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DISCOVERY GROUP

# Integrated Annual Report

for the year ended  
30 June 2026



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## Our reporting suite

A comprehensive reporting suite supports our Integrated Annual Report, providing our stakeholders with a holistic overview of the Group, its prospects and performance during the 2026 financial year (FY2026). These reports are available on our website.

### THIS REPORT

**PG** Integrated Annual Report

Explains how we managed the creation, preservation or erosion of value during the year. This is our primary report to our shareholders and providers of financial capital, and also includes information relevant to our other key stakeholders.

**AFS** Group Annual Financial Statements

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

**SUS** Sustainability Report

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

**CLI** Climate Report

Unpacks Discovery's approach to climate change and includes disclosures on climate-related governance, strategy, risk management, and metrics and targets.

**GOV** Governance Report

Details the Group's governance philosophy, leadership and compliance with the King Report on Corporate Governance for South Africa, 2025 (King V™)\*.

**REM** Remuneration Report

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

**TAX** Tax Transparency Report

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

**ESG** ESG Databook

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

**RES** Annual financial results presentation and booklet

**AGM** 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 use the following icons:



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Our reporting suite is best viewed in Adobe Acrobat for desktop, smartphone or tablet. Click to download or update to the latest Adobe Acrobat Reader

**PG**

This icon refers to more information in the relevant report

Read more

This icon refers to additional information available online



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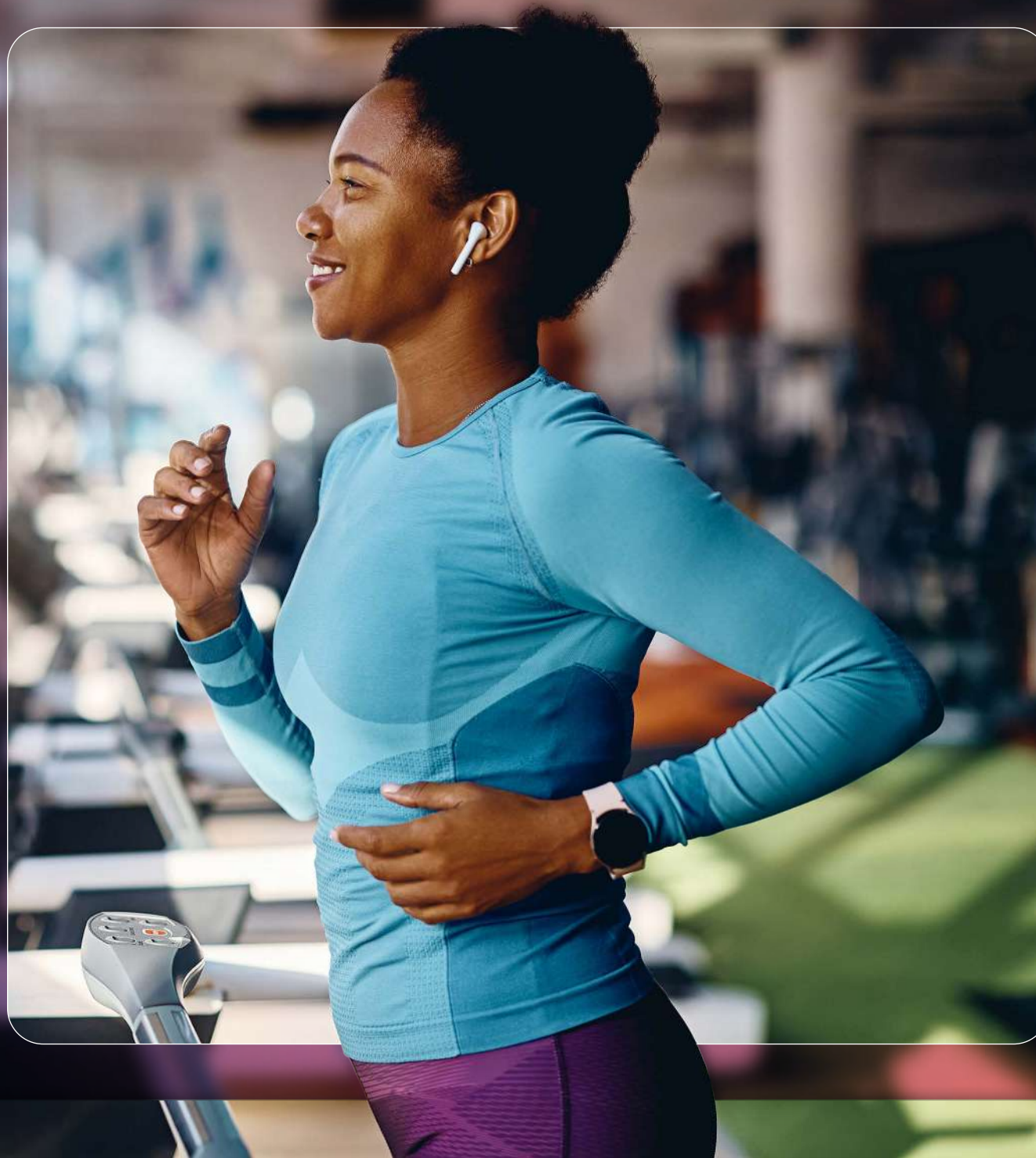
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# 01

## About this report



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Discovery is a South African-founded, global 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.**

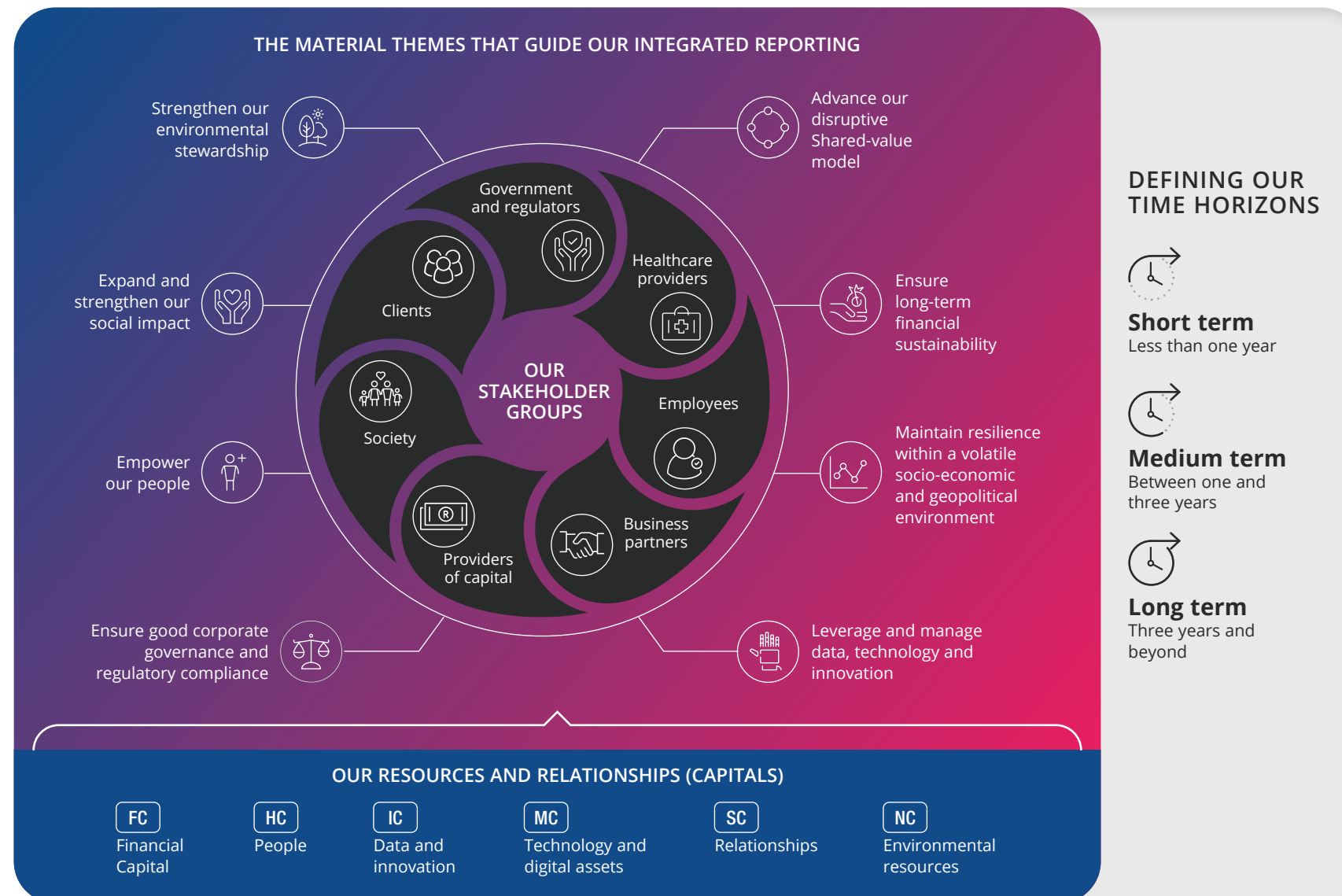
Our FY2026 Integrated Annual Report describes the creation, preservation or erosion of value for our providers of financial capital, shareholders and other stakeholders during the year. We also report on our progress against the Group's three strategic objectives and our material matters, which inform the content of this report.

## 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. We continuously assess how our strategic 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 illustrate the synergy between the resources and relationships that underpin our creation and preservation of value.

PG 94

For more information on our application of the Integrated Reporting Framework.



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# Reporting scope and boundary

This Integrated Annual Report provides a holistic view of Discovery Limited (Discovery or the Group) from 1 July 2025 to 30 June 2026. It also includes financial and non-financial information relating to the performance of our market-specific composites: Discovery (South Africa (SA)) and Vitality (United Kingdom (UK) and Global). Furthermore, we report on all material events up to the date of approval by our Board of Directors (Board).

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

Our strategy

**PG 32**

Our Shared-value model

**PG 11**

The performance of our business units

**PG 74**

Our material themes and material matters

**PG 14**

Our governance

**PG 17**

Our operating environment

**PG 49**

**Our financial reporting boundary**  
(defined by control and significant influence)

**DISCOVERY LIMITED**

Joint arrangements

Subsidiaries

Investments (other forms)

**OUR STAKEHOLDERS** **PG 55**

Government and regulators

Employees

Providers of capital

Clients

Healthcare providers

Business partners

Society

# 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 V™ report
  - International Financial Reporting Standards (IFRS)

# Forward-looking statements

This report may include certain forward-looking statements regarding the Group's 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 guide the information we report on, as they could substantively impact our ability to create or preserve value in the short, medium and long term. Materiality further directs 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.

**PG 14** For more information on our materiality determination process.

# Combined assurance

Discovery is committed to disclosing accurate information that supports stakeholders' 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 FY2026, 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 emissions inventory by Verify CO<sub>2</sub>
  - 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 FY2026.

# 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 compiled using internal presentations and communications, risk reports, stakeholder dashboards, marketing documents, articles, content templates, Board packs and other reports in our reporting suite. Reviews from subject matter experts and business units further ensured the 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 is responsible for the integrity of this report, and confirms it materially complies with the requirements of the Integrated Reporting Framework. 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 provides a balanced, accurate and comprehensive account of how Discovery managed the creation, preservation or erosion of value for our stakeholders in the short, medium and long term. The Board unanimously approved this report on 13 October 2026.

**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](mailto:askthecfo@discovery.co.za).

Email us

# 02

## Group overview



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# Who we are

Discovery is a global financial services organisation that uses a pioneering Shared-value model across businesses in our markets. The model delivers better health and value for clients, superior actuarial dynamics for the insurer, and a healthier society. These outcomes are enabled by over three decades of leveraging 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 a balanced approach to managing value creation, preservation and erosion.

We build businesses that are underpinned by the Vitality Shared-value model, whose relevance is strengthened by four defining global trends – demographics, the nature of risk, technology and social responsibility.

**PG 32** [For more information on these global trends.](#)

## WHY WE ARE IN BUSINESS

### Changing behaviour that contributes to risk

Achieving our core purpose means that, alongside our broader operating context, we must also evaluate the factors that compromise people's health and mortality, wealth and safety. A meaningful component of health, financial and driving risk is influenced by behaviour. Understanding these behaviours allows Discovery to design products and incentives that help clients improve outcomes while reducing risk over time. It is this deep understanding of the causes of the changing nature of risk that underpins the success of our Shared-value model. Moreover, we recognise that the physical environment directly and indirectly impacts people's health. In this context, the Shared-value model is also conceptually applicable for environmental behaviour change, supporting our commitment to climate change mitigation.

**PG 11** [For more information on our Shared-value model.](#)



#### 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 motor accidents

*Road Traffic Management Corporation and US Department of Transportation*



#### Climate change

Four lifestyle behaviours are responsible for

85%

of personal and household carbon emissions.



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# WHAT

## WE DO

We build market-leading businesses that support our focus on organic growth while maintaining a founder's mindset. Through our Vitality Shared-value model, we are able to develop innovative products that address complex issues and disrupt industry dynamics.

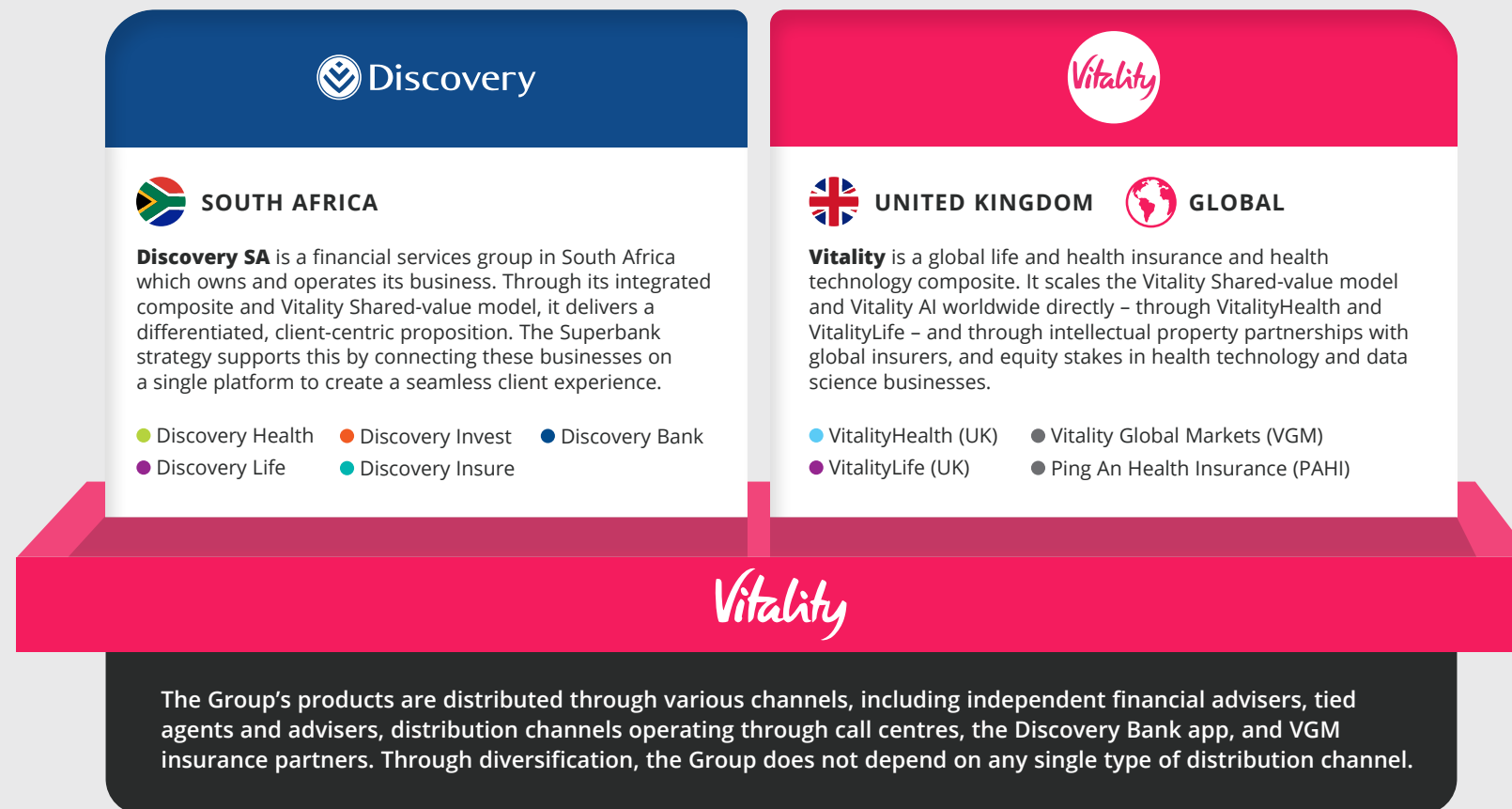
This approach is core to each business and is scalable, repeatable and globally relevant. Our Vitality behavioural platform can be applied across a range of businesses, including banking, savings, health, life or other insurance, whether within a Discovery-owned business or through our strategic partnerships. Our Vitality Shared-value model also extends to renewable energy through Discovery Green, through which we help businesses decarbonise and shape a more sustainable energy future for South Africa.

**PG 74** Refer to our business reviews for detailed descriptions of our businesses.

**PG 32** Refer to our strategy for detailed descriptions of our short-, medium- and long-term objectives.

**SUS** Refer to our Sustainability Report for more information on Discovery Green.

We integrate our medium-term ambitions with short-term goals and drive our operating model through new business ventures or partnerships across market-specific composites. This allows us to create value for stakeholders and differentiate ourselves.



### OUR PRODUCTS AND SERVICES:

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

Discovery Green and Vitality South Africa are not recognised as operating segments in our Annual Financial Statements as they do not meet the quantitative thresholds for separate reporting. Accordingly, they are not addressed individually in this report.

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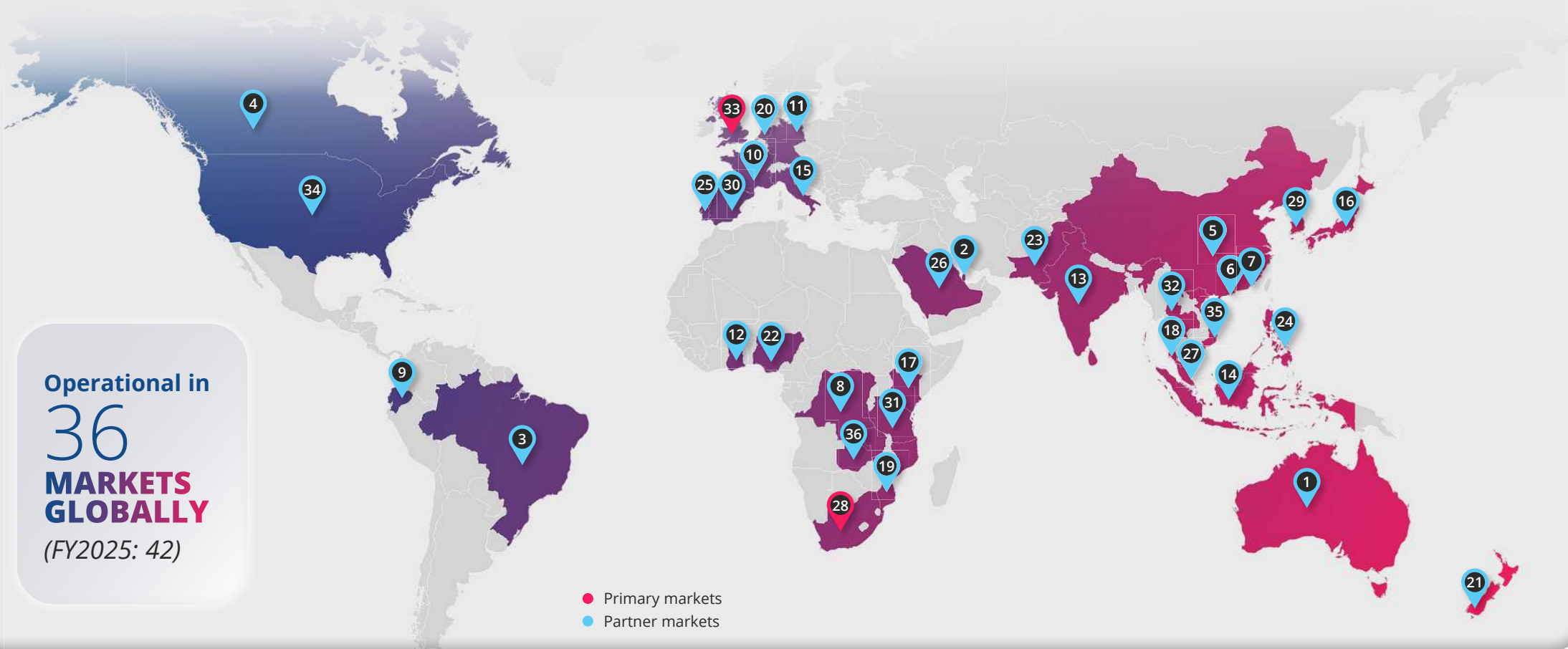
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# WHERE WE OPERATE

Our global footprint narrowed following the completion of the Generali partnership wind-down in Europe during the year, and a deliberate alignment of our international operations to concentrate resources on markets with the greatest potential for scale and shared-value impact. A clear strategy is in place to re-expand through new partnerships and the rollout of Vitality AI across other target markets.

- |             |              |                 |                   |
|-------------|--------------|-----------------|-------------------|
| 1 Australia | 10 France    | 19 Mozambique   | 28 South Africa   |
| 2 Bahrain   | 11 Germany   | 20 Netherlands  | 29 South Korea    |
| 3 Brazil    | 12 Ghana     | 21 New Zealand  | 30 Spain          |
| 4 Canada    | 13 India     | 22 Nigeria      | 31 Tanzania       |
| 5 China     | 14 Indonesia | 23 Pakistan     | 32 Thailand       |
| 6 Macau     | 15 Italy     | 24 Philippines  | 33 United Kingdom |
| 7 Hong Kong | 16 Japan     | 25 Portugal     | 34 USA            |
| 8 DRC       | 17 Kenya     | 26 Saudi Arabia | 35 Vietnam        |
| 9 Ecuador   | 18 Malaysia  | 27 Singapore    | 36 Zambia         |



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# Snapshot of FY2026

Normalised profit from operations increased by  
**17%**  
to **R17 750 million**  
(FY2025: R15 210 million)

New business API increased by  
**6%**  
to **R28 155 million**  
(FY2025: R26 486 million)

We impact  
**54.0 million**  
**lives globally**  
(FY2025: 48.8 million)

Normalised headline earnings increased by  
**21%**  
to **R11 795 million**  
(FY2025: R9 781 million)

Shareholder free cash flow, before ordinary dividends, increased to  
**R5 756 million**  
(FY2025: R3 243 million)

Operational in  
**36**  
**markets globally**  
(FY2025: 42)

Employed over  
**15 200**  
**people**  
(FY2025: over 15 000) (including non-permanent employees)

Discovery won a silver award for connected intelligence in the GenAI Innovation of the year category at the 2026 Qorus Innovation in Insurance Awards

Maintained Level  
**1 B-BBEE**

Normalised headline earnings per share (diluted) increased by  
**19%**  
to **1 747.4 cents**  
(FY2025: 1 462.8 cents)

Group net asset value increased by  
**26%**  
to **R82 661 million**  
(FY2025: R65 699 million)

Income from non-insurance business lines increased by  
**10%**  
to **R7 282 million**  
(FY2025: R6 643 million)

Discovery Bank achieved its maiden normalised profit of  
**R370 million**  
(FY2025: R68 million loss)

**Discovery launched Vitality AI**, a platform developed in partnership with Google to deliver personalised, actionable insights that are tailored to individuals' unique health, lifestyle and key risk factors.

**34.1%**  
**reduction in Scope 1 and 2 carbon emissions** against our 2019 baseline of 35 897 tonnes CO<sub>2</sub>e  
(FY2025: 31.2%)

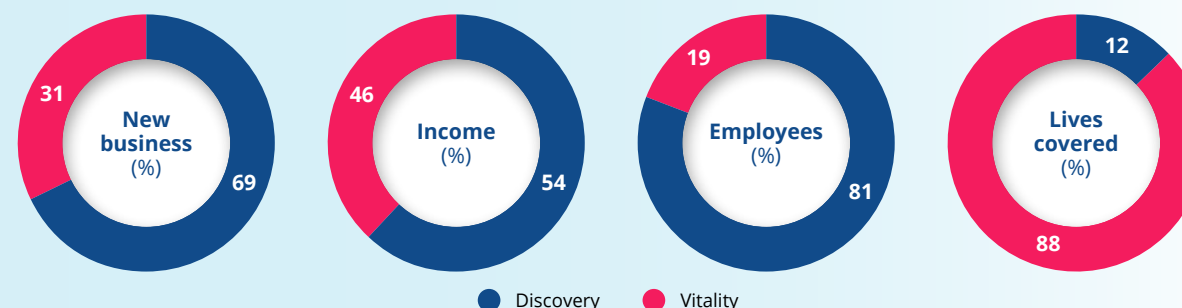
**The Government Business Partnership**, in which we are proud to play a leadership role, entered phase three. With economic growth at its centre, this new phase is intended to support a turning point in South Africa's economic trajectory.

Recorded more than **725 million healthy activities**, with over **5.2 million life years saved** and **R17.2 billion in value** returned to clients.

Discovery's engagement with key stakeholders on amendments to the **National Health Insurance Act** is ongoing. Our stance remains firm: while we support universal health coverage, the NHI Act, in its current form, is not workable without private sector collaboration.

**DISCOVERY GREEN**, a renewable energy platform that enables electricity wheeling to connect companies with clean, affordable power at scale:

- Introduced Green Flex, a new product that offers clients the same price, or lower, and the same level of coverage as solar, without needing onsite physical infrastructure
- Concluded several offtake agreements and transactions with independent power producers to supply renewable energy to end users



**PG** For more information on our outlook for FY2027, refer to our strategy from page 32 and "Where we are headed" in our business reviews from page 74.

**SUS** For more information on our social and environmental impact, refer to our Sustainability Report.

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# Our business model

We manage the creation, preservation and erosion of value through resources and relationships that enable us to provide products and services through our composites. Understanding our business begins with understanding 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 is realised through our pioneering and bespoke Shared-value model applied across our Discovery SA and Vitality composites. The Shared-value model is underpinned by our leading Vitality behaviour-change platform and supported by our unique foundation and operating model. The use of AI, through Personal Health Pathways and Vitality AI, is now the next evolution of our shared-value approach, scaling personalised healthcare with greater precision, granularity and impact.

### Our values

Our values make us who we are and support every decision we make to ensure we manage value creation, preservation and erosion in a balanced way.

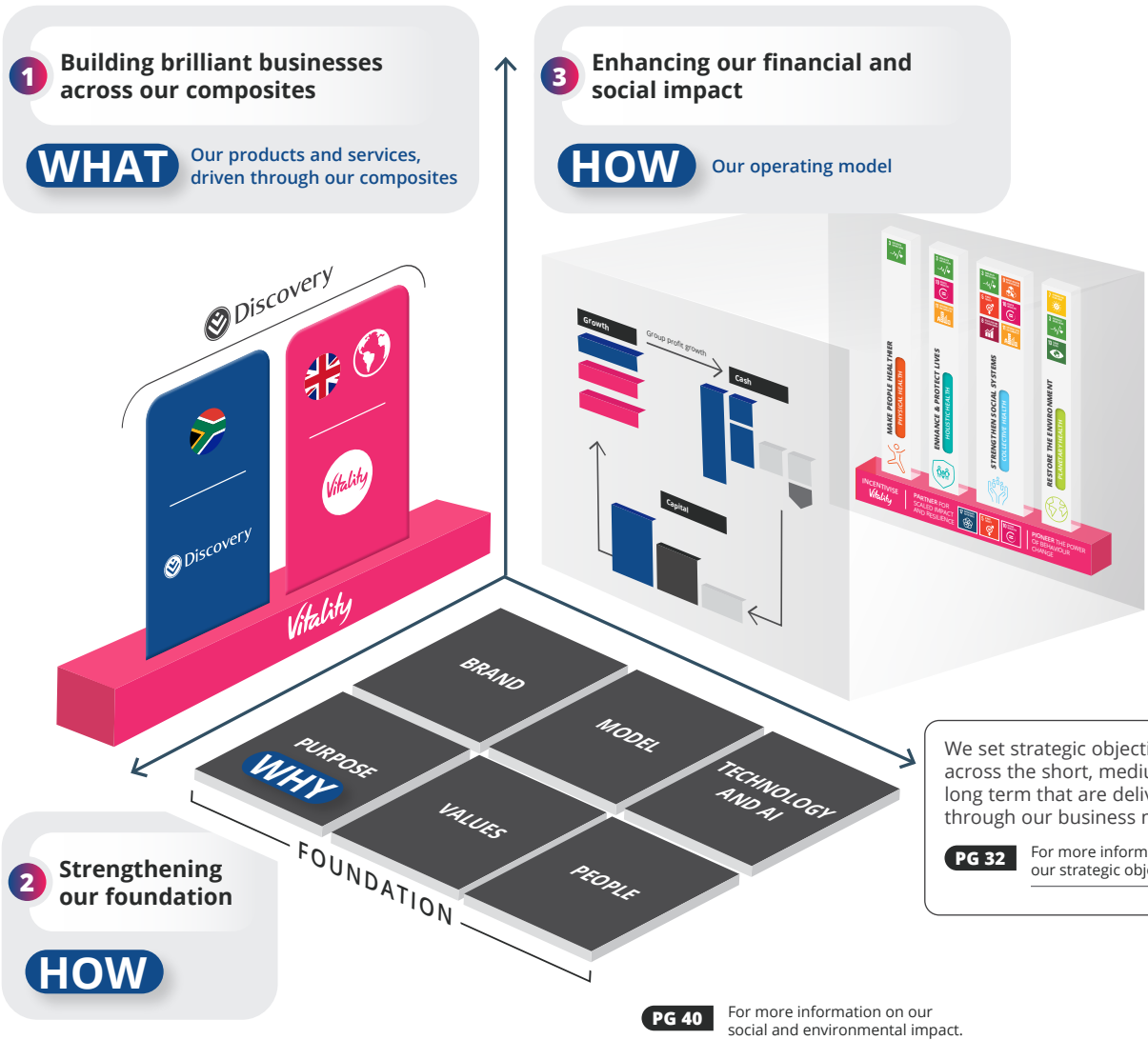
- Great people
- Liberate the best in people
- Intellectual leadership
- Drive, tenacity and urgency
- Innovation and optimism
- Business astuteness and prudence
- Customer, customer, customer
- Integrity, honesty and fairness
- Force for good

### 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.



**PG 40** For more information on our social and environmental impact.



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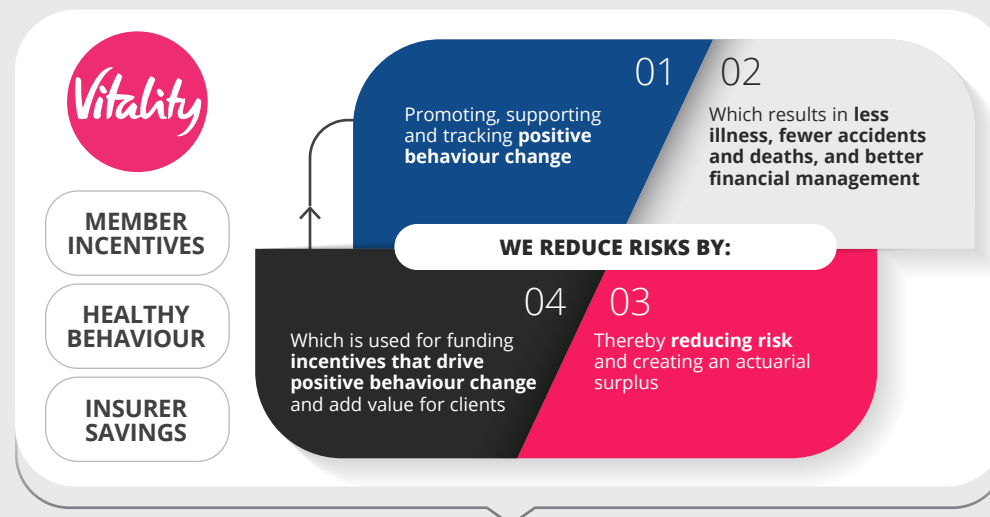


# ENABLING OUR HOW

Key INPUTS include:

## MC Our Shared-value model

Our Shared-value model is built on the Vitality behaviour-change platform, which guides and incentivises better health, driving and financial behaviour. Informed by our understanding of the correlations between behaviour and risk impacting, cost and outcomes, the Vitality behaviour-change platform addresses those areas with the greatest potential to change risk outcomes over the long term. Through the power of the Discovery dataset, and analysing behavioural and clinical data, we can identify our clients' changing health risks, lifestyle habits and individual preferences. Combined with behavioural science and the advanced capabilities of Vitality AI, this insight 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 risk outcomes at scale.



**The Vitality behaviour-change platform applies to all our businesses and enables product integration and cross-selling opportunities across the Group.**

The model offers clients access to 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 their behaviour across health, driving and financial management.

This is what the Group refers to as alpha – the additional value the Shared-value model generates above what a traditional insurance model would deliver, manifesting in superior margins, stronger returns on capital and better outcomes for clients and society.

## Our operating model

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

### FC Financial Capital

Equity/capital of  
**R82 661**  
million  
(FY2025: R65 699 million)

Debt of  
**R17 787**  
million  
(FY2025: R16 103 million)

Spend on new initiatives at  
**2%**  
(FY2025: 3%)

**PG 66** Refer to our Group CFO's review for more information on our operating model.

### NC Environmental resources

**33 679** MWh  
total energy consumed  
(FY2025: 33 081 MWh)

**99 564** kl  
total water withdrawn  
(FY2025: 100 072 kl)

**PG 40** For more information on our social and environmental impact.

## OUR FOUNDATION

### SC Our brand

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

The strength of the Discovery and Vitality brands supports client trust, distribution, talent attraction and expansion into new markets. Elevating these brands increases equity, visibility and trust, enhancing our social and financial impact worldwide. We leverage our brand equity through innovative marketing strategies that support our global growth across our composites.

**85%**  
average score in the  
Ask Africa brand  
health tracker for  
Discovery businesses  
in South Africa  
(FY2025: 85%)

**63%**  
score for Vitality  
(UK) brand survey,  
conducted by  
Immerse  
(FY2025: 64%)

**OVER  
15 200**  
employees including  
our experienced  
leadership teams  
(FY2025: over 15 000)

**R15.8**  
billion  
in staff costs, including  
Executive Directors  
(FY2025: R14.8 billion)

### HC Our people

Our people bring our Shared-value model to life. To achieve our long-term strategic objectives, we strive to employ the best talent for every role while fostering a diverse, inclusive and collaborative workplace that empowers us to navigate an increasingly complex world together. Our employee experience motivates and inspires our people to harness their passion for excellence, contributing to our competitive advantage.

