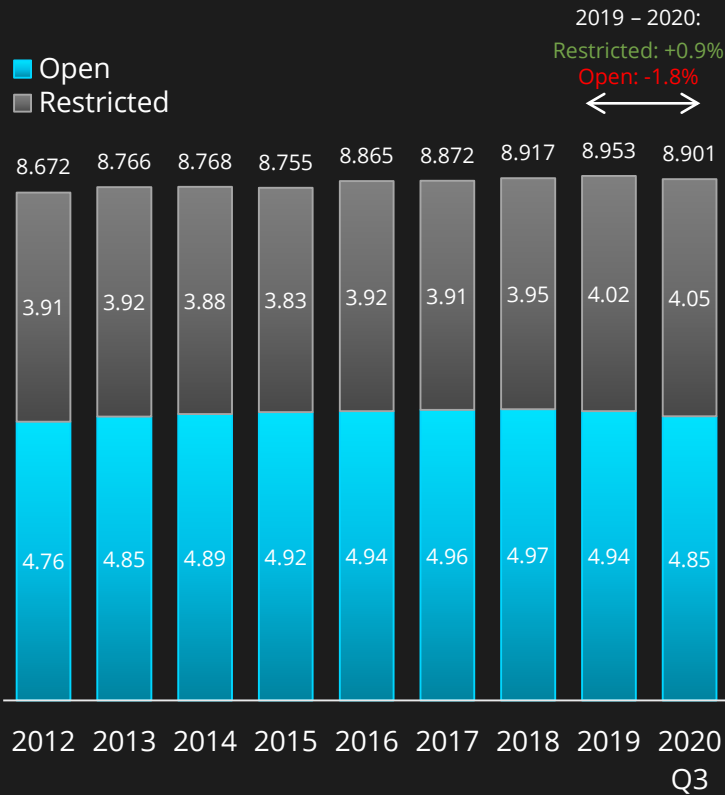
Trends impacting
healthcare in
2021 and beyond

Medical scheme industry performance is reflective of global healthcare trends



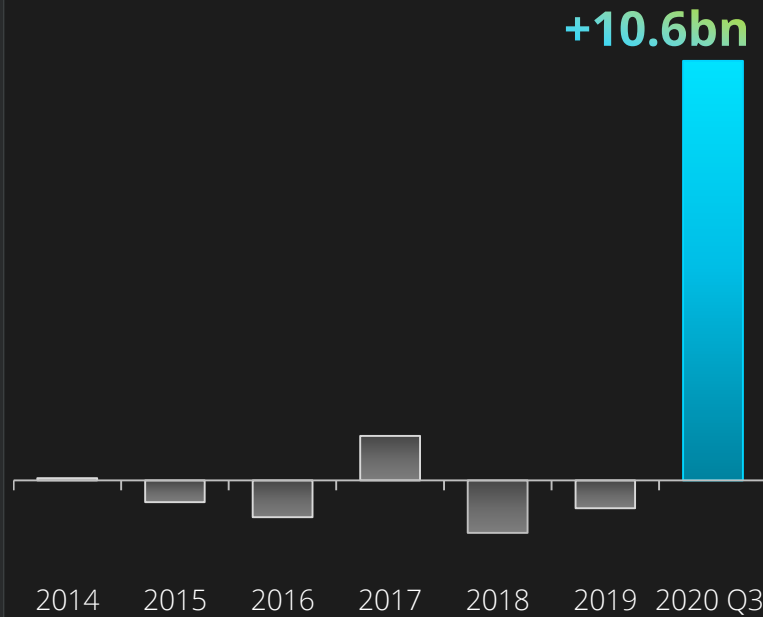
COVID-19 triggered medical scheme industry contraction

Medical scheme beneficiaries (million) (2012 – 2020)



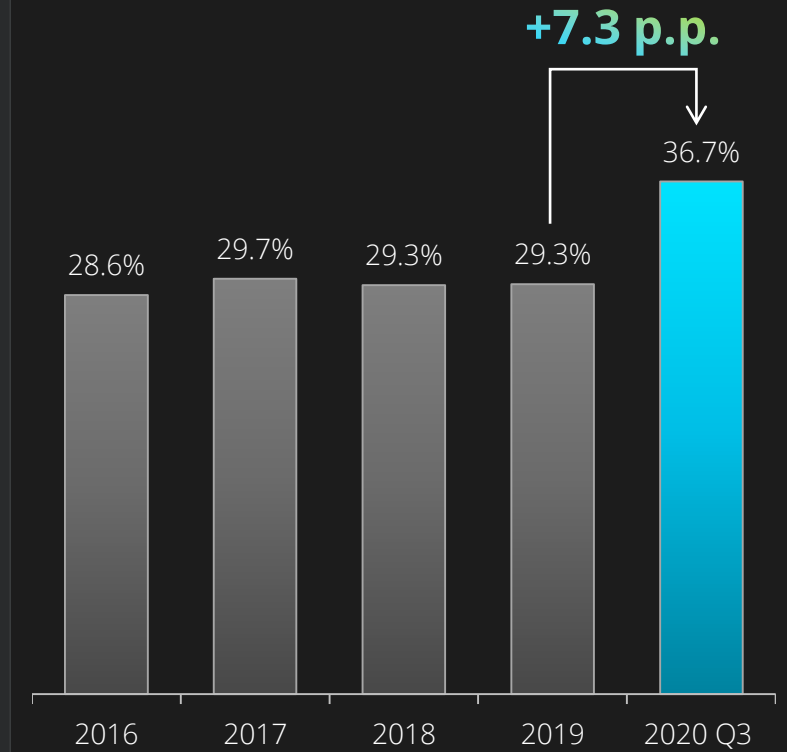
Substantial operating surplus due to deferred healthcare

Total open schemes net healthcare result (R million) (2014 – 2020 Q3)



Strengthened reserve position of medical schemes

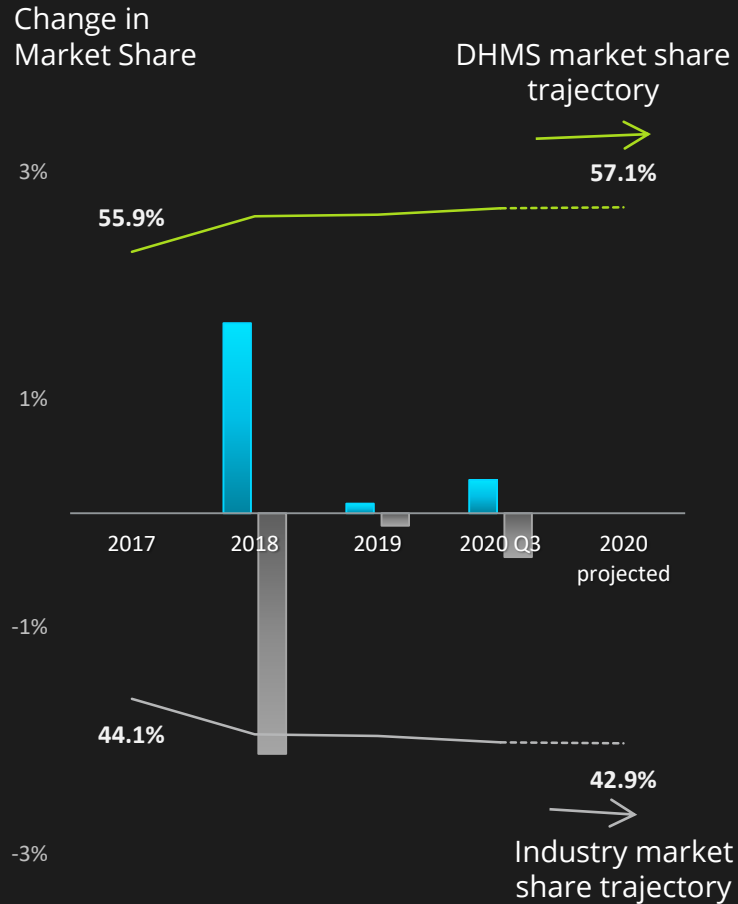
Total open scheme industry solvency, % (2016 – 2020 Q3)



DHMS demonstrates outlier performance over 2019 and 2020 periods

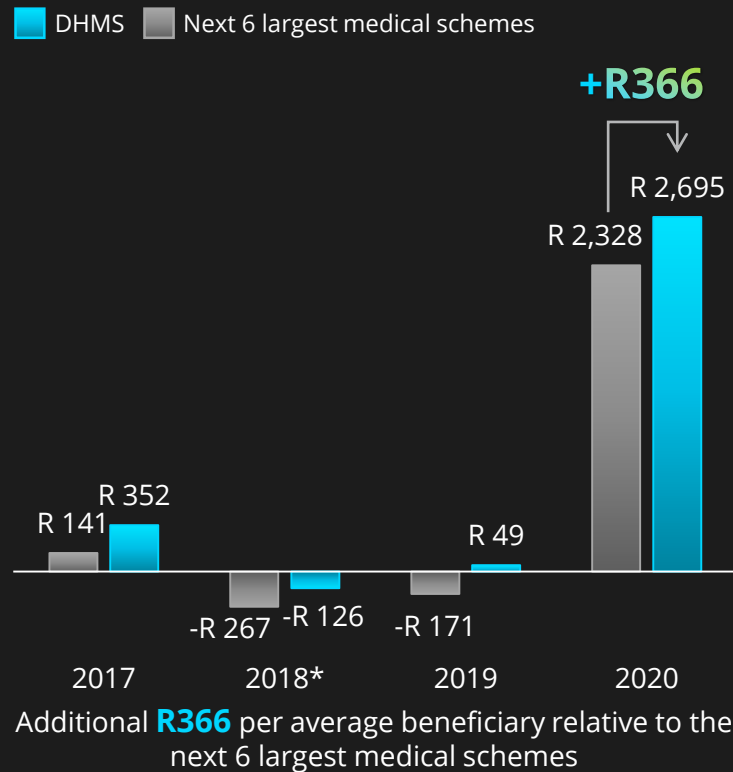


Market share improvement



Consistent stand out operating performance

Net healthcare result per average beneficiary (2014 – 2020)

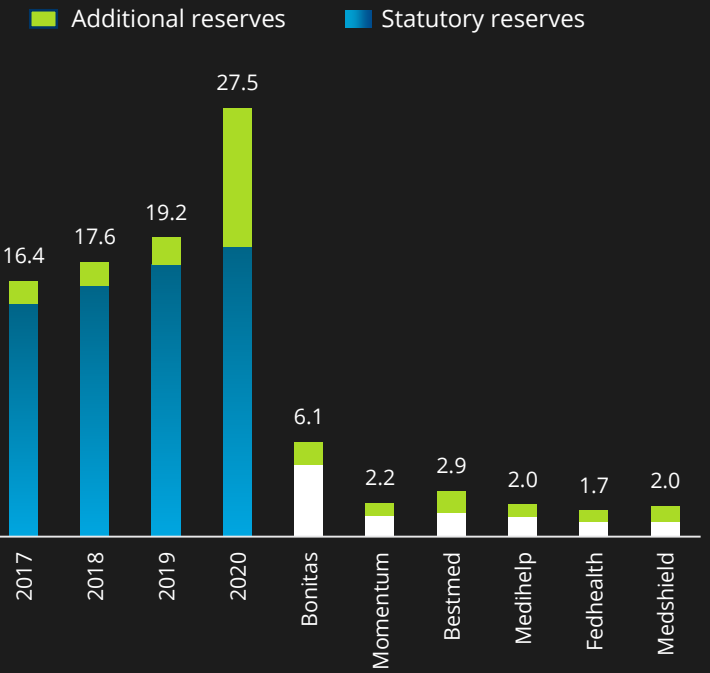


*R350m unbudgeted impact of VAT change

Solvency adequacy gives members peace of mind

Reserve build-up (R' billion) as per regulation 29

Reserve build-up (R' billion) as per regulation 29

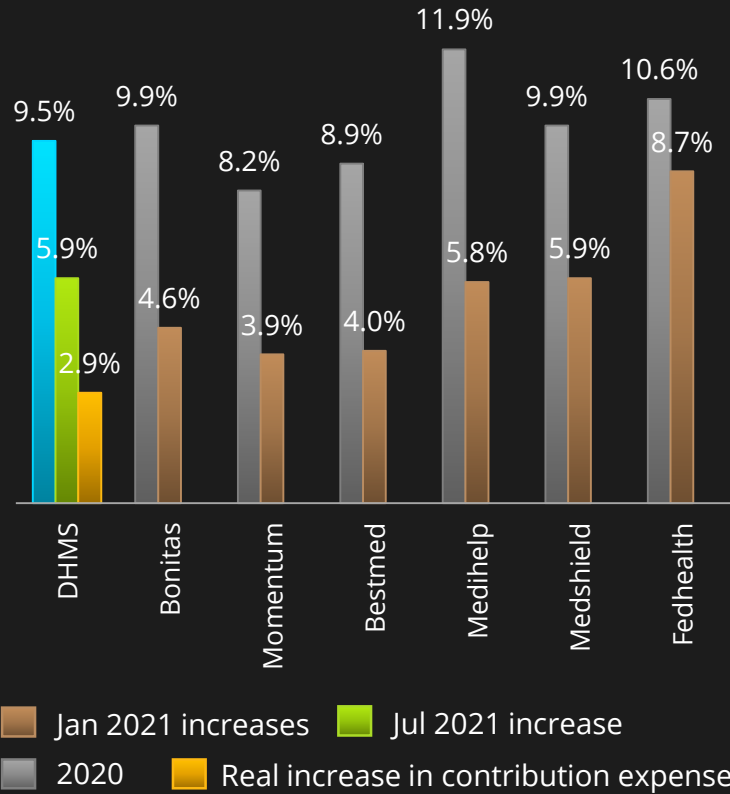


DHMS continues to show member value through a challenging 2020 economic environment



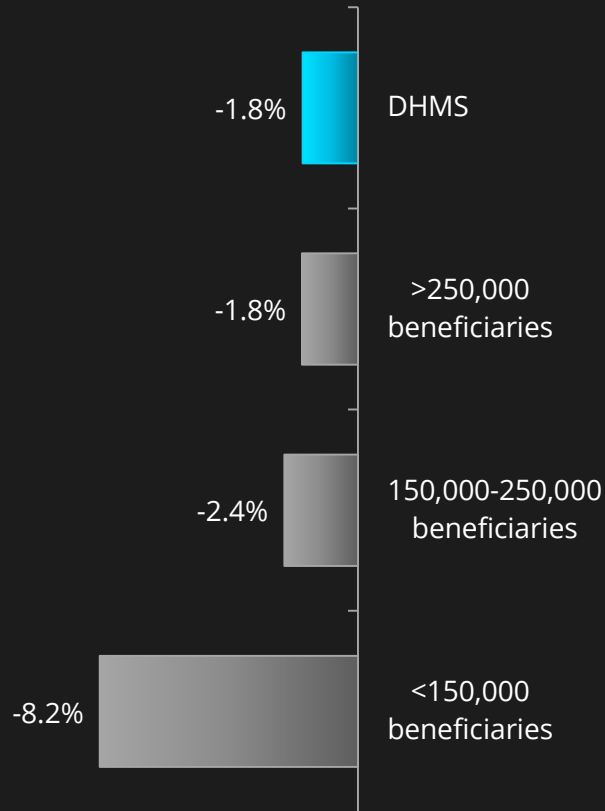
Competitive contributions vs. industry

Headline contribution increases



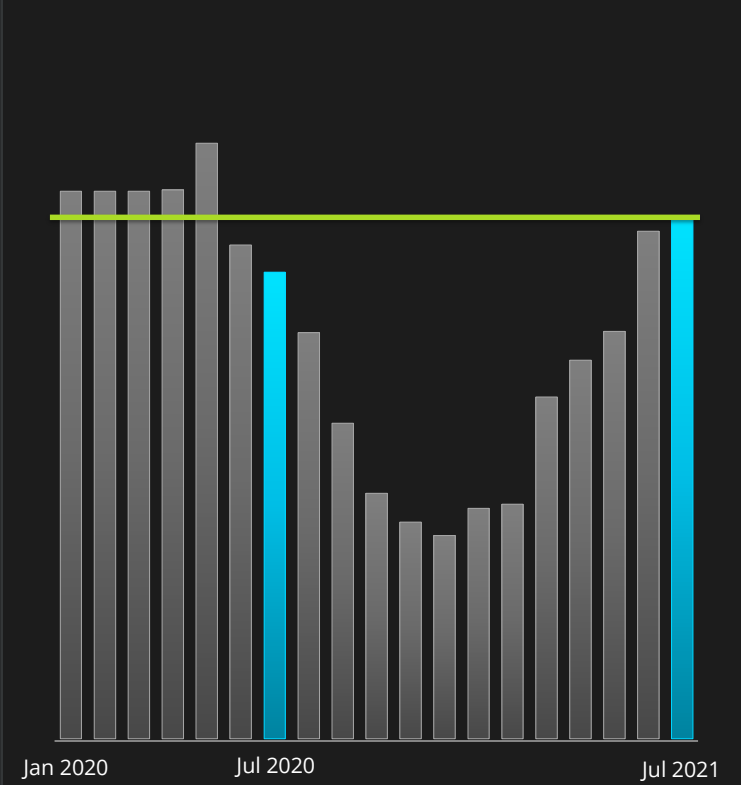
Resilient membership position vs. industry