We actively seek out thought leaders and individuals who align to our values and combine intellectual leadership with innovation and execution, and who are passionate about driving product development, engaging in policy debate and applying science-based approaches. As our industry continues to rely on scarce critical skills, especially in the actuarial, digital and technology sectors, attracting and retaining exceptional talent is a priority. We prioritise hiring and retaining people with humility and empathy (IQ > Ego) and the potential to collaborate and lead thoughtfully (EQ > IQ).

### IC MC Technology and AI

Technology and AI 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 integrated and hyper-personalised client experiences across our businesses, power our global expansion and transform the financial services industry through measurable improvements in health, financial wellness and engagement. 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.

Our AI strategy is primarily focused on advancing the Shared-value model through Vitality AI while also utilising AI across our value chain to drive efficiency. Supported by principles to guide responsible use, our AI approach is human centred and purpose driven. In addition, we prioritise responsible data stewardship and have measures in place to support data integrity, protect client data and maintain trust with stakeholders.

**Vitality Technology Platform**  
delivers the Vitality Programme  
across markets, enabling  
consistent member experiences,  
rapid deployment of innovation,  
deep personalisation, and  
efficient global delivery  
through a shared cloud-native  
architecture.

**OVER  
725**  
million healthy  
activities recorded  
(FY2025: 640 million)

Good **CORPORATE GOVERNANCE** is fundamental to creating sustainable 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 reaches beyond compliance and is grounded in 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.

**PG 17** For more information on our governance.

Discovery's sustained growth and success depend on how we engage with, understand and respond to our **STAKEHOLDERS'** needs, concerns and insights. As such, we engage our stakeholders at various points within our operating model and across our foundation.

**PG 55** For more information on our stakeholders.

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SUPPORTING OUR WHAT

We conduct business activities across our composites:



Our main operational ACTIVITIES across our businesses include:

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

Our products and services (our OUTPUTS) include:



Health insurance, administration and managed care of medical schemes



Short-term personal insurance



Life insurance



Banking



Behaviour-change programmes



Long-term savings and investments



Renewable energy wheeling

Emissions and waste (our OUTPUTS):

23 651 tonnes CO<sub>2</sub>e  
(Scope 1 and 2)  
(FY2025: 24 694 tonnes CO<sub>2</sub>e)

53 tonnes waste to landfill  
(FY2025: 42 tonnes)

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

- Scaled organic growth, with extension through our composites, alongside disciplined capital allocation that supports future growth
- Targeted growth in Group normalised operating profit of 15% to 20% (compound annual growth rate (CAGR))
- Strong Group liquidity and solvency with financial leverage ratio less than our internally set guidance threshold of 28%
- Implemented climate change strategy that reduces our own impact on the environment and leverages our influence through products and services

FC

Normalised return on equity  
16.5%  
(FY2025: 15.4%)

NC

Waste to landfill  
10% of waste generated  
(FY2025: 8%)

OUR FOUNDATION

SC Our brand

Our Discovery and Vitality brands strengthen the relevance of our products and services by reflecting our core purpose and by contributing to the development of 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  
9.35  
(FY2025: 9.41)

Elevated brand messaging that highlights shared value through targeted campaigns

HC Our people

Discovery's entrepreneurial spirit is part of our culture and nurtured by employees at all levels. 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, help build a talent pool of critical skills.

Women represent  
59% of our workforce  
(FY2025: 58%)

79% black South African employees  
(FY2025: 79%)

IC MC Technology and AI

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. This data underpins Personal Health Pathways and Vitality AI, which allow us to offer more personalised advice, guidance and 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. The Vitality Technology Platform, our cloud-based, feature-rich platform, supports and enables our diverse and growing set of global partnerships and programmes.

Personal Health Pathways digital health platform combines data, actuarial and behavioural science to engage members in a personalised programme that incentivises healthier habits and behaviour change.

Vitality AI merges Google's scalable cloud and AI capabilities with Vitality's vast data assets to identify clients' risk factors with greater precision, deliver accurate next best actions and encourage healthier behaviours.



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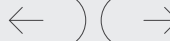
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# Our material themes and material matters

Discovery is committed to creating sustainable value for our business, our clients and society while remaining responsive to the evolving external environment in which we operate. Our approach to value creation is guided by our core purpose, which also influences our business decisions.

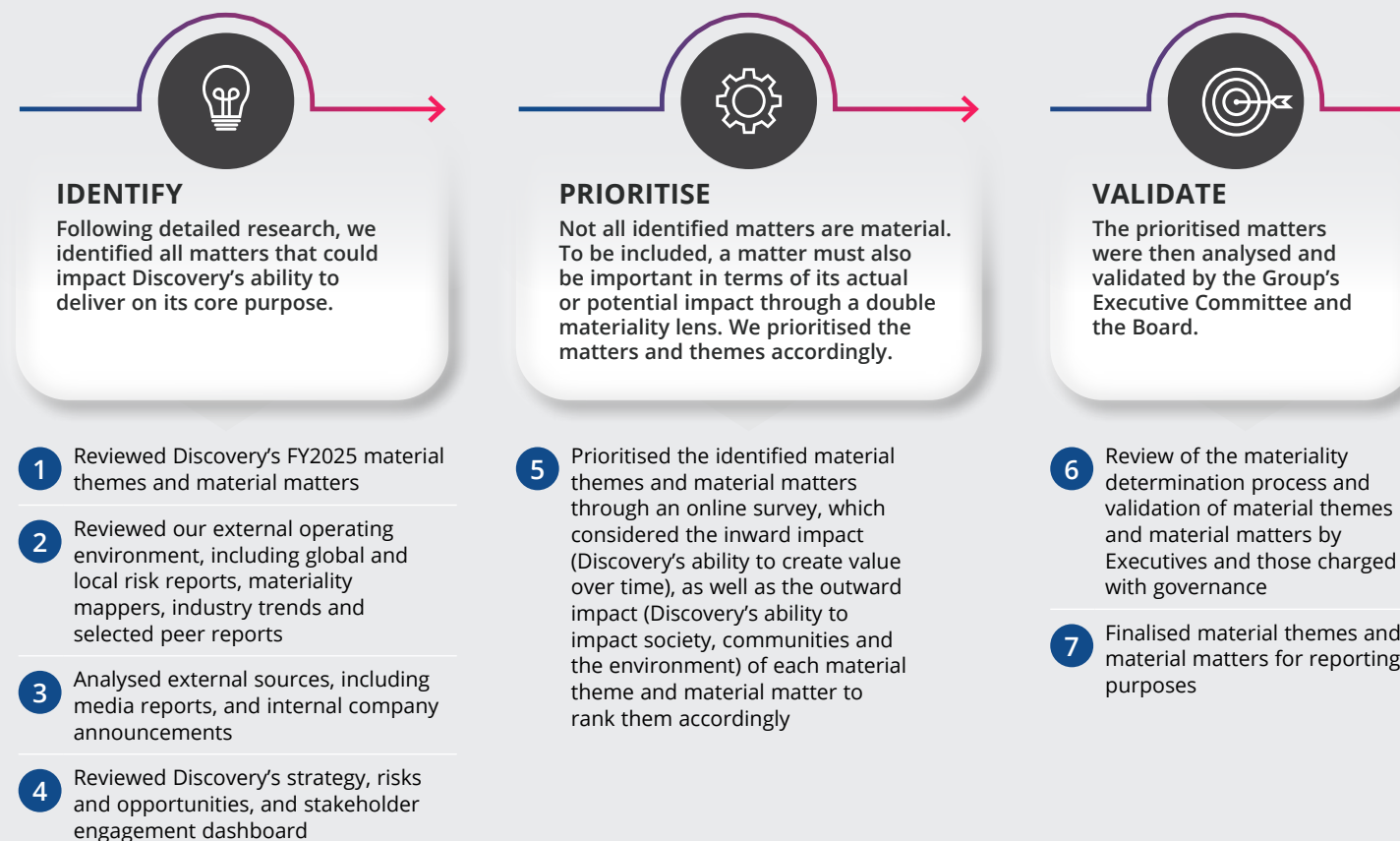
The content of this report is guided by matters that could substantively impact our ability to create or preserve value in the short, medium and long term, as well as those that could erode value if not managed effectively.

**PG 10** For more information on how we create value.

**SUS** Refer to our Sustainability Report for more information on the application of double materiality.

## How we determine our material themes and material matters

In FY2026, 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 impact of each material matter on Discovery's ability to create value over time, as well as our impact on society, communities 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.



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# Our material themes

Our material themes are intrinsically linked to the Group’s strategic objectives, risks and opportunities, operating environment, stakeholders, and the resources and relationships we rely on, as they could affect our ability to create or preserve value and, ultimately, impact our strategic performance.

We map these connections throughout the report, where most relevant, while keeping this section focused on why each theme is important to our business. We track our strategic objectives through defined performance measures and targets over short-, medium- and long-term horizons and regularly monitor progress, with these objectives also linked to executive remuneration to drive accountability and long-term value creation.

Our material themes are weighted according to 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 FY2026.

-  **Higher inward impact**
-  **Higher outward impact**
-  **Equal impact**

- PG 32** For more information on how these material themes influence our strategy and performance.
- PG** For more information on how these material themes influence our risks and opportunities, operating environment and stakeholders, refer to pages 42, 49 and 55.
- PG 66** For more information on operational effectiveness, refer to our Group Chief Financial Officer’s review.

\* New material matter  
\*\* Material theme/matter renamed or expanded



## ADVANCE OUR DISRUPTIVE SHARED-VALUE MODEL

### OUR MATERIAL MATTERS

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

#### Why this is important to our business

Our Shared-value model underpins our competitive advantage, improving actuarial dynamics and creating value for our clients, our business and society. Organic growth through our businesses and global partnerships is central to our growth ambition and sustainable earnings.



## ENSURE LONG-TERM FINANCIAL SUSTAINABILITY

### OUR MATERIAL MATTERS

- Sustainable financial performance
- Embedding and managing ESG factors
- Climate change resilience and vulnerability management
- Brand equity and reputation\*

#### Why this is important to our business

Consistent profit, cash generation and return on equity enable us to fund growth, meet solvency requirements and deliver sustainable returns to our providers of capital. We also proactively manage climate and ESG risks to protect our underwriting margins, balance sheet strength and access to capital. At the same time, we leverage the Discovery and Vitality brands as strategic assets to drive market expansion, while safeguarding our reputation through ethical leadership, thereby enhancing client loyalty and talent acquisition.



## MAINTAIN RESILIENCE WITHIN A VOLATILE SOCIO-ECONOMIC AND GEOPOLITICAL ENVIRONMENT\*\*

### OUR MATERIAL MATTERS

- Healthcare system strain
- Persistent economic and socio-political pressure and critical infrastructure deterioration\*\*
- Evolving societal changes and behavioural shifts\*\*

#### Why this is important to our business

Economic uncertainty, geopolitical tensions and infrastructure deterioration affect demand, affordability and operating conditions. Concurrently, structural societal changes, including an ageing population and increased mental health challenges, are shaping demand for our products and reinforcing the relevance of our Shared-value model. Rising chronicity also increases claims costs, making our preventive and digital healthcare capabilities increasingly important.



## LEVERAGE AND MANAGE DATA, TECHNOLOGY AND INNOVATION\*\*

### OUR MATERIAL MATTERS

- Cyber and data security, digital stewardship, and privacy
- Technology, innovation and our unique data set
- Digital inclusion and equality
- Rapid and responsible adoption, integration and deployment of AI\*

#### Why this is important to our business

Our unique data set and analytical capabilities drive innovation, hyper-personalisation and industry leadership. Safeguarding cyber security and privacy is fundamental to maintaining stakeholder trust, while expanding digital access broadens the markets in which we operate. The responsible and ethical adoption of AI, supported by strong governance and human oversight, is essential to sustaining our competitive advantage and managing risks of bias, explainability and skills gaps.



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ENSURE GOOD CORPORATE GOVERNANCE AND REGULATORY COMPLIANCE\*\*

OUR MATERIAL MATTERS

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

Why this is important to our business

Ethical and effective governance, risk management, fair client outcomes and regulatory compliance strengthen accountability, reinforce stakeholder confidence and preserve access to capital. We also ensure responsible remuneration, transformed procurement and a resilient supply chain to support talent retention, transformation and operational resilience across the highly regulated geographies in which we operate.



EXPAND AND STRENGTHEN OUR SOCIAL IMPACT

OUR MATERIAL MATTERS

- Amplify our collective impact, including through strategic partnerships\*\*
- Financial inclusion and education in healthcare, insurance and finance

Why this is important to our business

Partnerships and inclusive access to healthcare, insurance and financial education extend our social impact, deepen our social licence and grow the markets in which we operate, advancing better health and financial outcomes.



EMPOWER OUR PEOPLE

OUR MATERIAL MATTERS

- Attraction, retention, capacity building and culture\*\*
- Transformation, diversity and inclusion
- Employee rights, benefits, health and wellbeing

Why this is important to our business

Our people bring our Shared-value model to life. Attracting and retaining top talent, developing critical skills and preparing our people for the future are critical enablers of our continued growth. A diverse and inclusive workforce drives innovation and supports our transformation commitments, while the health, engagement and resilience of our people underpin the performance on which our success depends.



STRENGTHEN OUR ENVIRONMENTAL STEWARDSHIP

OUR MATERIAL MATTERS

- Climate change mitigation
- Environmental impact management

Why this is important to our business

Reducing our emissions and environmental footprint mitigates climate-related risks, and supports the connection between planetary health and human health that underpins our core purpose.

The content of this report primarily addresses the inward impacts of these themes on Discovery's ability to create, preserve or erode value over time, while our Sustainability Report provides further information on our outward impacts on society, communities and the environment.

Our material themes are weighted according to 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 FY2026.



Higher inward impact



Higher outward impact



Equal impact

\* New material matter

\*\* Material theme/matter renamed or expanded



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# 03

## Ensuring good governance



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# Chairperson's reflections

FY2026 was a year of meaningful progress for Discovery, marked by strong financial performance, important progression against the Group's five-year strategy and further demonstration of our Shared-value model's resilience and relevance. Against a backdrop of increased geopolitical uncertainty, our core purpose remained the anchor for each strategic decision and the measure against which we hold ourselves accountable.



Sir Mark E Tucker

## External environment

The macroeconomic environment remained unpredictable, shaped by several geopolitical events. Following the outbreak of war in the Middle East in February 2026, global growth was revised downward, with inflation set to increase modestly while the longer term prospects remain uncertain. However, the structural fundamentals underpinning Discovery's opportunities continued to strengthen. Ageing populations and shifting demographic trends are placing growing pressure on healthcare systems globally, driving increasing recognition among governments of the need for more effective approaches to health risk management.

In South Africa, low economic growth, fiscal pressure and high unemployment remained significant constraints that required us to remain focused on resilience. There were, however, encouraging signs of stabilisation and reform, with constructive collaboration between private and public sectors contributing to a more supportive backdrop for macroeconomic and capital market indicators. In addition, South Africa's removal from the Financial Action Task Force grey list marked an important milestone in strengthening the integrity of the country's financial system, and is expected to improve business confidence, reduce the cost of borrowing and increase the appetite for investment and job creation. These developments do not remove the underlying challenges but provide a more constructive foundation for investment and growth.

In the UK, pressure on households and businesses remained elevated. The National Health Service continued to face operational and capacity challenges. At the same time, higher National Insurance contributions increased costs for employers, while a higher inheritance tax burden created additional complexity for household financial planning. While these challenges continue to weigh on economic growth and household finances, they are also contributing to increased demand for private medical insurance and life insurance for estate planning purposes.

China continues to assert significant economic and strategic influence, and the domestic regulatory environment remains generally supportive of an expansion in the market for complementary private medical cover.

## Performance

Notwithstanding the complex operating environment, the Discovery Group delivered another year of strong growth and strategic progress, with normalised operating profit increasing by 17% to exceed US\$1 billion for the first time. Headline earnings and normalised headline earnings increased by 34% and 21% respectively. These results are a testament to the increasing relevance of the Vitality Shared-value model, reflecting disciplined execution across Discovery SA and Vitality, and the benefits of the Group's investments in market-leading businesses, proprietary intellectual property and data-driven capabilities.

Discovery SA delivered a robust performance, with strong contributions from each of its businesses. A significant milestone was Discovery Bank's first full-year profit, with its broader performance exceeding expectations. Discovery Bank is set to become a powerful platform supporting a consistent digital interface and servicing approach for the Discovery SA group of businesses and lays the foundation for the next phase of growth through a deeply integrated ecosystem spanning health, protection, wealth and banking. This will provide clients with a seamless way to engage with, and derive value from, the broader Discovery ecosystem.

Vitality delivered strong growth, led by excellent performances from Vitality UK and Ping An Health Insurance (PAHI). PAHI performed strongly and continued to pay a meaningful dividend to shareholders. Furthermore, anticipated changes to its Ping An Life distribution channel accelerated opportunities to enhance product innovation, diversify distribution capabilities and facilitate greater integration of shared value. Vitality Global Markets – a single business unit that incorporates Vitality Network and Vitality Health International (Other) – was impacted by adverse Japanese macroeconomics. Through Vitality Global Markets, we created a more focused structure to facilitate partnerships and capabilities, strengthening distribution and supporting long-term sustainable growth.

Given the continued improvement in financial flexibility, and in line with Discovery's dividend policy and guidance, the Board approved a final ordinary dividend of 273 cents per share, in addition to the interim dividend of 111 cents per share – representing a 33% increase in full-year dividends. The coverage of annual dividends by normalised headline earnings was reduced from 5 times to 4.5 times, reflecting the Board's confidence in the Group's financial position and future cash generation, while retaining the capacity to fund its growth priorities.



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# Board focus areas and operations

The Board maintained close oversight of Discovery's strategic and financial performance, focusing on the Group's capital position, liquidity and solvency to ensure continued financial stability and flexibility to achieve its growth ambitions. During the year, the Board considered and approved the acquisition of 1 Discovery Place (our South African head office building) – an investment that will support the Group's long-term property requirements and growth outlook.

The Board oversaw the restructuring of the Group's global business, including the exit from sub-scale activities and consolidation of our international assets within a single Vitality business. This has sharpened Vitality's strategic focus and enabled capital and management capacity to be directed towards larger, more scalable opportunities. The Board also focused on the Group's efforts to generate scaled organic growth through Discovery SA and Vitality, while advancing the Superbank strategy in South Africa and accelerating investment in Vitality AI.

Against a rapidly evolving regulatory environment, the Board focused on business resilience, regulatory compliance and the responsible use of AI and data, ensuring full compliance with new statutory and regulatory requirements in SA, the UK and Europe. At a Group level, this included the Group's adoption of the requirements of King V™. The Group also strengthened its AI governance and ethical oversight during the year to ensure AI is embedded in a way that is responsible, commercially relevant, ethically sound and aligned with emerging regulatory and societal expectations.

Leadership and succession remained an important area of focus. The Board reviewed the succession plans and is satisfied that the Group has a robust succession framework and a strong pipeline of leaders in place. In addition, the Board monitored the Group's remuneration policies and practices; and organisational and business resilience, with a focus on business continuity planning, crisis management and the impact of climate change and AI-related risks on the business's sustainability. The Board also approved the Group's Employment Equity (EE) Plan and monitored its phased implementation.

**GOV** For detailed information on the Board's FY2026 key focus areas, refer to pages 6 to 7 of our full Governance Report.

# Sustainability

Discovery's core purpose is demonstrated through the measurable impact of the Vitality Shared-value model. During FY2026, we recorded over 725 million healthy activities, over 5.2 million life years saved and R17.2 billion in value returned to our clients.

Access to quality healthcare remains a significant challenge, particularly in underserved communities in SA. Through the Discovery Foundation, which celebrated its 20th anniversary this year, we strengthen healthcare systems in rural and underserved communities in South Africa. The Foundation continues to award research and training grants and invests in addressing critical and specialist skills shortages in the healthcare system.

The impact of extreme climate-related events on health is a major emerging risk, impacting our clients, healthcare systems and society, and the Group continues to leverage our unique Shared-value model to develop mitigating solutions to support our members. At the same time, we are focusing on climate-related risks and opportunities and managing our impact on the environment by reducing our emissions in line with Discovery's Net-zero Transition Plan and assessing our exposure to nature-related impacts. We maintained carbon neutrality in our UK operations and exceeded our short-term Scope 1 and 2 emissions goal by achieving a 34.1% reduction against the 2019 baseline. Discovery Green continued to expand future access to renewable energy during the year via wheeled power purchase and offtake agreements with a range of commercial and institutional clients.

# Governance

As Discovery's highest governing body, the Board remains committed to the principles of good corporate governance. The Group has early adopted the principles of King V™, including its disclosure framework, reinforcing our readiness to meet the evolving expectations of our stakeholders.

We continued to review our Board composition against the capabilities required to oversee the Group's strategy while maintaining our commitment to diversity. As at 30 June 2026, 54% of Board members were female and 38% were Black, reflecting continued progress towards a Board with a more diverse range of perspectives, skills and backgrounds.

In terms of Board membership, sadly we say farewell to Faith Khanyile, who steps down before the 2026 AGM after 11 years' outstanding service to the Discovery Board and its Committees. I would like to thank Faith personally, and on behalf of both the Board and the senior executive, for her significant and valuable contribution to the Group. Her wisdom, experience, intellect and insights will be missed.

# Looking ahead

As we continue to navigate an uncertain external environment and respond to increasingly complex global risks, Discovery remains well positioned for sustained growth through the increasing relevance of the Vitality Shared-value model and our focused businesses. The Group established a five-year ambition to grow normalised profit from operations by an annual average compounded rate of 15% to 20% from the end of 2024 to 2029. Following strong delivery over the first two years, the Group now expects to achieve compound growth in the middle to upper end of this ambition over the five-year period.

The Board's confidence is supported by the quality of the Group's businesses and the advances made through sustained investment in technology, data, AI and the capabilities underlying the Shared-value model. The Superbank strategy provides a platform to deepen and integrate client relationships across Discovery SA, while Vitality AI creates the opportunity to enhance the Shared-value model through AI-enabled personalisation and to expand its application globally. This makes the Group well positioned to generate sustainable earnings growth, cash flows and long-term value for shareholders.

# Appreciation

I would like to thank my fellow Board members for their invaluable contributions and their disciplined commitment throughout the year.

I also extend my sincere appreciation to Adrian and his executive team for another year of exceptional leadership. Their ability to sustain strong strategic execution and financial performance is a testament to their commitment to our business.

I am equally grateful to every Discovery colleague for the energy, ingenuity and care they bring to their work each day. Our performance is ultimately a reflection of their dedication and their unwavering commitment to serving clients with excellence.

To Discovery's clients and stakeholders, thank you for your continued trust and support.

**SIR MARK E TUCKER**



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# Our leadership

## Our Board of Directors

Discovery's experienced Board of Directors supports the Group's unique entrepreneurial spirit while maintaining effective oversight. It sets the tone for good governance, responsible decision-making and ethical leadership across the Group.

We remain committed to a values-based ethical culture grounded in non-discrimination, fairness, integrity and transparency.

## 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.

### CHAIRPERSON OF THE BOARD



**SIR MARK E TUCKER / 68**  
Independent Non-executive Director  
Appointed: 1 March 2019  
Qualifications: BA (Hons) (University of Leeds), ACA (ICAEW), CMI

### EXECUTIVE DIRECTORS



**ADRIAN GORE / 62**  
Founder and Group Chief Executive  
Appointed: Founder  
Qualifications: BSc (Hons), FFA, ASA, MAAA, FASSA, Honorary DCom (Wits)



**BARRY SWARTZBERG / 61**  
Co-founder and Executive Director: Discovery  
Appointed: Co-founder  
Qualifications: BSc, FFA, ASA, FASSA, CFP



**DEON VILJOEN / 61**  
Group Chief Financial Officer  
Appointed: 1 May 2017  
Qualifications: BCom Accountancy (cum laude), BCom (Hons), CTA, CA(SA)

### NON-EXECUTIVE DIRECTORS



**LISA CHIUME / 47**  
Independent Non-executive Director  
Appointed: 18 September 2023  
Qualifications: BCom Business Finance and Economics



**NOLITHA FAKUDE / 61**  
Independent Non-executive Director  
Appointed: 1 September 2025  
Qualifications: BA (Hons) Psychology, SEP (Harvard)



**RICHARD FARBER / 55**  
Non-executive Director  
Appointed: 1 April 2018  
Qualifications: BCom (Hons), MPH, CA(SA), FCMA, CA ANZ, MAICD



**MONHLA HLAHLA / 63**  
Independent Non-executive Director  
Appointed: 15 August 2021  
Qualifications: BA Economics (Hons), MA Urban Planning, Advanced Management Programme (INSEAD)



**FAITH KHANYILE / 59**  
Independent Non-executive Director  
Appointed: 22 October 2015  
Qualifications: BA Economics, MBA Finance, HDip Tax, Executive Leadership Programme (Columbia University)



**DAVID MACREADY / 67**  
Independent Non-executive Director  
Appointed: 3 February 2020  
Qualifications: BCom (Hons), CTA, CA(SA), SEP (Harvard), IDP (INSEAD)



**CHRISTINE RAMON / 59**  
Independent Non-executive Director  
Appointed: 18 September 2023  
Qualifications: BCompt (Hons), CA(SA), SEP (Harvard)



**MARQUERITHE SCHREUDER / 57**  
Independent Non-executive Director  
Appointed: 19 February 2021  
Qualifications: BCom (Hons), FIA, FASSA



**BRIDGET VAN KRALINGEN / 63**  
Independent Non-executive Director  
Appointed: 9 April 2022  
Qualifications: BCom (Hons), MCom

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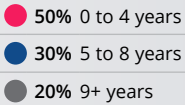
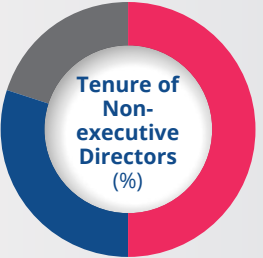
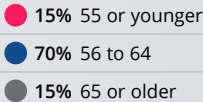
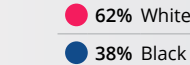
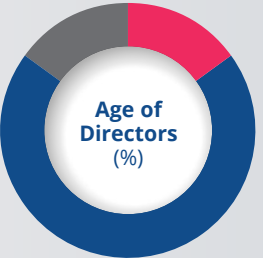
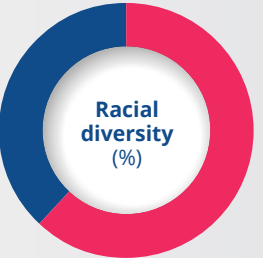
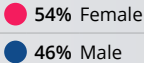
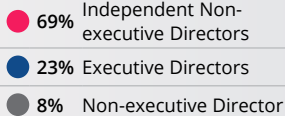
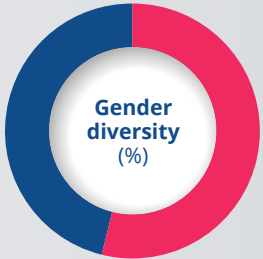
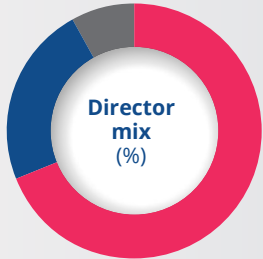
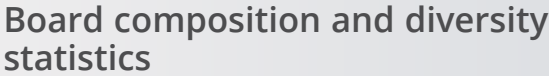
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As at 30 June 2026, our diverse Board, led by our Chairperson in his capacity as an Independent Non-executive Director, comprised 13 Directors – nine Independent Non-executive, one Non-executive and three Executive. During the year, the Board appointed Nolitha Fakude as an Independent Non-executive Director with effect from 1 September 2025.

Discovery is committed to promoting diversity at Board level and recognises that diverse perspectives foster constructive debate among Directors. The Nominations Committee assists the Board to ensure it has the appropriate balance of skills, qualifications and experience to discharge its duties effectively. The committee is also responsible for regularly reviewing the composition of the Board and establishing a Board succession plan, which includes identifying, mentoring and developing future candidates. Remedial actions are implemented where necessary.

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 Board's diversity targets. The Board assessed the independence of its Non-executive Directors and concluded that each continued to exercise independent judgement and act in the best interests of the Group.



**GOV** For detailed curricula vitae of our leadership team, refer to pages 8 to 12 of our full Governance Report.

# Our Executive Management and members featured in this report

Discovery's Group Executive Committee is responsible for implementing strategies approved by the Board and for managing the Group's affairs, while overseeing the Group's day-to-day operations. It represents all areas of our business and brings together diverse skills, thought and experience from across our composites. The committee meets monthly and is chaired by our Group Chief Executive.

Business units and functional areas across our composite markets have established committees that meet regularly and report to the Discovery SA and Vitality executive committees, as necessary. These committees oversee the implementation of composite strategies and provide feedback to the Group Executive Committee.

In addition to our Executive Directors, the Group Executives included alongside are the leaders of our composites, businesses and functional areas as disclosed in this report.

|                                                                                                                                                                                                          |                                                                                                                                                                            |                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <div><b>HYLTON KALLNER</b><br/>Chief Executive Officer:<br/>SA composite and<br/>Discovery Bank</div>                  |  <div><b>ROBERT ATTWELL</b><br/>Chief Executive Officer:<br/>Discovery Insure</div>     |  <div><b>FIROZE BHORAT</b><br/>Chief Marketing Officer</div>                 |
|  <div><b>NEVILLE KOOPOWITZ</b><br/>Chief Executive Officer:<br/>Vitality</div>                                          |  <div><b>JUSTIN TAUROG</b><br/>Chief Executive Officer:<br/>VitalityLife</div>          |  <div><b>DR AYANDA NTSALUBA</b><br/>Group Executive</div>                    |
|  <div><b>DR RONALD WHELAN</b><br/>Chief Executive Officer:<br/>Discovery Health</div>                                   |  <div><b>DR ARUN THIYAGARAJAN</b><br/>Chief Executive Officer:<br/>VitalityHealth</div> |  <div><b>ZIMKHITHA SAUNGWEME</b><br/>Group Chief People Officer</div>        |
|  <div><b>RIAAN VAN REENEN</b><br/>Chief Executive Officer:<br/>Discovery Life</div>                                    |  <div><b>DR JONATHAN BROOMBERG</b><br/>Global Head of Health<br/>Insurance</div>       |  <div><b>EMILE STIPP</b><br/>Chief Executive Officer:<br/>Vitality AI</div> |
|  <div><b>KENNY RABSON</b><br/>Chief Executive Officer:<br/>Discovery Invest</div>                                     |  <div><b>DAVID FERREIRA</b><br/>Chief Executive Officer:<br/>Vitality Asia</div>      |  <div><b>ANDREW RAYNER</b><br/>Group Chief Actuary</div>                   |
|  <div><b>NONKULULEKO PITJE</b><br/>Chief Executive Officer:<br/>Discovery Corporate &amp;<br/>Employee Benefits</div> |  <div><b>DEREK WILCOCKS</b><br/>Group Chief Information<br/>Officer</div>             |  <div><b>SENELE MBATHA</b><br/>Group Chief Risk Officer</div>              |



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# Governance overview

Our governance approach extends beyond compliance – we consider governance critical to creating value and promoting strategic decision-making that balances short-, medium- and long-term outcomes, aligning the interests of the Group, stakeholders and society.

Our Board is Discovery's highest governing body and is committed to the principles of good corporate governance as set out in King V™.

**GOV** Our King V™ Disclosure Framework, including our application of the King V™ principles, is set out in our full Governance Report.

## Achieving our governance outcomes

King V™ forms the cornerstone of our governance approach, and we support its overarching goals. Discovery adopted King V™ and published our King V™ Disclosure Framework, reinforcing our commitment to transparent, outcomes-based governance reporting. Key governance outcomes achieved and realised include:



### Ethical culture

A culture of shared values, ethical leadership and responsible behaviour that promotes ethical decision-making throughout the organisation.



### Performance and value creation

Performance that creates sustainable value within our economic, social and environmental context.



### Conformance and prudent control

Disciplined compliance, effective system of internal controls and clear accountability mechanisms that support adherence to applicable laws, codes and standards.



### Legitimacy

Social license to operate by demonstrating stakeholder trust and legitimacy through transparency, accountability and responsible corporate citizenship.

**Our Board is Discovery's highest governing body and is committed to the principles of good corporate governance as set out in King V™.**



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# Our leadership's role in corporate governance

Our Board of Directors is committed to leading the Group responsibly, ethically and with integrity, ensuring we operate in the best interest of both the business and our stakeholders.

## FY2026 Board focus areas

In addition to its ongoing governance and oversight responsibilities, the Board focused on matters that were most significant to Discovery's ability to create and preserve value over the short, medium and long term. Key areas of focus included:

### STRATEGIC AND FINANCIAL PERFORMANCE

- Monitoring the impact of the complex macroeconomic environment and the Group's response through appropriate mitigating actions that ensured financial prudence while meeting our stakeholders' needs
- Focusing on the Group's capital position, liquidity and solvency to ensure continued financial stability and flexibility while achieving its growth objectives, including the optimisation of capital and debt structures
- Overseeing the Group's strategic and financial performance, including the completion of the restructuring of the global business – which included exiting sub-scale activities and consolidating international assets and capabilities into a single focused Vitality composite to sharpen strategic focus – while advancing the Superbank strategy in South Africa and accelerating investment in Vitality AI
- Overseeing the acquisition of 1 Discovery Place, a transaction that is strategically aligned with the Group's long-term outlook

- Approving an interim ordinary dividend declared at 111 cents per share and a final ordinary dividend of 273 cents per share

### PEOPLE, TRANSFORMATION AND SUCCESSION

- Monitoring 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, including the Group Chief Executive
- Approving the Group's EE Plan and monitoring its phased implementation through meaningful transformation and talent management initiatives

### REGULATORY CHANGE AND RISK MANAGEMENT

- Monitoring significant regulatory developments, including enhanced consumer protection and operational resilience requirements in the UK, European digital and AI reforms, increased scrutiny of financial crime frameworks, and evolving data protection requirements. In South Africa, material developments included King V™, the Companies Act, the NHI Act, CMS circulars, EE requirements and the National AI Policy Framework
- Overseeing the Group's organisational resilience, including business continuity planning, crisis management and the impact of climate change and AI-related risks on business continuity

- Overseeing Discovery's remuneration policies and practices to ensure they align with shareholder interests and support the achievement of the Group's strategic objectives. In addition, the Board monitored developments related to the Companies Amendment Act, including the Group's disclosures required under Sections 30A and 30B, which came into effect in May 2026

### TECHNOLOGY AND CYBER RESILIENCE

- Overseeing the governance of technology and information, including cyber resilience, data governance and the responsible adoption of AI, while providing strategic direction for its effective, compliant and ethical use across the Group

### CLIMATE AND SUSTAINABILITY

- Overseeing the Group's response to climate change, including the publication and implementation of our Net-zero Transition Plan and the management of climate-related risks and opportunities, while continuing to ensure climate-related matters are integrated into operations and decision-making. The Board also monitored progress against the Group's emission reduction targets and developments in renewable energy procurement

**GOV** For more information on the Board's focus areas for FY2026, refer to our full Governance Report.

## FY2027 Board focus areas

In its capacity as Discovery's highest governing body, our Board will oversee the following matters, among others:

- The Group's continued financial strength and progress towards its five-year ambition, while navigating geopolitical shifts, socio-economic pressures and rapid developments in technology
- The efficacy of the Group's AI strategy and evaluation of emerging technologies for operational efficiency and resilience while ensuring cyber security, data protection and the responsible governance of AI
- The scaling of the Superbank strategy and creation of a unique, shared-value, client-centric proposition through a Bank-integrated Discovery SA composite
- The global expansion of the Vitality Shared-value model, supported by Vitality AI and strategic partnerships
- Collaboration with government, business and civil society to address concerns with the NHI Act and advance structural reform aimed at accelerating South Africa's economy
- The phased implementation of the Group's EE Plan towards 2030 sectoral targets, including transformation and talent management initiatives
- The implementation of the Group's climate change strategy, including performance against climate-related goals and the Net-zero Transition Plan
- The execution of Discovery Green's long-term power purchase and offtake agreements as it advances its renewable energy business proposition

Our Group Governance Framework articulates our approach to governance 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.

**GOV** For more information on the roles and responsibilities of our Board, Chairperson and Group Chief Executive, refer to our full Governance Report.



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# Board committees

The Board delegates certain responsibilities to appropriately constituted Board committees. We have seven Board committees, which are fully established in line with the requirements of the business, our strategic considerations, relevant legislation and governance best practice, to assist the Board in fulfilling its responsibilities.

A clear balance of power ensures no individual, directly or indirectly, has undue decision-making authority. Our Board committees act within the bounds of a formal, approved Terms of Reference, which clearly define their roles, responsibilities and duties, as well as composition and reporting lines. The committees are satisfied that they have fulfilled their responsibilities as per their Terms of Reference for FY2026.

The Board appoints the Chairperson of each Board committee, who reports directly to the Board at each meeting on their committee's activities, decisions and any written resolutions, enabling the Board to monitor performance. The Board encourages information sharing 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 committee's appointed members.

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 Health, Discovery Insure and Discovery Life. The IT Subcommittee, which is chaired by an independent expert, provides oversight of information technology and cyber security that are fundamental to the business from a risk and strategic alignment perspective and helps fulfil regulatory requirements.

**GOV** For more information on our committees and their key focus areas for FY2026, refer to our full Governance Report.

## Audit Committee

AC

The Audit Committee assists the Board in fulfilling its Group governance and oversight responsibilities regarding financial reporting processes and the internal controls frameworks, the performance of internal and external audit functions, the assessment of the broader IT general controls environment and the functioning and effectiveness of Group-wide combined assurance. This also includes the Group's overall tax compliance and the impact of governance and ethics matters on the Group's financial results.

## 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 on the remuneration structure and base fees for Non-executive Directors for shareholders' approval.

**PG 63** For information on our approach to remuneration.

## Risk and Compliance Committee

RCC

The Risk and Compliance Committee is responsible for ensuring material risks that 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 to manage business continuity, disaster recovery, operational resilience, technology and data, cyber risk, and the responsible adoption and use of AI and automated decision-making.

## Actuarial Committee

ACT

The Actuarial Committee is an independent non-statutory committee that provides the Board with assurance on all actuarial matters, including the identification, review and management of actuarial risks and the appropriateness of the assumptions underlying the Group's product terms, liabilities, capital and related financial reporting.

## 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 advises 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 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 recommends 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, ensuring ongoing training and development of Board members, and evaluating 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 of technology beyond governance and risk, currently provided by the IT Subcommittee.

**GOV** For more information on the Subcommittees of the Risk and Compliance Committee, refer to our full Governance Report.

**GOV** Board and committee meeting attendance can be found in our full Governance Report.



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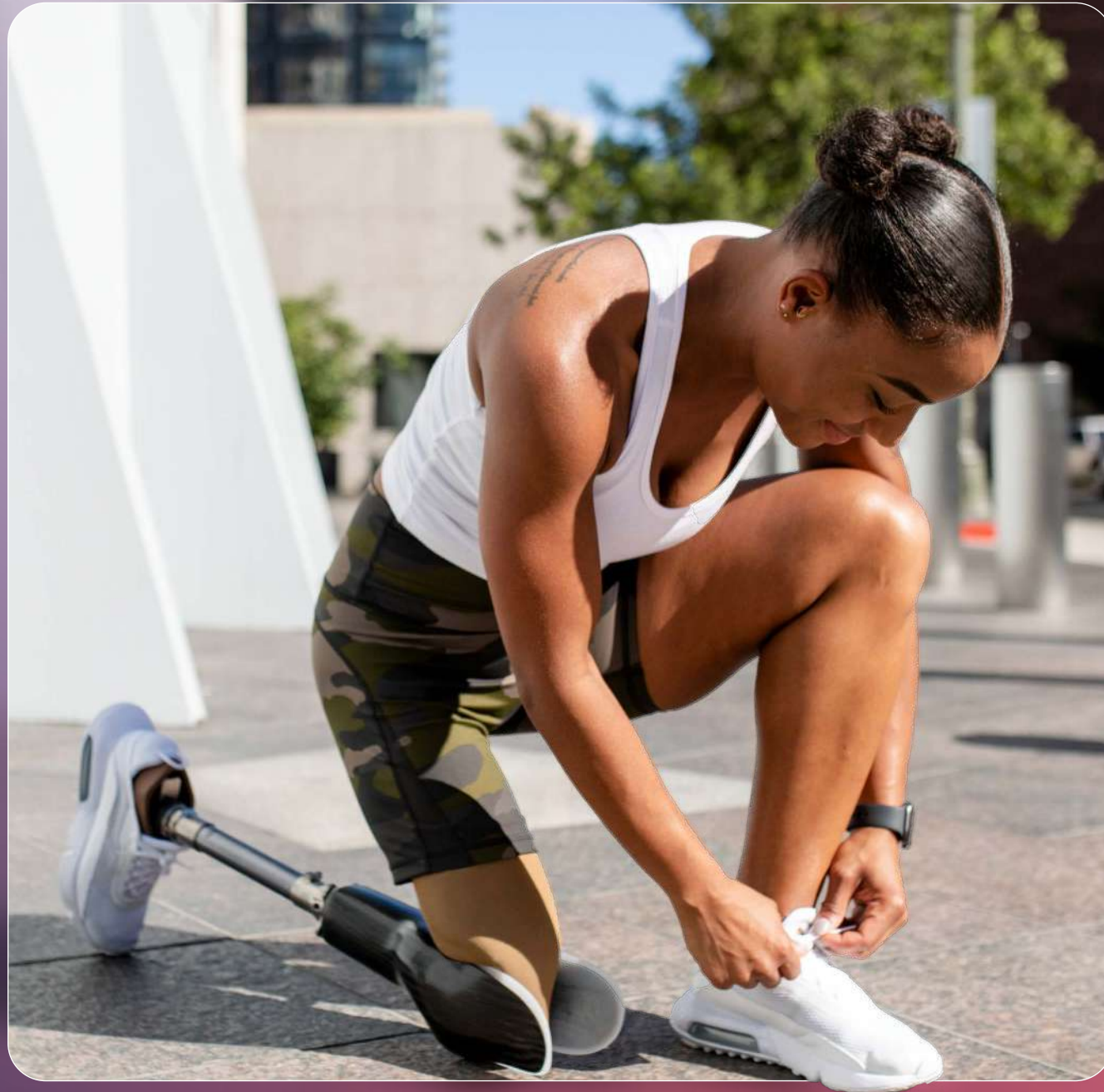
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# 04

## Value creation



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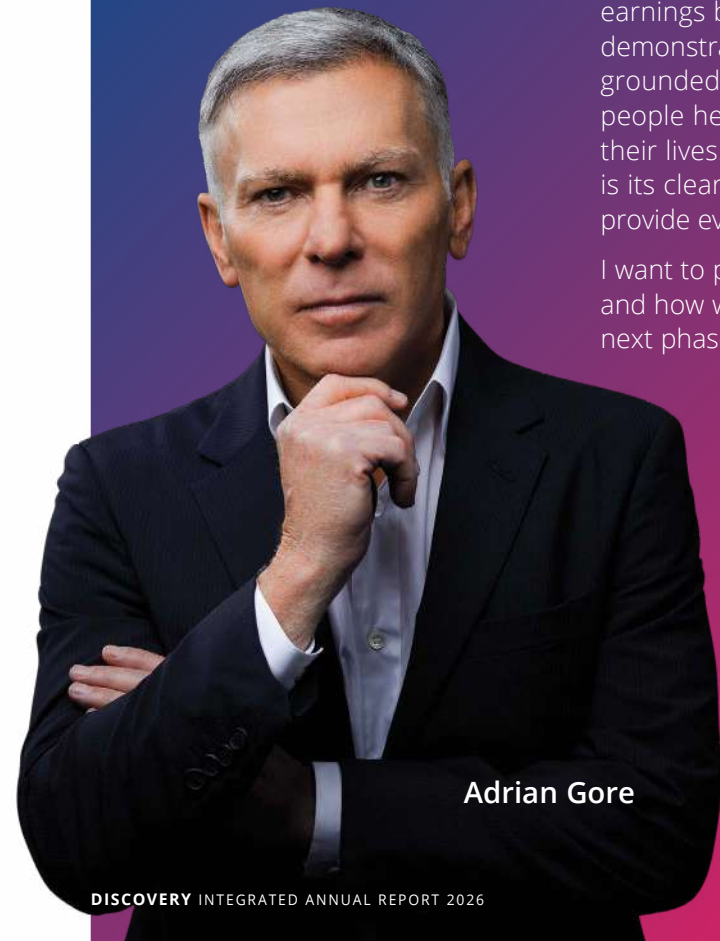
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# Group Chief Executive's report



Adrian Gore

Dear shareholders and stakeholders, Discovery delivered a strong performance in FY2026, with normalised operating profit increasing by 17% and normalised headline earnings by 21%. This performance demonstrates the power of a focused strategy grounded in a clear core purpose: to make people healthier and enhance and protect their lives. The Vitality Shared-value model is its clearest manifestation, and the results provide evidence of the model's impact at scale.

I want to provide insight into this performance and how we are positioning the Group for its next phase of growth and impact.

## External environment and context

Before turning to our performance and strategy, it is important to place the results in the context of the environment in which they were achieved. Two forces were particularly prominent during FY2026: geopolitical fragmentation and the rapid proliferation of AI. Both are reshaping markets, industries and competitive dynamics, making resilience, prudence and adaptability increasingly important.

Economic conditions varied across our markets. In SA structural challenges persisted, but there were encouraging signs of progress. Lower long-term interest rates and implied inflation had an impact on our results, enhancing value measures in FY2026 but creating a headwind to earnings in FY2027. We remain confident in the country and committed to investing in its future. This included the acquisition of 1 Discovery Place, our South African head office building, during the year, while I continued my work as a co-convener of the South African Government-Business Partnership. In the UK, affordability remained under pressure, although demand for private medical insurance continued to grow. In China, equity markets recovered from periods of volatility, supporting strong investment gains.

Beyond these immediate market conditions, structural pressures on global health and financial systems continue to reinforce the relevance of the Vitality Shared-value model, while AI expands our ability to improve behaviour and outcomes at scale.

## FY2026 performance

We navigated these conditions carefully and remained focused on a strategy informed by our core purpose. The result was an excellent performance. Normalised operating profit increased by 17% to R17 750 million – a strong result achieved off the high base created by the prior year's exceptional profit growth. New business API grew by 6% to R28 155 million, while headline earnings and normalised headline earnings increased by 34% and 21% respectively.

This performance reflects disciplined execution of our Group strategy across three dimensions:

**01 Financial framework**  
A high-growth, cash-generative model delivering superior ROE without requiring additional capital, while building platforms for future growth.

**02 Business model**  
The Vitality Shared-value model, whose efficacy and repeatability enable it to be applied globally and translated into defined, measurable impact.

**03 Focused businesses**  
Two composites, Discovery SA and Vitality, each with a clear value proposition, competitive advantage and focus on client impact.



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01 Financial framework

Two years into our five-year strategy, delivery is ahead of expectations. Normalised operating profit growth of 17% is within our 15% to 20% target range, while cash conversion increased from 80% to 85%, well above our 60% to 70% target. Spend on new initiatives declined to 2% of normalised operating profit as the Group moved beyond its period of significant investment. We continue, however, to invest with conviction in Vitality AI and other opportunities for future growth.

One of the most significant transactions during the year was the acquisition of 1 Discovery Place for R4.05 billion. When we moved into the building in 2018, leasing made economic sense given the circumstances at the time. Since then, lower interest rates and property values have shifted the economics in favour of ownership, allowing us to replace the long-term lease with financed ownership at a lower overall cost. The transaction creates approximately R800 million in net present value over the remaining lease period and secured ownership of our long-term home in SA, which has served us exceptionally well.

The operational financial leverage, which excludes the 1 Discovery Place acquisition, was 12.8%. Including the acquisition, financial leverage is 15.4%, within our target range of 10% to 20%.

Given our strong capital position, cash generation and continued improvement in financial flexibility, we declared a final ordinary dividend of 273 cents per share, an increase of 36% on the prior period. This brought the full-year dividend to 384 cents per share. Annual dividend cover reduced from 5 times to 4.5 times normalised headline earnings, while normalised ROE increased from 15.4% to 16.5%.

The underlying quality of the Group is also evident in embedded value, which increased to R143 billion with every business contributing positive non-economic experience variances, reflecting the positive financial dynamics of the Vitality Shared-value model. While substantial, embedded value excludes any value on current in-force business from the Group’s non-covered businesses, such as Discovery Bank and Ping An Health Insurance, whose scale and contribution to Group earnings continue to grow.

02 Business model

The relevance of the Vitality Shared-value model continues to grow as ageing populations, rising chronic disease and increasing healthcare costs place profound pressure on individuals, businesses and public systems. The defining challenge is not simply whether people live longer, but whether those additional years are lived in good health. Compressing morbidity, by extending healthy and productive years while reducing periods of illness and dependency, is therefore becoming one of the most important economic and societal objectives of the coming decades.

Our data consistently shows that many of the risks that determine morbidity and mortality are behavioural and modifiable. Physical activity, nutrition, sleep, smoking and preventive care materially affect health outcomes. Risk is therefore not only something to measure and price at a point in time. It can be influenced and improved.

Discovery Health’s data provide compelling evidence of the value of earlier intervention and the principles underlying the model. Drawing on more than 60 million life years of clinical, pathology, lifestyle and behavioural data, the analysis shows that mortality improved across every age group of Discovery Health Medical Scheme members between 2014 and 2024. Over a separate 15-year period, life expectancy for oncology-registered members increased by 7.1 years and mortality improved by 48%. These outcomes reflect earlier detection, advances in treatment and more coordinated care, and demonstrate the potential to improve health and longevity at scale.

The Vitality Shared-value model is increasingly relevant in this context, where health risk is profoundly behavioural and can therefore be influenced. By improving behaviour and outcomes, it has the potential to generate returns

above those available through traditional insurance economics. We refer to the excess value created by the dynamics of the model as alpha. Part of this value is returned to clients, encouraging further engagement and creating a reinforcing cycle of value for shareholders, clients and society.

For shareholders, this produces superior margins and returns through better risk outcomes, stronger retention and greater scale. For clients, it supports longer lifespans and healthspans. For society, these individual improvements accumulate into healthier, more productive populations. This alignment between shareholder, client and societal value is what makes the model distinctive and increasingly relevant.

Vitality AI is the next major evolution of the Shared-value model. Developed with Google, it combines our capabilities in insurance integration and incentivised behaviour change with advanced AI and more than two decades of longitudinal data. It allows us to assess risk dynamically, identify the action most relevant to each individual and personalise the guidance, incentives and communication most likely to encourage that action. The significance is the ability to make prevention more precise, personal and scalable, and to improve the efficacy and economics of the Shared-value model. Supported by the Vitality Technology Platform, it provides a repeatable capability that can be deployed across our businesses and partner markets.

Two years into our five-year strategy, delivery is ahead of expectations.



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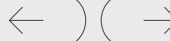
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03 Focused businesses

Our business strategy is centred on two composites: Discovery SA and Vitality. Both performed strongly, while creating platforms for continued growth.

We are building on this performance through two major strategic initiatives: the Superbank strategy in Discovery SA, and Vitality AI as the platform to globalise the Vitality Shared-value model.

Discovery SA

Our scale in SA, the Vitality Shared-value model and our considerable Group-wide assets give us confidence in our ambition to become the country's leading financial services group. To achieve this ambition, we have three strategic focus areas: ensuring that every Discovery SA business is number one in its respective target segment; scaling Discovery Bank and extending its functionality and leadership; and building an integrated Discovery ecosystem through the Superbank strategy.

Discovery SA performed well, with normalised operating profit increasing by 16% to R13 868 million while new business volumes increased by 8% to R19 534 million. Performance across the composite was excellent, as every business strengthened its position and contributed to growth.

Ensuring that every Discovery SA business is number one in its respective target segment

**Discovery Health** increased normalised operating profit by 9%, supported by strong new business and the continued expansion of affordable healthcare offerings. The business also continued to invest in Personal Health Pathways, enabling more proactive and personalised management of health.

During FY2026, Discovery Health funded the full cost of remediating the impact of a system update that affected certain members' Above Threshold Benefit medicine claims, ensuring that neither members nor the Scheme were financially prejudiced. The impact and remediation were independently validated, and the matter informed strengthened controls, system assurance and governance.

**Discovery Life** increased normalised operating profit by 6% and generated strong cash flows. Favourable mortality and morbidity experience continued to demonstrate the strength of the Shared-value model. Negative policy alterations experience remained a focus, and the

programme to address this is progressing in line with plan. New business APE increased by 9%, with a continued focus on quality, while the Individual Life VNB margin improved from 3.8% to 4.7%. Pleasingly, the Umbrella Funds business also reached profitability during the year.

**Discovery Invest** grew normalised operating profit by 9%, with net flows almost doubling to R6.3 billion and assets under administration reaching R205 billion.

**Discovery Insure** made particularly strong progress. Normalised operating profit increased by 24% and the operating margin reached 14.8%, despite adverse weather events in May 2026. New business API growth of 2% was muted, as the business maintained pricing discipline in an increasingly competitive market and softening pricing cycle. Our priority in this business is now on accelerating quality new business growth, which includes leveraging Discovery Bank as a distribution channel.

Scaling Discovery Bank

Discovery Bank delivered its first full-year profit contribution to the Group, exceeding our expectations with normalised operating profit of R370 million. Importantly, its quality is now demonstrable across every key dimension: growth remained disciplined, credit quality was strong and the credit loss ratio was well managed.

Clients increased by 26% to almost 1.6 million, retail deposits grew by 17% to R27.2 billion and gross retail advances increased by 40% to R12.9 billion. Balance sheet growth supported a 29% increase in net interest income, while revenue increased by 31% to R3.1 billion.

The Bank also achieved greater efficiency as it scaled. AI accounted for more than half of servicing interactions by year end, while expenses per client continued to decline, benefitting from

economies of scale as the Bank grows. This was achieved alongside exceptional service, with Discovery Bank ranking first for client service in the 2025 Ask Afrika Orange Index for the fourth consecutive year.

Building an integrated discovery ecosystem through the Superbank strategy

In addition to this excellent performance, the Bank has evolved into a powerful platform. It provides the high-frequency client relationship, payment infrastructure and digital interface through which the capabilities of Discovery SA can be integrated. This is the basis of the Superbank strategy.

The rationale is simple. Clients do not experience banking, health, protection and wealth as separate parts of their lives, yet financial services have traditionally been organised in product silos. The Superbank brings these capabilities together through a single intelligent platform, using technology, data and AI to create a more coherent and personalised experience. Built on shared-value principles, it also creates a different economic model: as clients manage their money, health and risk better, value is created and shared through rewards, pricing and deeper engagement.

Discovery SA serves more than six million lives, many of whom do not yet bank with us, while 70% of clients joining Discovery Bank are new to the Group. The opportunity is considerable with low levels of current integration and significant potential to deepen client relationships across the businesses. We believe the Superbank strategy can unlock the full potential of Discovery SA, creating a more valuable proposition for clients and a powerful growth platform across the Group.



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03 Focused businesses continued

Vitality

Ageing populations and rising chronic disease are placing growing pressure on health and financial systems, increasing the relevance of the Vitality Shared-value model and the opportunity to transform life and health insurance globally through Vitality AI. To realise this ambition, we have three strategic focus areas: maintaining Vitality UK as a centre of excellence; scaling the Shared-value model through partnerships and equity stakes in Vitality Global Markets; and driving Ping An Health Insurance’s expansion through product and distribution growth.

During FY2026, we completed the restructuring of our global operations, bringing Vitality Network and our Vitality Health International (Other) business together in Vitality Global Markets. The new structure improves strategic focus and supports more disciplined allocation of capital and management capacity.

Vitality delivered strong overall performance, although results varied across the businesses. Normalised profit from operations increased by 21% to R3 882 million, or 26% on a like-for-like rand basis, led by excellent growth in Vitality UK and continued progress in Ping An Health Insurance.

Vitality UK as a centre of excellence

Vitality UK delivered a strong set of results and now serves more than two million lives while providing evidence that the Vitality Shared-value Insurance model can deliver sustained growth, strong client outcomes and attractive economics in a large, sophisticated market.

**VitalityHealth’s** performance was exceptional. Normalised profit from operations increased by 65% to £83.6 million, with the operating margin improving to 9.2%. This performance was due to disciplined pricing, sound claims management and sustained demand for private healthcare. Medical inflation and affordability remain constraints, but the business is navigating these carefully while continuing to invest in its proposition.

**VitalityLife** grew normalised profit from operations by 27% to £34.5 million. The business maintained its strong sales momentum as new business API increased by 25%, supported by an expanded distribution footprint, while strong retention and greater scale drove further value creation. Robust retention coupled with new business growth saw lives covered and earned premiums increase by 12% and 15%, respectively.

Scaling the Shared-value model through partnerships and equity stakes in Vitality Global Markets

**Vitality Global Markets’** normalised operating profit declined by 24% to US\$11 million, largely due to the effect of the yen depreciation and higher Japanese interest rates on the long-term contract asset relating to Sumitomo Life. Excluding this effect, profit increased by 115%.

The global opportunity for VGM is considerable, but its scale remains below its potential. To more effectively monetise our IP and capture this opportunity, we restructured the operating model and certain partnerships last year, focusing on opportunities with the strongest alignment and potential for scale. This reduced earnings in the short term but created a more focused business with clearer priorities and stronger growth prospects. Four priorities will drive growth: deepening the proposition through Vitality AI; scaling existing partnerships; pursuing new opportunities across Europe, the Middle East and North America; and accelerating growth in the United States.

There is encouraging momentum. Integrated new business across insurance partners grew by 10% on a constant-currency basis, while lives increased by 16% to 9.78 million. The partnership pipeline is healthy and must now be converted into partnerships of scale. Vitality AI is central to this next phase, strengthening the proposition for existing partners and providing a more powerful and repeatable platform for global expansion.

VitalityHealth US is deliberately investing in the capabilities and distribution needed to create a business of scale with a differentiated, integrated health solution. Progress has been pleasing. Revenue grew by 22% in US\$ terms, and covered membership reached 3.6 million. WellSpark, which we acquired in the previous financial year, exceeded our expectations, while the more recent Ramp Health acquisition expanded our coaching, clinical and workplace-health capabilities. Subsequent to year-end, we acquired Icario, materially strengthening our position in the government-sponsored health-plan market.

Driving Ping An Health Insurance’s expansion through product and distribution growth

**Ping An Health Insurance (PAHI)** delivered strong operational performance, supported by exceptional investment returns. Our share of after-tax operating profit, after Discovery’s costs, increased by 14% to RMB545 million.

Following regulatory changes, Ping An Life discontinued distribution of PAHI’s main *eShengBao* product range in September 2025. As a result, total PAHI new business declined by 6% to RMB4.5 billion, although continued growth in alternative channels partly offset the impact. PAHI’s underlying performance remained strong. Improved retention across the Ping An Life back book and alternative channels drove growth in renewal premiums, with earned premiums increasing by 9% to RMB19.3 billion. The business continued to demonstrate capital strength and PAHI paid Discovery a cash dividend of RMB207 million in June 2026. Both Ping An Group and Discovery remain confident in PAHI’s long-term growth prospects, underpinned by strong momentum in product innovation, channel diversification, and a supportive regulatory environment in China.

Vitality is well positioned for its next phase of growth leveraging Vitality AI. The UK businesses have achieved meaningful scale, PAHI continues to mature, and VGM is more sharply focused on its strongest opportunities.

Together, the Superbank and Vitality AI represent important evolutions for Discovery SA and Vitality. They provide powerful platforms for the Group’s next phase of growth and impact, and I am excited by what they can enable.



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## Social impact

The financial results are excellent, but the impact we create is equally important and we remain committed to being a force for social good.

During FY2026, our model positively impacted 54 million people and generated 725 million healthy activities. We estimate that, together with our partners, we added approximately 5.2 million life years and returned R17.2 billion in value to clients. This is a remarkable outcome and powerful evidence of our core purpose operating at scale.

Our contribution extends beyond our businesses. During FY2026, the Discovery Foundation marked 20 years of strengthening SA's healthcare system through investment in specialists, healthcare leadership, research and service delivery in underserved communities. We also continued practical initiatives addressing important societal challenges, including Pothole Patrol, Fire Force, Safe Journeys to School and the rehabilitation of the Jukskei River.

We continued efforts to reduce our environmental footprint while supporting SA's energy transition. Discovery's Scope 1 and 2 emissions were 34.1% below the 2019 baseline, ahead of our FY2026 target of 29.4%, while our UK operations maintained carbon neutrality. Discovery Green also reached financial close on two renewable energy projects, which will increase generation capacity to 740 MW.

These initiatives reflect a consistent approach: applying our capabilities and partnerships where we can make a measurable and lasting contribution.

**The financial results are excellent, but the impact we create is equally important and we remain committed to being a force for social good.**

## Our people, culture and capabilities

Our people and culture are fundamental to the execution of our strategy. More than 15 200 people across Discovery and Vitality bring our core purpose and values to life. Our priority is to attract exceptional people and liberate their potential.

Our engagement levels remained excellent, with our employee experience score increasing to 81% and a record 90% participation rate. A special milestone was the launch of our inaugural Discovery People Week, D92, which brought our people together to celebrate 34 years of Discovery and the culture that has shaped our success. Discovery was also certified as a Top Employer for the seventh consecutive year, while Vitality UK was recognised among Glassdoor's Top 50 Best Places to Work in 2026.

Leadership is the ultimate multiplier of our people and performance. During FY2026, we introduced the Discovery Leadership Attributes, distilling what we have learned about leadership over more than three decades. Grounded in our core purpose and values, the nine attributes define how we expect our leaders to pursue excellence, develop people, act as owners, debate constructively and always do the right thing.

We remain committed to building a diverse and inclusive organisation. During the year, we advanced our 2030 Employment Equity Plan, strengthened our approach to disability inclusion and continued leadership-development programmes intended to broaden representation at senior levels. Discovery maintained a Level 1 B-BBEE rating in FY2026, while Vitality UK achieved gender parity in senior management roles.

The Discovery and Vitality brands are important assets supporting growth across our markets. During FY2026, we extended Vitality's reach through the AFC Bournemouth sponsorship, while Discovery rose to sixth place in the Kantar BrandZ 2026 ranking of SA's most valuable brands.

Technology, AI and data are also key enablers of our strategy. As AI changes the nature of work and the capabilities our businesses require, we are investing in the skills our people need to use it effectively. Our approach to AI is human-centred and purpose-driven. Its most important application is in our products through Vitality AI. Beyond Vitality AI, we are applying AI to improve client service and operating efficiency, strengthen functions, and equip our people with tools that improve productivity and decision-making. The opportunity comes with considerable responsibility. Our approach is underpinned by strong cybersecurity and clear principles governing privacy and fairness. The trust placed in us by our clients is fundamental, and responsible stewardship of their data is non-negotiable.

## Outlook

We enter FY2027 in a strong position. Two years into our five-year strategy, performance has been excellent, and we now expect compound normalised operating profit growth towards the middle to upper end of our 15% to 20% target range over the five-year period. Our confidence reflects the strength of our businesses, the increasing relevance of the Vitality Shared-value model and the progress made in building unique growth platforms. The Superbank provides the opportunity to unlock the full potential of Discovery SA, while Vitality AI can deepen and globalise the Shared-value model.

I believe we have never been better positioned to achieve the relevance, scale and impact envisaged in our ambition, and to create exceptional long-term value for shareholders, clients and society.

## Thank you

I am grateful to our clients, partners, advisers, shareholders and broader stakeholders for their continued trust and support as we pursue our core purpose.

Above all, I thank our people across Discovery and Vitality. These results reflect their hard work, brilliance, dedication and belief in our core purpose. They should be remarkably proud of what they have achieved. It is a privilege to lead them.

ADRIAN GORE



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# Our strategy

## Unpacking our purpose-driven strategy

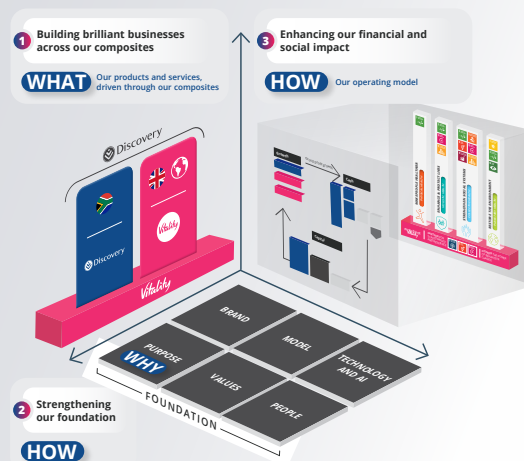
Our core purpose drives our strategy and is the reason WHY we are in business. Our WHAT – the products and services we offer through composites – and our HOW – our operating model and foundation – further inform our long-term strategic objectives.

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

**PG** We detail our WHY on page 10, our HOW on page 11 and our WHAT on page 13.

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**



**PG 10** For more information on how we create and preserve value, and manage value erosion.

Accelerating global trends have amplified the importance of the Vitality Shared-value model:

### DEMOGRAPHIC

**Rising healthcare costs and resources strain**  
Ageing populations and rising chronic diseases like obesity are leading to higher healthcare costs, while ageing demographics also fuel demand for long-term care services. Earlier action, sustained over time, delivers compounding value, and prevention, intervention and disease management programmes are therefore 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 behavioural nature of risk creates ongoing opportunities to incentivise clients towards healthier habits.

### TECHNOLOGY

**Advances in technology and drug innovation**  
Rapid advances in technology, digitisation, agentic AI and machine learning are revolutionising diagnostics, treatment and care, making personalisation – driven by sophisticated analytics – the new standard for success. The rise of GLP-1 treatments is altering consumer behaviour and softening demand in the food and beverage sector, while reducing medical costs.

### SOCIAL RESPONSIBILITY

**Increased importance of purpose and trust**  
As businesses increasingly seek to create value for all stakeholders, addressing 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

These four key trends affect the industries in which we operate and inform our strategy. They also indicate that competitive advantage is shifting away from static, product-led transactional models towards those that are more engaged, dynamic and integrated – personalised, prevention-focused, data-rich and centred on the client. Our unique and sophisticated Vitality Shared-value model positions us well to navigate these trends.

The Group has an organic growth strategy built on the conviction of the Vitality Shared-value model, with targeted execution through our Discovery SA and Vitality composites. In Discovery SA, the Superbank strategy unifies businesses onto a single, connected platform, deepening client engagement and integration.

Our focus is now broadening to a more proactive pursuit of outperformance and exceptional value creation achieved per business (“alpha”). Vitality AI is central to these efforts and represents the next evolution of the Shared-value model, combining insurance integration, incentivised engagement, advanced AI, and proprietary longitudinal data to drive more precise, personalised outcomes while enhancing the economics of the model at scale. This extends Discovery’s ability to influence behaviour through increasingly personalised, contextual and scalable interventions. The Group’s human-centred and purpose-driven approach to AI will support this evolution as we use AI to advance the depth and reach of core business models while applying it across the value chain.