Change in number of beneficiaries (2019-2020)



Strong recovery in DHMS growth

DHMS Lives, Jan 2019 – Jul 2021



Note: Projected 2020 market share based on the change in market share compared to the next 6 largest open medical schemes

DHMS new growth represents a flight to quality

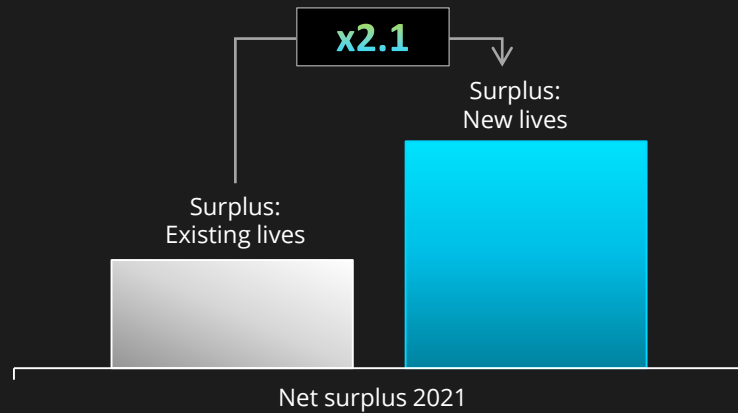


Higher quality growth

+13% increase in good quality lives joining DHMS



New lives represent high quality growth



Healthy demographic profile

Younger new joiner profile

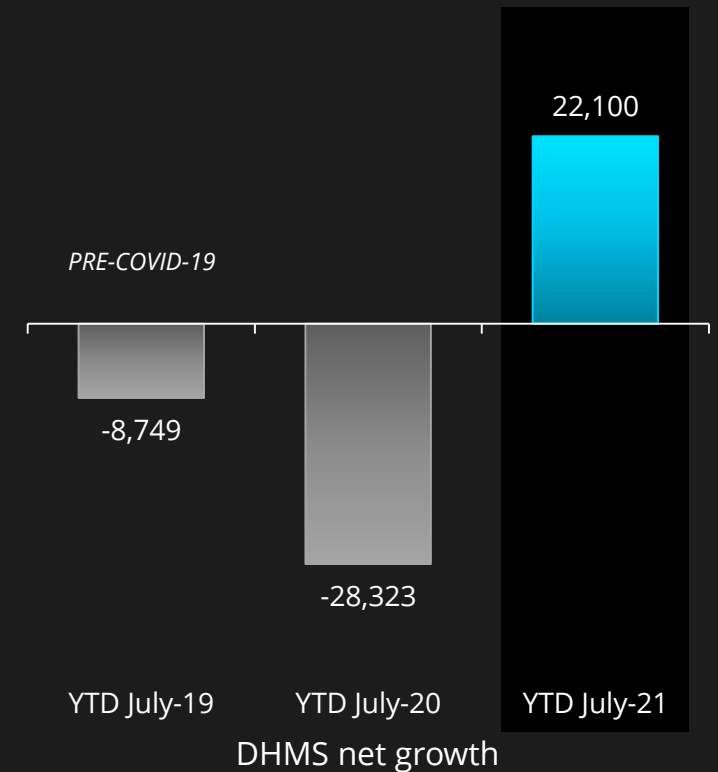
Open Industry **DHMS**
29.1 → **25.7**
Average age Average age

Healthier new joiner profile

Open Industry **DHMS**
12.3% → **6.3%**
Chronic ratio Chronic ratio

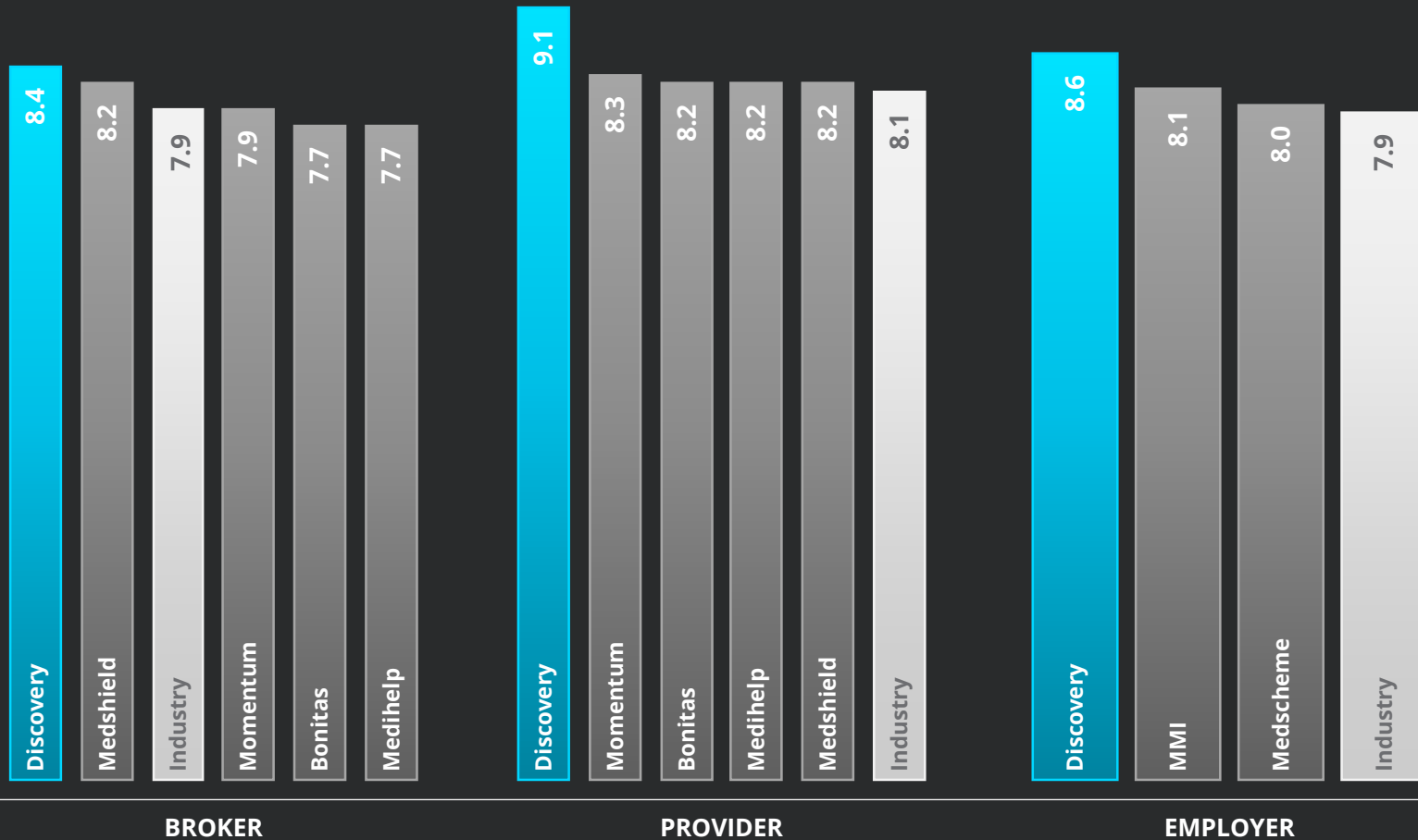
Net new lives above pre-COVID-19 levels

Number of withdrawals





Catalyst Research and Strategy results | 2020



2020 improvement areas

- Ability to adapt to client needs
- Ability to resolve queries first time
- Issuing of policy documents
- Validity of claims queries and submissions
- Overall stability of online service
- Ease of accessing information
- Consultants friendly, knowledgeable and helpful

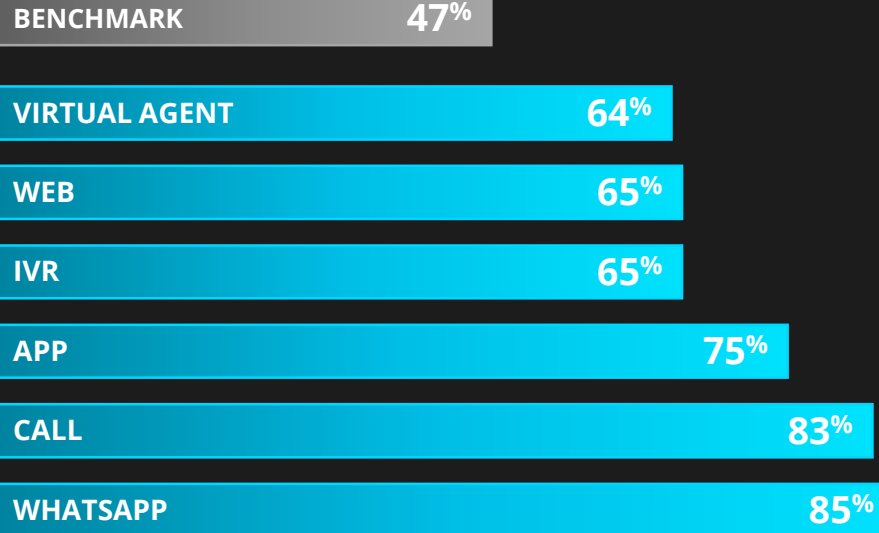


Dimension Data Global Benchmarking results for 2020 indicates DH outpaces benchmarks



Customer effort score

DISCOVERY HEALTH



First call resolution

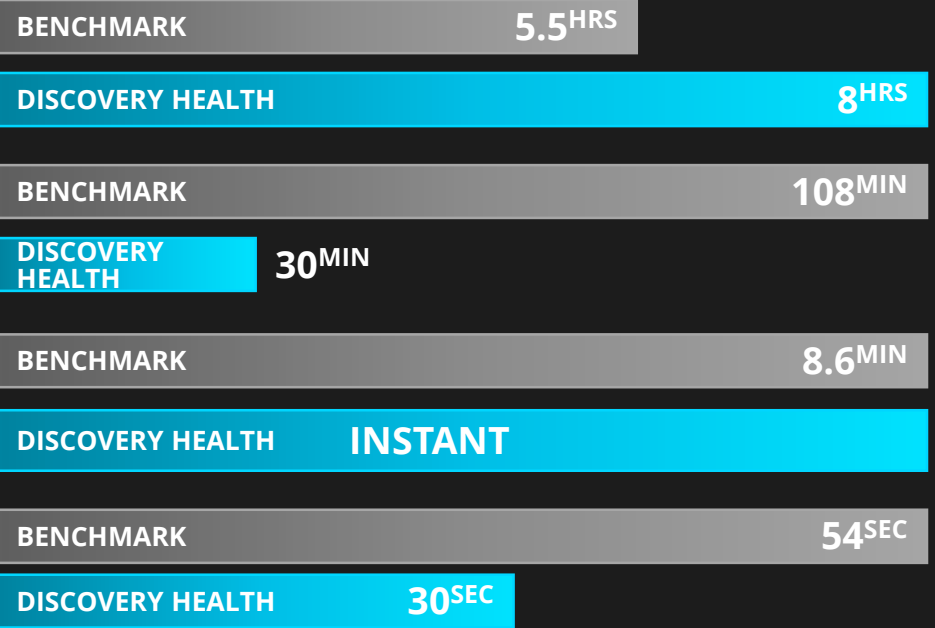


Member based research



Response time

EMAIL
SOCIAL MEDIA
WEB CHAT
CALL



Summary | Industry and DHMS position over 2020 and 2021 period



1



The open scheme industry contracted over the period

2



Industry scheme solvency improved owing to reduced healthcare utilisation

3



DHMS outperformed the industry on membership growth, operational performance and financial performance

4



DHMS members experienced the lowest real increase in total contributions paid, following an innovative contribution strategy