**PG 33** Our long-, medium- and short-term strategic approach.

**PG 40** For more information on our social and environmental impact.

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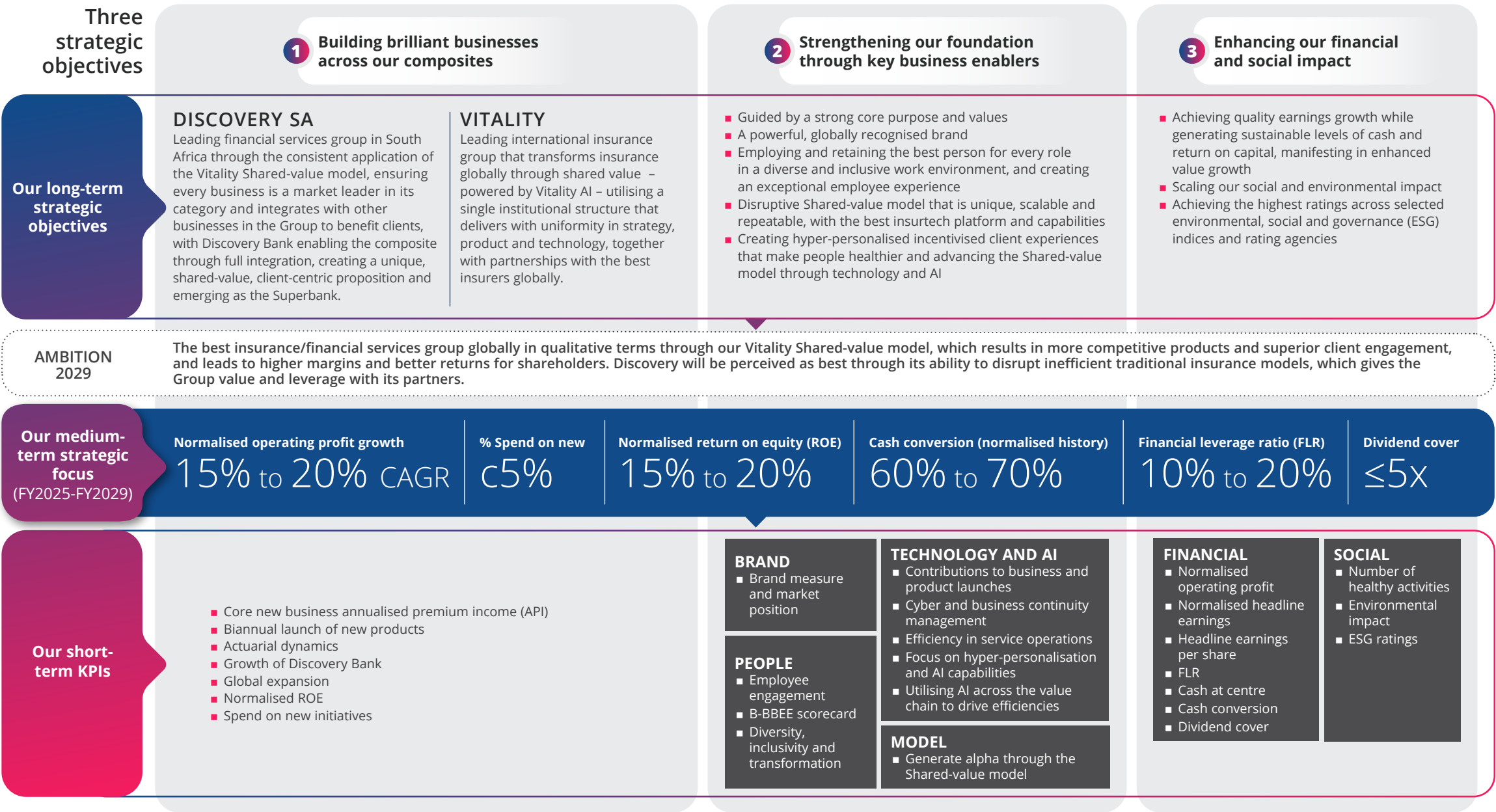
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# Our strategic objectives

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.

**PG** We include our key targets and unpack our performance against our strategic objectives in the pages that follow.



# 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 FY2026, we executed in line with our strategic objectives across our Discovery SA and Vitality composites.

### During the year, we:

- Delivered strong performance in an environment of increased complexity, where economic growth remained below potential in many regions where the Group operates
- Remained focused on generating scaled organic growth through the Discovery SA and Vitality composites
- Continued our strategic investment in technology and AI to embed it across our core proposition and product set, and leverage it to deliver hyper-personalised engagement and value through the Shared-value model, with the launch of Vitality AI at the forefront of these efforts
- Advanced Discovery Health's value proposition through affordable, targeted offerings to address changing demographics and reach new member segments
- Strengthened margin resilience in Discovery Insure through disciplined pricing and claims management, despite weather conditions worsening compared to FY2025
- Advanced Discovery Bank's Superbank strategy through a series of innovations that deepened engagement and extended the Discovery ecosystem
- Prioritised expense management in VitalityHealth and VitalityLife. VitalityHealth focused on retention and pricing discipline to restore margins and diversify distribution, while VitalityLife expanded its distribution footprint to support volume growth and new business quality
- Made good progress in VitalityHealth US with the smooth integration of WellSpark, broadening the coaching and disease prevention offering, acquisition of Ramp Health and deployment of Vitality AI to EmblemHealth
- Finalised the wind-down of our partnership with Generali in Europe and mutually terminated partnerships where strategic direction diverged, creating opportunities to pursue optimal long-term partnerships in these markets

PG 74 For more information, refer to our business reviews.

## OUR PERFORMANCE AGAINST KPIs

**R** New business API  
**R28 155 million**  
(FY2025: R26 486 million)

**R** Continued to launch new products biannually  
Actuarial dynamics exceeded expectations

**R** 1 567 789  
Discovery Bank clients  
(FY2025: 1 246 817 clients)

Insurance partner membership in Vitality Global Markets increased by  
**16%**  
to 9.8 million  
(FY2025: 8.4 million)

Number of markets in which we operate  
**36**  
(FY2025: 42)

**R** Normalised ROE  
**16.5%**  
(FY2025: 15.4%)

Spend on new initiatives at  
**2%**  
of normalised operating profit  
(FY2025: 3%)

## Future focus areas

- Scale the Shared-value model through Vitality AI, creating increasingly personalised, predictive and integrated experiences that improve client outcomes, strengthen engagement and enhance business performance
- Drive sustainable growth through expanded distribution capabilities, strategic partnerships and targeted market expansion, while maintaining a focus on high-quality new business and client retention
- Deepen integration across our composites, ecosystems and technology platforms to create more seamless client experiences and unlock greater value through the Discovery and Vitality propositions
- Enhance operational efficiency, resilience and scalability through continued investment in technology, automation and modernisation, enabling productivity gains and supporting long-term competitiveness
- Deliver disciplined, profitable growth through effective pricing, strong actuarial dynamics, prudent capital allocation and ongoing optimisation of our operating model
- Scale Discovery Bank's Superbank proposition as the integrated digital interface for the Discovery SA composite
- Expand Vitality's international footprint through the growth of existing partnerships and the pursuit of new partnership opportunities in key markets
- Advance personalised healthcare and insurance through continued innovation across our health, life and wellbeing businesses

## MATERIAL THEMES

-  Maintain resilience within a volatile socio-economic and geopolitical environment
-  Leverage and manage data, 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

**Normalised return on equity:**  
15% to 20%

**% spend on new:**  
c5%

**R** Links to executive remuneration

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2 Strengthening our foundation

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

Good governance is integral to how we execute our strategy, supporting effective oversight, stakeholder trust and long-term value creation.

Our performance against our purpose, values and Shared-value model is embedded in the 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 while creating a values-based culture.

**PURPOSE**  
Our core purpose aligns with our values

**PG 10** For more information

**VALUES**  
Our employees are committed to our values framework and leadership attributes

**PG 10** For more information

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

**PG 11** For more information

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

BRAND

Our purpose-led Discovery and Vitality brands are fundamental to our strategy. We drive optimal brand value through 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. The brand equity we have built over time supports our growth strategy – including expanding the way we do business and launching 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 People Week launch, Adviser Summit, and the Discovery Bank, Invest and Life product launches
- Continued to invest in our digital marketing capabilities, including leveraging AI tools to drive efficiencies across the value chain
- Successfully rolled out Vitality UK’s brand mascot, Stanley the dachshund, across Vitality regions (including the US), and secured the AFC Bournemouth front-of-shirt sponsorship from the 2026/27 season to build the Vitality brand globally
- Initiated the transition of our brand measurement from a brand health tracking methodology to Kantar’s validated Meaningful, Different and Salient (MDS) framework, with first Brand Power
- Refined and strengthened ethical standards and policies by ensuring these remain relevant and effective, and developed training and awareness programmes on topical ethics-related themes

**SUS** For more information on how we uphold ethics and cultivate trust, refer to our Sustainability Report.

OUR PERFORMANCE AGAINST KPIs

**R** Client perception score

9.35

(FY2025: 9.41)

85%

average score in the Ask Africa brand health tracker for Discovery businesses in South Africa\*

(FY2025: 85%)

63%

score for Vitality (UK) brand survey, conducted by Immerse

(FY2025: 64%)

Awards and accolades

- Discovery ranked 6th in the Kantar BrandZ top 30 most valuable brands in South Africa 2026 and 4th in the financial services category
- Discovery Bank was voted the number one bank for client service in the 2025 Ask Afrika Orange Index® survey, for the fourth consecutive year
- Vitality UK was the winner for best campaign in the financial services category at the Marketing Week Awards 2025

Future focus areas

- Support the Group’s strategic objectives, business growth, new ventures and product launches through marketing programmes and initiatives that create brand awareness
- Develop meaningful assets that drive brand value in the Discovery SA composite
- Support and enable the Superbank ecosystem through strategic marketing and brand activities
- Build Discovery’s position as a leading global financial services brand by aiming to achieve number-one brand status in each category, guided by the MDS framework
- Launch and roll out the Discovery One Brand strategy, Superbank proposition and Vitality brand architecture
- Ensure the Group remains adequately positioned to mitigate and manage material global ethics risks and opportunities, and continue developing training and awareness programmes on topical ethics-related themes

\* Not measured in FY2026 due to change in methodology. Latest available score as shown in FY2025

MATERIAL THEMES

- Ensure good corporate governance and regulatory compliance
- Leverage and manage data, technology and innovation

CAPITALS IMPACTED

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

**TARGET**  
**Client perception score:**  
>9.20

**R** Links to executive remuneration



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2 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.

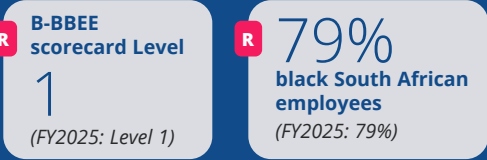
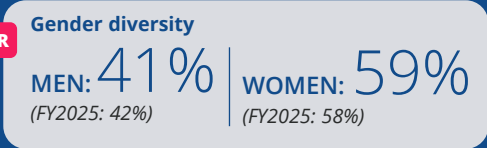
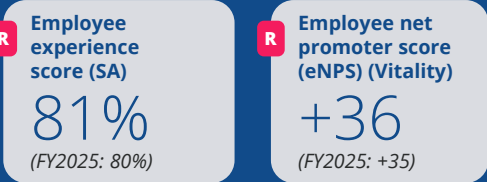
We are equally committed to fostering a diverse and inclusive workplace that provides all employees – across race, gender and disability – with an exceptional employee experience while ensuring every employee has a voice.

During the year, we:

- Hosted D92 (Discovery People Week) to celebrate our people, reflect on our heritage, reconnect with our purpose, values and ambition, and build momentum for the future
- Continued to upskill our people through leadership, learning and development programmes, with a focus on scarce and critical skills in the insurance and banking industries
- Achieved gender parity in senior management roles in Vitality UK
- Continued to focus on talent management and succession planning through initiatives that included, among others:
  - Attracting talent through learnerships, internships, GradHack and the Discover-Up graduate programme

- Accelerating future leadership readiness through the Adrian Gore Fellowship Award/Mentorship Programme and myCareer Mentoring in the UK
- Leveraging partnerships to develop skills and create employment opportunities for previously disadvantaged youth in South Africa
- Enabling the reskilling and redeployment of employees impacted by AI-related role changes, building capabilities that align to our strategy and skills priorities
- Implemented our people with disabilities strategy to advance inclusion and accessibility for employees living with disability
- Progressed our 2030 Employment Equity Plan through engagement and transformation governance
- Strengthened the employee experience and operational effectiveness through technology partnerships, workforce analytics and AI-enabled services
- Launched a set of leadership attributes, founded in our values, to codify the behaviours that define Discovery's distinctive leadership culture and guide how we lead, develop and empower our people
- Received Top Employer certification from the Top Employers Institute for the seventh consecutive year, and Vitality UK was recognised by Glassdoor as one of the Top 50 Best Places to Work in 2026, ranking 26th

OUR PERFORMANCE AGAINST KPIS



SUS For more information on our people, refer to our Sustainability Report.

Future focus areas

- Understand, support and respond to the holistic wellbeing of our people by expanding financial and mental wellness interventions
- Improve the employee experience through enhanced employee journeys, onboarding and interactions that promote a productive and engaged workforce
- Continue succession planning, targeted retention strategies, mentorship programmes, leadership development and career mobility opportunities to sustain a future-ready workforce, supported by a targeted pipeline for scarce and critical skills
- Cultivate and sustain diversity, equity and inclusion across our operations through strategic initiatives and programmes, with a particular focus on advancing the inclusion and experience of people living with disability
- Execute new plans and milestones to meet revised Financial Services Ministerial Employment Equity targets driven by the Employment Equity Amendment Act

MATERIAL THEMES

- 

Maintain resilience within a volatile socio-economic and geopolitical environment
- 

Ensure good corporate governance and regulatory compliance
- 

Empower our people

CAPITALS IMPACTED

- HC

People
- IC

Data and innovation
- SC

Relationships

TARGETS

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

 Links to executive remuneration



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2 Strengthening our foundation continued

TECHNOLOGY AND AI

Technology and AI are a strategic imperative that supports our Shared-value model across all platforms. By developing most of our solutions in-house, we can optimise our systems for the current environment while building our capabilities for an increasingly AI-driven world.

Vitality AI is central to advancing the Shared-value model. 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 create integrated and hyper-personalised client experiences and expand our global footprint.

During the year, we:

- Launched Vitality AI in partnership with Google as a business enabler to drive more personalised, actionable and data-based health insights for our clients and through our partner markets
- Continued to invest in research and development, digital capabilities and data while leveraging predictive analytics for business insights and efficiency
- Strengthened responsible AI governance and ethical oversight by promoting transparency, human accountability and continuous learning, while aligning our use of AI with emerging regulatory and societal expectations through an AI governance capability, the GenAI Academy and the Responsible AI Adoption Forum

- Developed the Vitality Technology Platform, a cloud-based platform providing a repeatable methodology to deploy Vitality AI into new markets
- Embedded Discovery AI in the Discovery Bank app, driving AI-enabled servicing efficiency gains and using data and AI for personalisation while enhancing capabilities
- Continued to enhance system availability and resilience by minimising interruptions, reducing outages and resolving incidents faster
- Implemented updates to Discovery's IT governance approach and continued compulsory data privacy and cyber-awareness training for employees, financial advisers and service providers, including formal awareness campaigns, induction and annual refresher training

OUR PERFORMANCE AGAINST KPIS

Successfully contributed to innovation through product launches for all businesses

Maintained efficiency in service operations

Managed IT operations continuity risks

Adopted enterprise AI productivity tools across the organisation

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 maintained ISO 27701:2019 (privacy information management) certification
- Enhanced privacy impact assessments as part of the product development lifecycle to ensure privacy and information security requirements are met

SUS For more information on our data privacy and security, refer to our Sustainability Report.

Future focus areas

- Evolve the Shared-value model through Vitality AI, moving from discrete recommendations to end-to-end behavioural journeys
- Further develop Discovery's AI strategy, leveraging AI to create efficiencies in operations; improve affordability, quality and cost; boost employee productivity; and accelerate software development
- Evolve our data science and analytics ecosystem by improving data quality, increasing automation and expanding self-service analytics, while maintaining strong ethical, privacy and security guardrails
- Develop intuitive digital channels that improve client and employee experience
- Continuously strengthen and mature our cyber-security measures to protect against AI-enabled and emerging threats, and ensure compliance with data privacy regulations to safeguard information assets
- Continue to enhance systems availability, stability and recoverability
- Continue to review the Group's cryptographic assets with a view to adopting quantum-safe cryptographic practices

MATERIAL THEMES



Leverage and manage data, technology and innovation



Advance our disruptive Shared-value model



Ensure good corporate governance and regulatory compliance

CAPITALS IMPACTED

HC

People

IC

Data and innovation

MC

Technology and digital assets

SC

Relationships

TARGETS

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.

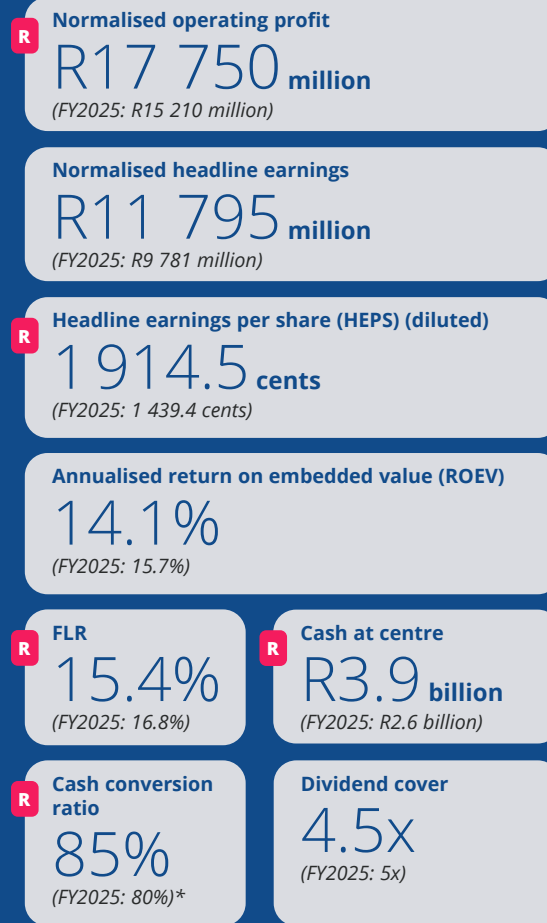
Our Capital Management Framework ensures we follow a disciplined approach in terms of statutory or required capital that meets solvency requirements, allocation of capital for growth initiatives (guided by normalised return on equity), liquidity requirements, funding sources for our capital plan and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

**During the year, we:**

- Achieved growth in a persistently complex environment, with robust performance from both of our composites and continued delivery ahead of our five-year targets
- Achieved a normalised profit in Discovery Bank after recording a loss in FY2025. Discovery Bank is the fastest-growing retail bank in South Africa
- Continued to experience negative policy alterations impacted by the challenging economic context in Discovery Life. Our action plan to remediate this experience remains on track
- Acquired 1 Discovery Place, our head office building, for a total consideration of R4.05 billion, fully funded through pre-arranged debt, which provides strong financial and economic benefits to the Group
- Delivered a strong cash conversion ratio, driven by strong and diversified in-force generation, solid underwriting experience across the Group and PAH's increased dividend
- Maintained financial strength, with strong capital ratios across every business and liquidity at each regulated entity, and at the centre, remaining well in excess of required buffers, supported by the improved FLR
- Continued to deliver growth in embedded value, driven by solid operational performance and favourable experience variances, with positive contributions from each business, reflecting the positive financial dynamics of the Shared-value model and particularly strong underlying claims dynamics of the in-force pool of clients across our businesses

PG 66 For more information, see our Group Chief Financial Officer's review.

OUR PERFORMANCE AGAINST KPIS



Future focus areas

- Drive quality earnings growth and cash generation across our composites within prudent solvency and liquidity constraints
- Minimise the Group's exposure to risk by adhering to risk principles
- Continue to manage lapse risk through reinsurance arrangements and mass lapse protection
- Ensure disciplined capital allocation for investment in future growth initiatives
- 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
- Pursue growth opportunities through strategic partnerships and targeted acquisitions to scale the Shared-value model in new markets
- Improve dividend cover over the medium term

\* The FY2025 cash conversion ratio of 77% has been restated, as communicated in our interim results, to better align normalised profit from operations and operating cash flow.

MATERIAL THEMES

- Maintain resilience within a volatile socio-economic and geopolitical environment
- Ensure good corporate governance and regulatory compliance
- 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

**R** Links to executive remuneration

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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:

- Introduced enhancements and new offerings to our Vitality programme to improve members' health by incentivising healthy activities
- Continued to fill potholes in Johannesburg through Pothole Patrol and celebrated five years of the initiative
- Completed the first year of support for the Alexandra Water Warriors' rehabilitation of the Jukskei River in Alexandra, Johannesburg
- Supported healthcare service delivery in rural and underserved communities through the Discovery Fund
- Expanded affordable healthcare products to reach underserved demographic groups and improve quality of care
- Invested in capacity building through the Discovery Foundation, which marked 20 years of impact
- Continued constructive engagements with government on the National Health Insurance (NHI) Act, advocating a fact-based, workable approach that incorporates private-sector collaboration
- Maintained carbon neutrality in our UK operations
- Maintained zero waste-to-landfill accreditation at our Cape Town, KwaZulu-Natal and Gqeberha offices
- Continued to address energy efficiency, waste and water reduction to mitigate our environmental impact
- Operationalised our Net-zero Transition Plan through reduction and engagement strategies, while expanding Scope 3 emissions coverage and refining our methodologies

OUR PERFORMANCE AGAINST KPIS

R OVER 725 million healthy activities recorded (FY2025: 640 million)

R159 million invested in social initiatives, the Discovery Fund and Discovery Foundation (FY2025: R157 million)\*

R 34.1% reduction in Scope 1 and 2 carbon emissions against our 2019 baseline (FY2025: 31.2%)

Scope 1 and 2 tonnes CO<sub>2</sub>e  
FY2026: 23 651  
FY2025: 24 694

Scope 3 tonnes CO<sub>2</sub>e\*\*  
FY2026: 3 076 698  
FY2025: 3 079 639

10% total waste to landfill (FY2025: 8%)

99 564 kl total water withdrawn from municipal water supplies (FY2025: 100 072 kl)

\* Including donations by Vitality UK.  
\*\* Scope 3 emissions are calculated and verified using the most recent complete data available at the time of reporting and are therefore reported one year in arrears.

Future focus areas

- Develop credible, robust and repeatable measures to quantify the societal impact of the Shared-value model, scalable across countries
- Continue to support healthcare reform to address unacceptable levels of inequality in access to quality healthcare
- Oversee the Discovery Foundation's impact and its strategy to address evolving healthcare system needs, with a focus on specialist training and deployment
- 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
- Continue to implement reduction and engagement strategies to deliver on our Net-zero Transition Plan
- Provide 1 Discovery Place with 100% renewable energy by 2027 through Discovery Green

PG 41 Our climate change response.

PG 40 How we are scaling our social and environmental impact.

MATERIAL THEMES

- Maintain resilience within a volatile socio-economic and geopolitical 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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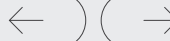
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# Scaling our social and environmental impact

Since our inception, Discovery has 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 we serve, and our core purpose is aligned with maintaining an environment that enables and sustains good health. In support of this, we have been a signatory to the UN Global Compact since 2015, committing to end poverty, protect the planet and improve the lives and prospects of people globally. We have also identified the UN SDGs most closely aligned with our business – those where we believe we can make the most meaningful contribution as we scale our impact as a demonstrable force for good.

Our commitment to scaling our impact is intrinsically linked to our goal of building sustainable businesses that create, preserve and share social and economic value within a dynamic landscape. Our Integrated Sustainability Framework guides our approach – serving as the organisational architecture through which we identify, govern, measure and respond to sustainability-related dependencies, impacts, risks and opportunities. In this way, we can strengthen stakeholder trust and competitiveness while ensuring long-term resilience and value creation. The framework aligns with our core purpose and maximises our impact through our Shared-value model to improve health outcomes and strengthen healthcare systems, while ensuring strong environmental and governance performance.

## Our Integrated Sustainability Framework differentiators

Driving our targets and initiatives through business



### MAKE PEOPLE HEALTHIER

Physical health

- Improve physical and mental wellness to reduce premature mortality from non-communicable and communicable diseases
- Positively impact members' and clients' healthy life expectancy through personalised health journeys and interventions that encourage better behaviour and healthier choices across exercise, sleep and nutritional habits
- Lowering the cost of care through advanced managed care interventions while ensuring access to quality care and innovative healthcare solutions like Care at Home, KeyCare, Active Smart, Gap Cover, Emergency Cover and Flexicare



### ENHANCE AND PROTECT LIVES

Holistic health

- Create responsible insurance products that incentivise and reward members and clients for their commitment to healthier habits
- Reduce deaths and injuries from road traffic accidents by incentivising good driving behaviour
- Improve healthy investment behaviour by incentivising clients to manage and withdraw their money wisely
- Drive financial wellbeing and reward positive behaviours that contribute to a more financially resilient society



### STRENGTHEN SOCIAL SYSTEMS

Collective health

- Build an inclusive healthcare system by expanding access to quality healthcare
- Support service delivery in rural and underserved communities through the Discovery Fund and the Discovery Foundation
- Support communities and enhance public safety through corporate social investment and public-private partnerships like Pothole Patrol and Safe Journeys to School
- Build healthcare workforce capacity by investing in training and service innovation
- Develop small and medium-sized enterprises to strengthen inclusive economic growth and supply-chain resilience
- Play a leading role in nation building



### RESTORE THE ENVIRONMENT

Planetary health

- Achieve carbon neutrality in our South African 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
- Ensure responsible water consumption and improve water-use efficiency across all operations
- Assess the Group's exposure to nature-related risks and opportunities
- Contribute to a healthier, more secure future for everyone



### SUPPORTING LEVERS

We anticipate, adapt and respond to the broader economic, social and environmental context and strive to influence solutions to challenges beyond our immediate business interests. We set ambitious, informed goals and targets at Group and business levels, to drive and demonstrate progress. As part of this approach, we:

- Scale purpose-led innovation through our business model and across the value chain
- Disrupt the traditional financial and insurance services sector through shared value
- Align with and collaborate on global initiatives
- Meet stakeholder expectations



OUR COMMITMENTS ARE UNDERPINNED BY THE FOLLOWING SUSTAINABILITY GOVERNANCE MECHANISMS:

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

Linking financial and sustainability performance measures, including climate-related and other ESG targets, to remuneration

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

# Our climate change response

Climate change remains a top risk for both our business and the communities in which we operate, with severe and unpredictable climate events, including intense heat and heavy rainfall, resulting in significant social and economic disruption.

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 remains critical: the poor, unemployed and rural communities are the most vulnerable to an abrupt transition. As such, Discovery supports a fair, responsible and just transition, recognising that it will enhance economic, societal and financial system resilience.

To achieve our climate-related ambitions, we formulated a climate change strategy which is operationalised through our Net-zero Transition Plan – a roadmap setting out the targets and implementation pathway to reach net zero by 2050. Together, they guide our efforts to mitigate climate-related risks and reduce our negative impacts on the environment and provide direction across innovation and product development; our risk, investment and procurement policies; and our facilities, operations, employee training and corporate culture. We recognise that achieving a net-zero future requires collective action, and we take a pragmatic, two-pronged approach: firstly, we understand, assess and respond to the impact of climate change on our business; 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.

We continue monitoring developments in the reporting landscape, best practice and changes in stakeholder expectations that could impact our approach to climate disclosure. We align our disclosures with the requirements of ISSB IFRS S2 (although not yet mandatory in South Africa) and report in accordance with the GRI standards. In our Climate Report, we reflect on the work undertaken 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.

- Our climate change strategy.
- Our Net-zero Transition Plan.



Incorporating climate-related considerations into our business reflects our commitment to integrated thinking. We have identified climate change mitigation and environmental impact management as material matters that influence both our societal and environmental impact, and our ability to create or preserve value for stakeholders. By understanding the Group's operating environment and identifying significant risks and opportunities, we translate 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.

# Risks and opportunities

We believe effective risk management is integral to achieving our strategic objectives and creating sustainable value. Risk management is embedded across strategy formulation, performance management and decision-making to ensure risk considerations are inseparable from business performance, innovation and growth. Through this integrated approach, we support disciplined risk-taking while enabling the Group to respond dynamically to an evolving operating environment.

The Group's Enterprise Risk Management Policy and Framework set out the principles for identifying, assessing and managing Discovery's material risks. This ensures a structured and consistent approach to managing risk across all business units. Our Enterprise Risk Management Policy and Framework are underpinned by a strong ethical foundation and supported by the Group's core purpose and values. Our clearly articulated Group Risk Appetite Statement provides guidance on acceptable risk-taking to support an appropriate balance between innovation, financial prudence and protecting policyholders and shareholders.

Through our Risk Management function, we strengthen risk governance and enhance transparency. By sharing information consistently and comprehensively, the Group can respond swiftly to emerging threats and opportunities. To safeguard accountability at every level of our business, we identify and assess material risks through a top-down view of the Group's strategy, operating environment and risk appetite. Risks arising from business activities, operational processes, change initiatives and day-to-day decision-making are identified and managed through a bottom-up approach.

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 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, while also ensuring appropriate controls are in place to manage these material risks within approved risk limits.

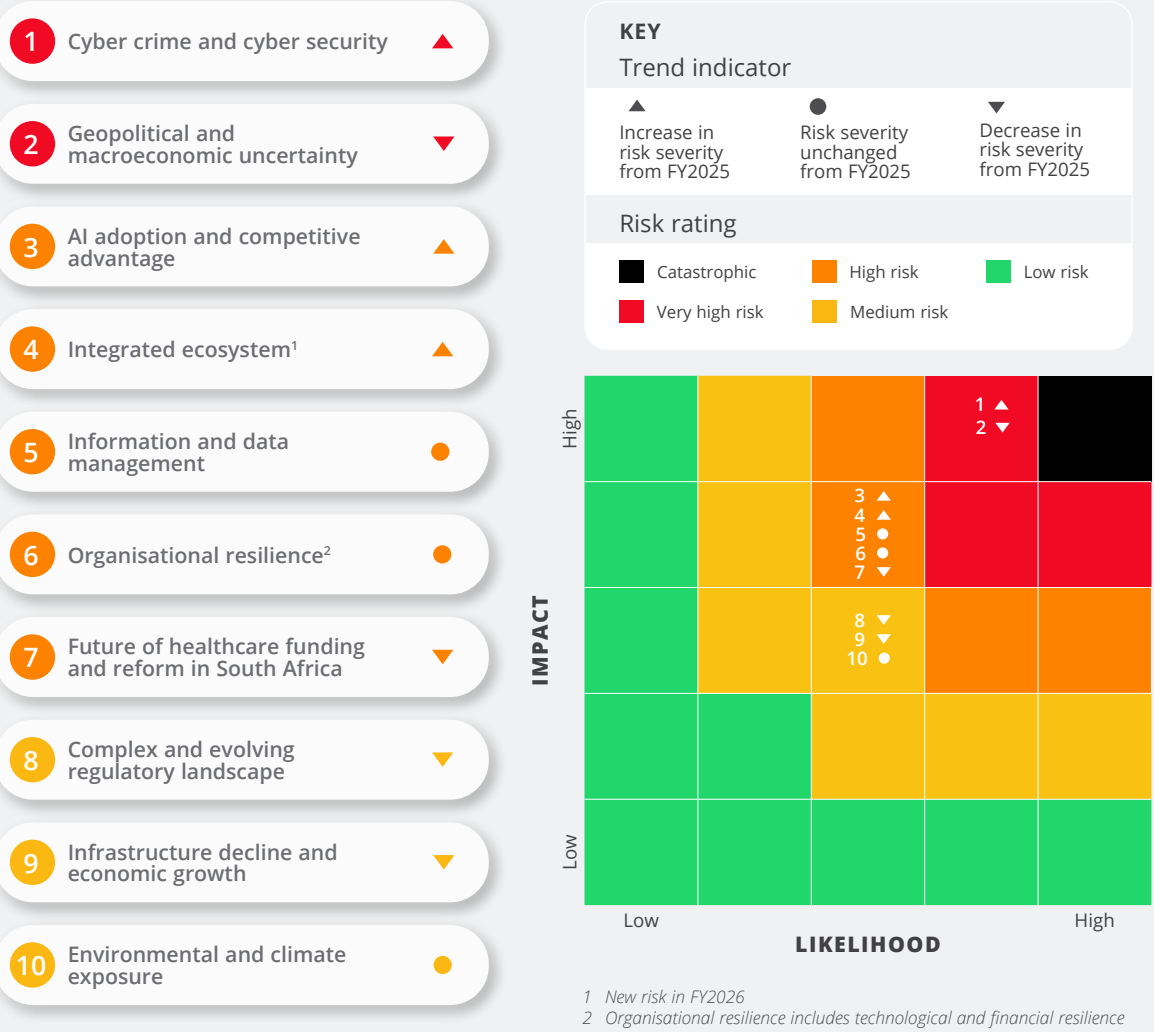
We evaluate the effectiveness of our robust risk management system annually through the Own Risk and Solvency Assessment, which offers a comprehensive view of the Group's risks and their impact on capital, solvency and business strategy. In addition, we regularly assess the Group risk culture, which helps identify areas for improvement.

As our highest governing body, the Board is ultimately responsible for risk governance. The Group Risk and Compliance Committee assists the Board by overseeing the adequacy and effectiveness of the Group's risk, compliance and internal control arrangements.

**GOV** For more information, refer to our Governance Report.

## Our top Group risks

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



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Understanding our risks and opportunities

1 Cyber crime and cyber security



(FY2025: 3)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

Cyber crime and data breaches have become more frequent and sophisticated, with the financial services sector remaining a prime target. The increased use of AI, including rapidly advancing frontier models, materially increases the speed and scale at which cyber criminals can automate attacks, craft adaptive malware, deploy deepfake-driven fraud and rapidly exploit software vulnerabilities. For financial services groups like Discovery, cyber attacks could outpace existing detection, patching and response controls, leading to business disruption, data compromise and financial loss, with increased exposure across third-party dependencies, operational resilience, data protection and technology governance.

Significant investment in Discovery's cyber-security capabilities has strengthened the control environment. However, as AI adoption accelerates, the threat environment becomes less predictable, reinforcing the need for continued strengthening of controls and faster vulnerability remediation.

KEY MITIGATING ACTIONS

- Enhance security capabilities through our Group Cyber Programme, including the review of our cryptographic assets to support the adoption of quantum-safe practices
- Secure user access and protect sensitive information through Group-wide initiatives that align with industry standards and regulatory requirements
- Mature cyber-resilience capabilities and perform regular penetration testing to 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

OPPORTUNITIES

- Enhance client trust, increase client loyalty and attract 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
- Increased precision of risk assessment and faster distribution models

RELATED MATERIAL THEMES



Leverage and manage data, technology and innovation



Empower our people



Ensure good corporate governance and regulatory compliance



Ensure long-term financial sustainability

CAPITALS IMPACTED

HC

People

IC

Data and innovation

MC

Technology and digital assets

GEOGRAPHIES IMPACTED

South Africa, UK, US and global partners

2 Geopolitical and macroeconomic uncertainty



(FY2025: 1)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

Heightened geopolitical tensions involving the US and the Middle East continue to influence global financial markets, trade dynamics and capital flows.

The shift towards restrictive trade policies, government-imposed technology restrictions and sanctions is accelerating geoeconomic fragmentation reshaping global supply chains and investment patterns. Military escalation in the Middle East contributed to volatility in energy markets and critical maritime trade routes. Ongoing uncertainty may influence inflation, interest rates and economic growth in the markets where we operate.

For the Group, these developments may affect client affordability, sales volumes and persistency while placing pressure on claims experience, operating costs, investment market performance and the broader operating environment.

Changing migration patterns and increasing restrictions on labour mobility may influence talent availability and operating models across some markets.

KEY MITIGATING ACTIONS

- Monitor geopolitical and macrofinancial developments and assess appropriate business responses across key markets
- Monitor critical supply chain, third-party and cross-border dependencies to support business continuity
- Apply scenario analysis and stress testing to assess the potential impact of macrofinancial shocks on capital, liquidity and operating plans
- Maintain disciplined pricing, underwriting and product design to support client retention and resilience in inflationary and volatile market conditions
- Apply the Group's risk management principles to manage volatility across liquidity, interest rates, earnings, cash flow and asset-liability matching

OPPORTUNITIES

- Leverage our shared-value approach, which remains scalable, repeatable and globally relevant
- Use the Group's diversified geographic and business footprint to identify resilient growth opportunities across markets
- Develop affordable, relevant and personalised propositions that support client retention in challenging economic conditions
- Continue to play a leading role in business and industry engagements with government and other social partners to implement interventions that will increase confidence in South Africa's economic trajectory

RELATED MATERIAL THEMES



Advance our disruptive Shared-value model



Maintain resilience within a volatile socio-economic and geopolitical environment



Ensure long-term financial sustainability



Leverage and manage data, technology and innovation

CAPITALS IMPACTED

FC

Financial capital

HC

People

SC

Relationships

GEOGRAPHIES IMPACTED

South Africa, UK, US and global partners



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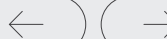
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3 AI adoption and competitive advantage



(FY2025: 5)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

Discovery uses data, analytics and behavioural science to strengthen its Shared-value model. Advances in AI create opportunities to enhance product design, underwriting, claims management, servicing, fraud detection, operational efficiency and decision-making across the Group.

Discovery's competitive advantage will increasingly depend on our ability to scale AI responsibly and convert proprietary data, insight and technology into better client and business outcomes. If AI adoption does not keep pace with technological developments, changing client expectations or competitor innovation, this could affect speed-to-market, personalisation, operating efficiency and the differentiation of the Group's propositions.

The increased use of AI also introduces execution and governance risks, including data privacy, model accuracy, explainability, bias, ethical use, third-party dependencies and regulatory compliance. Strong governance and effective monitoring remain critical to ensuring AI-enabled decisions are trustworthy and aligned to Discovery's purpose.

KEY MITIGATING ACTIONS

- Deploy robust data science infrastructure to support AI-enabled innovation, personalisation and product development
- Enhance privacy, security, policies and control frameworks to support responsible AI adoption
- Maintain knowledge-sharing structures, business ownership and employee capability-building to support effective AI implementation
- Monitor emerging regulations, industry developments and best practice to ensure the ethical and compliant use of AI
- Maintain cross-functional AI governance and oversight through the Group's AI Ethics Framework and by monitoring AI-driven decisions and outcomes
- Leverage proprietary data assets, analytics capabilities and investment in research and development to support differentiated AI-enabled solutions
- Ensure technology architecture and legacy technology investments can adapt to future AI capability requirements

OPPORTUNITIES

- Enhance the Shared-value model through AI-enabled personalisation and engagement
- Leverage predictive analytics for business insights and efficiency
- Remain competitive by strategically embracing AI developments
- Improve decision-making, efficiency and client outcomes across the Group

RELATED MATERIAL THEMES



Advance our disruptive Shared-value model



Ensure good corporate governance and regulatory compliance

CAPITALS IMPACTED

IC

Data and innovation

MC

Technology and digital assets

SC

Relationships

GEOGRAPHIES IMPACTED

South Africa, UK, US and global partners

4 Integrated ecosystem



NEW

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

Discovery's integrated business model spans health, life insurance, short-term insurance, banking, energy, wellness and strategic partnerships. This inter-connected ecosystem is central to the Group's Shared-value model and supports differentiated client experiences, deeper engagement and value creation across multiple businesses and touchpoints.

Integrations that strengthen Discovery's competitive position may increase the potential for knock-on impacts in different areas of the Group. Operational disruption, technology incidents, conduct failures, regulatory matters, third-party service issues or adverse external events could impact client service, stakeholder confidence, shared platforms, business continuity and perceptions of the Discovery brand.

Effectively managing ecosystem interdependencies supports trust in the Discovery brand, protects client relationships and enables the Group to continue realising the benefits of its integrated model.

KEY MITIGATING ACTIONS

- Maintain a strong and consistent One Discovery brand and client experience across businesses
- Continue embedding Group-wide governance, conduct and risk management standards across Discovery
- Continue strengthening operational resilience, business continuity and crisis management capabilities
- Monitor key reputational, conduct and stakeholder risks and coordinate Group-wide responses where required
- Continue investing in technology modernisation, cyber resilience and platform stability
- Manage key interdependencies across businesses, products, third-party relationships and critical services

OPPORTUNITIES

- Leverage the strength of the Discovery brand to deepen client trust and loyalty
- Enhance the value of the Group's integrated shared-value ecosystem through connected client experiences
- Differentiate Discovery through resilience, operational excellence and trusted stakeholder relationships

RELATED MATERIAL THEMES



Advance our disruptive Shared-value model



Maintain resilience within a volatile socio-economic and geopolitical environment



Ensure long-term financial sustainability



Leverage and manage data, technology and innovation



Ensure good corporate governance and regulatory compliance

CAPITALS IMPACTED

FC

Financial capital

MC

Technology and digital assets

SC

Relationships

GEOGRAPHIES IMPACTED

South Africa, UK, US and global partners



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5

Information and data management

(FY2025: 5)

RISK DESCRIPTION AND  
IMPACT ON OUR BUSINESS

Discovery's ability to deliver its products, services and Shared-value model depends on the responsible collection, management, protection and use of information. The Group processes high volumes of personal, health, financial and behavioural data which support client engagement, operational processes, decision-making, innovation and regulatory compliance.

Failure to appropriately govern or manage information throughout its lifecycle may result in unauthorised disclosure, misuse, modification, loss or destruction of information assets – compromising their confidentiality, integrity and availability. If information is inaccurate, incomplete or poorly governed, this may adversely affect decision-making, client outcomes, operational effectiveness and regulatory compliance.

Responsible data stewardship remains fundamental to maintaining client trust.

KEY MITIGATING ACTIONS

- Maintain Group-wide information governance and data protection frameworks
- Ensure compliance with applicable privacy, data protection and information management requirements
- Encrypt and appropriately safeguard sensitive information assets
- Monitor and control access to information through data loss prevention and information management controls
- Promote data stewardship, awareness and accountability across employees and third parties
- Maintain processes to monitor information quality, usage and governance across the Group

OPPORTUNITIES

- Strengthen stakeholder trust through responsible information management
- Leverage high-quality data to enhance client outcomes and decision-making
- Enable innovation and personalisation through effective information governance

RELATED MATERIAL THEMES



Leverage and manage data, technology and innovation



Empower our people



Ensure good corporate governance and regulatory compliance

CAPITALS IMPACTED

- HC

People
- IC

Data and innovation
- MC

Technology and digital assets

GEOGRAPHIES IMPACTED

South Africa, UK, US and global partners

6

Organisational resilience

(FY2025: 6)

RISK DESCRIPTION AND  
IMPACT ON OUR BUSINESS

Organisational resilience underpins Discovery's ability to continue delivering products and services, meeting stakeholder obligations and executing its strategy. Maintaining the ability to anticipate, withstand, respond to and recover from disruption remains fundamental to sustainable long-term value creation.

Technology is critical to the resilience of our business. The availability, stability and recoverability of key technology platforms ensure operational continuity and support the delivery of products and services across the Group.

The Group's long-term sustainability relies on a stable financial base. Economic volatility, inflationary pressures, changing interest rate environments or other financial stresses may influence profitability, liquidity, capital generation and investment capacity.

Organisational resilience is further supported by our people, culture and key business relationships. The ability to attract and retain critical skills and effectively manage supplier and partner relationships remains essential to sustaining performance and stakeholder confidence.

KEY MITIGATING ACTIONS

- Conduct regular business continuity, crisis management and resilience testing across the Group
- Invest in the stability, scalability and recovery capabilities of critical technology platforms
- Maintain strong capital, liquidity and funding positions through disciplined financial and risk management
- Apply stress testing and scenario analysis to assess resilience under adverse conditions
- Monitor and manage critical third-party, supplier and strategic partner dependencies
- Develop and retain critical skills through succession planning, talent management and leadership development

OPPORTUNITIES

- Strengthen stakeholder confidence through reliable and resilient service delivery
- Maintain the flexibility to invest in innovation and growth through varying economic cycles
- Enhance client and partner trust through operational excellence and responsiveness
- Leverage resilience capabilities as a competitive differentiator in an increasingly dynamic environment

RELATED MATERIAL THEMES



Leverage and manage data, technology and innovation



Ensure good corporate governance and regulatory compliance

CAPITALS IMPACTED

- IC

Data and innovation
- SC

Relationships
- FC

Financial capital
- MC

Technology and digital assets
- HC

People

GEOGRAPHIES IMPACTED

South Africa, UK, US and global partners



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7 Future of healthcare funding and reform in South Africa

(FY2025: 2)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

South Africa's healthcare system continues to evolve as the government progresses universal health coverage through the National Health Insurance (NHI) framework. The NHI Act was signed into law in 2024, but implementation remains subject to ongoing legal, regulatory and policy developments, creating uncertainty regarding the future structure, funding and delivery of healthcare services.

Discovery supports improving access to quality and affordable healthcare. However, in its current form, section 33 of the NHI Act limits the scope of medical scheme cover once NHI is fully implemented. The future interaction between NHI and private healthcare funding remains uncertain and may have significant implications for healthcare access, funding arrangements and private sector participation.

Funding pressures, workforce shortages and insufficient capacity may affect service quality and timely access to care, highlighting the importance of regulatory clarity and public-private collaboration.

The pace and direction of healthcare reform, together with prolonged uncertainty, may influence investment in healthcare infrastructure and stakeholder confidence, affecting the long-term sustainability of healthcare delivery and the broader operating environment of Discovery's health businesses.

KEY MITIGATING ACTIONS

- Participate in industry and healthcare sector initiatives, and engage constructively with policymakers, regulators and stakeholders to support sustainable healthcare reform and practical NHI implementation
- Advocate for a sustainable healthcare framework that leverages public-private collaboration
- Support initiatives that strengthen healthcare capacity, skills development and long-term system sustainability in South Africa

OPPORTUNITIES

- Strategic diversification into financial services
- Implement initiatives to support skills development in South Africa's healthcare sector
- Review product and pricing to supplement NHI challenges

RELATED MATERIAL THEMES



Advance our disruptive Shared-value model



Ensure long-term financial sustainability



Maintain resilience within a volatile socio-economic and geopolitical environment



Expand and strengthen our social impact

CAPITALS IMPACTED

- FC Financial capital
- SC Relationships

GEOGRAPHIES IMPACTED  
South Africa

8 Complex and evolving regulatory landscape

(FY2025: 7)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

The Group operates in highly regulated industries across multiple jurisdictions, where legislative requirements and supervisory expectations continue to evolve. Regulators are increasingly focused on governance effectiveness, accountability, client outcomes and organisational resilience, with greater emphasis on demonstrable outcomes rather than technical compliance alone. The volume, complexity and pace of regulatory change require ongoing adaptation of business practices, products, systems and governance processes.

Regulatory developments continue to shape expectations relating to governance, consumer protection, financial crime prevention, operational and cyber resilience, privacy, data governance and the responsible use of AI and emerging technologies. Key developments include enhanced consumer protection and operational resilience requirements in the UK, European digital and AI reforms, increased scrutiny of financial crime frameworks, and evolving data protection requirements. In South Africa, material developments include King V™, the Companies Act, the NHI framework, proposed conduct and financial crime legislation, EE requirements and the National AI Policy Framework. Changes relating to employment, immigration and workforce participation, together with heightened public debate regarding immigration enforcement and foreign nationals during 2026, may also influence operating environments, workforce dynamics and stakeholder sentiment.

The interconnected nature of these changes may affect Discovery's products, operating models and systems and strategic priorities. Failure to anticipate, assess and respond effectively may result in operational disruption, financial impacts, regulatory intervention and reputational damage.

KEY MITIGATING ACTIONS

- 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

- Contribute constructively to policy and regulatory development through proactive stakeholder engagement
- Leverage strong governance and compliance capabilities as a competitive differentiator
- Enhance stakeholder trust through effective and responsible regulatory compliance

RELATED MATERIAL THEMES



Advance our disruptive Shared-value model



Ensure good corporate governance and regulatory compliance



Maintain resilience within a volatile socio-economic and geopolitical environment



Strengthen our environmental stewardship

CAPITALS IMPACTED

- FC Financial capital
- HC People
- SC Relationships

GEOGRAPHIES IMPACTED  
South Africa, UK, US and global partners



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9 Infrastructure decline and economic growth

(FY2025: 8)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

Reliable public infrastructure is important for economic growth, employment, healthcare delivery, mobility and broader social resilience in South Africa. Ongoing constraints across energy, water, transport, logistics and municipal services may affect business confidence, productivity and the delivery of essential services.

Persistent infrastructure constraints may increase Discovery's operating costs, reduce economic growth and affect demand across financial services and healthcare markets. These constraints also place pressure on our clients' employment and disposable income, affecting affordability.

These conditions may influence the environment in which our clients, members, healthcare providers and business partners operate. Infrastructure disruption may affect healthcare access, claims experience, service continuity, client affordability and community resilience, requiring the Group to remain responsive to changing conditions while supporting initiatives that strengthen social and economic resilience.

KEY MITIGATING ACTIONS

- Monitor the impact of infrastructure-related trends on clients, claims experience and business performance
- Regularly assess and adapt business resilience strategies to changing operating conditions
- Maintain appropriate pricing, reserving and reinsurance arrangements where relevant
- Support initiatives that enhance community resilience and access to essential services

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 data, technology and innovation



Expand and strengthen our social impact



Maintain resilience within a volatile socio-economic and geopolitical environment

CAPITALS IMPACTED



Data and innovation



Technology and digital assets



Relationships

GEOGRAPHIES IMPACTED

South Africa

10 Environmental and climate exposure

(FY2025: 10)

RISK DESCRIPTION AND IMPACT ON OUR BUSINESS

Climate change, nature degradation and biodiversity loss continue to influence Discovery's operating environment. More severe and unpredictable weather events may affect communities, infrastructure, economic activity and healthcare systems across key markets.

These developments may influence claims experience, healthcare outcomes, operational resilience and the affordability of risk protection, with similar trends evident across the UK and other markets in which the Group operates.

Evolving climate-related regulation, sustainability expectations and market practices may influence business operations, investment decisions and stakeholder relationships. Broader environmental degradation may also affect the environments in which Discovery's clients, employees and communities live and work.

Discovery recognises the risks and opportunities arising from environmental change. Through its Shared-value model, Discovery seeks to support healthier, more sustainable communities while strengthening long-term business sustainability.

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 energy 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
- Monitor emerging climate-related regulation, market developments and stakeholder expectations
- Maintain appropriate risk transfer arrangements, including reinsurance, for climate-related exposures
- Promote environmental awareness and behavioural change through employee and client initiatives

OPPORTUNITIES

- Support improved environmental outcomes through shared-value initiatives and behavioural change programmes
- Develop products and services that help clients respond to climate- and sustainability-related challenges
- Contribute to a more resilient and sustainable economy through innovation, partnerships and responsible investment practices

RELATED MATERIAL THEMES



Ensure long-term financial sustainability



Strengthen our environmental stewardship



Expand and strengthen our social impact

CAPITALS IMPACTED



Environmental resources



Financial capital



Relationships

GEOGRAPHIES IMPACTED

South Africa, UK, US and global partners



For more information refer to our Climate Report.



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# Emerging risks and opportunities

We continuously monitor external dynamics that could affect our sustainability, including longer-term structural developments with the potential to reshape our operating environment and strategic priorities over time. The critical emerging risks set out below complement the more immediate risks outlined previously.

**SUS** For more information on our emerging risks and research, refer to our Sustainability Report.

|                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Health trends, longevity and structural claims cost escalation       | <p><b>RISK DESCRIPTION AND IMPACT ON OUR BUSINESS</b></p> <p>Given the nature of our business, we have an opportunity to help increase people's life expectancy while ensuring they live healthier lives. The emerging risk lies in whether improvements in longevity are matched by improvements in healthspan – the period of life spent in good health – as evolving health trends, chronic disease, metabolic risk, mental health conditions and long-term care needs reshape future demand for health, life and investment products.</p> <p>Rising morbidity, including obesity-related and non-communicable diseases, may increase pressure on healthcare utilisation, claims costs, retirement adequacy and long-term financial protection. Ageing demographics could also escalate demand for long-term care and support services, while mental health conditions are becoming a more prominent component of the disease burden, particularly among younger adults.</p> <p>These trends reinforce the importance of Discovery's Shared-value model, which is designed to encourage healthier behaviours, support earlier identification and disease management, and align incentives across our clients, the business and society.</p> | <p><b>HOW WE RESPOND</b></p> <ul style="list-style-type: none"><li>■ Implement a strategy combining dynamic product design, reviewable premiums and reinsurance solutions to manage long-term exposure</li><li>■ Influence client behaviour and improve health outcomes through the Vitality behaviour-change platform, Personal Health Pathways and Vitality AI – encouraging regular health checks, screening, healthy habits around physical activity, nutrition and mental wellbeing, and targeted interventions to prevent and manage long-term illness</li><li>■ Offer disease management interventions and tailored programmes for high-risk populations living with chronic diseases</li><li>■ Incorporate dynamic asset allocation and risk profiling in investment products to support retirement adequacy</li></ul> |
| Evolving global systems and market ecosystems                        | <p>The global operating environment is undergoing structural change as economic influence, trade relationships, technology ecosystems and regulatory frameworks continue to evolve. Over time, this may result in increasingly diverse approaches to technology, data governance, capital allocation, healthcare systems and financial services regulation.</p> <p>As these developments unfold, organisations like Discovery may face greater complexity in operating across multiple jurisdictions, meeting differing regulatory expectations and adapting products and services to local market conditions. Shifts in investment flows, innovation ecosystems, workforce mobility and strategic partnerships may influence competitive dynamics and growth opportunities across markets. For Discovery, maintaining the flexibility to operate effectively across diverse economic and regulatory environments will be important to sustaining long-term growth.</p>                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"><li>■ Monitor long-term global economic, technological and regulatory developments, and incorporate these trends into strategic planning, scenario analysis and investment decision-making</li><li>■ Maintain a diversified geographic presence, ecosystem and business model</li><li>■ Strengthen relationships with regulators, industry bodies, research institutions and strategic partners</li><li>■ Leverage the Shared-value model, behavioural science, client insights and investment in technology, data and innovation to develop locally relevant solutions across different operating environments</li></ul>                                                                                                                                                                    |
| The future of trusted data ecosystems and AI-enabled decision-making | <p>Advances in data, AI and digital technologies create opportunities to enhance client outcomes, improve operational efficiency and strengthen risk management capabilities across healthcare, insurance and financial services.</p> <p>These opportunities extend beyond the adoption of technology to creating trusted data ecosystems that enable responsible innovation, personalisation, care integration, and improved decision-making. Organisations that combine advanced analytics with strong governance, privacy and ethical practices will be well positioned to deliver more relevant client experiences and develop new sources of competitive advantage.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"><li>■ Strengthen data governance and privacy, protecting sensitive information through access, classification and data quality controls</li><li>■ Embed responsible AI, ethical data use and privacy-by-design, with AI governance including model validation, explainability and bias monitoring</li><li>■ Monitor third-party data-sharing, privacy and security controls</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                        |
| Climate change and long-term insurability challenges                 | <p>Climate change, technological advances and the transition to a lower-carbon economy are reshaping how risk is experienced, managed and insured. Over time, changing environmental conditions, evolving societal expectations and shifts in economic activity may alter the risk profiles of individuals, businesses and communities.</p> <p>The emerging challenge for Discovery is responding to climate-related impacts while ensuring that protection products remain accessible, affordable and relevant in a rapidly changing environment. These developments may affect claims trends, underwriting assumptions, risk transfer mechanisms and capital requirements, while creating opportunities to develop new approaches that enhance resilience and support long-term insurability.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"><li>■ Enhance climate and resilience modelling to understand long-term shifts in risk, using research, data and behavioural insights to support prevention and adaptation</li><li>■ Develop products and incentives that promote resilience</li><li>■ Strengthen climate-related scenario analysis within strategic and capital planning</li><li>■ Engage industry, regulators and research bodies to improve understanding of insurability challenges</li></ul>                                                                                                                                                                                                                                                                                                                             |



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# Our operating environment

We continue to operate in a complex and volatile global environment, with distinct macroeconomic conditions prevailing across our operating markets. Escalating geopolitical and trade tensions are constraining economic activity, with growth below potential in many regions where we operate. At the same time, climate-related challenges, resource shortages and the rapidly evolving opportunities and risks associated with AI require ongoing attention.

As we look ahead to Ambition 2029, we are entering the next phase of Discovery's growth, which requires greater focus, pace and disciplined execution in a world that is shifting rapidly – creating both challenges and opportunities. To succeed, we must remain focused on our purpose and continue building on the strengths that have differentiated the Group.

**As we look ahead to Ambition 2029, we are entering the next phase of Discovery's growth, which requires greater focus, pace and disciplined execution in a world that is shifting rapidly – creating both challenges and opportunities.**

## The purpose imperative

### Context

Businesses and governments face growing pressure to solve systemic challenges with authenticity and purpose. The scale and complexity of today's global challenges demand sustainable solutions that extend beyond individual efforts and are rooted in the strength and power of collective action. In an emerging economy like South Africa, the private sector has an important role to play in leveraging its skills and expertise to support the country's growth. Now in phase 3, the transformative Government Business Partnership is shifting focus to structural reform, aiming to meaningfully accelerate South Africa's economy and positively impact confidence and growth.

Clients continue to expect meaningful value from 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 preventive measures, interventions and disease management programmes to actively manage risk, improve member health outcomes and help contain contribution increases within sustainable levels – thereby reducing the long-term impact of medical inflation. Within this context, meeting societal demands requires a shared-value business model.

**SUS** For more information, refer to our Sustainability Report.

### How we are responding

Our purpose is core to who we are, guiding how we behave, informing long-term decisions and shaping the ambition that drives our progress. The Group's unique business model – which is supported by science, data and behavioural insights – manifests in better value and improved longevity for our clients, as well as superior returns on capital for our shareholders and partners. Our purpose also steers our approach to scaling our social and environmental impact in the markets we serve.

Discovery remains committed to broadening access to quality healthcare, improving affordability and enabling better health outcomes for all South Africans. Central to this effort is the continued evolution of our Shared-value model through the application of technology, data science and AI, including the Vitality AI platform and Personal Health Pathways.

Drawing on more than 570 million data points across over 2.7 million Discovery Health Medical Scheme members, the HealthTrend26 Report highlights sustained improvements in mortality and life expectancy, as well as a material reduction in cancer-related mortality among members enrolled in the oncology programme. These findings reinforce the impact of our model in improving population health and reducing the burden of disease.

Discovery strives to be an exceptional employer, partner and corporate citizen, and we are deeply committed to nation building and protecting our planet for future generations, while aligning our efforts to the UN SDGs. We continue to engage constructively with stakeholders across the healthcare ecosystem to promote collaboration and support the long-term sustainability of the sector, including ongoing engagement on NHI.

#### RELATED MATERIAL THEMES



Maintain resilience within a volatile socio-economic and geopolitical environment



Expand and strengthen our social impact



Advance our disruptive Shared-value model



Strengthen our environmental stewardship

#### RELATED RISKS AND OPPORTUNITIES

- Geopolitical and macroeconomic uncertainty
- Future of healthcare funding and reform in South Africa
- Infrastructure decline and economic growth
- Environmental and climate exposure

#### RELATED UN SDGs



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# Political and economic uncertainty

## Context

The global economy was showing signs of recovery after a period of heightened volatility, geopolitical tensions and economic instability. However, the outbreak of war in the Middle East in February 2026 introduced a new source of uncertainty, with global growth revised downward for 2026. Global headline inflation is expected to rise modestly while the longer term prospects remain uncertain, with emerging market and developing economies expected to experience the most pronounced slowdown in growth and increase in inflation. Higher tariffs have further compounded these pressures, undermining the stability of global supply chains, increasing input costs and creating operational instability across key sectors.

In South Africa, economic growth remains subdued and constrained by structural challenges – particularly in electricity supply, logistics and water infrastructure – alongside fiscal pressure and high unemployment rates. The country is highly exposed to global volatility through commodity prices, capital flows and currency movements, with geopolitical tension and shifts in US policy amplifying rand volatility and inflation risks. South Africa’s political environment remained dynamic, shaped by coalition governance, emerging party realignments and high-profile legal and social developments.

In the UK, ongoing pressure on NHS delivery continued, while a higher inheritance tax burden increased financial pressure on households, influencing consumer behaviour and long-term financial planning. Growth was muted amid the ongoing cost-of-living crisis. While these challenges constrain economic growth, they also drive increased demand for private health insurance and life insurance for estate planning.

Across Asia, growth is uneven and increasingly influenced by geopolitical considerations. China continues to assert economic and strategic influence, while regional supply chains adjust to US-led trade controls and industrial policy.

**PG** For more information, refer to our risks and opportunities on page 42 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 an environment characterised by increased uncertainty due to geopolitical and trade tensions, the Group delivered a strong performance in FY2026.

We continue to focus on finding new avenues for long-term growth and evolving our Shared-value model to increase our impact. This includes developing new products and services aimed at affordability and value across our businesses. As an example, this year Discovery Health introduced the new Smart Saver series, an affordable option for young families to plan and optimise their financing of unpredictable and predictable healthcare needs.

We employ hedging and asset-liability matching strategies across our businesses to manage interest and foreign exchange risks, 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 conservative 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 regulated business, and the solid operating cash generation and improving financial leverage ratio (FLR) provided the Group with significant financial flexibility. We are well positioned for sustained growth through focused composites, Discovery SA and Vitality, with strong platforms in each resulting in growth in earnings, cash generation and return on equity, as well as lower leverage.

### RELATED MATERIAL THEMES

-  Maintain resilience within a volatile socio-economic and geopolitical environment
-  Advance our disruptive Shared-value model
-  Ensure long-term financial sustainability

### RELATED RISKS AND OPPORTUNITIES

- 2** Geopolitical and macroeconomic uncertainty
- 6** Organisational resilience
- 7** Future of healthcare funding and reform in South Africa
- 8** Complex and evolving regulatory landscape
- 9** Infrastructure decline and economic growth

### RELATED UN SDGS

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



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# The physical environment

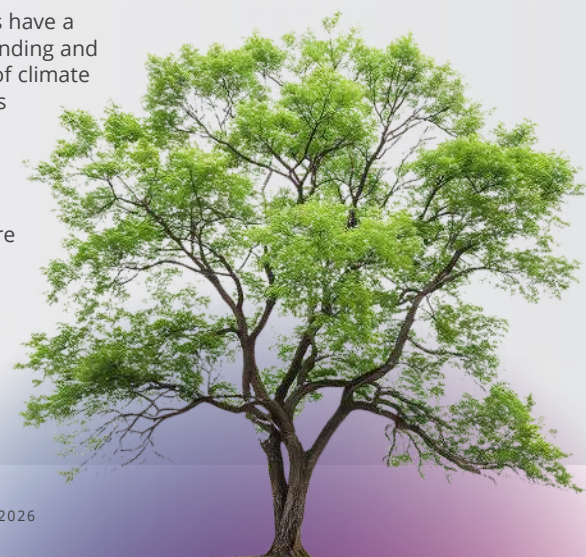
## Context

An unprecedented 11-year streak of rising global temperatures – with 2025 among the three warmest years on record – has cemented climate change as a key public health challenge. Not only does climate change directly impact human health and wellbeing, it also erodes the resilience of healthcare systems. The frequency and severity of extreme weather events – from heatwaves to severe cold fronts and flooding – continue to drive higher demand for care while simultaneously disrupting the delivery of healthcare services. A World Bank study found that by 2050, low- and middle-income countries could face up to 15.6 million deaths and between US\$8.6 trillion and US\$21 trillion in excess health costs – underscoring the scale of the economic burden facing the world’s most vulnerable health systems.

Global momentum towards climate action has weakened. Environmental issues have moved lower on the agendas of a number of governments, and several major fossil fuel producers have paused, delayed or scaled back their climate commitments amid reduced regulatory and political pressure. At the same time, adaptation efforts remain constrained by insufficient funding and declining foreign aid from some of the world’s wealthiest countries – compounding climate and health risks even as the impacts of climate change intensify.

As a developing country, adaptation is South Africa’s primary priority, with both financial and non-financial support needed to ensure an inclusive and equitable transition. Although energy security and investment in renewable energy has improved, South Africa’s electricity system remains carbon-intensive and exposed to reliability, affordability and infrastructure constraints that continue to affect growth.

Against this backdrop, insurers have a critical role to play in understanding and mitigating the health impacts of climate change. The interdependencies between climate, health and insurability mean that climate-related health risks must increasingly be integrated into actuarial models and healthcare solutions.



## How we are responding

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, and we cannot effectively encourage our clients and society to adopt healthy habits without acknowledging the impact of their physical environments on their health. 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.

Discovery is uniquely positioned to understand the relationship between climate change and human health. During the year, we conducted a comprehensive study using health claims data from 3.5 million beneficiaries over a 10-year period, combined with climate data, to better understand the relationship between extreme weather and healthcare demand. The findings confirmed that extreme weather influences both morbidity and access to care, reinforcing the need for climate-resilient healthcare systems and evidence-based interventions. We are now exploring how best to leverage our Shared-value model, data and capabilities to help mitigate these risks. AI has the potential to increasingly enhance these capabilities, enabling more precise risk stratification and personalised interventions in near real time.

Through Discovery Green, we aim to shape a more sustainable energy future for South Africa. During the year, several offtake agreements and transactions were concluded with independent power producers to supply renewable energy to end users – offering cost savings, long-term price certainty and a clear path towards a low-carbon future.

We also 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 climate change affects our business.

- SUS** For more information on our environmental response, refer to our Sustainability Report.
- CLI** For more information on our response to climate change, refer to our Climate Report.

For more detail on our roadmap for achieving net zero by 2050, refer to our Net-zero Transition Plan.

### RELATED MATERIAL THEMES

- Maintain resilience within a volatile socio-economic and geopolitical 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 and climate exposure

### RELATED UN SDGS



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# Human-centred intelligence and technology

## Context

AI is fundamentally reshaping the economics of the insurance industry, widening the gap between insurers that use AI to drive efficiency and scale and those that continue to rely on traditional models. While AI is now an increasingly mainstream enterprise capability, scaling remains uneven, with several organisations still in the pilot or experimentation phase. Many insurers are constrained by legacy systems, fragmented data and complex architecture, which limits their ability to unlock deeper competitive potential. AI front-runners will be distinguished by the extent to which they leverage AI to deepen and extend their core business model.

In the global healthcare industry, non-communicable diseases are the leading cause of mortality. Public health interventions have not yet addressed the behaviours that underpin these conditions, while the fragmented nature of personal data makes it difficult to deliver truly tailored guidance at scale. Advances in AI are changing this, leading the shift towards prevention-led models that use personalisation and care integration to manage behaviours and reduce claims costs over time. The potential of AI in healthcare is profound, ranging from accelerating scientific discovery and enhancing early detection of diseases to improving treatment planning and equipping people with the right tools and information to make better decisions about their health.

To realise the full potential of these technological advances, they must be grounded in ethical and human-centred principles. As digital capabilities evolve, so too do the associated risks – particularly around cyber security, data privacy and the protection of personal information – highlighting the need for thoughtful, responsible adoption.



## How we are responding

We remain committed to consistent innovation and investment in capabilities to drive the Group's long-term sustainability. These capabilities – data, technology and innovation – are integral to our business and enable us to develop and implement advanced solutions and offer seamless, integrated experiences for our clients. The Group has adopted a human-centred, purpose-driven approach to AI, using it primarily to advance our core purpose by evolving the Shared-value model to increase engagement and enable better client outcomes while protecting choice, privacy, fairness and trust.

**Based on Discovery data, AI-powered personalised screening recommendations have already led to a 1.22x increase in screening rates and a 19% improvement in early cancer detection, underscoring the power of targeted prevention.**

We have an unparalleled understanding of our clients' health, enabling us to extract unique insights. In November 2025, we launched Vitality AI, our partnership with Google that combines its secure, scalable cloud and AI capabilities with Vitality's unique data assets and leadership in incentivised behaviour change. This makes it possible to deliver precise, hyper-relevant and personalised health improvement actions and coalesce disparate data sources into a single technology platform that is easy to scale, thereby helping our clients reduce illness and extend their healthy years.

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.

**SUS** For more information on responsible AI, data stewardship and innovation in healthcare, refer to our Sustainability Report.

### RELATED MATERIAL THEMES

- Ensure good corporate governance and regulatory compliance
- Empower our people
- Advance our disruptive Shared-value model
- Leverage and manage data, technology and innovation

### RELATED RISKS AND OPPORTUNITIES

- Cyber crime and cyber security
- AI adoption and competitive advantage
- Information and data management
- Organisational resilience

### 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. This year, that balance played out across how we allocate capital, the risk we take on to secure long-term certainty and the pace at which we invest in new capability. These trade-offs, highlighted below, are central to delivering on our strategic ambitions and are informed and influenced by our operating environment.

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

## Trading short-term earnings for long-term investment in our Shared-value model

Our Shared-value model depends on a precise, evolving understanding of risk and behaviour. This year, that has meant accelerating investment in Vitality AI in particular ahead of the benefits it will deliver over time, with applications expanding across client engagement, healthcare, underwriting and operational processes across our markets. By combining insurance integration, incentivised engagement, advanced AI and proprietary longitudinal data, Vitality AI enables us to understand individual behaviour with greater precision and to personalise the actions, communication and incentives most likely to improve outcomes.

Vitality AI costs of R299 million\* were incurred in FY2026, reflecting the investment required to build these capabilities at scale. This investment is being funded from a position of strength: the Vitality composite delivered normalised operating profit of R3 882 million, up 21% (26% adjusting for currency), while Group normalised profit from operations increased 17% to R17 750 million. We are therefore absorbing the near-term earnings impact while building the capabilities that can strengthen the economics and reach of the Vitality Shared-value model over time.