5



DHMS growth rebounded making up 2020 losses and exceeding pre-COVID levels

6

Quality of DHMS new lives is healthy and improves DHMS' long term sustainability



Review
of past
performance



Member support
throughout
COVID-19



Trends impacting
healthcare in
2021 and beyond

DH and national COVID-19 experience at a glance



Tests conducted

1,934,168



15,752,534

54.6%

Testing rate

35.2%

Testing rate

Positive cases

386,901



2,638,981

10.9%

COVID proportion of DH lives

382,848

Unique DH entities

Active cases

26,093



158,584

6.7%

% Active

Repeat cases

4,042



1.04%

Proportion of repeat positive

Recoveries

348,077



2,402,020

90.0%

Recovery rate

344,533

Unique DH entities

Members admitted

56,292



54.6%

Proportion admitted

8.2%

Proportion readmitted

Deaths

12,731



78,377

3.5%

Case fatality rate

17.8%

Hospital mortality rate

Vaccines administered

849,936



9,962,111

54.6%

% vaccinated

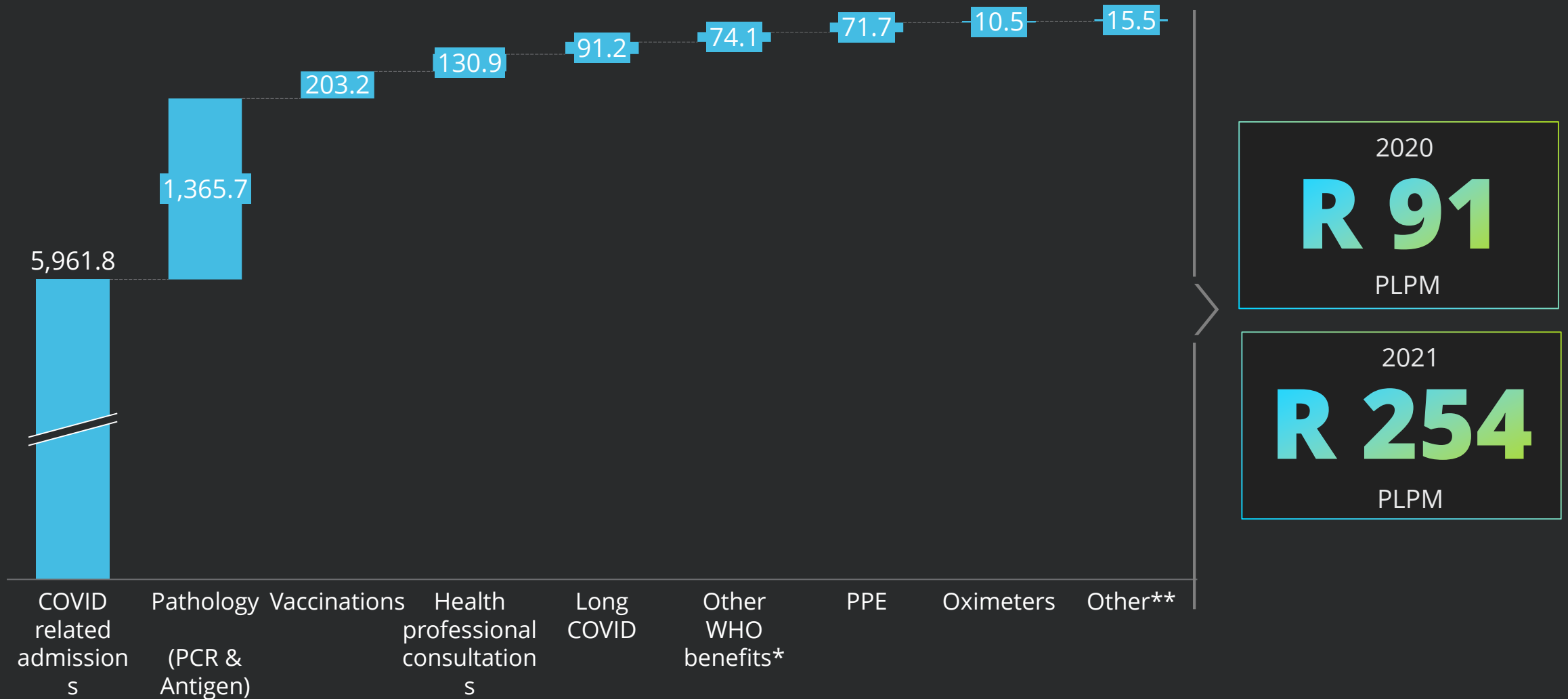
16.71%

Proportion administered national

Total cost of COVID-19 to DHMS is R 7.9bn so far



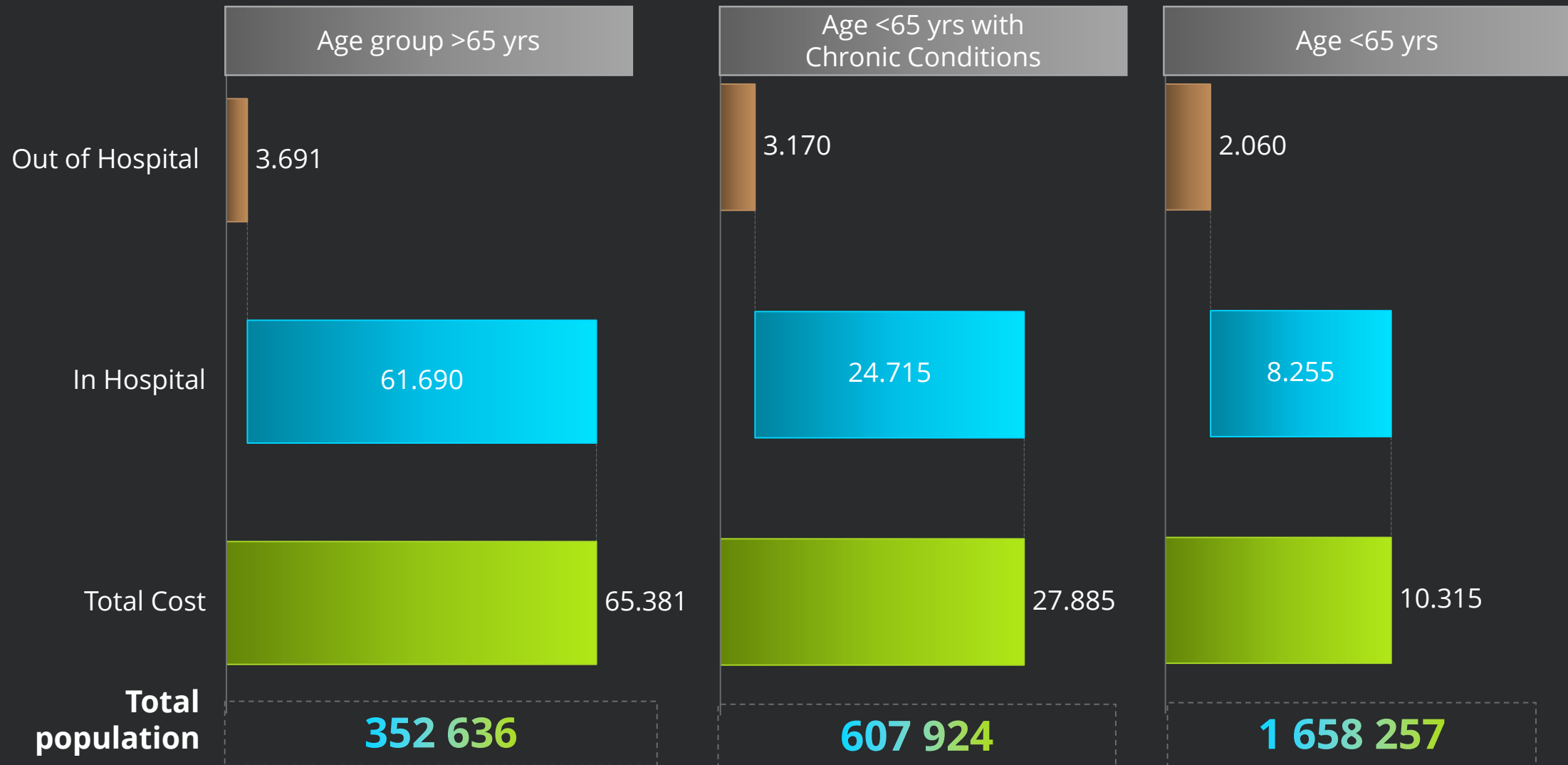
COVID-19 related costs from start of pandemic (2020 full year and YTD July 2021), Rbn



*Other WHO benefits include: Radiology, medication and other pathology

**Other includes: High risk consultations, Isolation hotels, other casualty consults and medication

COVID-19 costs between R10k – R65k per episode, depending on age and underlying disease status



• Assumes total cost from start of COVID Episode (confirmation of positive test) until episode ended due to death or recovery, for all DH lives 16 years or older

• First and subsequent infections are estimated to have same costs

Source: Discovery Health

Hyper-innovation over COVID-19 period to support members throughout pandemic



Our people

Educate and inform



Protect
85%

of all employees migrated to work from home

RISK-ADJUSTED OUTBREAK LEVELS	LOCKDOWN ZONE MORE THAN 80% WITH LEVEL 5	RED ZONE 60% TO 80% WITH LEVEL 4 & 3	AMBER ZONE 40% TO 60% WITH LEVEL 2	GREEN ZONE 20% TO 40% WITH LEVEL 1
SA OUTBREAK STATUS	Increasing outbreaks Strained hospital capacity Very limited immunity	Increasing outbreaks Strained hospital capacity Limited immunity	Controlled outbreaks Stable hospital capacity Early stage immunity	Reducing outbreaks Sufficient hospital capacity Increasing immunity
NATIONAL & PROVINCIAL OUTBREAK METRICS	Increase in new infections Infections/100,000/day Greater than 5% CDGR	Increase in new infections Infections/100,000/day 3% to 5% CDGR	Plateau in new infections <10 Infections/100,000/day 1% to 3% CDGR	Decline in new infections <5 Infections/100,000/day Less than 1% CDGR
DISCOVERY INFECTION & PUH METRICS	Increase in new infections Increase in new PUHs	Increase in new infections Increase in new PUHs	Plateau in new infections Plateau in daily new PUHs	Decline in new infections Decline in daily new PUHs

Clinical risk matrix

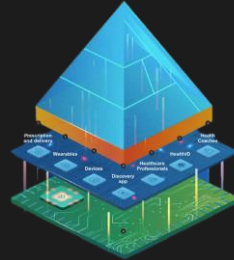


Wellbeing at Home

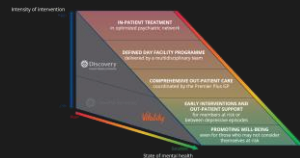
DHMS members

Reimbursement

Hospital@Home and VC benefits



Testing benefit



Enhanced mental health support

Educate and inform

COVID-19 Info Hub



Protection

COVID Business support



High risk member management



Employer Vaccination Support

Financial support

Member and SMME premium concessions

R370m

Zero % contribution increase for H1 2021

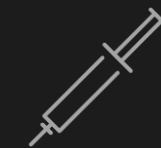
Healthcare professionals

VBC arrangements

GP & Specialist Episode fees for care at home



Isolation hotels (also available to members)



Flu vaccines for healthcare professionals

Our country

COVID Alert SA



Free VCs for all South Africans



Public Private Collaboration



Discovery Health Insights Hub



Vaccinations



Vaccination site network



Discovery Vaccine Navigator with booking functionality

Protecting our people throughout the outbreak



Enabling remote work at scale

10,000+
Staff working remotely

6,400
VPN connected staff

Ensuring business continuity

64,200
Video sessions/calls run per day

15,000
Users enabled
(Skype/Teams/Zoom)

Ongoing engagement and support

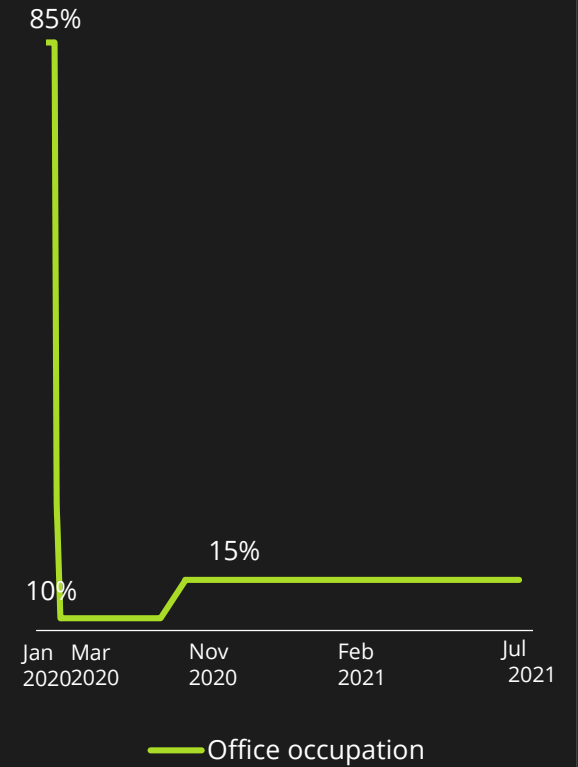


Risk-adjusted matrix

- Discovery's **clinical risk matrix** informs the return to office strategy
- The risk matrix monitors both national and Discovery lead indicators
- The COVID Leadership team **monitors** the situation **continuously and carefully** to ensure we act responsibly

RISK-ADJUSTED OPERATING LEVELS	LOCKDOWN ZONE MORE THAN 80% WFH	RED ZONE 60% TO 80% WFH	AMBER ZONE 40% TO 60% WFH	GREEN ZONE 20% TO 40% WFH
SA LOCKDOWN LEVELS	LEVEL 5	LEVEL 4 & 3	LEVEL 2	LEVEL 1
SA OUTBREAK STATUS	Increasing outbreaks Strained hospital capacity Very limited immunity	Increasing outbreaks Strained hospital capacity Limited immunity	Controlled outbreaks Stable hospital capacity Early stage immunity	Reducing outbreaks Sufficient hospital capacity Increasing immunity
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DISCOVERY INFECTION & PUFI METRICS	Increase in new infections Increase in new PUFIs	Increase in new infections Increase in new PUFIs	Plateau in new infections Plateau in daily new PUFIs	Decline in new infections Decline in daily new PUFIs

% of staff working from home

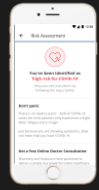


Supporting members through COVID-19 period

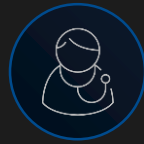
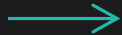


At Risk member management

Assist members to understanding their health risk



Risk assessment

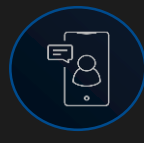


Nurse consultation

Identify members at risk of developing COVID—19 complications



Educate & assess overall wellbeing



Access appropriate healthcare

Monitor at-risk members to prevent silent hypoxia



Pulse oximeter



On-going monitoring

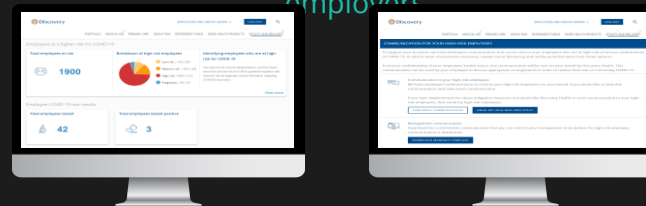
Employer support

COVID business support

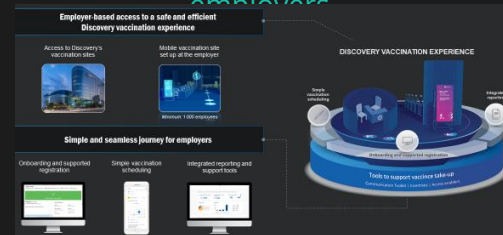


50K
Lives protected

Comprehensive set of COVID-19 benefits for employers



At risk member identification & management by employers



Employer vaccination program
Enabling safe and efficient employee vaccinations

Premium concessions

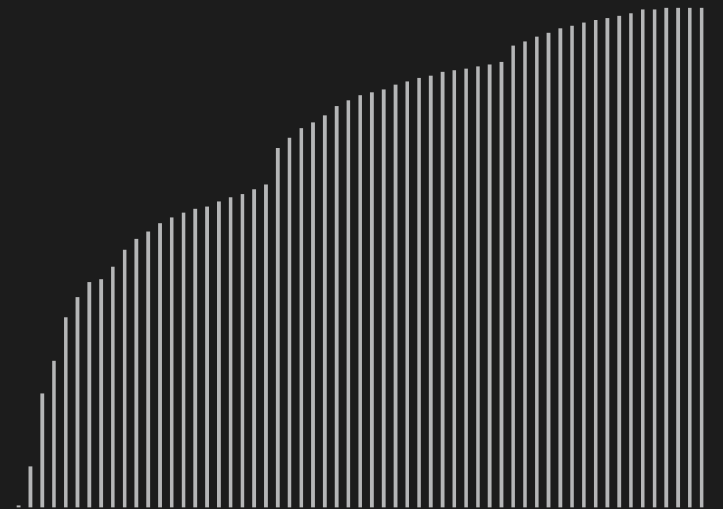
R207m

SMME premium concessions

R163m

Member MSA concessions

Cumulative successful requests



Apr 2020

May 2020

Contribution to national fight against COVID-19



Free virtual healthcare platform for all South Africans with Vodacom

@Discovery_SA · 1 Apr
Discovery and Vodacom have partnered to deliver COVID-19 Online Doctor Consultations that are freely available to all South Africans during the pandemic. Find out more disc.co.za/Consult #CoronavirusSA #OnlineDoctorConsultations

COVID-19 Online Doctor Consultations

Vodacom/Discovery partnership to allow free online Covid-19 screenings
New facility enables people to understand their risk and consult a virtual healthcare professional for evaluation and advice: Mariam Cassim, Vodacom.

Discovery **VODACOM**
DISCOVERY **Share** 1.50%
VODACOM **Share** 2.48%
NOMPUSI SIZIBA: Vodacom and Discovery

Coronavirus disease (COVID-19)

Other things you should know about protecting yourself and your loved ones from acquiring the novel Coronavirus 2019 (COVID-19)? Empower yourself with trustworthy facts and regular updates on this illness. Learn all about its symptoms, spread, prevention and treatment, keeping healthy while travelling and other important information.

Support and involvement in the Solidarity Fund

Solidarity Fund
Unity in action

"Thuma Mina" means "send me". The COVID-19 pandemic is the most definitive "Thuma Mina" moment for our country.

- R10.0m** Discovery CSI Fund donation
 - R5.0m** Discovery Foundation donation
 - R3.7m** Director salary sacrifices
 - R1.0m** Top-up donation
 - R0.6m** Staff contributions
 - R0.2m** DiscoveryMoveToGive
-
- R20.5m**

Development of SA's official contract-tracing app

STAY SAFE
PROTECT SOUTH AFRICA

Download COVID Alert SA

Download on the App Store
GET IT ON Google Play

THE POWER IS IN YOUR HANDS

STAY SAFE. PROTECT SOUTH AFRICA

Supported by Discovery

THE POWER IS IN MY HANDS

To restart the economy we need to stop the spread of coronavirus.