### RELATED MATERIAL THEMES

-  Advance our disruptive Shared-value model
-  Ensure long-term financial sustainability
-  Leverage and manage data, technology and innovation

### CAPITALS IMPACTED

- ▲ ▼ **FC** Financial capital
- ▲ **IC** Data and innovation
- ▲ **MC** Technology and digital assets
- ▲ **SC** Relationships

### IMPACTED STAKEHOLDER GROUPS

-  Providers of capital
-  Society
-  Business partners
-  Clients

## Investing through acquisitions to accelerate capability

Discovery's strategic focus remains on organic growth and global partnerships; what has changed is the pace at which we acquire capability to accelerate expansion, particularly in the US. The trade-off is one of degree, not direction – near-term capital deployed for capability that would otherwise take years to build organically.

VitalityHealth US has been building and cautiously acquiring core capabilities and distribution to create a differentiated, integrated health solution addressing a large and growing segment of the US healthcare market. Its acquisitions of WellSpark and Ramp Health, and its post year-end acquisition of Icario, added coaching, clinical and workplace health capabilities and 11 million lives in the government-sponsored market, while its partnership with HealthEquity extended distribution reach. Its revenues grew 22% during the year, with covered membership reaching 3.6 million. Vitality Global Markets continued to actively manage its partnership portfolio during the year, focusing resources on opportunities with strong strategic alignment and scale potential, with planned exits from certain partnerships.

**VitalityHealth US has been building and cautiously acquiring core capabilities and distribution to create a differentiated, integrated health solution addressing a large and growing segment of the US healthcare market.**

### RELATED MATERIAL THEMES

-  Advance our disruptive Shared-value model
-  Ensure long-term financial sustainability
-  Maintain resilience within a volatile socio-economic and geopolitical environment

### CAPITALS IMPACTED

- ▲ ▼ **FC** Financial capital
- ▲ ▼ **SC** Relationships
- ▲ **MC** Technology and digital assets
- ▲ **IC** Data and innovation

### IMPACTED STAKEHOLDER GROUPS

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

\* Includes other central costs of R56 million.



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# Allocating capital between debt reduction, dividends and reinvestment

Discovery is now in a distinct phase of growth driven by our two composites, Discovery SA and Vitality, having emerged from a cycle of significant investment. This phase presents a strategic opportunity to balance capital allocation, specifically between repayment of debt, increase in dividends or selective investment in opportunities aligned with our long-term growth strategy. Throughout, we remain committed to financial discipline, guided by a structured capital allocation framework that prioritises sustainability and resilience.

This year, cash conversion improved to 85% of after-tax normalised operating profit, compared with 80% in 2025. The Group's financial leverage ratio reduced to 15.4% and it declared a final ordinary dividend of 273 cents per share, up 36% on FY2025, representing an annual cover ratio of 4.5 times on normalised headline earnings – an improvement from five times in FY2025. At the same time, we continued to invest in our Shared-value model, including the successful restructure of the global business into a single focused Vitality composite. This will facilitate sharper strategic focus and direct capital and management capacity towards larger, more scalable opportunities, including partnerships that extend the reach of the Vitality Shared-value model, and AI-enabled growth initiatives.

The Group established a five-year ambition for normalised profit from operations to grow between 15% to 20% on a compound basis from the end of 2024 to 2029. As financial flexibility improves, we have greater scope to balance debt reduction, ordinary dividend growth and selective reinvestment from internally generated cash. The trade-off is therefore one of emphasis and timing rather than a constraint.

## RELATED MATERIAL THEMES

-  Advance our disruptive Shared-value model
-  Maintain resilience within a volatile socio-economic and geopolitical environment
-  Ensure long-term financial sustainability

## CAPITALS IMPACTED

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

## IMPACTED STAKEHOLDER GROUPS

-  Providers of capital
-  Society
-  Business partners
-  Clients

# Acquiring our head office to secure long-term control and economic benefit

During the year, the Group acquired 1 Discovery Place, its head office in Sandton, for R4.05 billion. With seven years remaining on the existing lease, a review of the Group's long-term property requirements – against a backdrop of lower interest rates and reduced Johannesburg commercial property prices – made ownership more economically attractive than continuing to lease the property.

The trade-off is the assumption of direct property ownership risk in return for long-term economic and strategic certainty. By acquiring the asset instead of continuing to lease it, the Group assumes exposure to property values, maintenance obligations and long-term occupancy requirements. This was considered against the benefits of securing permanent control over a landmark property central to the Group's culture, client engagement and global partnerships, optimising space at a lower overall cost, and delivering an immediate and growing net annual cashflow saving, with a net present value benefit of approximately R800 million over the remaining lease period. While the transaction was debt-funded and increased the financial leverage ratio (FLR) at acquisition, it is effectively self-funding relative to the lease profile and remains aligned with the Group's disciplined capital allocation framework.

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

## RELATED MATERIAL THEMES

-  Maintain resilience within a volatile socio-economic and geopolitical environment
-  Ensure long-term financial sustainability

## CAPITALS IMPACTED

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

## IMPACTED STAKEHOLDER GROUPS

-  Providers of capital
-  Employees
-  Society



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# Engaging with our stakeholders

Building and maintaining good stakeholder relationships is fundamental to creating and sustaining value across the Group. Our continued success depends on our ability to understand and respond to the evolving needs, concerns and insights of our stakeholders. We proactively identify and engage stakeholders who may be impacted by our business activities and decisions.

Our Board maintains a strategic approach to stakeholder engagement, which is guided by our Stakeholder Engagement Policy and Framework. The framework helps our business units and internal departments identify, assess, manage and evaluate stakeholder engagement activities. It defines the key principles, engagement approach and stakeholder matrix needed to tailor engagement levels based on our objectives, outcomes, timeframes, resources, and stakeholder influence and interest.

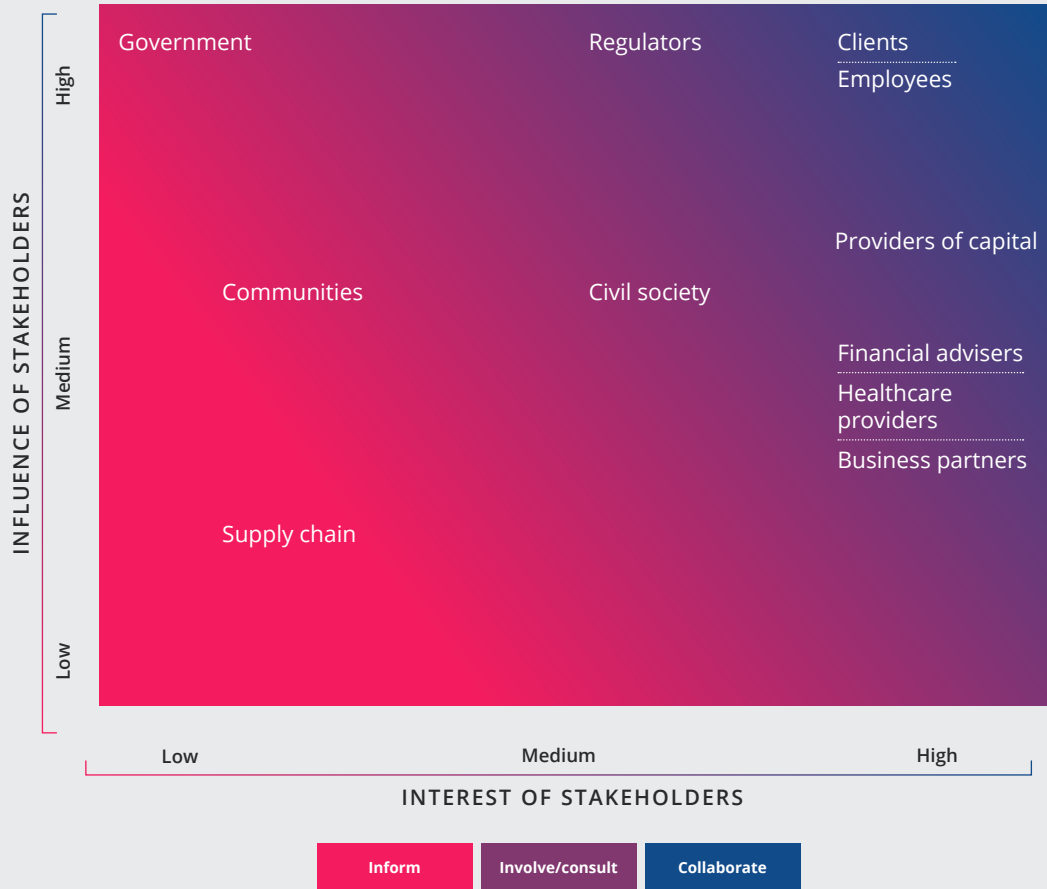
**We remain committed to improving the quality of our engagements with stakeholders and understanding their needs. We have various assessment mechanisms in place to evaluate our stakeholder relationships and ensure we meet their expectations.**

**GOV** Refer to our Governance Report for more information on our approach to stakeholder governance.

## 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



**PG 14** Stakeholder engagement informs what we consider material. Refer to our materiality determination process and material themes.



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## 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 the policies and regulations that shape the environment in which we operate. Regular engagement creates opportunities to contribute to policy and regulatory development. Our businesses operate under various licences across regulated sectors, and maintaining these licences requires ongoing, transparent engagement. Maintaining good relationships with regulators is essential to ensure compliance, foster sustainable growth and build trust in the markets we serve.

### Stakeholder expectations

- Compliance with regulatory and legal requirements
- Progress on transformation requirements and 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 create value

- Cultivate a zero-tolerance culture for regulatory non-compliance
- Maintain financial prudence and ethical operations
- Ensure our clients are treated fairly
- Engage on strategic public policy and other critical issues impacting our industries and markets
- Publish research and share technical expertise

### How we engage

- Virtual or in-person meetings, emails and telephonic discussions
- On-site inspections and periodic or thematic assessments
- Participation in forums, advisory/review committees 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 FY2026 focus areas

Discovery Health continued to actively engage the government on matters related to NHI, particularly through Business Unity South Africa (BUSA) and Business for South Africa

Continued to engage 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, and transparent engagement on the Fraud, Waste and Abuse Advisory Committee, as well as the above threshold benefit error and associated remediation activities

Through the Health Funders Association, engaged with the CMS on topical industry issues like low-cost benefit options (LCBOs); prescribed minimum benefits; the cost of medicine; and reporting requirements

Submitted the Group's revised 2030 EE plan, aligned with the EE Amendment Act, and continued to engage with the Department of Employment and Labour

Securing the National Energy Regulator of South Africa electricity trading licence for Discovery Green

### RELATED MATERIAL THEMES

- Ensure good corporate governance and regulatory compliance
- Empower our people
- Expand and strengthen our social impact

**SUS** For more information on engagements with government and regulators, refer to our Sustainability Report.



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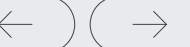
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## Employees

**Basis of assessment:** Employee experience score, employee net promoter score (eNPS) and employee engagement response rate.



### Why we engage

Discovery's success is driven by innovation and by ensuring we meet the needs of our clients. Our people are at the heart of this, setting bold goals and delivering market-leading products and services that sustain our competitive advantage and enable us to achieve our ambition.

### Stakeholder expectations

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

### 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

### How we engage

- Onboarding new employees
- Annual employee engagement and business unit-specific pulse surveys
- Bi-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 FY2026 focus areas

Ongoing engagement with employees through designated EE forums to provide updates on progressive legislation changes

Hosted various diversity, equity, inclusion and belonging sessions across the business

Codified and rolled out a set of leadership attributes that guide and shape the behaviour of our employees and leaders

Progressed the implementation of the 2030 EE Plan

Conducted talent reviews within business units and functions to ensure a healthy talent pipeline

Facilitated signature development programmes

Maintained strong partnerships with industry bodies to collaborate on relevant government submissions

Facilitated continuous performance engagement and wellbeing masterclasses to support employees and leaders with process, systems and capability requirements

Continued to focus on embedding mental health toolkits for employees and leaders and hosted financial wellbeing workshops and webinars

### RELATED MATERIAL THEMES



Leverage and manage data, technology and innovation



Maintain resilience within a volatile socio-economic and geopolitical environment



Ensure good corporate governance and regulatory compliance



Empower our people



Expand and strengthen our social impact



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## Providers of capital

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

### Why we engage

Providers of capital inform our management approach and our reporting practices. Feedback from shareholders, current and prospective investors, debt funders, and investment and ESG analysts underpins our long-term sustainability.

### Stakeholder expectations

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

### 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

### How we engage

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

## Significant FY2026 focus areas

Engaged with key shareholders ahead of the AGM to discuss proposed resolutions

Secured a R4.1 billion facility as a new source of funding to finance the purchase of 1 Discovery Place

Issued R1.2 billion redeemable "A" preference shares to optimise UK leverage ratio

Ad hoc engagements with analysts on topical issues, including the impact of IFRS 17 and Discovery Bank's ability to drive the South African composite's growth

Raised R4.2 billion in debt through our Domestic Medium Term Note Programme at tight pricing margins to refinance maturing debt and early-settle more expensive bank debt

Converted a syndicated revolving credit facility of R1.5 billion to a three-year term loan

Engaged with ESG ratings agencies to improve our disclosures

### RELATED MATERIAL THEMES



Advance our disruptive Shared-value model



Ensure good corporate governance and regulatory compliance



Leverage and manage data, technology and innovation



Ensure long-term financial sustainability



Maintain resilience within a volatile socio-economic and geopolitical environment



Strengthen our environmental stewardship

Refer to our investor relations page on our website for more information.



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## Clients

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

### Why we engage

Discovery incentivises clients to make better choices across their health, driving and financial behaviour. We engage with them to understand their 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 true to our purpose.

### Stakeholder expectations

- Market-leading and innovative products and services
- Value-for-money premiums
- Exceptional client service
- Timely communication
- Transparent and fair claims process
- Responsible insurance services and solutions
- Convenience in doing business
- Protection of client rights, health and safety
- Responsible use of AI

### 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

### How we engage

- Written communications, product and service brochures
- Meetings and engagements with employer groups and principal officers
- Upfront policy documentation and ongoing contractual communication campaigning
- Benefit update webinars and videos
- Website, media, in-app notifications, social media and advertising campaigns
- Service and product questionnaires and surveys
- Call centres and walk-in centres
- Client surveys and feedback and quality assessments

## Significant FY2026 focus areas

Product launches and enhancements, including Personal Health Pathways for employers

Regular communication and campaigns to drive Vitality engagement

Ongoing training programmes for employees to improve service delivery and client interaction skills

Leveraged technology to streamline processes and enhance client experience

Phased member communication, proactive outreach and inbound support regarding the Discovery Health ATB error and subsequent remediation

Targeted interventions based on health risks and goals

Continued management of client complaints and ongoing initiatives that support client retention

Conducted regular quality audits of client interactions to ensure adherence to service standards

Improved direct client communication for compliance notifications of compulsory policy changes

### RELATED MATERIAL THEMES

-  Advance our disruptive Shared-value model
-  Leverage and manage data, technology and innovation
-  Maintain resilience within a volatile socio-economic and geopolitical environment
-  Ensure good corporate governance and regulatory compliance
-  Expand and strengthen our social impact



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## Healthcare providers

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

### Why we engage

Healthcare providers deliver essential services to our clients and play a critical role in sustaining both public and private healthcare systems across the markets in which we operate.

### Stakeholder expectations

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

### 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 specialities and regions in the UK
- Engage with healthcare partners to develop a sustainable healthcare ecosystem

### 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 FY2026 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, medical societies and medical equipment suppliers

Developed various shared-value projects with healthcare providers to enhance collaboration

Direct communication with doctors to proactively address concerns related to NHI developments

### RELATED MATERIAL THEMES



Advance our disruptive Shared-value model



Ensure good corporate governance and regulatory compliance



Leverage and manage data, technology and innovation



Expand and strengthen our social impact



Maintain resilience within a volatile socio-economic and geopolitical environment

**SUS** Refer to our Sustainability Report for more information on our engagement with healthcare providers.



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## Business partners

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

### Why we engage

Our global insurance and reward partners enable us to expand our Shared-value model across our international markets while we, in turn, 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, knowledge and insights needed to deliver exceptional client experiences.

### 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
- Ongoing product communication

### 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 a digital portal and AI quote enhancements
- Provide ongoing sales and training support to financial advisers

### 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

## Significant FY2026 focus areas

Product launches and enhancements, and expansion of global rewards partner network

Driving partnership growth and developing direct relationships with in-country teams that support the expansion of Vitality Global Markets

Termination of the partnership with Generali, enabling Vitality to pursue new, long-term opportunities in Europe

Maintained focused, productive engagements in challenging markets, resolving key friction points

Ongoing engagement and targeted support through training and onboarding

Strategic transformation of the adviser website for Vitality UK

Enhanced integrated communications platform to support internal sales teams for Vitality UK

### RELATED MATERIAL THEMES



Advance our disruptive Shared-value model



Leverage and manage data, technology and innovation



Maintain resilience within a volatile socio-economic and geopolitical environment



Ensure good corporate governance and regulatory compliance



Expand and strengthen our social impact

### Quality of engagement

Good quality existing relationship

Relationship exists but there is room for improvement

Existing relationship is poor



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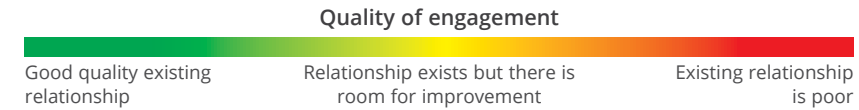
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## Society

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

### Why we engage

We build relationships across all levels of society, including communities, civil society and our supply chain, to understand and respond to their needs. This helps protect our reputation and support the Group's long-term sustainability. Our interactions align with our purpose and strategic goals to address ESG-related risks and opportunities while managing the resources that are critical to our business.

In addition, engagement with our suppliers supports business continuity and advances our B-BBEE objectives through enterprise supplier development.

### 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 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 the Discovery Fund
- Invest in medical education of specialists in South Africa's public healthcare system through the Discovery Foundation
- Support transformation by meeting our B-BBEE objectives in South Africa
- Build our South African supply chain by providing financial and non-financial support to selected enterprise and supplier development beneficiaries
- Play an active role in various committees and working groups that contribute to our industries and society

### 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
- Annual reporting

## Significant FY2026 focus areas

Supported initiatives aimed at strengthening South Africa's healthcare system, along with other related operational reforms

Awarded research and training grants through the Discovery Foundation to strengthen the healthcare workforce

Implemented initiatives that positively support our climate change strategy

Reported to the Discovery Fund and Discovery Foundation trustees on our activities

Partnered with various organisations to drive community development

Engaged regularly with key suppliers

Coordinated employee volunteer initiatives

Targeted sourcing strategies and mentorship programmes for qualifying small enterprise (QSE) suppliers

### RELATED MATERIAL THEMES



Maintain resilience within a volatile socio-economic and geopolitical environment



Expand and strengthen our social impact



Ensure good corporate governance and regulatory compliance



Strengthen our environmental stewardship



Ensure long-term financial sustainability



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# Remuneration overview

As a purpose-led organisation, Discovery has long subscribed to the principles of sound corporate governance. Our remuneration approach continues to reward employees for their contribution, align remuneration outcomes with shareholder interests, and support the achievement of our strategic objectives across our composites.

Through this approach, we aim to create and preserve value across the capitals we rely on – investing in our people through fair and competitive reward; strengthening relationships through constructive stakeholder engagement; supporting long-term growth in financial capital through performance-linked incentives; and encouraging responsible stewardship of environmental resources through ESG-linked performance measures.

To deliver on our strategy, we must foster a workplace that is inclusive – one that enhances employee wellbeing and productivity, drives innovation and harnesses the benefits of a diverse and empowered workforce. We design remuneration practices that attract and retain top talent capable of delivering on the Group's long-term strategic ambitions. This is underpinned by our Remuneration Policy and philosophy, which prioritise long-term value, engagement and performance.

In this overview, we highlight the factors that influenced Discovery's remuneration, disclosure and key decisions during FY2026. This includes sections 30A and 30B of the Companies Act, which came into effect on 22 May 2026, replacing the previous non-binding advisory vote mechanism with a binding ordinary resolution regime for remuneration matters. We also include important elements of our Remuneration Policy, which will be presented to shareholders for approval by ordinary resolution at our AGM, and thereafter at least every three years, its implementation and how remuneration supported our strategic objectives during the year.

**REM** Refer to our full Remuneration Report for more detail.

## Remuneration governance

The Remuneration Committee (RemCo) supports the Board in ensuring Discovery's remuneration practices are fair, responsible and transparent across the Group. The committee also oversees the implementation of the Group's Remuneration Policy and is confident that our remuneration approach continues to support the execution of the Group's strategy and strong performance.

RemCo remains informed on emerging trends and leading practice in both local and international remuneration landscapes. Our independent external advisers provide regular updates on key developments and guidance on matters, such as the Group scorecard, remuneration benchmarking and fair and responsible pay analysis. RemCo is satisfied that the services provided by the external advisers are credible, independent and objective.

## 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. In accordance with sections 30A and 30B of the Companies Act, we will present our Remuneration Policy for FY2027 to FY2029 along with our FY2026 Remuneration Report for shareholder approval by way of ordinary resolution at our Annual General Meeting (AGM). Any proposed increases to the fees of Non-executive Directors remain subject to shareholder approval by way of special resolution.

## 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 eligible 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 that pays a percentage of the annual package subject to individual and business unit performance, twice a year.

Management (Deputy General Managers and above) and Executive-level employees participate in the Single Incentive Plan, which awards a percentage of the annual package subject to individual, business unit and Group-level performance. A portion of the award is paid in cash while the balance is deferred in shares. 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 FY2026 is shown below and aligns to the Group strategic objectives. A detailed breakdown of the measures, our proposed Group scorecard for FY2027 and our actual performance against each measure during the year are set out in our full Remuneration Report.

| Area                  | Measure                                                         | Weight |
|-----------------------|-----------------------------------------------------------------|--------|
| Financial<br>70%      | Growth in normalised operating profit                           | 22.5%  |
|                       | Diluted headline earnings per share growth                      | 10%    |
|                       | Normalised return on equity (average over trailing three years) | 15%    |
|                       | Revenue growth                                                  | 10%    |
|                       | Cash conversion ratio                                           | 12.5%  |
| Sustainability<br>30% | Client perception                                               | 8%     |
|                       | ESG <sup>1</sup>                                                | 7%     |
|                       | Strategy                                                        | 5%     |
|                       | People                                                          | 10%    |
|                       |                                                                 | 100%   |

<sup>1</sup> 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 those 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' remuneration

The total remuneration earned by Executive Directors and Prescribed Officers during FY2026 is presented in our Remuneration Report. It reflects earnings received and due to each, based on performance during the year. Details of Executive performance for FY2026, 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 committee meetings, and do not receive any annual incentive awards. During the year, the Group implemented a separate Non-executive Director Fee Policy, which sets out the criteria and principles applied in determining and paying fees to Non-executive Directors. These fees are reviewed annually by RemCo, based on each Non-executive Director's 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 FY2026

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

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

Despite a year shaped by complex dynamics, Discovery made progress on several remuneration-related initiatives. Considering this and following research, consultation and robust debate, RemCo applied its mind on the following material items during FY2026:

INTRODUCING AN INCENTIVE SCORE MODERATOR FOR SOUTH AFRICA

To strengthen collective accountability within Executive incentives, we introduced a governance moderator for our South African business, which will be used in instances where there has been an error, issue or control failure with a material financial and/or reputational impact on the Group. The employees impacted will depend on the error, issue or control failure and, could include South African Executive Committee members only; a single business unit Executive Committee only; or all business Executive Committee members.

IDENTIFYING, ADDRESSING AND DISCLOSING PAY GAPS

RemCo remains committed to fair, responsible remuneration across Discovery and continues to identify and address potential pay gaps. During the year, RemCo approved an increase in the minimum annual wage for permanent employees of the Group's South African businesses to R220 000 – excluding Discovery Bank roles, which were increased to R260 000. Employees in the UK and US earn above the real living wage. The committee also oversaw and considered the updated remuneration disclosures required by section 30B of the Companies Act, which came into effect on 22 May 2026. This includes the vertical pay gap analysis, with detailed disclosures set out in our full Remuneration Report. Discovery conducts an annual gender pay gap analysis and, in the most recent review, no unexplained gender-based pay disparities were identified.

APPROVING AND MONITORING THE GROUP SCORECARD AND OUTPERFORMANCE SINGLE INCENTIVE SCHEMES

Discovery's expansion – particularly the consolidation of our global operations into the Vitality composite; growth in new banking and insurance ventures; and the emergence of AI as a key growth enabler for the Group – requires access to critical skills and targets aligned to its growth strategy. RemCo reviews the Group performance scorecard and ensures targets and measures are aligned with the Group strategy and long-term ambition. Our outperformance single incentive (OPSI) schemes are designed to motivate exceptional performance, and to reward and retain key Executives. To ensure balance and mitigate risk, maximum caps are applied to these schemes.

RemCo approved additional OPSI schemes for Discovery Life, Discovery Invest and Discovery Bank in FY2026, with ambitious goals and stretch targets that align with the Group's long-term ambition. Those OPSI schemes introduced in FY2025 continued to incentivise and retain key talent. The committee is pleased with the performance of our OPSI schemes, which continue to increase alignment with the needs of shareholders and other stakeholders by promoting a focus on long-term value creation.

BENCHMARKING NON-EXECUTIVE DIRECTORS' FEES

Given the Group's international ambition, we require Board members with demonstrated global expertise, benchmarked against international standards, to ensure we can attract and retain high-calibre individuals. In FY2026, we benchmarked Non-executive Director fees against both local and international peers, including major insurers and banks. RemCo carefully considered the outcomes before recommending the proposed fees to shareholders for approval.

Planned focus areas in FY2027

- Monitor the implementation of remuneration-related regulatory changes, including the Companies Amendment Acts and Fair Pay Bill in South Africa, to ensure Discovery complies with prescribed requirements
- Monitor local and global remuneration trends and assess their impact on our business and our people
- Continue to embed and strengthen fair and responsible remuneration practices by reviewing and addressing identified pay disparities and reviewing Discovery's minimum pay level
- Monitor the competitiveness of our Executive remuneration, adjusting as needed
- 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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## Performance review



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# Group Chief Financial Officer's review



Deon Viljoen

The year under review was characterised by geopolitical uncertainty and policy shifts. Global equity, bond and currency markets demonstrated heightened volatility, with those in South Africa showing some gains against a more supportive backdrop.

Broader economic conditions remained somewhat constrained in many global economies; however, the structural trends underpinning Discovery's opportunity set continued to strengthen.

Demographic change, rising chronic disease prevalence, deepening fiscal burdens and increasing healthcare costs are placing global health and financial systems under pressure, while advances in behavioural science, data and AI are fundamentally changing how risk can be understood, managed and influenced. Against this backdrop, Discovery's Shared-value model continues to gain in relevance and in becoming better enabled through technology. This differentiates the Group and aligns the interests of clients, partners, shareholders and society around better outcomes.

## Overview

This report provides a high-level overview and more technical analysis of Discovery's Annual Financial Statements. It should therefore be read in the context of this Integrated Annual Report as a whole and in conjunction with the Annual Financial Statements.

Discovery delivered a strong operational performance, with normalised profit from operations increasing by 17% to R17 750 million and exceptional cash conversion, now at 85%. Discovery South Africa delivered 16% growth in normalised profit from operations, reflecting strong contributions across all businesses. Vitality increased normalised profit from operations by 21%, dampened by currency movements, following exceptional growth in the UK and continued progress across the international portfolio.

The year marked the successful completion of the restructuring of the global business, which included exiting sub-scale activities and consolidating international assets and capabilities into a single focused Vitality composite.

Headline and normalised headline earnings increased by 34% and 21% – to R12 923 million and R11 795 million, respectively – increasing normalised return on equity to 16.5%. Total new business API increased by 6% to R28 155 million, driven by strong growth in Discovery Health and VitalityLife, partly offset by anticipated lower Ping An Health Insurance (PAHI) new business following distribution changes. The Group's embedded value (EV) increased to R143 billion, a 14.1% return on embedded value (RoEV), with strong growth in the value of new business as well as profits from non-covered businesses.

Normalised profit from operations increased by **17%** to **R17 750 million** (FY2025: R15 210 million)

Diluted earnings per share increased by **38%** to **1 925.5 cents** (FY2025: 1 394.9 cents)

Diluted headline earnings per share increased by **33%** to **1 914.5 cents** (FY2025: 1 439.4 cents)

Diluted normalised headline earnings per share increased by **19%** to **1 747.4 cents** (FY2025: 1 462.8 cents)

Embedded value (EV) increased by **13%** to **R142 924 million** (FY2025: R126 554 million)

**AFS** Our Annual Financial Statements and Annual Financial Results Announcement, as well as unaudited supplemental information, are available on our website.

**PG** For our detailed business unit reviews, refer to page 74.

## Dividends

In terms of the Group's Dividend Policy and guidance, annual ordinary dividends were previously 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 ordinary dividend. As previously indicated, given the continued improvement in financial flexibility, the Group's stated intention is to reduce the dividend cover ratio over time and it declared its final ordinary dividends for the period at 273 cents per share (cps), representing an annual cover ratio of 4.5 times, an improvement from 5 times cover in the prior year. Total dividends declared for FY2026 therefore increased by 33% to 384 cps (FY2025: 288 cps).



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# Summary of our financial performance

How we performed within our composite structures: Discovery SA and Vitality

|                                                                                     |                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <br>Normalised operating profit increased by<br><b>16%</b><br>to R13 868 million. | <br>New business API increased by<br><b>8%</b><br>to R19 534 million.                                                                                                                                                                                                                 | This performance reflects the strength of the category-leading businesses in our SA composite, which are increasingly being unified through the Superbank strategy into a single, integrated client ecosystem spanning protection, health, wealth and banking. |
|    | <br><b>9%</b><br>to R4 629 million                                                | Strong growth in new business and operating performance, driven by continued scalability, operational efficiency and expanding non-scheme revenues.                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                |
|    | <br><b>6%</b><br>to R5 872 million                                                | Robust earnings with continued favourable claims experience partly offset by an anticipated R160 million reduction in insurance finance income and expense (IFIE) resulting from lower long-term implied inflation rates as set at the start of the financial year as well as increased onerousness from policy alterations. Cash generation was exceptionally strong. |                                                                                                                                                                                                                                                                |
|    | <br><b>9%</b><br>to R2 157 million                                                | Strong asset growth following capital market gains and positive net flows. Earnings growth was dampened by one-off prior period gains; excluding this, growth of 22% was in line with average assets under management.                                                                                                                                                 |                                                                                                                                                                                                                                                                |
|  | <br><b>24%</b><br>to R1 013 million                                             | Margin expansion from outstanding underwriting performance and disciplined claims management.                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                |
|  | <br><b>&gt;600%</b><br>to R370 million                                          | Delivered its first full-year profit exceeding our expectations, reflecting continued growth in scale, leveraging improving operating efficiency and client engagement – increasingly through AI deployment.                                                                                                                                                           |                                                                                                                                                                                                                                                                |
| Other initiatives and central costs <sup>1</sup>                                    | <br><b>66%</b><br>to -R173 million                                              | Increased client engagement levels were delivered while reducing central and Vitality programme costs over the year.                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                |

1 Includes Discovery Vitality SA



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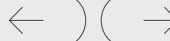
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Normalised operating profit increased by **21%** to **R3 882 million.**

New business API increased by **3%** to **R8 621 million.**

During the year, Vitality completed the restructuring of its global operations, with the UK serving as a centre of excellence and cost structures apportioned across the composite to support the efficient deployment and scaling of capabilities across markets. Vitality Network and Vitality Health International (VHI Other) were incorporated into a single business unit, Vitality Global Markets.



60% to **R1 896 million**

Substantial increase in operating margin through disciplined pricing and rigorous claims actions, with a focus on quality new business in a challenging economic environment.



23% to **R782 million**

Strong earnings growth from favourable claims experience and lower cash flow variances. New business levels and value were excellent – key determinants of return on invested capital and future earnings momentum.



29% to **R186 million**

Significantly impacted by the Japanese yen decline and higher Japanese interest rates. Excluding this, profits increased by 115%, reflecting rapid progress for VHI Other, while Vitality Network builds for greater longer-term scale and value.



9% to **R1 317 million**

Strong operational performance, supported by exceptional investment returns. The anticipated decline in new business followed changes to its distribution arrangement with Ping An Life (PAL).



>200% to **-R299 million**

Investment spend in Vitality AI accelerated over the year, with growing application across client engagement, healthcare, underwriting and operational processes, applicable to all markets.

1 Equity-accounted profit net of tax and after Vitality's costs (including apportioned costs, which increased R183 million)  
2 Vitality AI also includes Other Vitality central costs

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

| Average exchange rates | FY2026 | FY2025 |
|------------------------|--------|--------|
| Rand/£                 | 22.68  | 23.48  |
| Rand/US\$              | 16.90  | 18.16  |
| Rand/RMB               | 2.42   | 2.51   |
| Closing exchange rates | FY2026 | FY2025 |
| Rand/£                 | 21.73  | 24.34  |
| Rand/US\$              | 16.37  | 17.77  |
| Rand/RMB               | 2.41   | 2.48   |

The rand strengthened against both the pound sterling and the US dollar during the year, with the closing Rand/£ rate decreasing from R24.34 to R21.73 and the closing Rand/US\$ rate decreasing from R17.77 to R16.37. This strengthening of the rand resulted in a decrease in the foreign currency translation reserve of R3 153 million.

During the year, Vitality completed the restructuring of its global operations, with the UK serving as a centre of excellence and cost structures apportioned across the composite to support the efficient deployment and scaling of capabilities across markets.



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## Summary of our financial performance continued

To facilitate analysis of the Group's results, we provide reconciliations on a segment total view below.

### RECONCILIATION BETWEEN NORMALISED PROFIT FROM OPERATIONS AND PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS PER SEGMENT INFORMATION:

| R million                                                                           | FY2026        | FY2025        | % change   | Comments                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------|---------------|---------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Normalised profit from operations</b>                                            | <b>17 750</b> | <b>15 210</b> | <b>17%</b> |                                                                                                                                                                                                                                                                                                                                                                                                                     |
| FY2026 once-off: 1 Discovery Place lease termination gain                           | 1 463         | –             |            | Net gain realised through the early termination of the lease for 1 Discovery Place, Discovery's South African head office building, following its acquisition at the end of the financial year.                                                                                                                                                                                                                     |
| FY2026 once-off: Disposal/dilution gains/(losses) from equity-accounted investments | 211           | (32)          |            | Gain from the partial disposal of approximately half of Discovery's interest in its associate company, Cambridge Mobile Telematics Incorporated (CMT).                                                                                                                                                                                                                                                              |
| Finance charges (excl. 1 Discovery Place finance lease)                             | (1 525)       | (1 810)       |            | Lower finance charges following debt optimisation initiatives and repayment of debt.                                                                                                                                                                                                                                                                                                                                |
| Impact of 1 Discovery Place finance lease                                           | (33)          | (72)          |            | Reduced as a result of the expense profile applicable to long-term leases under IFRS 16 <i>Leases</i> .                                                                                                                                                                                                                                                                                                             |
| Investment income and fair value gains on financial instruments                     | 515           | 457           |            | Higher income from favourable markets and management of excess cash available.                                                                                                                                                                                                                                                                                                                                      |
| Forex gains/(losses), net of cross-currency basis swaps (CCBS)                      | 1             | (36)          |            |                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Other                                                                               | (116)         | (222)         |            | Includes amortisation of intangibles from business combinations (FY2025 also includes restructuring costs).                                                                                                                                                                                                                                                                                                         |
| <b>Profit before tax (Segment total)</b>                                            | <b>18 266</b> | <b>13 495</b> | <b>35%</b> |                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Income tax expense (Segment total)                                                  | (5 048)       | (3 937)       |            | The lower effective tax rate of 28.4% (FY2025: 30.0%) is largely driven by the recognition of an initial deferred tax asset raised on previously unrecognised assessed losses. This is partly offset by a component of Invest policyholder taxes which have the effect of increasing the apparent effective tax rate (refer to Note 5.9.2 of the Annual Financial Statements for the taxation rate reconciliation). |
| <b>Profit after tax</b>                                                             | <b>13 218</b> | <b>9 558</b>  | <b>38%</b> |                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Profit attributable to preference shareholders                                      | (86)          | (93)          |            |                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Loss/(profit) attributable to non-controlling interest                              | –             | 6             |            |                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Profit attributable to ordinary shareholders</b>                                 | <b>13 132</b> | <b>9 471</b>  | <b>39%</b> |                                                                                                                                                                                                                                                                                                                                                                                                                     |

### RECONCILIATION BETWEEN PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS AND HEADLINE EARNINGS AND NORMALISED HEADLINE EARNINGS:

| R million                                                                  | FY2026        | FY2025       | % change   | Comments                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------|---------------|--------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Profit attributable to ordinary shareholders</b>                        | <b>13 132</b> | <b>9 471</b> | <b>39%</b> |                                                                                                                                                                                                                              |
| Profit attributable to non-forfeitable dividend share plan                 | (135)         | (144)        |            | 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.                                                          |
| Profit/(loss) on disposal/dilution gains from equity-accounted investments | (222)         | 25           |            | Reversal of CMT disposal/dilution gains.                                                                                                                                                                                     |
| Impairment: held-for-sale assets change of intention net of tax            | –             | 79           |            | Impairment of an office building in the UK classified as held-for-sale (FY2025 only).                                                                                                                                        |
| Impairments and derecognition losses                                       | 148           | 194          |            | Includes scrapping of dormant software components and impairment of certain software assets.                                                                                                                                 |
| <b>Headline earnings</b>                                                   | <b>12 923</b> | <b>9 625</b> | <b>34%</b> |                                                                                                                                                                                                                              |
| FY2026 once-off: Lease termination gain                                    | (1 068)       | –            |            | Reversal of once-off gain realised through the early termination of the 1 Discovery Place lease following its acquisition.                                                                                                   |
| Amortisation of intangibles from business combinations                     | 94            | 104          |            |                                                                                                                                                                                                                              |
| Deferred tax asset recognised on prior period losses                       | (205)         | (9)          |            | Initial recognition of deferred tax assets on prior period losses, net of the effect of realisation of deferred tax assets that was not recognised within earnings, e.g. during transition to new IFRS accounting standards. |
| Other normalised headline earnings adjustments                             | 51            | 61           |            | Includes CMT disposal-related transaction costs (FY2025 includes restructuring costs).                                                                                                                                       |
| <b>Normalised headline earnings</b>                                        | <b>11 795</b> | <b>9 781</b> | <b>21%</b> |                                                                                                                                                                                                                              |



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# Group statement of other comprehensive income

The most significant contributors to the increase in other comprehensive income (OCI) for the year net of tax of R5 270 million, are:

- Net finance income from insurance contracts issued and reinsurance contracts held of R8 417 million. Discovery has elected to use OCI to reflect the effects of financial risks which results in less volatility in earnings. Lower SA long-term interest rates resulted in a significant value uplift for Discovery Life, with a cR12 billion gain before tax recognised through OCI, rather than earnings
- Currency translation differences totalling -R3 153 million

**PG 72** Refer also to Assets arising from insurance contracts issued and Other reserves.

## Capital management

Our Capital Management Framework and approach are discussed below.

### Regulatory 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 by each of the subsidiaries in addition to the capital held for their liabilities and other regulatory financial obligations.

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 and the related Prudential Standards, while Discovery Bank is regulated under the Banks Act, No 94 of 1990.

The table below summarises the capital requirements on the regulatory basis across the Group's subsidiaries, and the actual solvency capital held as a multiple of these requirements.

|                                                                                                              | FY2026                                       |         |       | FY2025                                       |         |       |
|--------------------------------------------------------------------------------------------------------------|----------------------------------------------|---------|-------|----------------------------------------------|---------|-------|
|                                                                                                              | Solvency capital requirements<br>R/£ million |         | Cover | Solvency capital requirements<br>R/£ million |         | Cover |
|  Discovery Life            |                                              | R29 951 | 1.7 x |                                              | R23 479 | 1.9 x |
|  Discovery Insure          |                                              | R1 273  | 2.1 x |                                              | R1 112  | 2.1 x |
|  Vitality Health Insurance | £127                                         | R2 754  | 1.9 x | £126                                         | R3 072  | 1.8 x |
|  Vitality Life Insurance   | £451                                         | R9 807  | 1.9 x | £383                                         | R9 322  | 2.0 x |

Discovery Bank's common equity tier 1 ratio is 16.29% (FY2025: 16.31%). In addition to the minimum regulatory requirements, 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.

For more information, refer to Discovery Bank's Pillar 3 public disclosure reports.

## 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 regulatory capital and associated buffers for prudence held within each regulated entity, as well as at 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% to 20%. The normalised return on equity for the year of 16.5% (FY2025: 15.4%) was within this range. For a detailed calculation, refer to page 15 of the Additional Analyst information available on our website.

Discovery's strategic focus remains on organic growth and global partnerships. However, to acquire capabilities that would otherwise take several years to develop organically, VitalityHealth US acquired WellSpark and Ramp Health, and subsequent to year-end Icario, to add coaching, clinical and workplace health capabilities and extend our reach to the Government-sponsored market. These acquisitions were funded from internal resources.

## Funding approach

The capital plan and liquidity buffers are funded internally from retained earnings and externally from financial reinsurance and debt funding. During the period, favourable market conditions and sustained investor demand for Discovery debt instruments provided an opportunity to optimise its funding structure and reduce debt. The initiatives undertaken enhanced funding efficiency, decreased financing costs by approximately R200 million and further aligned the debt profile with Discovery's underlying operational and currency exposures.

Key actions included:

- Refinancing UK borrowings through rand-denominated funding at attractive rates, supported by cross-currency basis swaps to manage foreign exchange and interest rate exposures
- Issuing redeemable preference shares to support a capital restructure within the VitalityLife operations
- Arranging a specific funding facility for the acquisition of 1 Discovery Place, as well as entering into related interest rate hedging strategies

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 2026 of 15.4% (FY2025: 16.8%) is well within risk appetite. If the borrowings for the acquisition of 1 Discovery Place are excluded, the FLR would be 12.8%.

**AFS** Refer to note 3.12.5 on page 174 of the Annual Financial Statements.

## 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 R3.9 billion (FY2025: R2.6 billion). The Group also has undrawn revolving credit facilities (refer to cash and cash equivalents on the next page).



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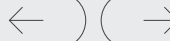
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## Our cash management philosophy

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                                 | FY2026  | FY2025  |
|-------------------------------------------|---------|---------|
| Cash flows from operating activities      | 7 036   | 8 667   |
| Cash flows from investing activities      | (4 798) | (1 823) |
| Cash flows from financing activities      | (538)   | (4 016) |
| Net increase in cash and cash equivalents | 1 700   | 2 828   |

Discovery's cash flows from operating activities decreased to R7 036 million (FY2025: R8 667 million). This was despite cash generated from operations increasing to R2 867 million (FY2025: R1 289 million), supported by favourable underwriting experience across the insurance entities and positive contributions from Discovery Health and Discovery Vitality. The decrease was mainly attributable to higher taxation paid and a lower net inflow from operating assets and liabilities of R6 790 million (FY2025: R9 167 million), largely reflecting stronger growth in loans and advances relative to deposits in Discovery Bank.

Net cash used in investing activities increased to R4 798 million (FY2025: R1 823 million), mainly due to the acquisition of 1 Discovery Place for R4.05 billion (excluding VAT), which is reflected in higher purchases of property and equipment. These outflows were partly offset by proceeds of R801 million from the disposal of a portion of the Group's stake in CMT and dividends received from equity-accounted investments of R566 million.

Cash used in financing activities reduced to R538 million (FY2025: R4 016 million), mainly due to higher proceeds from borrowings raised to fund the 1 Discovery Place acquisition. This was partly offset by higher repayments of borrowings and lease liabilities and higher dividends paid to ordinary shareholders.

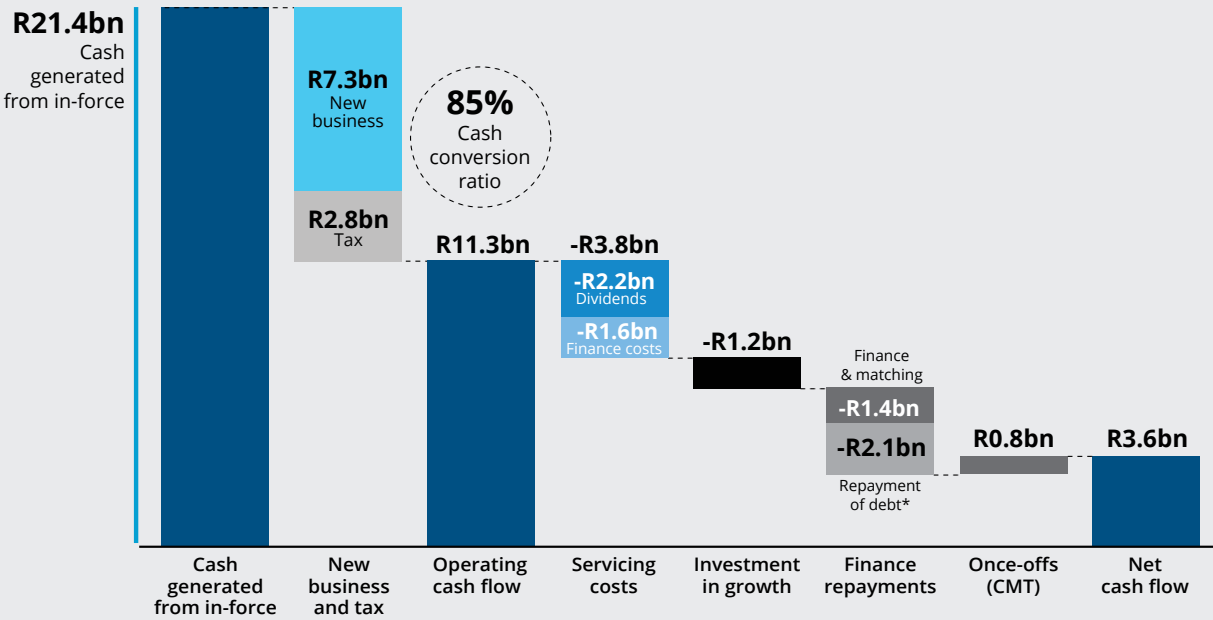
## Cash and cash equivalents

| R million                                      | FY2026 | FY2025 |
|------------------------------------------------|--------|--------|
| Unit-linked investment and insurance contracts | 4 967  | 4 752  |
| Shareholder cash                               | 17 937 | 17 216 |
| Closing balance                                | 22 904 | 21 968 |

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 R4.9 billion (FY2025: R6.3 billion) – is held for specific purposes and, therefore, not considered available for distribution. Cash available to support Group liquidity requirements is R3.9 billion (FY2025: R2.6 billion), with undrawn revolving credit facilities of R2.6 billion (FY2025: R2 billion).

## Cash management supporting our growth methodology

Our Group shareholder free cash movement is summarised below:



\* Excluding debt raised for 1 Discovery Place transaction. 1 Discovery Place transaction (debt raised and purchase price) is shareholder cash flow neutral

# 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.

**AFS** Refer to the detailed statement of financial position in our Annual Financial Statements.

## Property and equipment

Property and equipment increased to R5 938 million (FY2025: R3 266 million). Effective 22 June 2026, Discovery purchased phase 1 of the 1 Discovery Place building, which had previously been leased by the Group. As a result, the acquisition of the property, which amounted to R4 053 million, was recognised as property and equipment, with the related right-of-use asset of R1 096 million and lease liability of R2 363 million derecognised.

## Assets arising from insurance contracts issued

**AFS** Refer to the Group accounting policy 12 for Insurance Contracts and note 2.2 for the summary of insurance contracts issued and reinsurance contracts held in our Annual Financial Statements.

Assets under insurance contracts comprise the present value of future cash flows. These cash flows are offset by the CSM and risk adjustment for non-financial risk (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 assets under insurance contracts in FY2026 to R63 681 million (FY2025: R48 047 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 continued to write profitable life insurance business, which led to additional expected future cash flows during 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 were offset against CSM for profitable policies, with variances on onerous policies recognised in earnings. The negative experience was mainly attributable to policy alterations
- The annual updating of financial risk assumptions based on current market prices at 30 June 2026. Lower SA long-term interest rates resulted in a significant value uplift for Discovery Life, with a cR12 billion gain recognised through OCI. An increase in government bond yield curves in the UK resulted in a net uplift for VitalityLife

The corresponding cash flow impact of lower implied future inflation that is extrapolated from the differential in the prevailing market yield curves at 30 June 2026, will mechanically reduce the Group's systematic interest accretion through IFIE in FY2027 by cR650 million, all else being equal. Refer to Other reserves for the impact of changes to financial risk assumptions on all portfolios.

## Deferred tax asset

Deferred tax asset decreased to R3 771 million (FY2025: R4 886 million). This was driven by the expected unwind on utilisation of previously recognised assessed losses and cR400 million raised by Discovery Life in respect of unrealised gains in the Individual Policyholders Fund.

## Investments in equity-accounted investees

Investments in equity-accounted investees increased to R9 190 million (FY2025: R8 989 million), mainly driven by strong performance from PAHI reflecting improved underlying business performance and benefiting from exceptional investment gains. This was offset by the partial disposal of approximately half of Discovery's interest in CMT.

## Financial assets – investments at fair value through profit or loss and impacted line items

Investments at fair value through profit or loss increased to R222 884 million (FY2025: R193 776 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 issued to R136 139 million (FY2025: R118 878 million), the increase in third-party interest in consolidated funds to R40 901 million (FY2025: R35 932 million), and an increase in financial liabilities – investment contracts at fair value through profit or loss to R38 614 million (FY2025: R32 188 million).

## 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 in loans and advances to customers to R12 999 million (FY2025: R8 513 million). This was driven by continued momentum in home loans, revolving credit facilities and reverse repos, as well as the increase in deposits from customers to R27 202 million (FY2025: R23 326 million), with excess liquidity from Discovery Bank and Discovery Life reflected in the increase in investments at amortised cost to R15 077 million (FY2025: R12 812 million).

## Other reserves

Other reserves increased to R10 115 million (FY2025: R4 921 million), due to the increase in the insurance finance reserve (IFR) by R8 417 million to R5 489 million (FY2025: -R2 928 million). This increase was partially offset by the foreign currency translation reserve, which decreased by R3 153 million to R3 222 million (FY2025: R6 375 million), driven by the strengthening of the rand against the pound sterling and the US dollar.

Financial risk assumptions are updated annually based on the current market prices as at the reporting date. A significant reduction in long-term government bond yields in SA resulted in an increase in the IFR for Discovery Life, net of the negative impact of lower implied inflation rates.

An increase in UK government bond yields and a higher inflation rate led to a rise in the IFR in the UK, with VitalityLife's own licence portfolio benefitting from favourable inflation movement and portfolios still held on the Prudential Assurance Company Limited licence, benefitting from the favourable interest rate impact.

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

| R million<br>Accumulated comprehensive (income)/expenses within IFR | SA Life Risk (GMM)* | SA Life Group Life and other (PAA)* | UK Life Risk (GMM)* | Total          |
|---------------------------------------------------------------------|---------------------|-------------------------------------|---------------------|----------------|
| Balance on 1 July 2025                                              | 5 938               | (262)                               | (2 748)             | <b>2 928</b>   |
| Effects of changes in financial risk                                | (8 113)             | 268                                 | (572)               | <b>(8 417)</b> |
| Balance at 30 June 2026                                             | (2 175)             | 6                                   | (3 320)             | <b>(5 489)</b> |

\* GMM (General Measurement Model); PAA (Premium Allocation Approach)

## Liabilities arising from reinsurance contracts held

Liabilities arising from reinsurance contracts held increased to R10 686 million (FY2025: R9 121 million), largely driven by higher reinsurance premiums in VitalityLife, given a maturing book as well as strong new business in the year under review.

## Discovery Limited's credit rating

In May 2026, Moody's Investors Service revised the outlook on Discovery Limited to positive from stable, while affirming the global-scale rating of Ba3 and the national-scale rating of Aa3.za, reflecting an improved sovereign outlook for SA.



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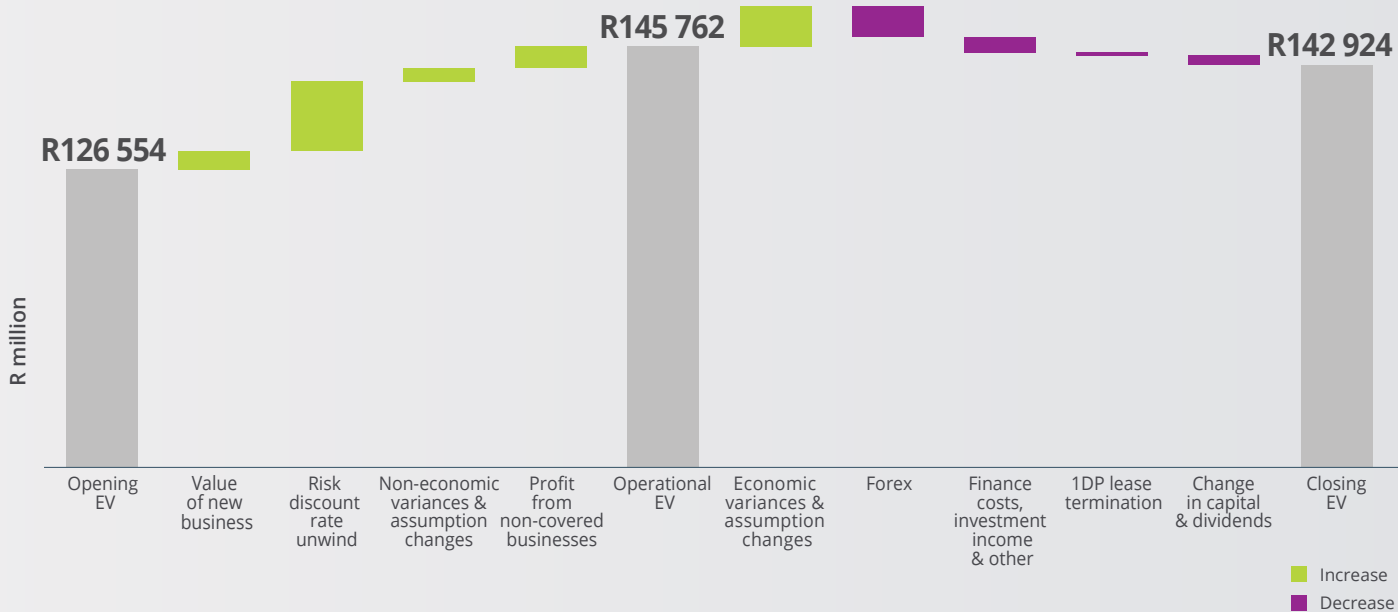
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## Embedded value

Discovery's 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 Markets, 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 13% to R142 924 million (FY2025: R126 554 million) – return on opening EV was 14.1% (FY2025: 15.7%), with strong growth in the value of new business and in profits from non-covered businesses. Favourable non-economic experience variances increased to R2.6 billion, with each business delivering a positive contribution – reflecting the positive financial dynamics of the model and particularly strong underlying claims dynamics of the in-force pool of clients across the businesses. Lower long-term interest rates in SA resulted in a substantial positive impact of economic basis assumptions, which offset lower translated values of foreign operations given the stronger rand, with a favourable contribution in aggregate.



AFS

The EV statement is included from page 299 in our Annual Financial Statements.

## Looking ahead

The Group delivered another year of strong growth, reflecting the increasing scale and maturity of the Group's two composites, Discovery SA and Vitality, and validating the strategic foundations established through disciplined investment in market-leading platforms, proprietary intellectual property and data-driven capabilities.

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. After the strong performance in the first two years of this period, the Group now expects to achieve compound growth in the middle to upper end of this ambition over the five-year period.

From a financial management perspective, we will continue driving operational efficiency and capability across our Finance function – embedding automation, advanced digital tools and AI. Alongside this, we will maintain disciplined oversight of our capital and funding plans and, through continuous refinement and stress testing, ensure resilience and optimise capital allocation.

Maintaining cost efficiency across the Group remains a priority, complemented by proactive management of interest rate and foreign exchange risks through disciplined hedging and asset-liability matching strategies. The Group's debt reduction initiatives have lowered financing costs by approximately R200 million, and we will continue to optimise the funding structure and reduce leverage. We monitor regulatory developments across our markets, ensuring our reporting remains transparent and responsive to the evolving needs of our stakeholders. Where risks materialise or conditions change, we will implement targeted operational and risk management interventions to maximise the long-term value of our investments.

My appreciation extends to every person within Discovery for their energy and dedication – it is their collective effort to deliver on our core purpose that makes everything we achieve possible. This commitment will carry us forward as we build on the strong foundations of what we established in FY2026.

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# Our **business reviews**

We operate across two composites – Discovery SA and Vitality – creating value and differentiating ourselves by aligning our medium-term ambitions with short-term goals and advancing our operating model through new business ventures or strategic partnerships.



**Discovery SA** focuses on being the leading financial services group in South Africa which, through its Discovery Bank-integrated composite and Vitality Shared-value model, creates a unique, shared-value, client-centric composite.

Discovery Health

Discovery Insure

Discovery Life

Discovery Bank

Discovery Invest



**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 Markets** strives to offer leading wellness and healthcare platform solutions that extend our Vitality shared-value and health management capabilities globally.

Vitality Global Markets



**Ping An Health Insurance** (in which the Group holds a 24.99% equity stake) aims to be China's leading health and wellness-driven specialist health insurer.

Ping An Health Insurance



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What we offer

Discovery Health is South Africa's leading medical scheme administrator and managed care provider, managing 38.6% of the total membership of South African medical schemes. This includes Discovery Health Medical Scheme (DHMS), the country's largest open medical scheme, which represents 57.7% of the open medical scheme market.

Beyond medical scheme-related health products, Discovery Health also offers a range of health products designed to improve healthcare access, affordability and financial protection against shortfalls. This includes Gap Cover, which protects clients against unexpected shortfalls in medical costs, and Flexicare, a primary care insurance product that provides affordable access to high-quality private-sector healthcare. In addition, Discovery Health incorporates Discovery Health Global (previously referred to separately as VHI Africa and Medical Services Organisation International), which provides shared-value health insurance products and healthcare solutions to multinational employer groups and individuals across seven countries in Africa.

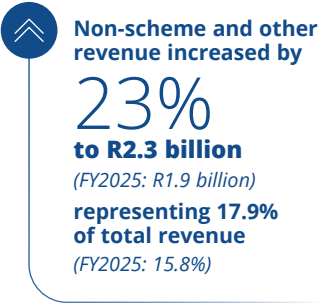
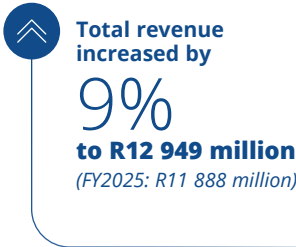
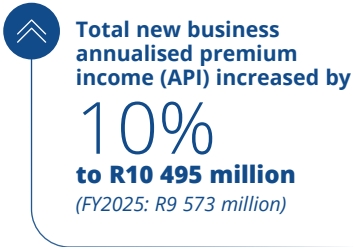
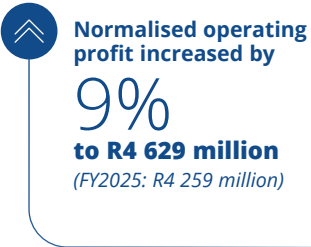
What sets Discovery Health apart

Discovery Health is committed to delivering exceptional value-driven service and providing high-quality and affordable healthcare through continuous innovation and a diverse portfolio of products and services. Our advanced digital and AI-led healthcare solutions, pioneering products and market-leading benefits enable us to strategically balance long-term sustainability with immediate affordability.

We harness our scale, unique capabilities and sophisticated data science 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



\* Includes lives with non-medical scheme products. Prior period lives restated to exclude Healthy Company, which is in CEB (Corporate and Employee Benefits, within Discovery Life). The impact on other metrics is not material



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# Our performance against strategy

Discovery Health delivered a strong financial and operational performance during the year, driven by membership growth across DHMS and the restricted schemes it administers, higher new business volumes and continued expansion of non-scheme medical products. Excluding the once-off R125 million administration fee concession relating to the Above Threshold Benefit (ATB) claims processing error, normalised operating profit growth was 11.2%.

Non-scheme medical products – comprising Flexicare, Gap Cover, Healthy Company, Trauma and Emergency Cover, and Global Health Solutions – covered 330 103 lives in FY2026 (FY2025: 270 816). Non-medical scheme revenue, including Discovery Healthcare Services\*, made up 17.9% of total revenue, with growth driven by strong revenue from Gap Cover and an expansion in Emergency Cover.

Discovery Health administers 18 restricted medical schemes, as well as South Africa's largest open medical scheme, DHMS. Despite a challenging macroeconomic environment, the schemes performed well, with growth in membership across the portfolio, particularly at LA Health Medical Scheme, contributing positively to overall business performance.

DHMS's strong performance was supported by the continued success of the Active Smart Plan and strong new business API. The Scheme remained resilient, underpinned by sustained membership growth, client satisfaction and retention, average principal member contributions in 2026 that were 17.7% lower than the average of the next top seven schemes in the industry on a benefit-adjusted basis, and an audited solvency ratio of 32.6% for FY2025, well above the statutory requirement of 25%.

Discovery Health's strategy and continued investment in technology, artificial intelligence and precision healthcare are focused on addressing the underlying forces driving healthcare expenditure. During the year, enhancements to Personal Health Pathways, including new sleep actions and Personal Health Challenges, further strengthened the organisation's ability to influence health behaviours and mitigate the impact of ageing populations and rising obesity levels on healthcare costs.

**Engaged Vitality members' hospital costs were 26% lower** and their lapse rate 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 37% of all healthcare professional spend** and more than 49.2% 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)

- ✓

In FY2026, 79% of Discovery Health client engagements took place through digital channels (FY2025: 73%), while Discovery Health app usage grew to 307 233 active users (FY2025: 136 656), an increase of 125%.
- ✓

DHMS's Active Smart Plan, introduced in 2025 to improve affordability and access to healthcare, has attracted more than 49 800 lives, making it the fastest-growing plan in the market. The plan supports a sustainable growth trajectory, with 77% of new members under the age of 40. The Scheme also launched the Smart Saver Series for young, growing families, and expanded the reach of healthcare delivery systems under the KeyCare Start Plan.
- ✓

During the year, DHMS enhanced Personal Health Pathways with sleep actions to improve sleep health, extended the programme to employers and increased the value of the Personal Health Fund through higher annual limits.
- Contributions for DHMS members increased between 0.0% to 7.9% for 2026 with a weighted average contribution increase of 7.2%, the lowest compared to the Scheme's main competitors. The Scheme's strong solvency position enabled increases to take effect from 1 April 2026, saving members R1.5 billion by maintaining 2025 contribution levels for the first three months of the year.
- ✓

Discovery Health expanded its Flexicare product offering with the launch of the FlexiFund – a flexible benefit for day-to-day healthcare expenses, unlocked through a completed Health Check – and upgrades to Flexicare Core, which offers more benefits and expanded access to quality healthcare.
- ✗

Through the Health Funders Association (HFA), Discovery Health continues to participate in litigation challenging the NHI Act. In early May 2026, cases challenging the Act's parliamentary procedure, specifically its public participation process, were brought before the Constitutional Court, with judgments pending. Proclamation or implementation of any sections of the Act has been paused until the Court delivers a ruling. In the interim, recent discussions with the Presidency and public statements by the Minister of Finance signal growing support for a pragmatic, negotiated approach.
- ✗

A system update in CY2025 affected the accumulation of ATB medicine claims, financially impacting 16 658 DHMS members on certain plans. Discovery Health took a principled decision to absorb the full cost of the error through a once-off administration fee concession, ensuring no member was financially prejudiced and that the Scheme was left in the same financial position had the error not occurred. The impact was independently validated, and a comprehensive remediation programme has strengthened controls, system assurance and governance.
- ✗

Discovery Health legal action against the Road Accident Fund (RAF), on behalf of members whose claims it refuses to pay, continued during the year. After the Gauteng High Court dismissed Discovery Health's application to hold the RAF and its CEO in contempt of a court order confirmed by the Constitutional Court, it was granted leave to appeal. The Supreme Court of Appeal heard the matter on 16 February 2026 and judgment remains reserved.
- Discovery Health is engaging on industry activity related to the recommendations of the Section 59 inquiry into allegations of racial bias by medical schemes in forensic processes. The CMS and Minister of Health met with stakeholder groups in early 2026 to discuss next steps.

✓ Positive ✗ Negative ○ Neutral

## WHERE WE ARE HEADED

Discovery Health remains committed to broadening access to quality healthcare, making healthcare more affordable and delivering better health outcomes. Central to this strategy is the continued evolution of the Shared-value model – integrated with technology, data science and AI – to deliver precise and personalised healthcare and address the underlying drivers of healthcare expenditure.

Drawing on over 570 million data points from more than 2.7 million DHMS members, the HealthTrend26 Report identifies sustained improvements in mortality and life expectancy across the member base, as well as a material reduction in cancer-related mortality among members enrolled in the oncology programme. These findings reinforce our focus on applying the Shared-value model at scale and deepening engagement to improve health outcomes, enhance affordability and support the long-term sustainability of healthcare.

Discovery Health and DHMS, together with the HFA, continue to advocate for the introduction of low-cost benefit options as a practical mechanism to expand access to healthcare for uninsured South Africans and support broader universal healthcare objectives. We continue to advocate for a sustainable and workable NHI framework that leverages the capabilities of both the public and private healthcare sectors. Discovery Health also continues to monitor developments relating to Circular 16, ("Evergreen Contracts") following its comprehensive response to the CMS, and will engage constructively to advance practical alternatives.



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### What we offer

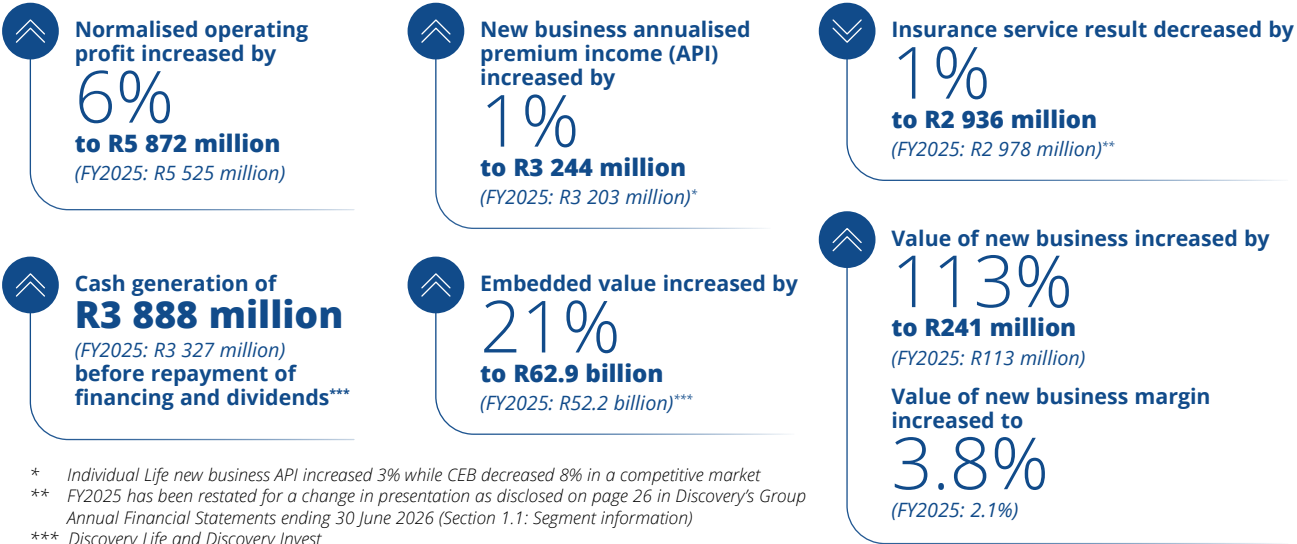
Discovery Life and Corporate and Employee Benefits (CEB) provide risk protection and retirement solutions to individual and business clients through comprehensive life, capital disability, income and education protection, severe illness, funeral, home loan protection cover and umbrella retirement funds. Discovery Life also supports clients with estate planning through Discovery Wills and Trust Services. The Individual Life business is a leader in South Africa's intermediated retail-affluent protection market, with a market share of 27% for the year ended 30 June 2026. In addition, Discovery's Umbrella Fund products offer our corporate clients incentives for long-term investing.

### What sets Discovery Life apart

Discovery Life provides a comprehensive risk offering that meets the needs of our clients at every stage of life, underpinned by market-leading innovation and services. Together with its dynamic assessment of risk over time, benefits and products, the business has redefined the South African life insurance landscape. Clients are empowered to actively manage their health and are rewarded 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.



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# Our performance against strategy

Discovery Life achieved operating profit growth across Group and Individual Life, supported by favourable claims experience, while the Umbrella Fund unit reached a significant milestone turning profitable over the period. Significantly lower long-term interest rates increased the value of new business margin and contributed to an approximate R8 billion gain (net of reinsurance and tax) recognised in other comprehensive income. Discovery Life, including Discovery Invest, delivered an annualised return on embedded value of 22.8%.