Meaningful contribution to the National vaccination effort



>800,000

Vaccinations delivered to members of Discovery Health administered schemes to-date

420,000

Vaccinations delivered across Discovery Health vaccination sites to-date



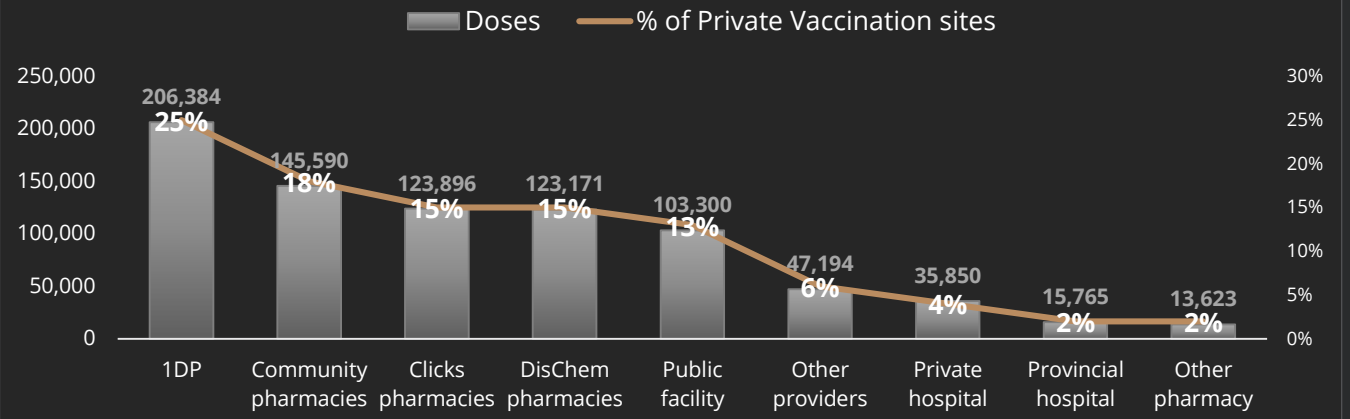
Vaccinations / day / site

Number of sites

Discovery vaccination site network



Sites where DH members have been vaccinated





Vaccine navigator on Discovery Connected Care supports end-to-end vaccination journey



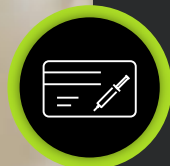
- Access accurate information
 - COVID-19 Information Hub
 - Vaccination preparation guides
 - Post-vaccination guides



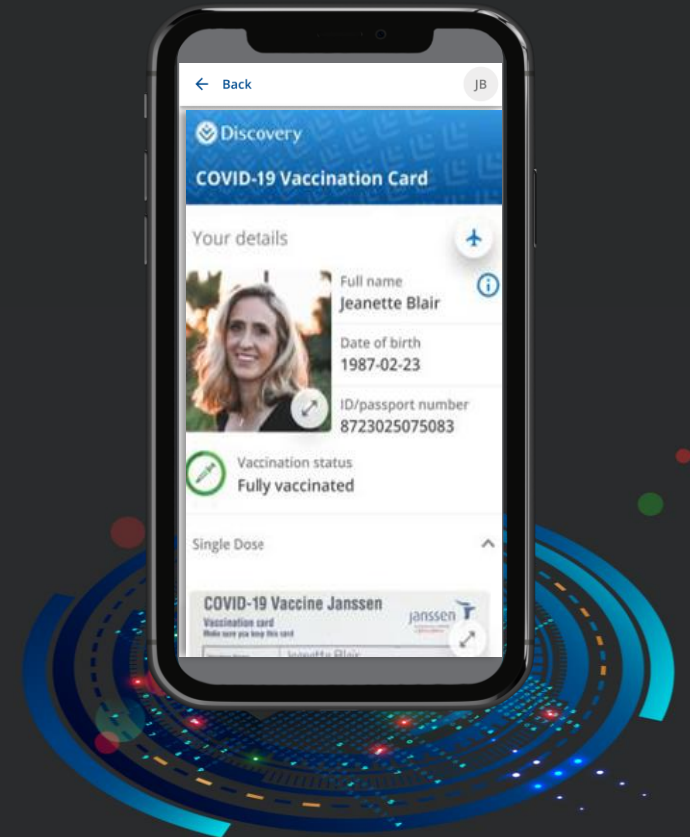
Registration and booking of a vaccination appointment



Identification on arrival, tracking and reminders for second doses, and follow-up



Digital copy of vaccine certificate



Ensuring seamless DHMS member journey throughout COVID-19 vaccination process



Total DHMS Vaccinations

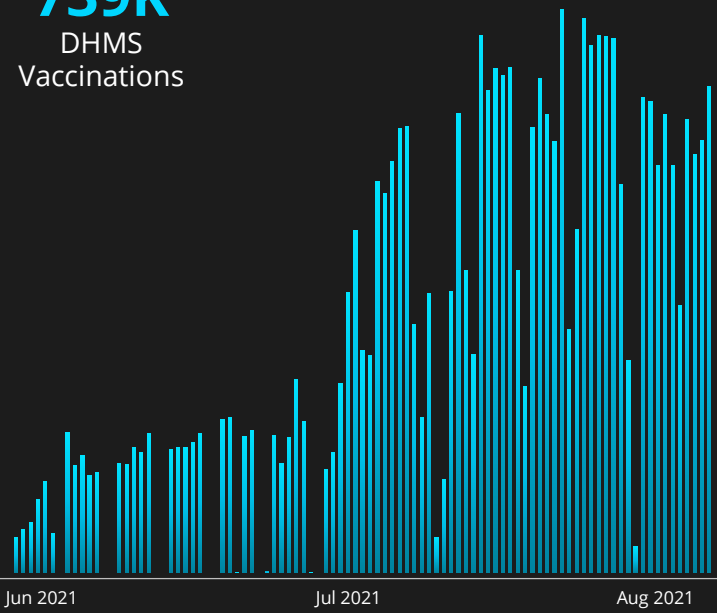
633K
DHMS
Members
vaccinated

36%
Total eligible

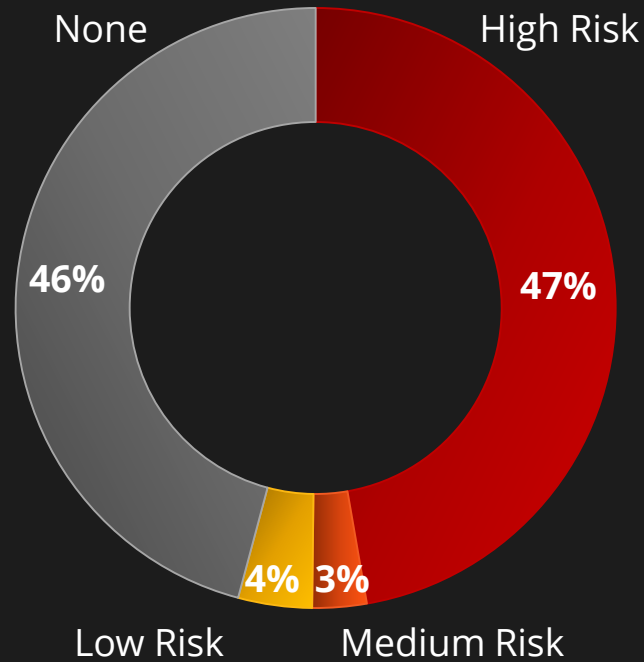
~7.3k
Vaccinations
per day*

10k

739K
DHMS
Vaccinations

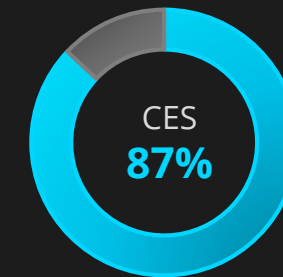
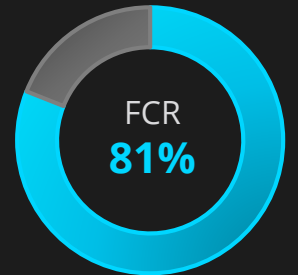
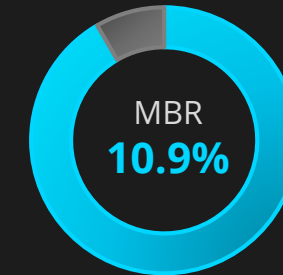
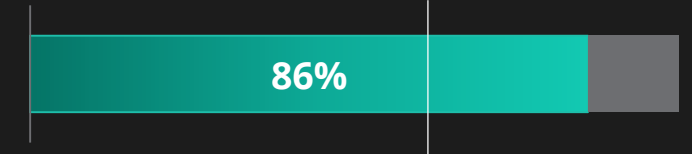


Risk category



Service metrics

Service level



* August vaccination rate

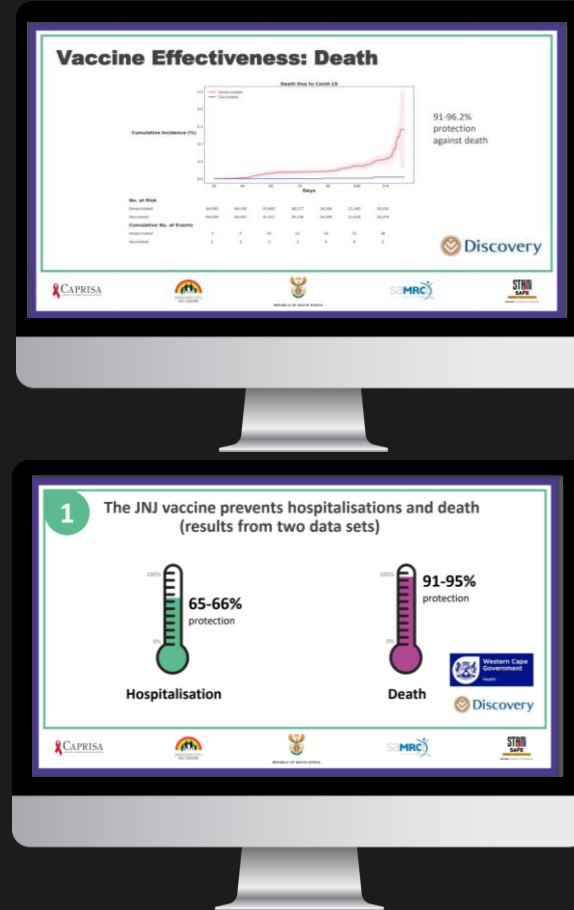
Publishing world leading analytics on vaccine safety and efficacy



Discovery Health insights hub

The screenshot shows the Discovery Health Insights website. At the top, there is a navigation bar with 'Discovery' and 'FOR INDIVIDUALS | FOR BUSINESS'. Below this is a search bar and a 'LOG IN' button. The main header features the text 'Discovery Health Insights' over a background of binary code. A section titled 'Discovery Health Insights' includes a profile picture of a man and a paragraph of text. Below this are two article teasers. The first article is titled 'Comparing severity of Gauteng's first, second and third waves of COVID-19 infection by investigating hospital admission rates' and is dated 21 July 2021. The second article is titled 'Risk of COVID-19 reinfection 90-days post-recovery from previous infection' and is dated 8 July 2021.

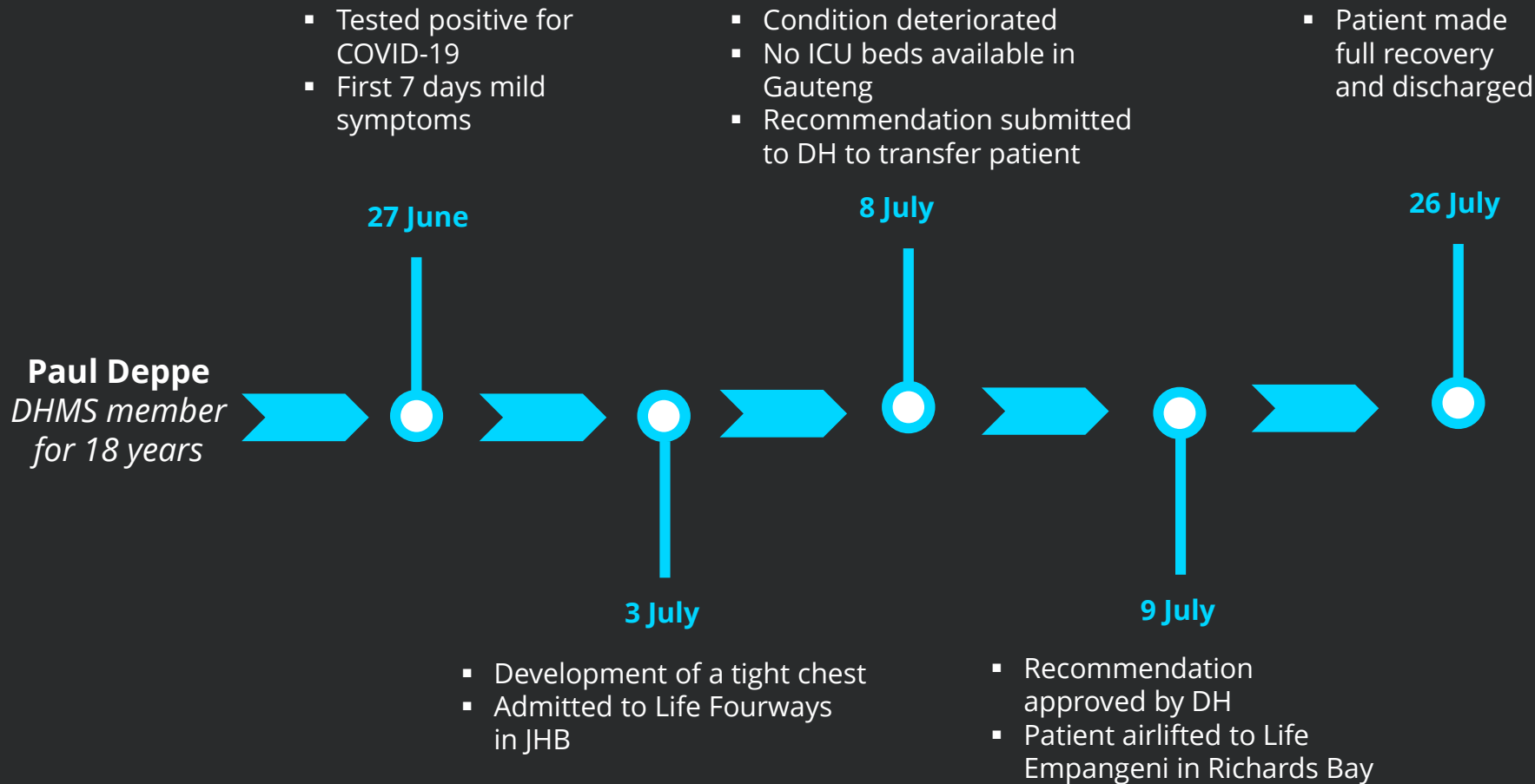
Research with Medical Research Council



Webinars and media engagements

The collage includes three images. The top image shows a man in a black shirt and face mask sitting on a red sofa, with the text 'UNDERSTANDING VACCINES Conversations with Dr Noluthando Nematswerani PART 1'. The middle image shows a group of people sitting around a table in a meeting room, with microphones and papers on the table. The bottom image is a Facebook post from 702, dated 29 June at 08:15, with the text 'The economics of vaccination – a series between Discovery and 702'. Below the post is a video player for 'ROSEANNE HARRIS WITH BONGANI BINGWA' with a play button icon and the text 'THIS STREAM WILL START SHORTLY'.

Extending care in extreme circumstances to save every life possible



"I am a survivor today because of the treatment I received at the Life Hospitals and the quick decision made by Discovery to approve my transfer from Johannesburg to Richards Bay. For this I am eternally grateful.

Discovery have also provided excellent service handling all my queries both while in hospital and after my discharge.

I must also commend Life Fourways and Life Empangeni for the professional medical and support services provided during my ordeal.

This was a traumatic experience for me and my family and I am grateful for the service and support provided by Discovery Medical Aid.

Thank you for saving my life!"

Discovery Health Brand Video

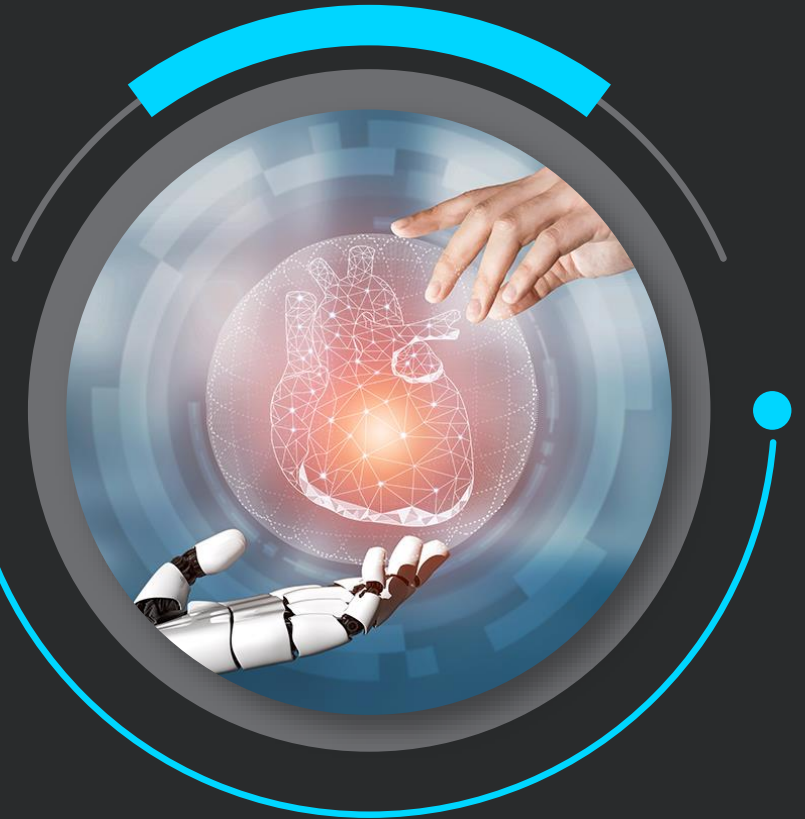




Review
of past
performance

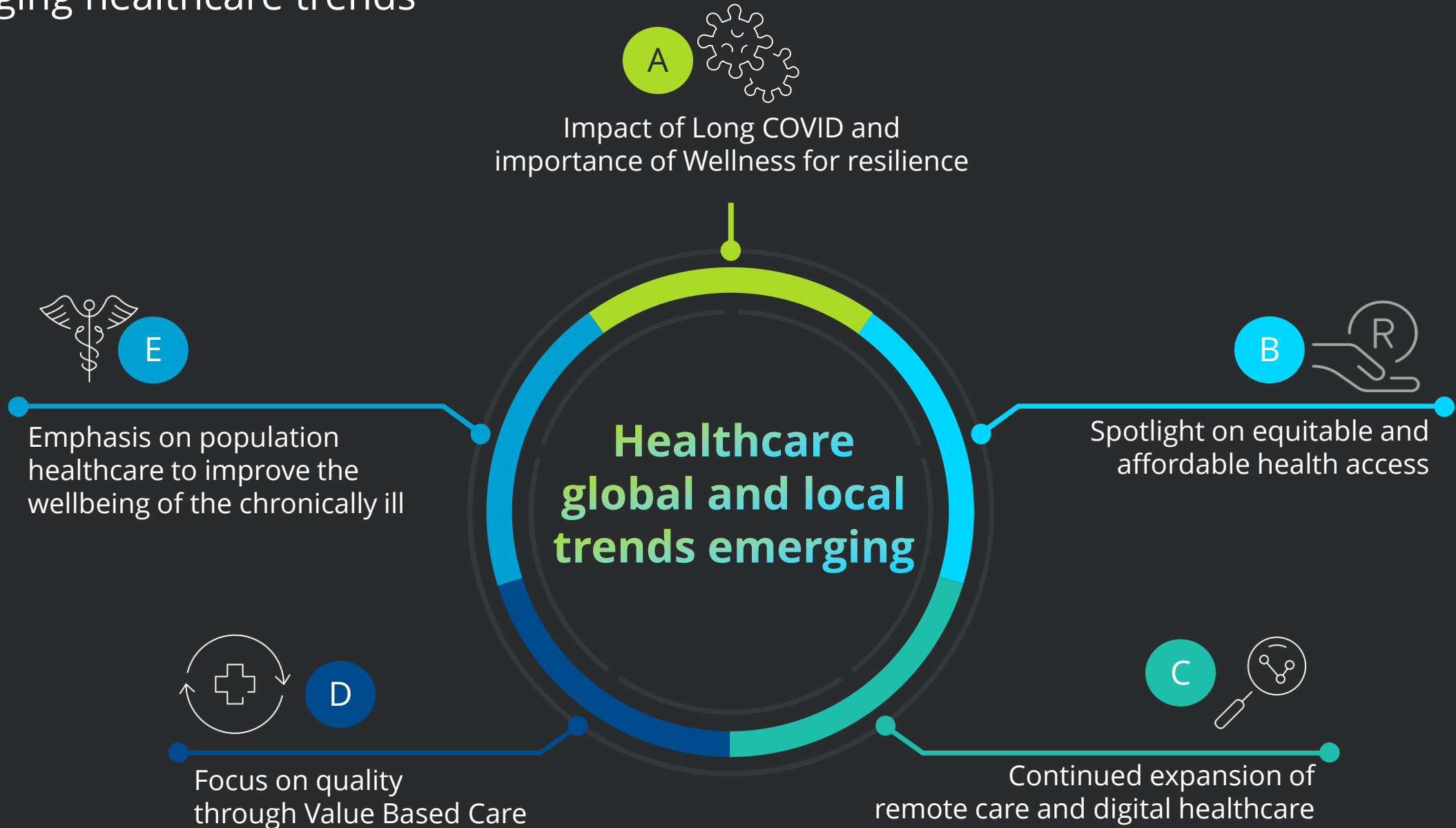


Member support
throughout
COVID-19



Trends impacting
healthcare in
2021 and beyond

Emerging healthcare trends



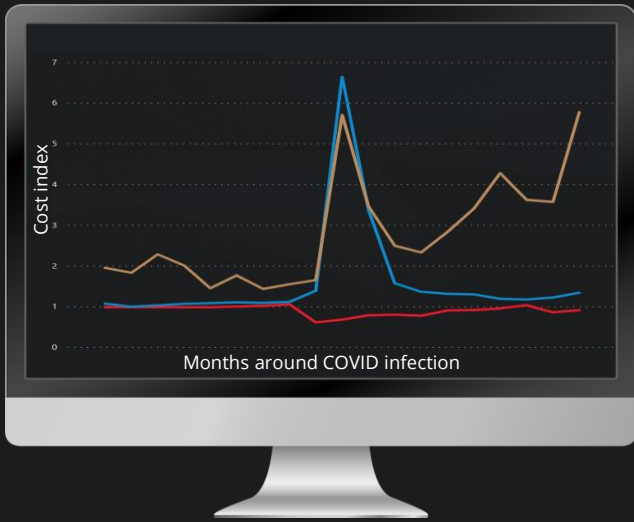


A Long COVID trends are beginning to emerge



Evidence of Long COVID emerging in healthcare claims

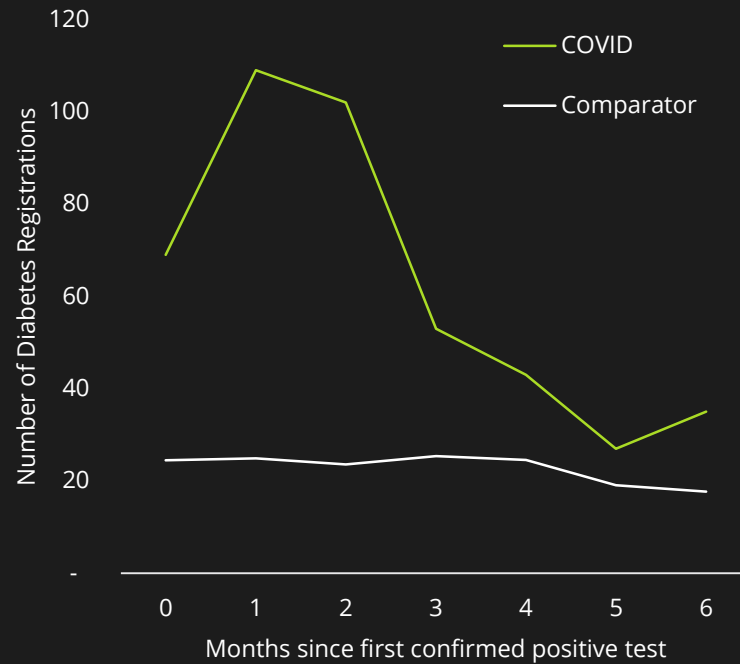
- Claim data post initial COVID suggest a lagging, extended COVID effect
- Those with poorer pre-existing health status are more at risk



- Cost for non-COVID positive
- Cost for members with single COVID infection
- Cost for members with reinfection

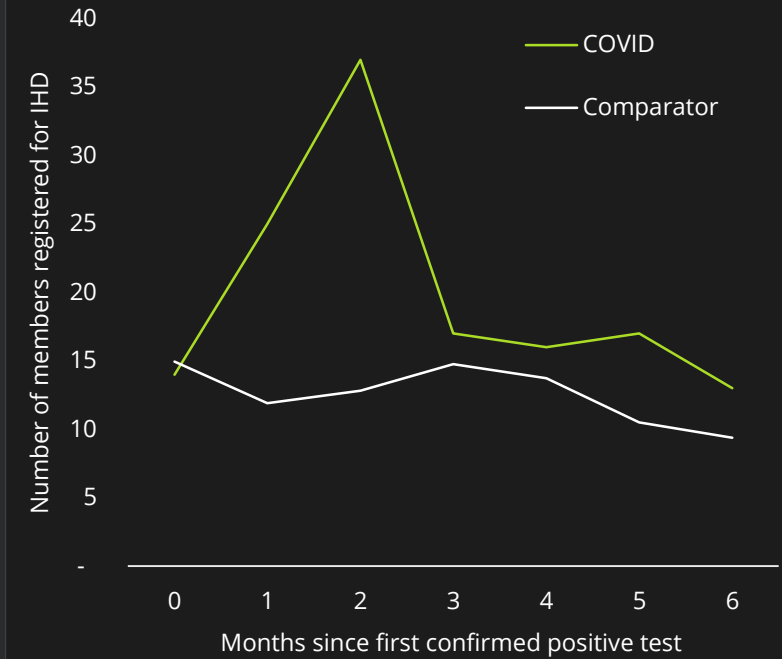
Onset of diabetes mellitus post COVID

2.75x Higher Risk of developing Diabetes
5x higher if hospitalised



Onset of cardiac conditions post COVID

1.5x Higher Risk of developing a Cardiac condition
3.5x higher if hospitalised



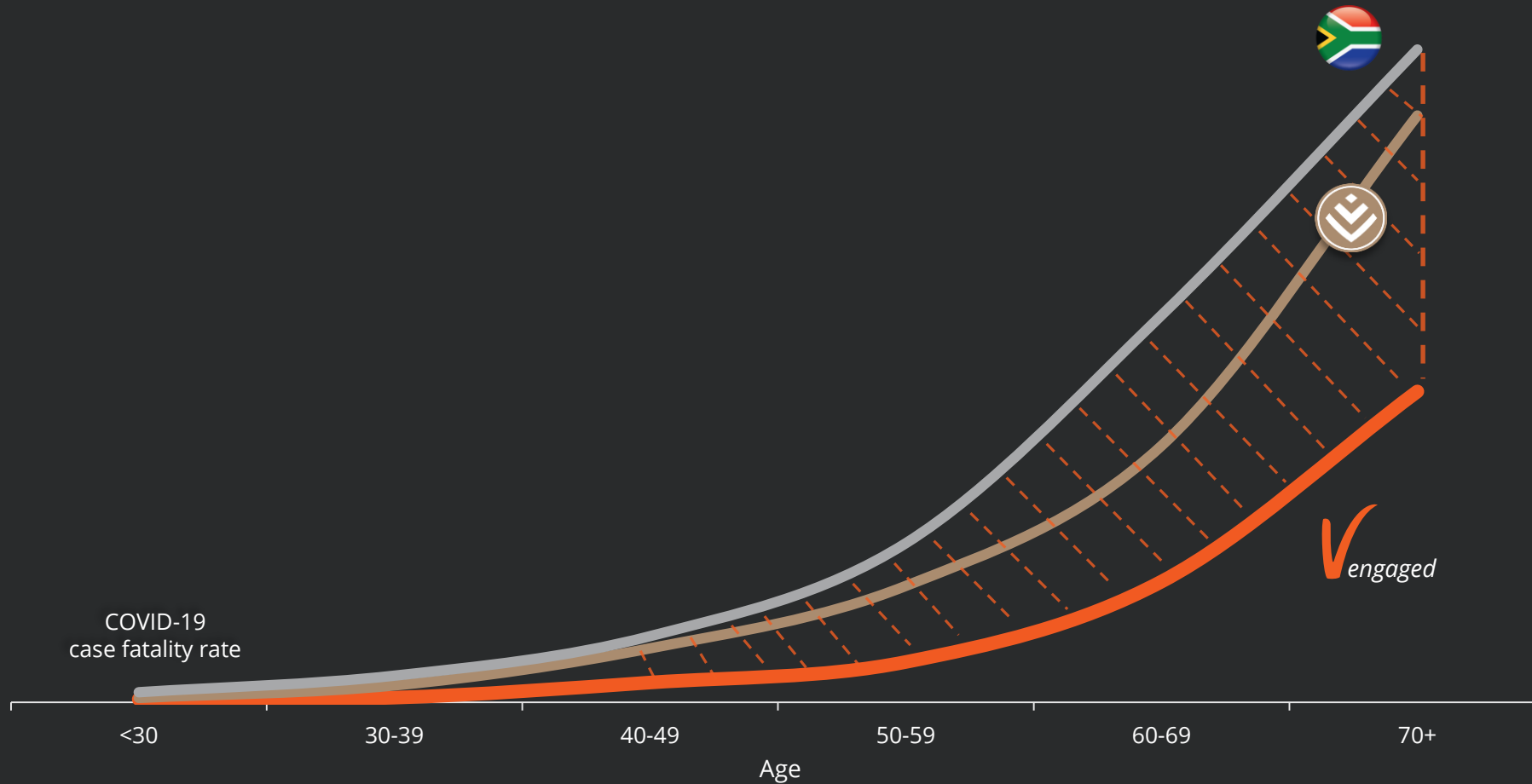


A

Vitality Engagement has limited the impact of COVID-19



Engaged Vitality population experienced substantially lower COVID-19 mortality impact than rest of SA



81 000

Vitality COVID-19 infections



38%

fewer deaths than SA experience



844

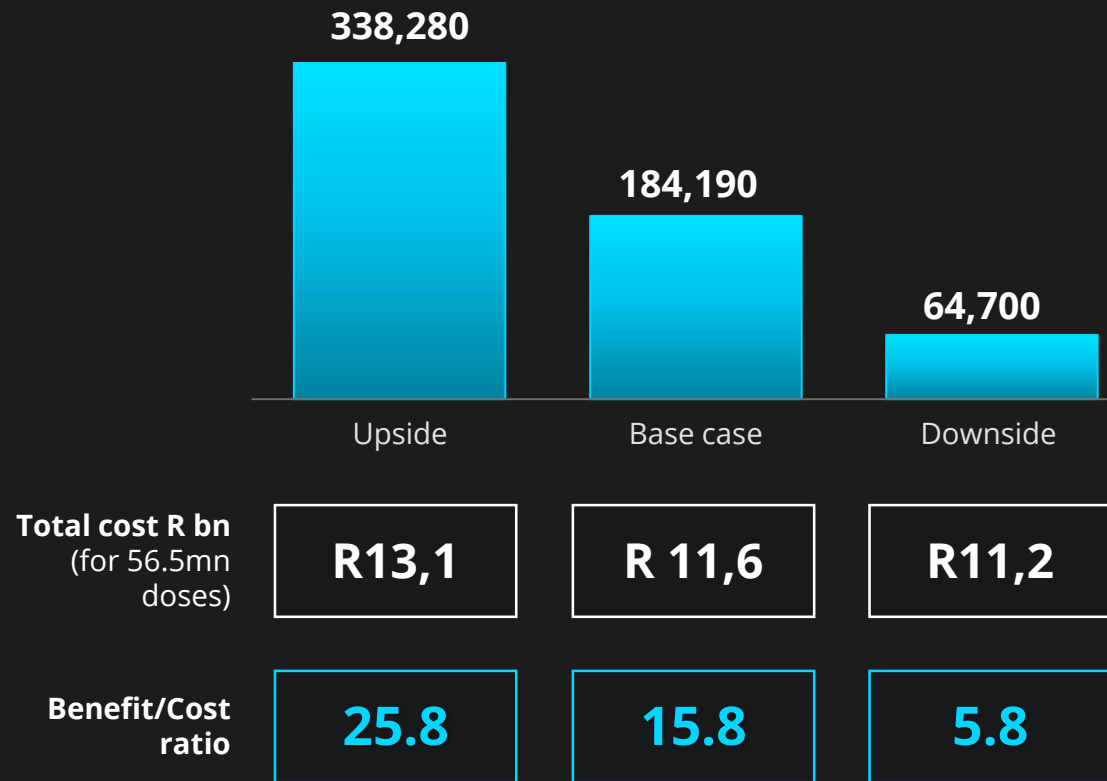
Fewer lives lost on Vitality



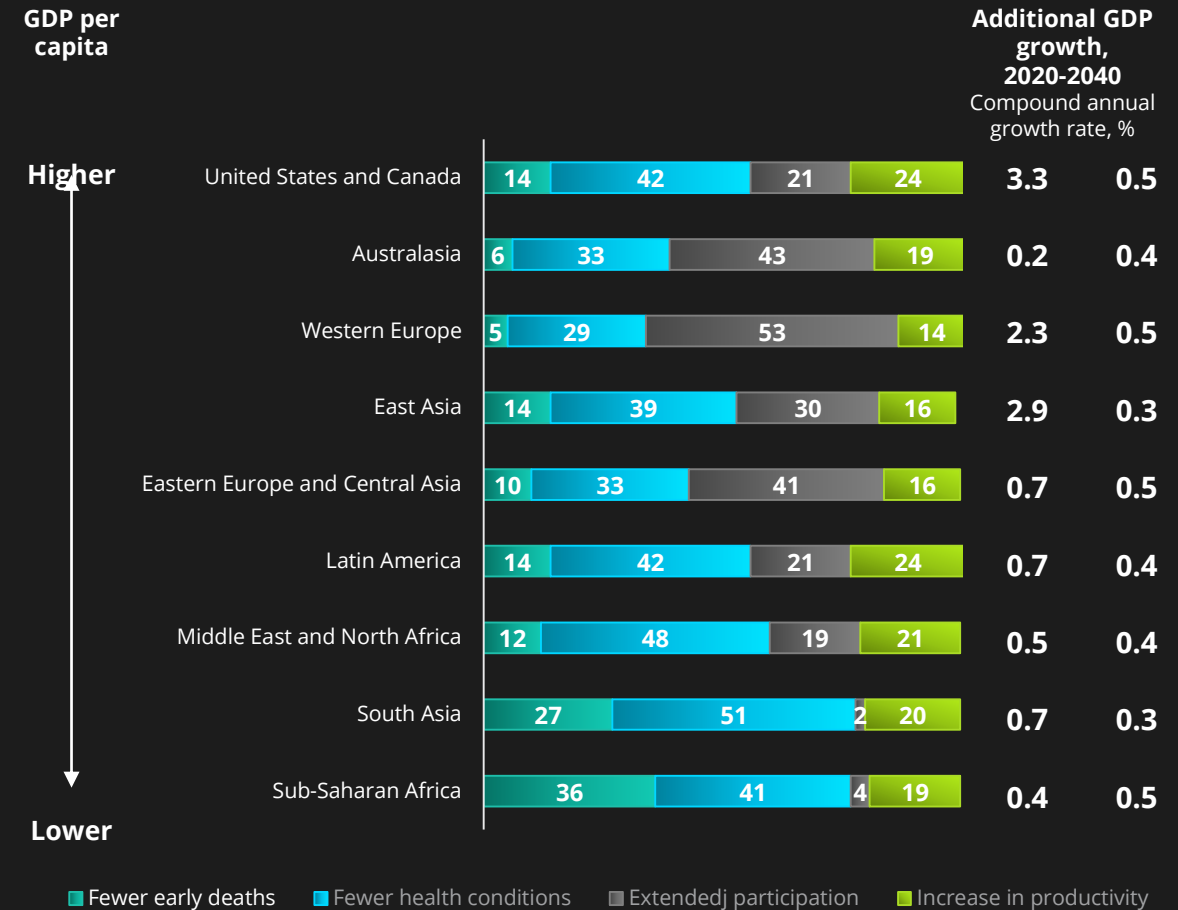
B COVID-19 spotlights the economic case for equitable access, which also applies to other population health improvements



SA expected GDP impact of accelerated vaccine roll out yields 6x – 26x ROI



GDP benefit of better health is on ~0.5% additional growth** GDP Growth 2020 – 40



*Impact calculated for 10 major economies ** Driven by differences in underlying disease burden and labour market structures of countries
Source: World Economic Forum, Institute of Health Metrics and Evaluation, Oxford Economics



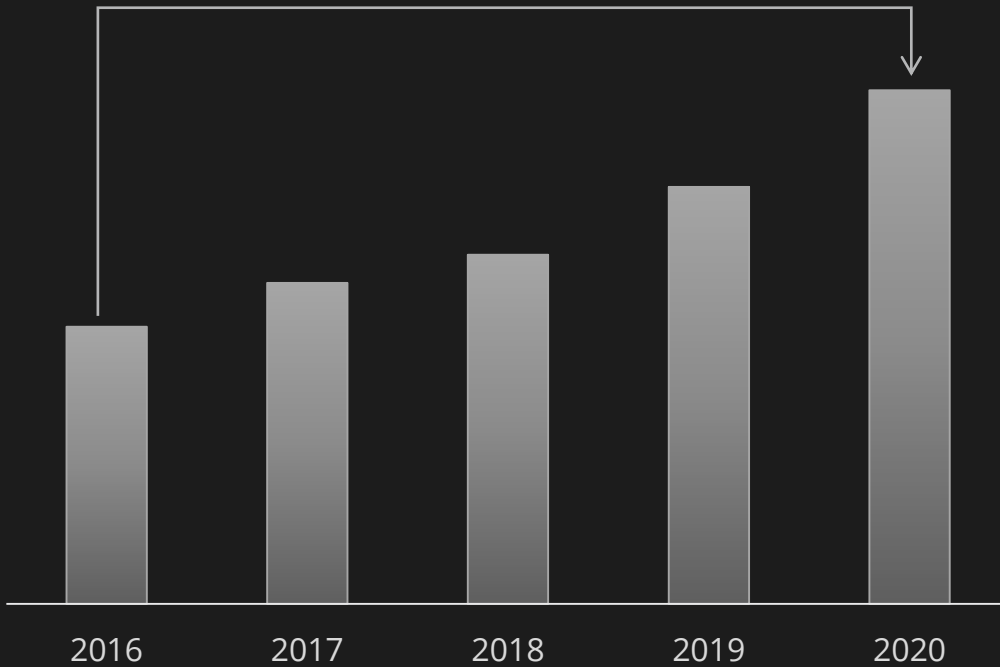
C Healthcare delivery in unconventional settings has become a safe and viable alternative for care



Day facilities have become the setting of choice to limit COVID-19 exposure

56%

increase in proportion of admissions occurring in a day clinic

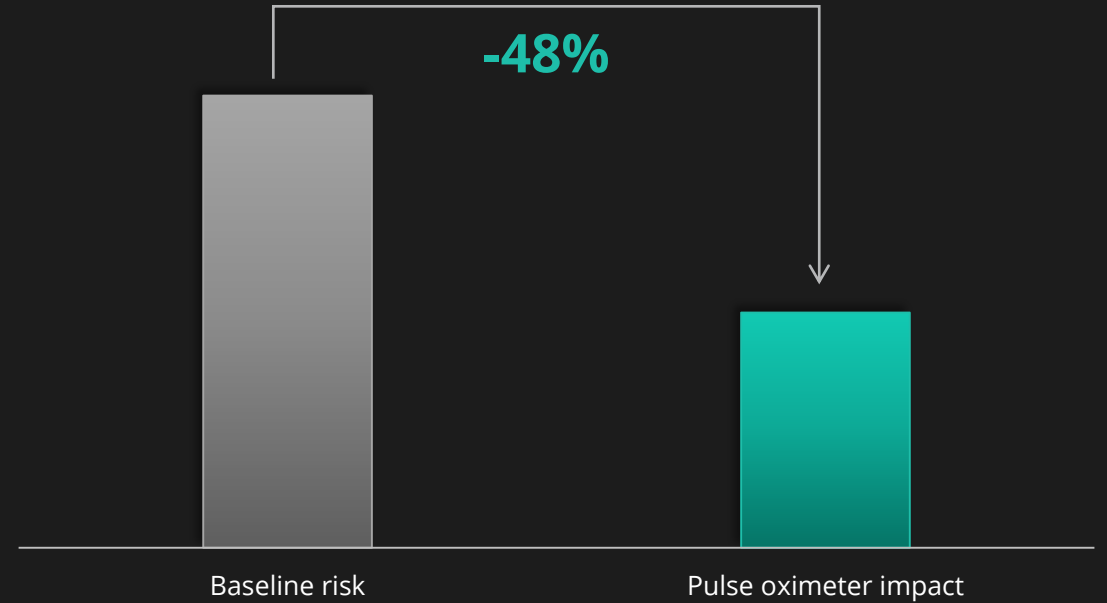


Convergence of data driven insights and the enablement of remote monitoring has saved lives

Pulse oximeters for remote monitoring has significantly reduced COVID-19 mortality in high risk members

Pulse oximeter impact on mortality

-48%



Statistically significant @ 90% confidence

Above results are not for external distribution beyond this presentation

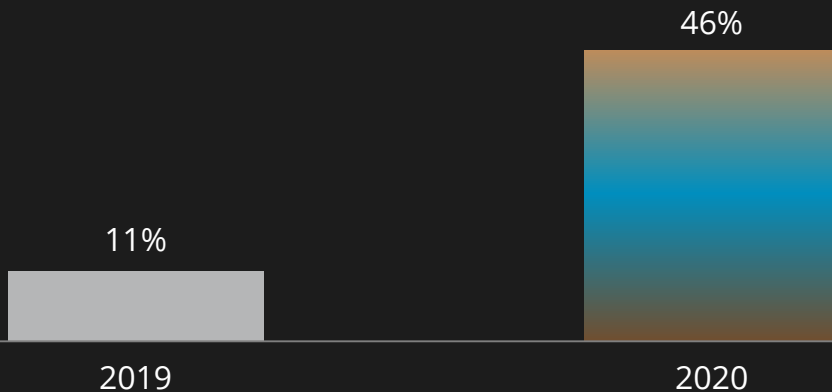


C Telehealth sky rocketed in 2020 and continues to grow, supported by COVID-19 dynamics



Exponential growth in 2020

% of US consumers using telehealth



Growth in provider remote consults 2019 to 2020 **~ 50 - 175 x**

Accelerating COVID-19 factors



Regulatory

In US, 80 new services were approved by CMS (regulatory) with supporting changes to payer re-imbursement



Providers

Providers are now 64% more comfortable with using telehealth than before the pandemic

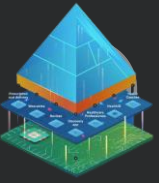


Consumers

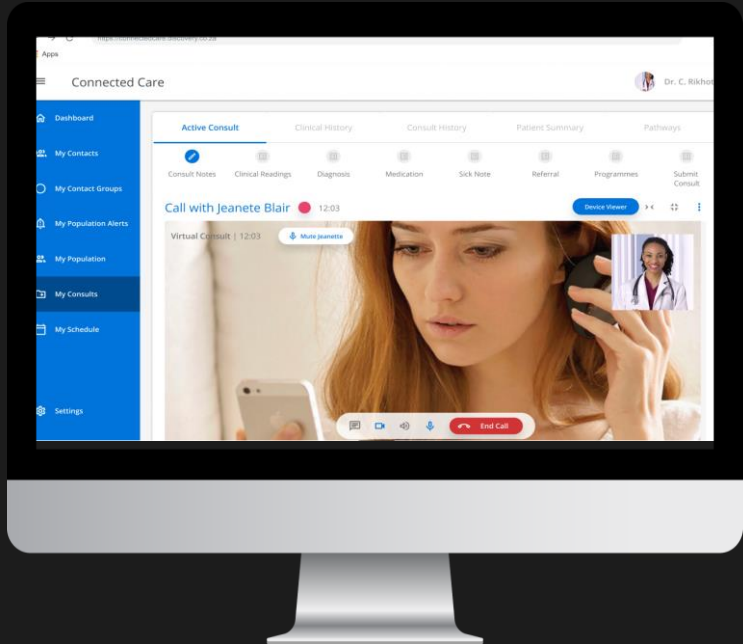
Consumer interest grew from 11% using telehealth in 2019 to 76% now interested



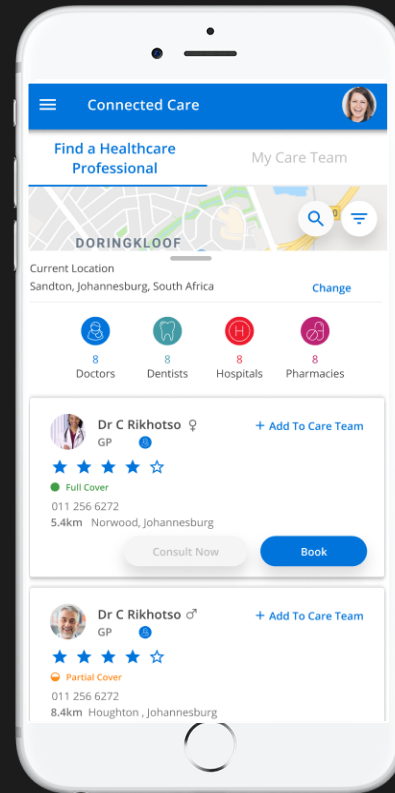
Enabling on-demand healthcare delivery at home through Connected Care for Home



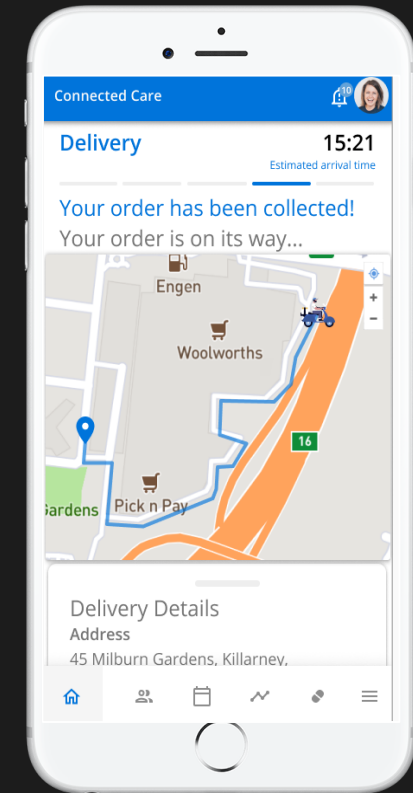
Detailed medical examinations and advanced virtual consultations



24/7 doctor support
Discovery TytoCare Dr Network

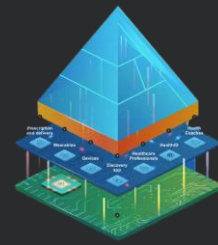


End-to-end digital experience
Including e-scripting, same-day medicine delivery and automatic EHR updates





Convergence of clinical and data insights to offer high quality care at home

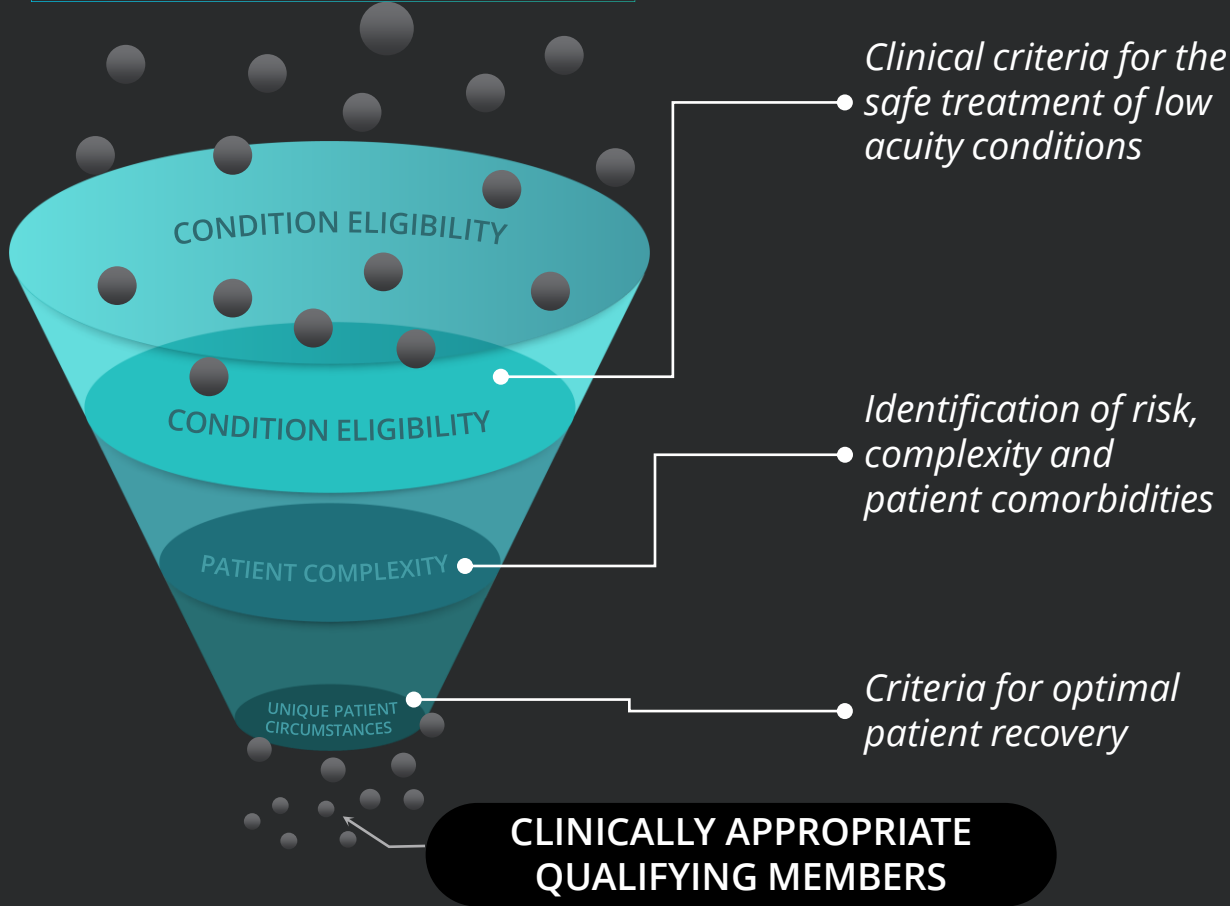


CLINICAL DATA ANALYTICS TOOLS

CODING SCHEMAS

CLASSIFICATIONS AND TOOLS

CLINICAL GROUPERS



Enables

1

Home-based care for members who are at risk of re-admission post hospital discharge

2

Home-based care for members who are discharged early from hospital

3

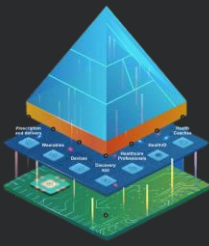
Home-based acute care for members in lieu of hospitalisation

4

Home-based acute care for end of life palliative care



Hospital @ Home COVID-19 ward positively impacting members during the 3rd wave



Ensuring access to hospital level-care from the comfort of your home



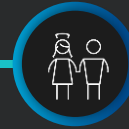
CLINICAL RECOMMENDATION

- While in hospital, the patient's condition improves
- Treating doctor recommends continued care at home through Discovery's Hospital @Home programme



PATIENT ELIGIBILITY & REGISTRATION

- An assessment is done on discharge to open support baskets and register into the programme
- The doctor confirms member eligibility and service requirements



HOME SET-UP

- A nurse visits patient at home to set up and explain their treatment and care plan
- All equipment and consumables are delivered. EG. IV and oxygen



ON-GOING CLINICAL CARE

Virtual consults with doctor / nurse



24-hour remote monitoring



Face-to-face consults with doctor / nurse



Physiotherapy consults



*Patient eligibility criteria applies

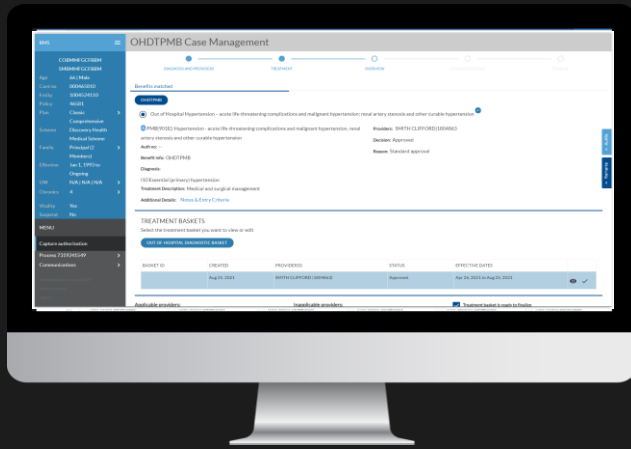


Sustained investment in leading technology to improve operational capabilities



>R1bn investment in upgraded admin and managed care systems over last 5 years

BMS

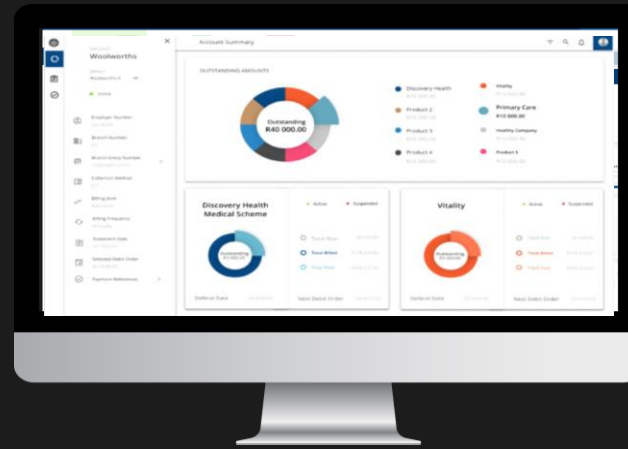


New claims system deployed over 5 years

R370m

Now in production

Billing engine



New billing system developed over 2 years

R150m

Goes live in Q4 2021

Discovery E-Volve



New CRM system that integrates data models and machine learning at service agent front-end.

R70m

Goes live in Q4 2021



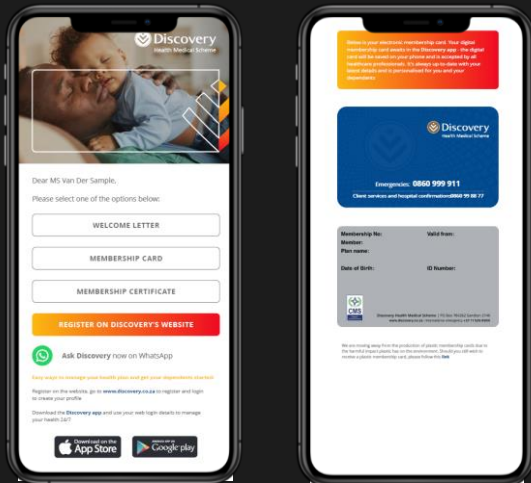
Investment in technologies to optimise operational efficiency and service levels



Smart View SMS

Replace plastic cards and paper packs with digital cards and member certificates

Trend away from plastic cards globally and in SA Reduce paper footprint (3.6Tons of paper used in 2020)



Allow member opt-in for physical card

Ask Discovery: AI based Virtual Agent enhancements

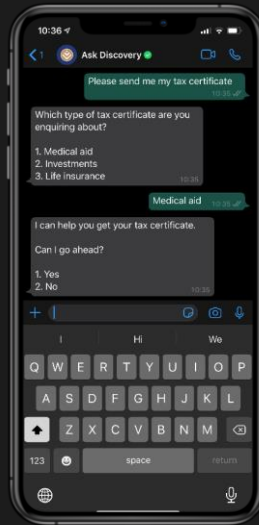


Virtual agent

108,100
USERS PM

205,700
SESSIONS PM

58%
CES SCORE



Ask Discovery available to...

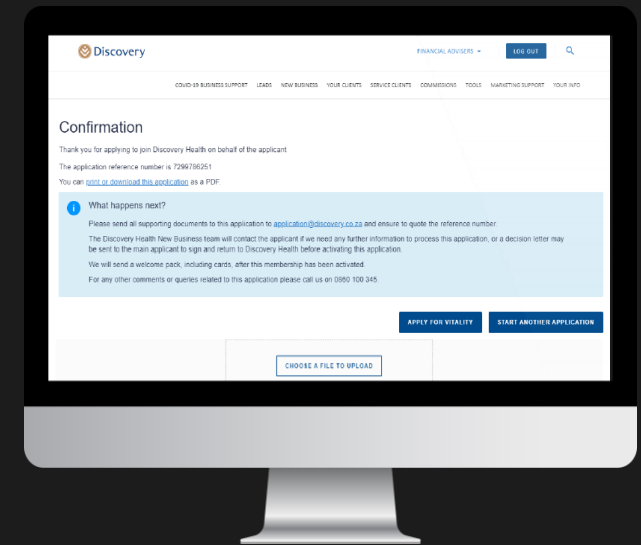
Members

Health Professionals

Financial Advisors

New services now available

Enhanced New Business online journey for advisers



- ✓ Enhanced screen design
- ✓ Streamlined process
- ✓ Pre-populate data
- ✓ Upfront validation



D Move to value accelerates in 2021, following shortcomings of Fee For Service during pandemic underutilisation



Learnings through the pandemic

Expected trends for 2022



Strengthened payer – provider relationships

Acceleration of acceptance of and migration to VBC arrangements

Building of care management capabilities (multidisciplinary care teams, tools)



COVID underscored strengths in VBC (vs FFS)

Greater use of global capitation arrangements

Growth in data-driven tools to support physician decision making

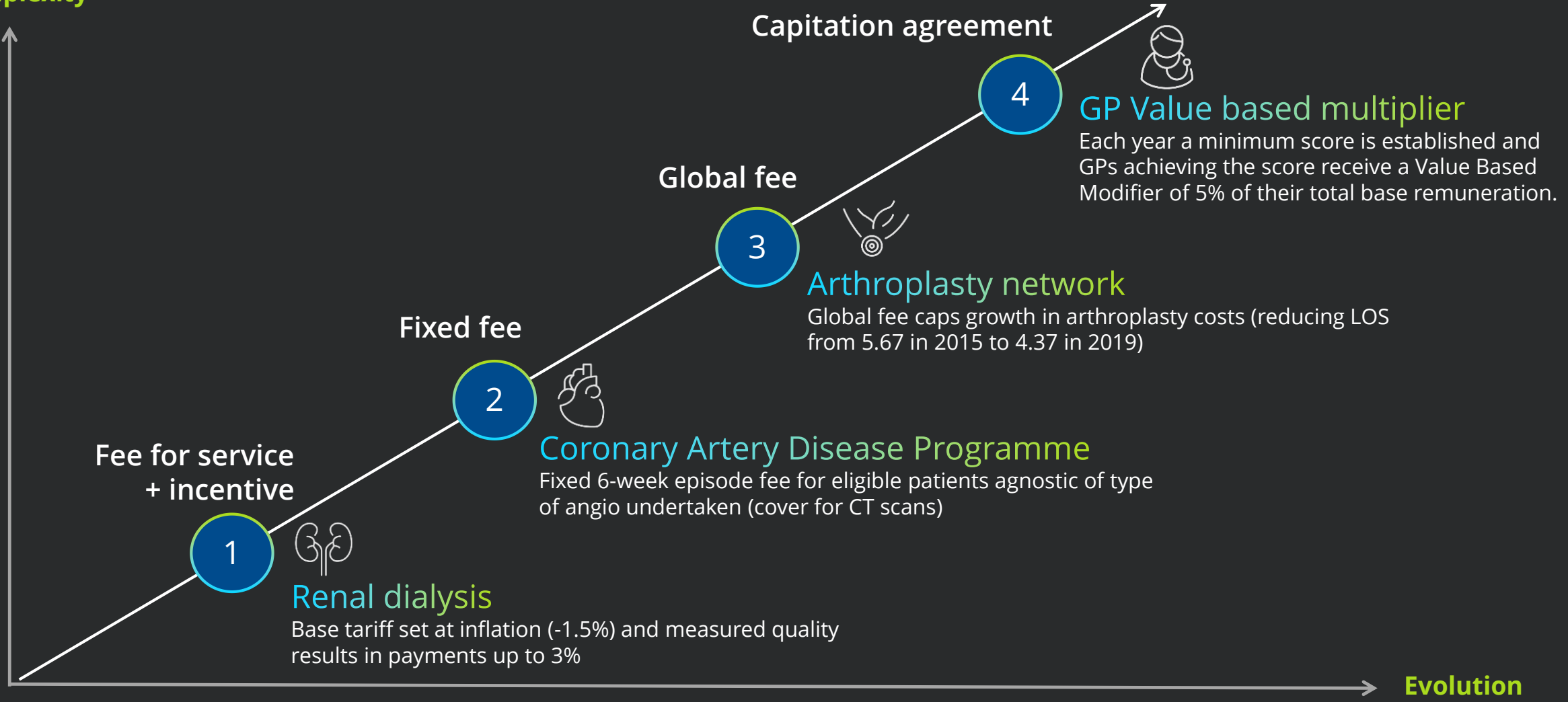


D

Multiple value based provider contracting models



Complexity





D Hospital Health Tracker: Insights that empower patient decision making and nudge to higher quality, at lower cost



$$\text{PaSS} + [\text{Mortality} + \text{Readmission}] + [\text{Negative Incidents} + \text{HAIs}]$$

CPE



Perception

Patient experience surveys



Efficiency

Optimising cost, case mix and admissions



Quality

Monitoring mortality and readmission for common conditions



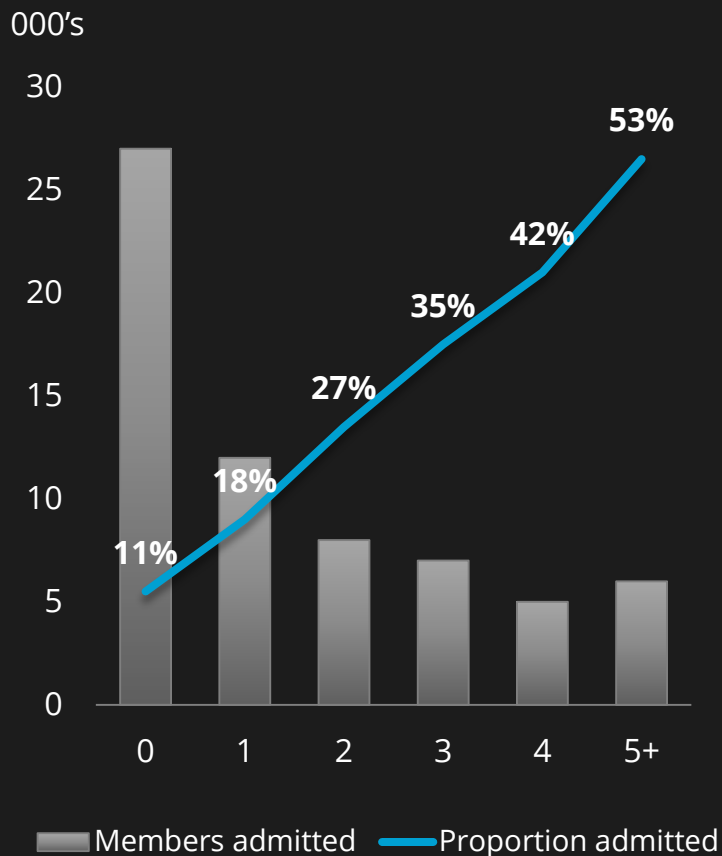
Safety

Measurement and self-reporting of negative incidents

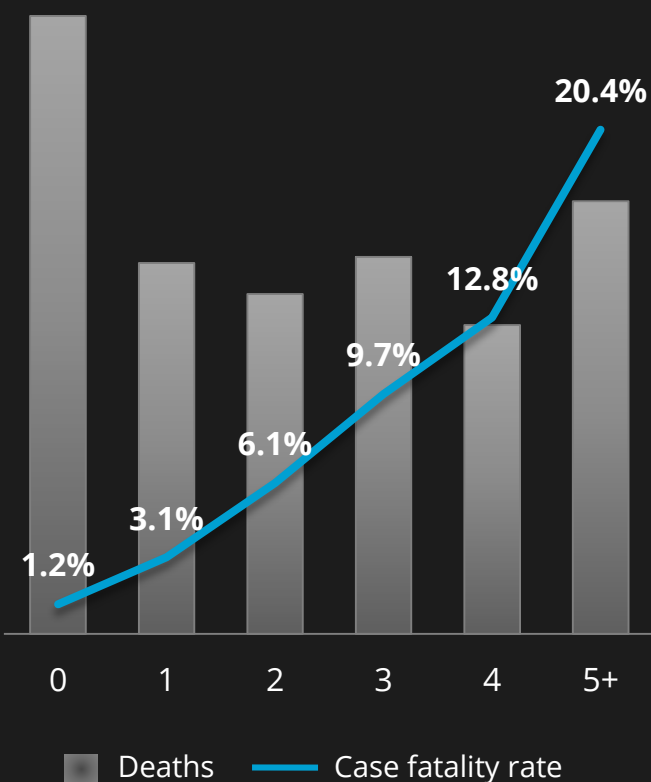


E COVID-19 Morbidity and mortality risk grows with number of chronic conditions

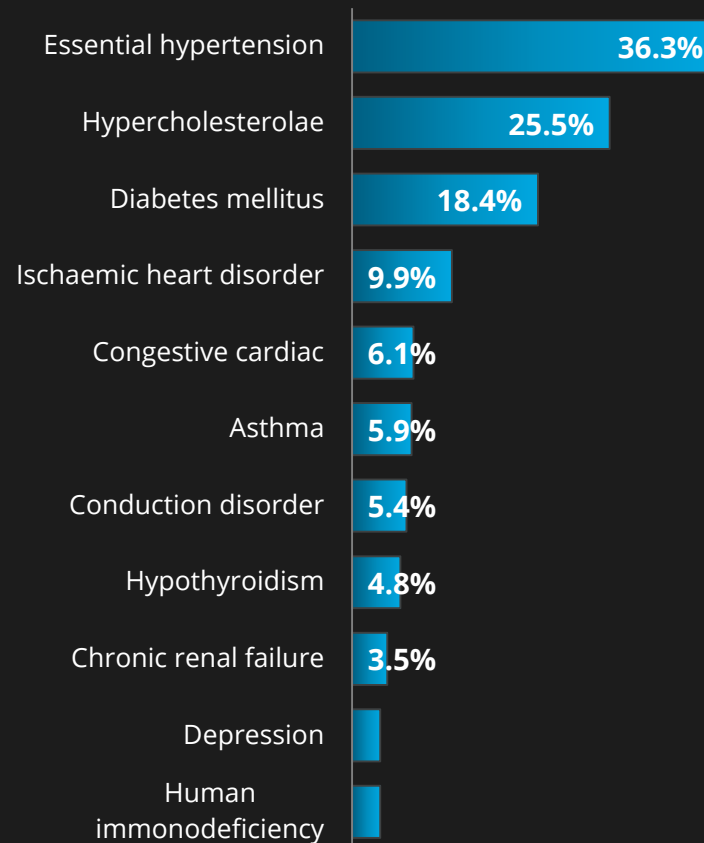
Proportion admitted by number of chronic conditions



Case fatality rate by number of registered chronic conditions



Top chronic conditions



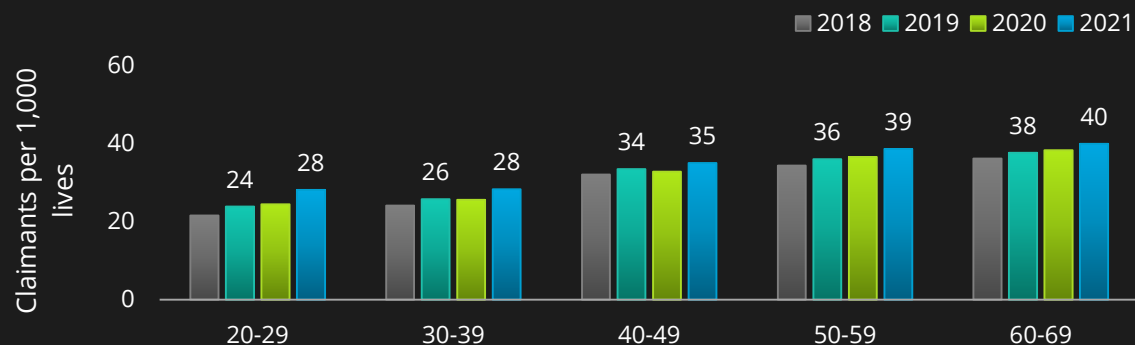


E Growing mental health issues are creating a burning platform

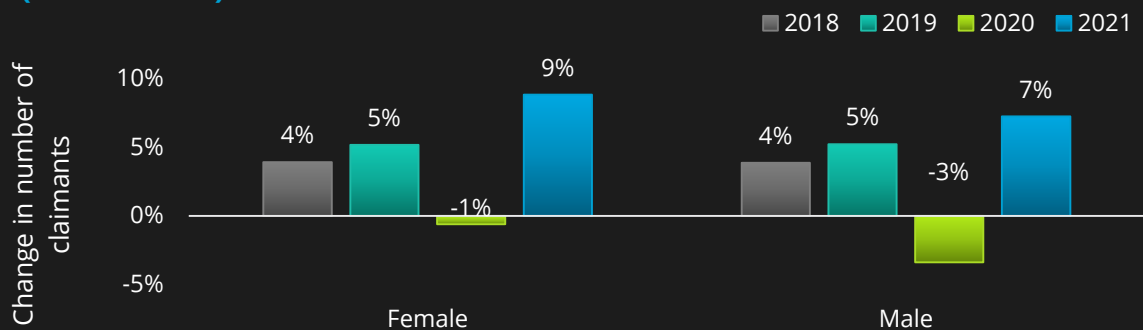


Growing mental health issues, particularly amongst females

20.2% increase in Psychosocial claims for 25-29 age group (2019-2021)

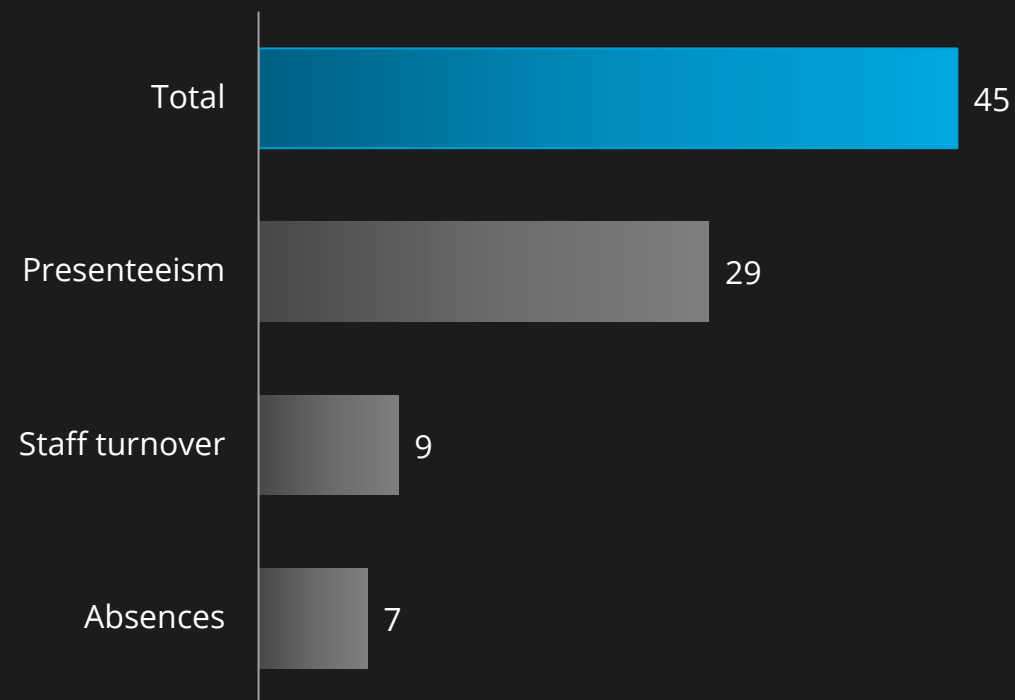


8.2% increase in Psychosocial claims for Females (2019-2021)



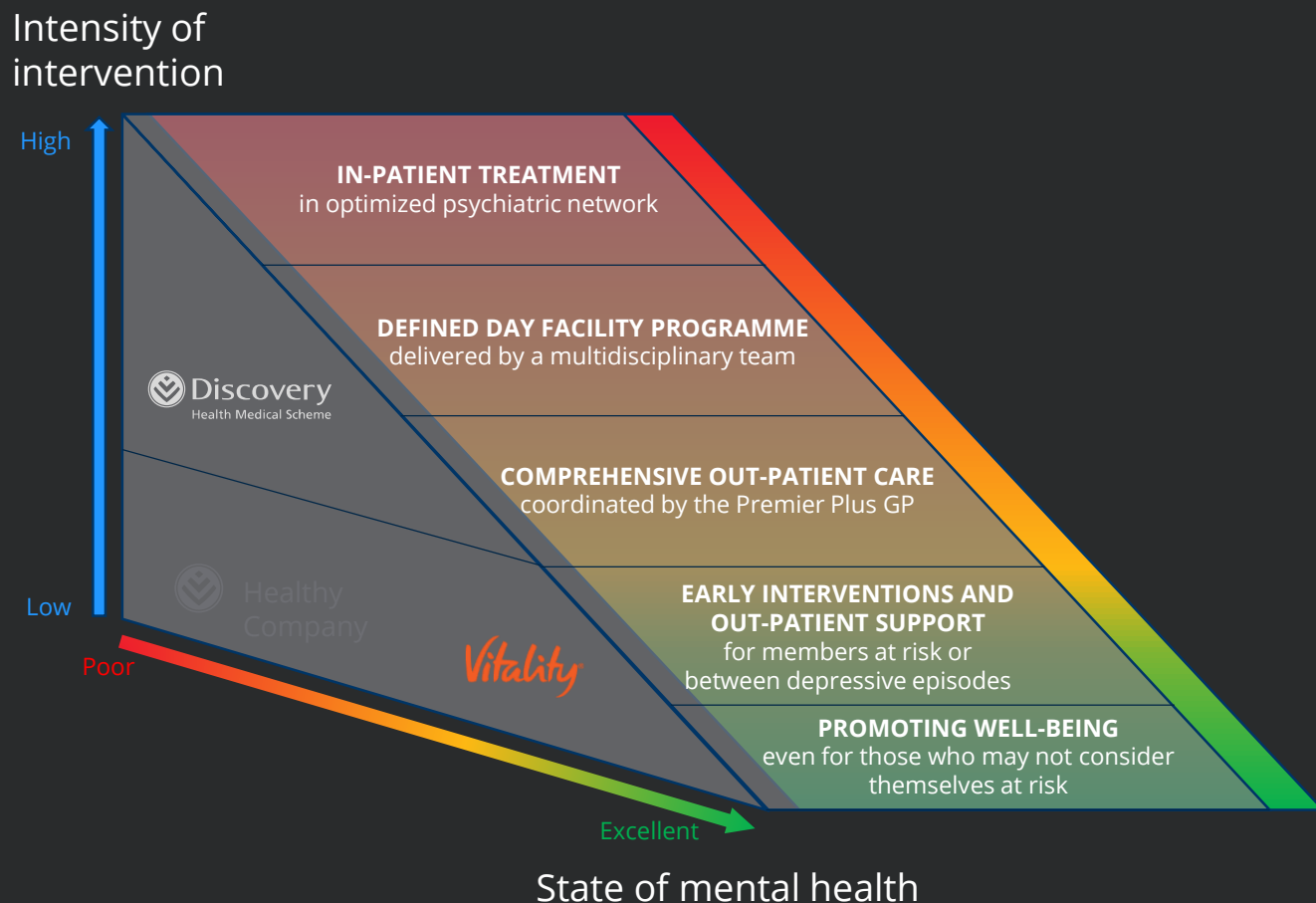
Business and economic cost of mental health is significant

Annual cost of mental health to UK business, Billion GBP





E Enhanced support for mental health leads to increased enrollment and relapse prevention



Key enhancements

- New **Relapse Prevention Programme** to identify and support members who are at risk of relapse or recurrence
- **Enhanced out-patient benefits** to monitor and manage acute and/or episodic major depression
- Free access to **Personal Health Goals** on Vitality Active Rewards for those who are at risk or diagnosed with major depression

12x

Increase in Mental Health programme enrollments

~400

Monthly enrollments on the Mental Health programme

>160

Relapse Prevention programme enrollments since March 2020



E Discovery Health Coaches reducing cardiac re-admissions

Health Coaches



~560

members enrolled in pilot programme

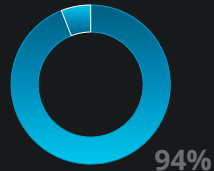
Support for behavioral and lifestyle coaching and interventions

Cardiac pilot programme

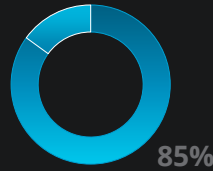
Better clinical outcomes

% Members with no re-admissions

Acute Myocardial Infarction (AMI)

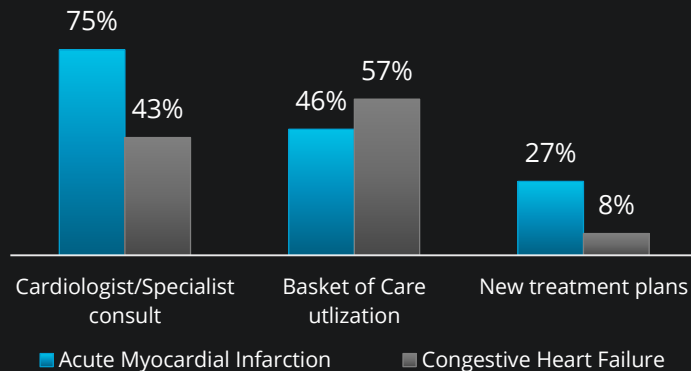


Congestive Heart Failure (CHF)



Increased benefit utilisation

% Members with increased basket of care utilisation



Improved member experience

MBR Scores

Acute Myocardial Infarction



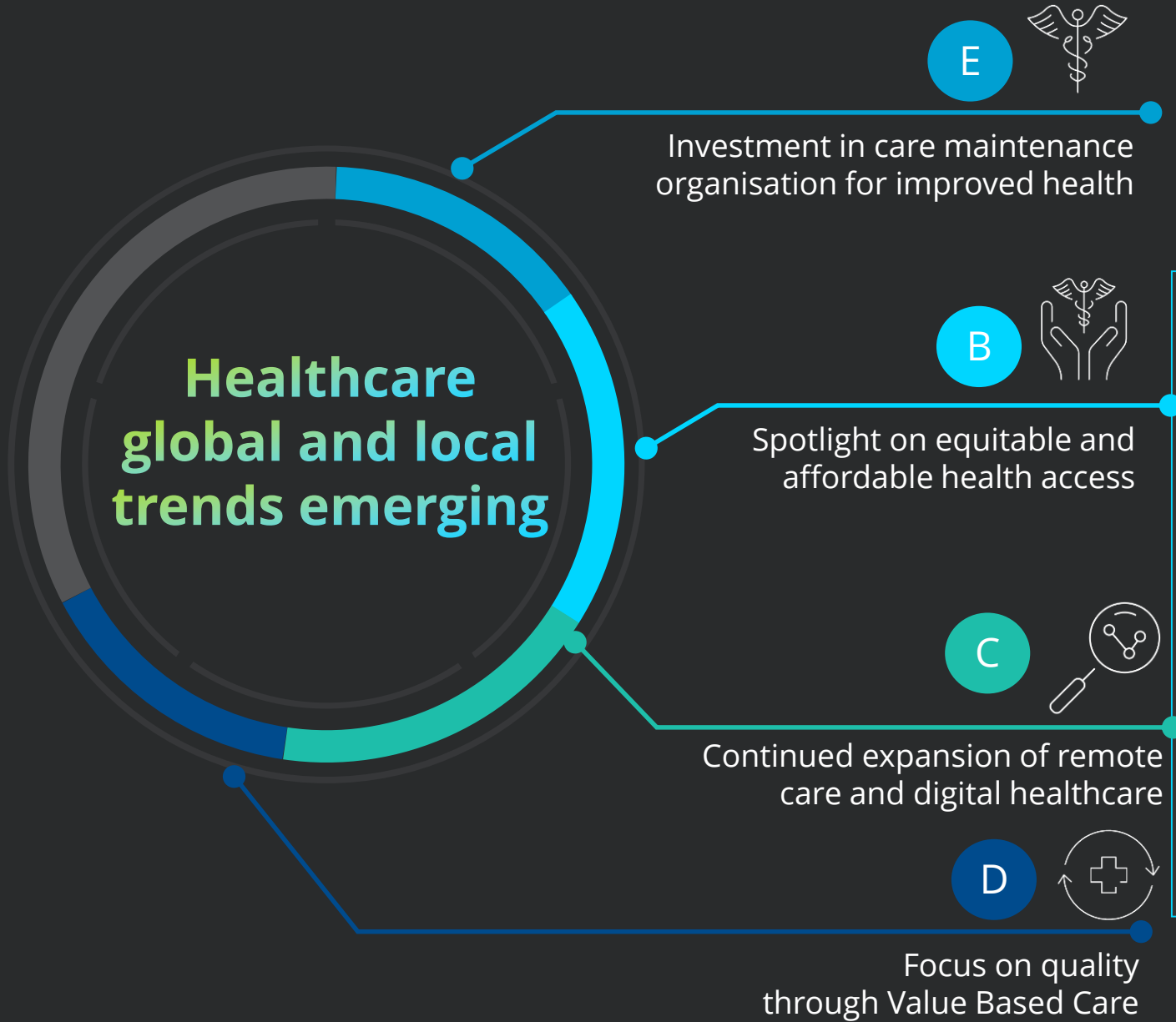
Congestive Heart Failure




Engagement in healthy living

	Acute Myocardial Infarction	Congestive Heart Failure
Condition Management	60%	41%
Fitness Device Linked	24%	7%
Exercise Improvements	9%	5%
Vitality Status Improvements	13%	7%
Healthy Food Improvements	5%	2%

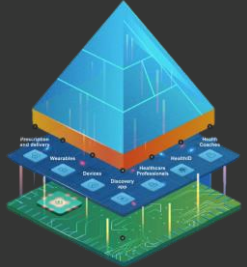
Discovery Health's strategic response to healthcare trends




Leveraging AI to improve quality of care for wound care




Connected Care




Connected Customer Service Platform



Virtual agent enhancements



Smart view SMS



New Business Online Journey



DHMS ANNUAL GENERAL MEETING

CEO Discovery Health | Dr Ryan Noach
August 2021