New business API increased by 1%, supported by 9% growth in Embedded Value new business, partly impacted by the effect of lower inflation on automatic contribution increases. This growth was largely offset by lower Umbrella Fund sales, reflecting the lumpy nature of the business. Cash generation increased to R3 888 million before the R1 194 million net repayment of financing arrangements. The business maintained a robust solvency position, albeit with a decreased solvency ratio of 174% compared to 192% in FY2025, tempered by lower interest rates as well as reinsurance cost optimisation.

- ✓

Discovery Life delivered continued favourable claims experience with positive variances from both mortality and morbidity experience.
- ✗

Policy alterations remained negatively impacted by the challenging economic context. Our action plan to remediate this experience remains on track.
- ✓

We extended the Personalised PayBack Booster to a broader base of clients. First introduced in early 2025, the benefit is linked to Personal Health Pathways and allows clients to earn PayBacks when they complete next best actions and close health rings.
- ✓

Discovery Life launched the Digital Life Plan on the Discovery Bank app in FY2026. The plan is a life and disability cover product of up to R3 million that can be activated on the Bank app within minutes, and maximises Discovery Life's reach of protection products for potential clients.
- ✓

Discovery Life enhanced the Business Life Plan through Business Integrator – a shared-value mechanism that provides businesses with upfront and ongoing discounts, enhanced levels of cover and PayBacks over the duration of the policy. This allows businesses access to an efficient, reward-based assurance policy based on the lifestyle of the lives assured. The inclusion of the Vitality Premium Leveller further improves affordability and rewards healthy behaviour.

Overall, Discovery Life delivered material positive experience variances of R1.2 billion in FY2026 (R819 million when excluding economic variances). Favourable claims experience offset the effect of net lapses and policy alterations in Individual Life, which were broadly aligned with the businesses' action plan. Mitigating actions to manage policy alterations progressed well during the year.

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.

Over R2.4 billion provided to clients through shared-value benefits in FY2026 – including PayBack and Cash Conversions.

Total gross claims of R9.9 billion paid during FY2026.

- ✓

During the year, CEB launched:
  - A debt reset benefit to help Discovery Retirement Fund members pay off their short-term debt by giving them access to contribution relief for up to 12 months
  - An enhanced Group Risk PayBack benefit allowing members to earn up to 15% of their premiums back by completing next best actions in their Personal Health Pathway, or through their health claims and Vitality status
  - Healthy Company Core, a more affordable, streamlined version of Healthy Company aimed at large South African employers to provide meaningful wellbeing solutions for employees, while driving engagement and utilisation. Employees are able to access support in multiple South African languages through several channels, including WhatsApp, the Discovery app and USSD (mobile access channel)
- ✓

Our full suite of Discovery Life Plans is now accessible on the Adviser 360 platform, including our business protection plans. This supports advisers by allowing them to create a company structure that can be pre-populated upfront, thereby simplifying the quotation process. We also enhanced the application and quality assurance step, with pre-populated compliance documentation and requirements being called for earlier on in the process, reducing iterative engagements.
- ✓

We recorded strong traction in Discovery Wills and Trust Services following its integration on the Discovery Bank app in September 2025.

## WHERE WE ARE HEADED

We remain focused on driving profitable new business growth through product innovation, shared-value incentives and rewards, competitive pricing and a simpler sales process. Priorities include further actions to manage policy alterations; deeper integration of Discovery Life products with Discovery Bank as a key growth lever; and continued investment in digital distribution capabilities and adviser channels to enhance client value, broaden market reach and improve access to long-term risk protection solutions.

Under IFRS 17, insurance finance and expense is a material driver of Discovery Life's earnings, reflecting the impact of economic variables such as interest rates and inflation on insurance reserves. Since June 2025, yields have fallen sharply and will impact FY2027 earnings by approximately R720 million across Discovery Life and Invest.

CEB's strengthened value proposition, enhanced technical marketing capabilities and greater market differentiation supported improved Group Life sales conversion. A robust sales pipeline, combined with disciplined execution across distribution, channel management, pricing and scheme growth initiatives, positions the business for continued growth. Ongoing product innovation remains central to the strategy, enhancing member protection and benefit value while supporting growth, retention and long-term business sustainability.



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### What we offer

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 remains the fastest-growing retail active asset manager in South Africa\*, with assets under administration of R205 billion. In addition, through Cogence, our shared-value discretionary fund manager, clients also benefit from a partnership that combines Discovery's expertise and leading behaviour-change platform with the global investment capabilities of BlackRock, one of the world's foremost asset managers, and RiSCura, a leading South African asset manager.

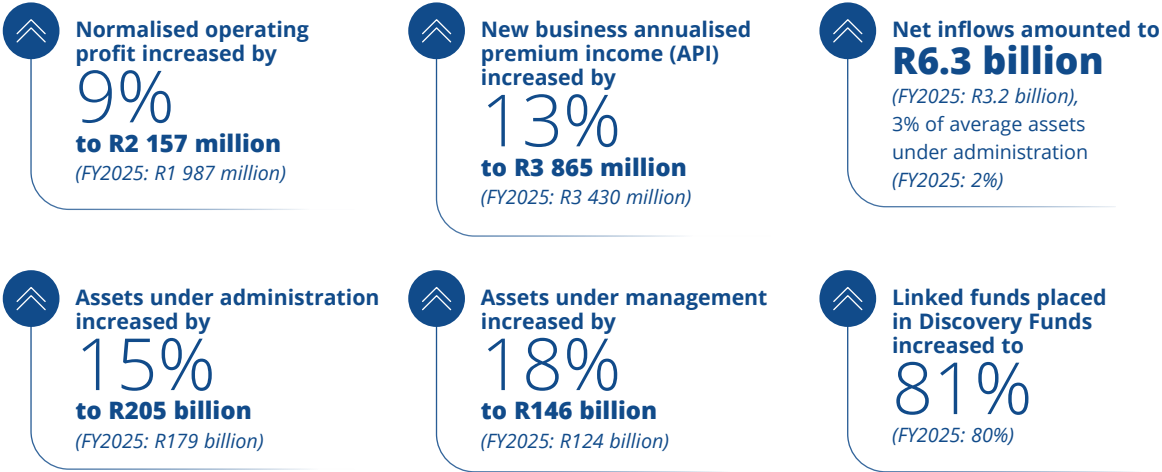
\* Source: Association for Savings and Investment South Africa (ASISA), Analysis Ninety One, as at 31 March 2026.

### What sets Discovery Invest apart

Discovery Invest encourages better investing behaviours and rewards clients 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 combines powerful, simple benefits with cost-effective products and world-class investment funds to enhance client outcomes. By improving how clients approach investing, these shared-value benefits help clients maximise retirement income, pay lower fees and be more resilient to market downturns. Our unique approach, which is supported by strong asset management partnerships, empowers clients to secure their retirement or achieve other short- or medium-term goals.



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# Our performance against strategy

Discovery Invest achieved strong operating profit growth, despite the prior year including an asset-liability matching (ALM) gain of R85 million and a R129 million release relating to tax recoveries from policyholders that was accrued in previous years. Excluding these prior year benefits, operating profit increased by 22%, broadly in line with the growth in average assets under management supported by strong market performance in the first half of the year and positive net inflows.

Strong linked-product sales supported robust new business growth, partly offset by lower guaranteed-plan sales as declining interest rates reduced the attractiveness of Guaranteed Bonds and Fixed Annuities.

Cogence's assets under management increased by 34% to R36.6 billion from R27.4 billion in FY2025. Cogence continues to focus on strategically expanding into global investment opportunities through its private market access offering, while enhancing the end-to-end digital client journey through Aladdin Wealth™.



Sales of guaranteed plans decreased by 37% (FY2025: 21% decrease) due to declining market interest rates, while sales of linked products increased by 20% (FY2025: 9%). Overall new business API increased by 13% (FY2025: 4%).



Cogence gives South African investors access to private market asset classes – spanning privately owned investment opportunities, infrastructure and real estate – that are typically only accessible to high-net-worth clients due to their illiquidity, high minimums and lock-in periods. The portfolios target a 10% annual return in euros and offer improved diversification, the potential for enhanced long-term returns and a transparent investment structure.



The Lifespan Linked Income Plan 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.



Discovery Invest introduced the Flexible Recurring Retirement Annuity, the first shared-value retirement annuity that provides a low-cost fee structure. Underpinned by the technology of the Discovery Retirement Optimiser, clients receive immediate fee discounts, fee refunds at retirement and a lump-sum boost to their retirement savings, along with the removal of exit fees. In addition, clients can invest fee refunds into Cogence funds offshore and in private markets.



Clients with a qualifying DHMS health plan and Recurring Retirement Annuity now have access to the Discovery Retirement Optimiser | Health. This offers clients boosts and discounts based on Vitality status without impacting their health plans and with no exit or paid-up fees on their Retirement Annuity.

**Strong linked-product sales supported robust new business growth, partly offset by lower guaranteed-plan sales as declining interest rates reduced the attractiveness of Guaranteed Bonds and Fixed Annuities.**

**Since inception in 2007, we have created over R27.6 billion in additional value for clients through boosts and benefits that drive positive investment behaviour.** Over the past five years, the shared-value benefits we have created for clients have grown by over 15% a year.

**Clients exhibited 11% lower drawdowns, up to 34% lower lapse rates and three times more ad hoc contributions to their investment savings** compared to figures prior to the launch of our retirement planning model in 2015.



Positive



Negative



Neutral

## WHERE WE ARE HEADED

Our aim is to be the leading retail long-term savings and investment platform in South Africa by net flows, with enhanced client outcomes through behavioural design, integrated advice, digital enablement and integration with the Discovery ecosystem. We are focusing on new business growth through a refreshed pre-retirement suite, product updates and marketing, and continued scaling of Cogence.

In addition, we remain focused on investing in digital innovation to simplify the adviser experience and enhancing the digital client journey through Aladdin Wealth™. Our distribution initiatives to drive growth include improving data integration and delivering targeted usability enhancements to increase engagement and adoption.



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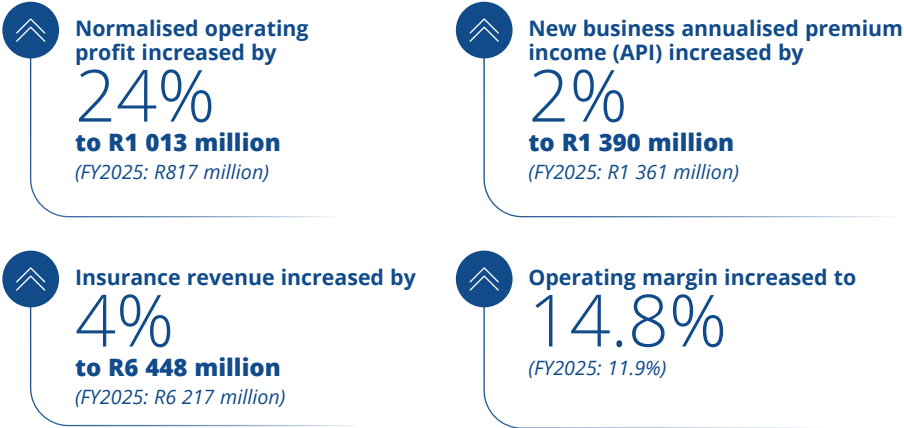
### What we offer

Discovery Insure provides flexible, innovative and comprehensive car, home and travel insurance. The business covers over 277 000 cars and over R577 billion in personal insured assets in South Africa. Vitality Drive, an award-winning behaviour-change programme that has been scaled to local and international markets, is a key differentiator that incentivises and rewards clients for driving well. 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 long been a disruptor in the South African short-term insurance market. We leverage our big data capabilities through complex actuarial modelling, integration with the Discovery ecosystem and strong partnerships to offer differentiated insurance. Our innovative car and home insurance products are built on the Shared-value Insurance model, offering our clients compelling incentives supported by advanced technology and AI. Through our pioneering telematics-based vehicle insurance and Vitality Drive programme, we use insights, personalised behavioural actions and rewards for safe driving to actively mitigate risk, transform behaviours and help prevent accidents, deaths and injuries – making a material difference to the health and safety of our clients and broader society. These benefits are available to clients of our South African insurance business as well as rental and fleet management partners through Vitality Drive International.

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# Our performance against strategy

Discovery Insure had a strong FY2026 performance, supported by a significant increase in normalised profit from operations, with steady growth in insurance revenue, attributable to a resilient in-force book and continuous new business written. Although severe weather events in the Western Cape and Eastern Cape in May 2026 led to weather-related claims of over R145 million, the book loss ratio remained below 50%, demonstrating the effectiveness of management actions to improve the underlying non-weather claims experience. The operating margin also grew substantially, despite the worsening weather conditions compared to the benign prior year. The business continued to focus on pricing and claims management, alongside implementation of the Shared-value Insurance model, to drive margin growth while maintaining quality of new business. New business API increased notwithstanding increasingly competitive market conditions and a softening pricing cycle. We also made progress in reducing lapse rates through improved retention capability, more proactive management of client behaviour and optimised discounting.

Motor accident claims were significantly below budget, in line with industry experience and enhanced by the ongoing impact of the Vitality Drive programme, with improved driving-status profiles across durations and calendar periods. To date, there are over 650 000 local and international drivers on the programme. Since establishing Vitality Drive International's joint venture with Geotab in FY2025, our focus remains on expanding globally to incentivise and reward safe driving at an even greater scale.

**We have paid our clients over R2.4 billion in fuel cash back** for driving well, demonstrating the efficacy of our Shared-value Insurance model in encouraging good driving behaviours.

**Vitality Drive Gold and Diamond drivers** have a road accident fatality rate of 2.6 per 100 000 lives, 80% lower than clients without Vitality Drive.

- ✓ In FY2026, Discovery Insure delivered its strongest financial results since inception, driven by our innovative product offering, commitment to shared-value insurance, and the strength and maturity of our business model.
- ✓ The Discovery Insure end-to-end digital quoting journey introduced in the Discovery Bank app went live in December 2025, as part of our focus on leveraging the Bank app as a distribution channel. We will continue to monitor uptake in this channel.
- ✓ Recognising the link between sleep quality and accident risk, we incorporated a behavioural incentive into the Vitality Drive programme that rewards clients for sleeping well. Clients can now earn Vitality Drive Sleep Points in addition to the existing points framework – unlocking greater value and safety for clients.
- ✓ Vitality Drive's new Advanced Driving Instructor, powered by AI, analyses clients' real-time driving data and provides hyper-personalised coaching insights to help them drive more safely. Through tailored driving tips, feedback and goals based on clients' driving habits, clients can earn higher driving scores and more rewards while improving their driving behaviour over time.

- ✓ We continue to be a force for social good through our shared-value initiatives:
  - On average, Fire Force responds to two 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 344 000 potholes across Johannesburg since 2021, resulting in fewer pothole claims and improving road safety
  - 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
- The Group disposed of approximately half of its shareholding in Cambridge Mobile Telematics (CMT). CMT has been an associate investment and a strategic partner to Discovery Insure, providing leading expertise in the telematics environment. The strategic partnership is expected to remain largely unaffected by the reduction in shareholding.
- ✓ Discovery 911's offerings, as part of Discovery Insure, are designed to keep clients safe. Panic buttons provide clients with immediate medical and security assistance wherever they are in South Africa, either through a physical or virtual device. Our smoke detector offering triggers an in-home, always-on alarm when smoke is detected and sends an alert to the client's mobile device and to our Insure24 emergency call centre, which dispatches help immediately. In addition, we are enhancing our safety offering by making emergency cover available to all Core Plan clients through Emergency Assist, for no additional cost.
- ✓ Clients can now fund their vehicle licence renewals using their Insure Funder Account by submitting their invoices to Discovery Insure when renewing their licence through the eNatis online platform.
- ✓ The rollout of Geotab continued, with the behaviour-change product platform deployed across several regions and a strong pipeline in place.

## WHERE WE ARE HEADED

Discovery Insure is focused on delivering superior client outcomes, sustainable profitable growth and enduring competitive advantage. To achieve this, we are implementing initiatives across our sales and distribution channels, leveraging the broader Discovery ecosystem and increasing client engagement in Vitality Drive. We will continue to evolve our products and enhance existing offerings in response to changing client needs.

We are also prioritising operational excellence, enabled by continued investment in digital capabilities, AI-driven productivity and enhanced claims management. These initiatives are aimed at mitigating expected margin pressures in the year ahead, including weather normalisation, claims inflation following a benign claims environment in recent years, and the impact of new business growth, where policies typically have higher loss ratios in the early stages.

We anticipate that weather volatility and evolving risk trends will persist. The wealth of data we collect helps strengthen our understanding of the existing and emerging risks we face, including extreme weather-related events and other claims, ensuring that we can adapt and respond proactively to a shifting risk landscape.

Through our partnership with the United Nations Road Safety Fund, we will continue to scale the positive impact of Vitality Drive beyond South Africa by sharing our behavioural science and telematics expertise to help improve driving behaviour and reduce road trauma globally.



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What we offer

Discovery Bank is a full-service retail digital bank with a suite of banking products accessible through the Discovery Bank app and the online banking platform, powered by advanced AI capabilities. This offering includes day-to-day transactional products, flexible savings options and comprehensive lending solutions – all integrated with Vitality Money to reward clients for managing their finances well.

What sets Discovery Bank apart

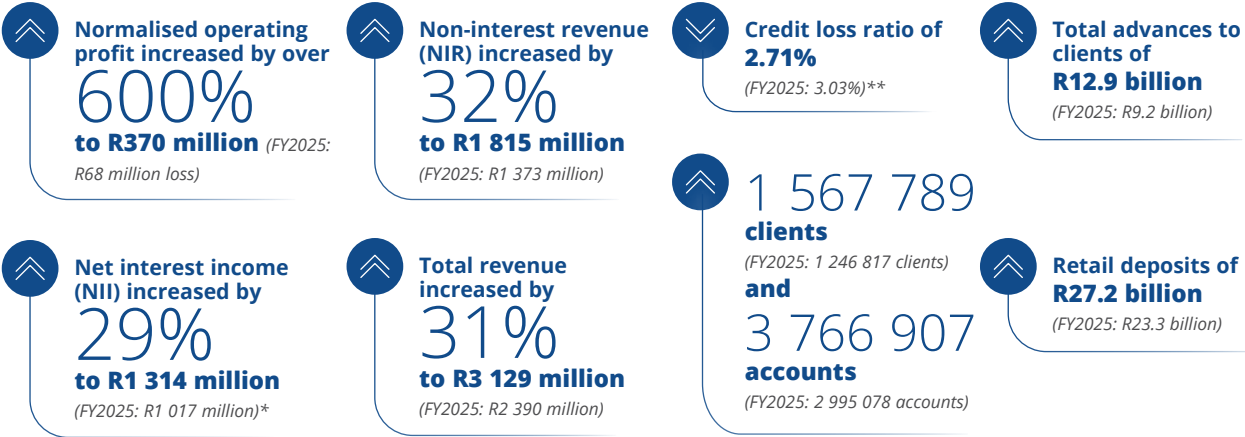
Discovery Bank has created a new category of banking underpinned by our Shared-value model. Through our Superbank strategy, we bring Discovery’s businesses and ecosystems together on a single, connected platform – one client relationship, one integrated app and consistent shared-value rewards – to deliver a seamless experience and superior client outcomes.

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.

The Discovery Bank app delivers a streamlined end-to-end client journey and provides a single platform for clients to access their full Discovery portfolios, with seamless onboarding supported by geolocation-enabled know-your-customer processing and immediate transactional capability. Clients can transact securely, receive personalised insights and access 24/7 support through Discovery AI and in-app calling.



Our key performance indicators



\* NII includes the allocation of interest earned on the bond trading portfolio (recognised as fair value gains in the income statement)  
\*\* Calculated as the expected credit loss (ECL) charge across all products, including overlays and post-IFRS 9 adjustments, on the period-end advances balance across the products



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## Our performance against strategy

Discovery Bank performed well across all key metrics, illustrating the consistent high quality of our client base and their levels of engagement and primacy, delivering a profit compared with a loss in the prior period. The business achieved an operating profit before new business acquisition costs of R865 million (FY2025: R368 million). This reflects the maturation of our business model, supported by strong balance sheet growth, disciplined risk management and increasing operating scale. Our total client base grew by 26%, with over 1 350 new clients per day. This growth, alongside higher product take-up and engagement, drove an increase in NIR supporting higher fee income per client. Efficiencies were realised from the increased use of AI and automated service channels, and expenses benefitted from expanded economies of scale.

Our advances grew by 40%, led by home loans, which were up 129% to R3.9 billion (FY2025: R1.7 billion). This was supported by the new personal loans portfolio, which reached R394 million following its July 2025 launch, and the Revolving Credit Facility, up 31% to R0.9 billion (FY2025: R0.7 billion). The larger standard credit facility and credit card book grew by 13% to R7.7 billion and remained the majority of the portfolio.

- 

An increase in deposits and growth in advances were supported by increasing client primacy, which contributed to an increase in NII. In addition, the Bank saw an increase in standard credit facility applications and limit-increase requests.
- 

The credit loss ratio was maintained within the Bank's long-term target range, supported by disciplined credit management, the ongoing maturation of the lending portfolio and the growing contribution from the low-loss home loan portfolio.
- 

Client engagement levels increased, with 24.9% growth in payment volumes and a 19.4% increase in normalised spend values over FY2026.
- 

Discovery Bank advanced our Superbank strategy through a series of innovations that deepened engagement and extended the Discovery ecosystem. We embedded AI across the client experience through Discovery AI and in-app calling, while integrating Digital Life Plan, Vitality Active, Luno, MultiChoice and the Miles+ Network to bring more of clients' financial and lifestyle needs into a single app.

Discovery Bank remains a key strategic platform for driving further growth both in the Discovery SA composite and beyond the core Discovery client base, with over 70% of new Bank clients also new to the Group. We continued to prioritise high-quality growth while expanding our capabilities and innovative product solutions as part of our Superbank strategy, underpinned by Discovery AI, offering clients access to their full Discovery portfolios, best-in-class service, robust security features and an enhanced rewards ecosystem.

- Clients earned  $\text{R}12.5$  billion during FY2026,** providing tangible value across Discovery's in-store, online and Vitality Mall partner network. Discovery Miles  $\text{R}$ -Day continues to drive engagement, with a combined spend of over  $\text{R}2.8$  billion in FY2026.\*
- Clients earned over  $\text{R}110$  million in interest boosts and over  $\text{R}49$  million in Vitality Money cashbacks.**

\*  $\text{R}10 = \text{R}1$

- 

We also expanded our lending and financial-planning propositions through Personal Loans, Wills and Trust Services and the Vitality Money plan ring, which rewards clients for engaging in budgeting, financial planning and financial education activities.
- 

We continued to prioritise banking security through panic codes and the digital account vault, while further strengthening security through our behavioural fraud solution, TRUST Alert, for in-app and 3D Secure payments. TRUST Alert protects clients through real-time AI monitoring of transactions.

 Positive  Negative  Neutral

## WHERE WE ARE HEADED

We aim to build Discovery Bank as an integrated platform through which clients can access and manage their Discovery products, with seamless product integration, ecosystems, consistent rewards and embedded security and AI. Our efforts to achieve this ambition include driving primacy and revenue through full-suite retail digital banking functionality; sustainably lifting daily sales by focusing on brand and distribution channels; and using data and AI to scale efficiently, protect clients and offer best-in-class service. We are also focusing on growing advances prudently, supported by new product opportunities, and ensuring disciplined credit-risk management and strong quality oversight.

We have made significant progress in integrating broader Discovery Group offerings with the Discovery Bank platform. To support our FY2029 ambition, we are working towards expanding full Discovery product activation journeys, introducing advanced app functionalities for each business and building distinctive ecosystems that leverage partner networks. This will enable us to deliver hyper-personalised experiences at scale.

We will continue to expand our product suite to serve new segments and develop additional revenue streams. In the medium to long term, we are broadening our focus to offer services to small and medium enterprises. Entering business banking is a natural growth opportunity for Discovery Bank and enables us to leverage the extensive client relationships built with employers across the Group. We are on track to achieve our FY2029 ambition of two million clients and R3 billion in operating profit, while preserving the quality of Discovery Bank's client base rather than pursuing growth at all costs.



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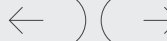
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# Health Insurance

## 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.

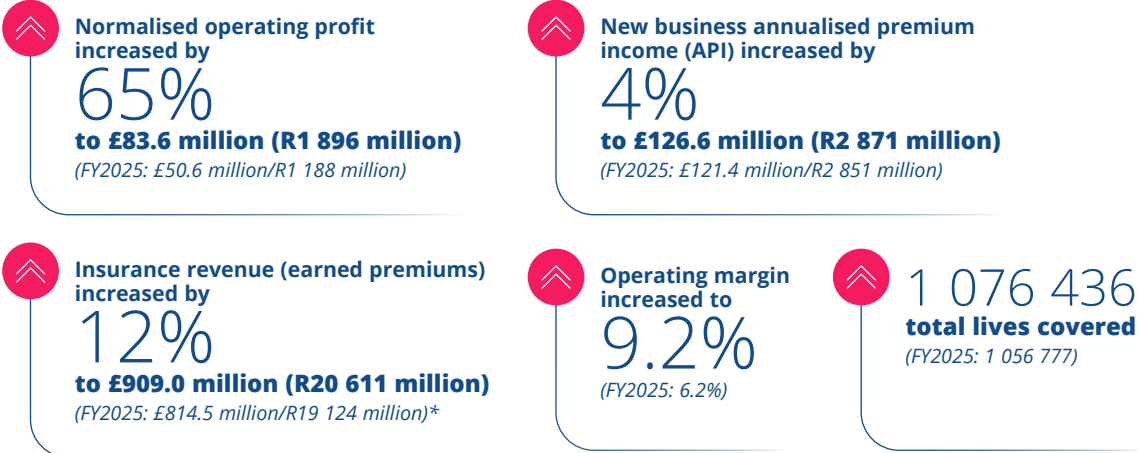
## What sets VitalityHealth apart

Rooted in our Vitality Shared-value model, VitalityHealth promotes healthy living and rewards people for embracing healthier lifestyles. We empower our members, through the Vitality programme, to actively manage their wellness and build sustainable healthy habits, which creates value for members, our business and society as a whole. With the integration of Vitality AI, in partnership with Google, we are driving further healthcare personalisation, while aiming to extend life expectancy and reduce healthcare-associated costs.

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. Care Hub, our digital healthcare platform, enables members to access and manage their care journey in one place, including researching, comparing and booking consultants through Consultant Finder, which highlights Vitality Premier Consultants. This panel is recognised for superior clinical outcomes such as shorter lengths of stay and lower re-admission rates.



## Our key performance indicators



\* Excludes notional premium for Trust schemes



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## Our performance against strategy

VitalityHealth performed well, with increased operating profit and margin recovery driven by shared-value dynamics, effective pricing, a stable claims environment and particularly strong claims management. Challenges in accessing care through the National Health Service (NHS) persist, but claims utilisation in PMI has stabilised. In addition, claims cost inflation was the key driver in claims increases, and our premiums continued to align with claims experience.

Notwithstanding a difficult macroeconomic environment and heightened price competition, new business annualised premium income grew, supported by advanced price optimisation and a diversified distribution capability. While retention pressures remain, we focused on maintaining high-quality business. We continued to invest in healthcare risk management, primary care assets and digital servicing, including Vitality AI, to enhance cost efficiency and care outcomes.

Highly active Vitality members have 27% lower healthcare costs on average.\*

Members achieved an average weight loss of 9.3% in three months on the medicated weight-management pathway.\*

\* Our VitalityHealth Claims Insights Report 2025 can be found here



Fiscal challenges in the UK continue to place pressure on NHS delivery, with persistent backlogs increasing the need for private healthcare, while economic pressures on businesses and individuals are leading to heightened competition among insurers for new business.



GP, mental health and physiotherapy utilisation remained tightly managed, and we successfully controlled costs while maintaining clinical outcomes and member sentiment.



We are evolving our Everyday Care provision to intelligently triage members from initial contact through to secondary care, guiding them to the most appropriate setting and pathway based on individual circumstances. As part of this, members also have access to Care Hub and virtual GP services, enabling a fully digital journey and acting as a starting point of care before referral to suitable care pathways.



Care Hub online and virtual GP engagement continued to grow, with 71% of claims facilitated digitally, up from 67% in FY2025.



VitalityHealth partnered with Boots to enhance access to primary care and accelerate health improvement outcomes. Through this partnership, Vitality Plus members have access to a clinician-led, medicated weight-management pathway, including structured coaching and after-care, and discounts on weight-management services.



Primary Care services comprise 69% of all member claims, demonstrating the type of care people increasingly expect. Primary Care services go beyond traditional access and encompass digital care pathways. They include commonly used treatments that do not need a GP referral, such as physiotherapy and Talking Therapies.



Vitality AI was launched during the year with the ambition to realise personalised health and wellbeing opportunities at scale. The rollout began in April 2026 with the launch of personalised physical activity goals. We intend to expand the opportunity to broader categories of personalised health recommendations over 2027.

VitalityHealth performed well, with increased operating profit and margin recovery driven by shared-value dynamics, effective pricing, a stable claims environment and particularly strong claims management.

## WHERE WE ARE HEADED

VitalityHealth retains a clear growth strategy and a diversified distribution network to drive profitable growth, in line with our goal to be the UK's leading next-generation health insurer. Our priority focus areas include further enhancing the Everyday Care provision and delivering on our partnership with Boots.

At the same time, we remain focused on disciplined, risk-appropriate pricing across both new business and renewals, while actively managing retention in a highly competitive market.

As we continue to improve members' health, we are also integrating Vitality AI to deliver personalised health insights and actions at scale. By combining Google's AI capabilities with Vitality's unique data assets, Vitality AI will help drive better health outcomes and enhance the efficiency of the Vitality programme.



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Positive



Negative



Neutral



# Life Insurance



## What we offer

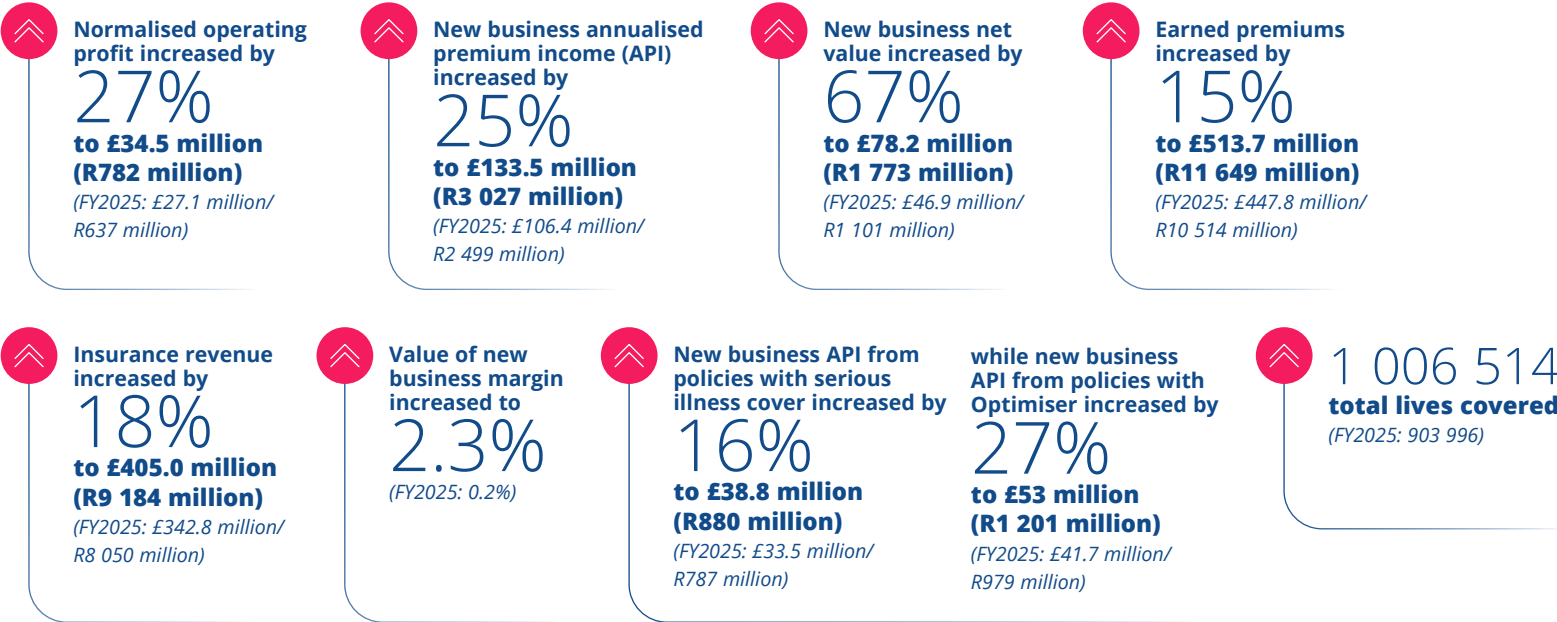
VitalityLife provides long-term life, serious illness, income and mortgage protection cover to individuals. VitalityLife is a top 5 market leader in the UK for protection business in the independent financial adviser market.

## 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 move beyond a transactional insurance approach by adapting our products and services to meet clients' changing needs. This will increasingly address broader societal issues by reducing the healthcare burden and integrating behaviour-change products and services with everyday life. Enhanced through Vitality AI, hyper-personalised daily interactions that incentivise and reward healthy behaviour improve our clients' lives and deliver tangible value. This, in turn, generates higher levels of engagement and strengthens persistency.

## Our key performance indicators



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## Our performance against strategy

VitalityLife's operating profit growth reflected an unwind in margins, while lapse and claims experience was favourable, driven by sustained member engagement in the Vitality programme and its positive impact on actuarial dynamics. Lives covered and earned premiums continued to increase, impacted by robust retention and strong new business volumes. Increased volumes of quality new business also drove an increase in the value of new business margin.

We maintained an exceptional sales trajectory, evidenced by the 25% increase in new business amid the UK market showing signs of growth. Our effective execution of the Shared-value model through an expanded distribution footprint supported volume growth and improved new business quality. Combined with disciplined expense management, this resulted in a 67% increase in new business net value.

**99.4% of life cover claims paid** totalling £149 million and **87.3% of serious illness cover claims paid** totalling £42 million.\*

\* In CY2025

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

\* Our VitalityLife Claims and Shared Value Report 2026 can be found [here](#)

✓ Lives covered increased by 11%, surpassing one million lives, reflecting strong retention and continued growth.

✓ The UK records around 1 800 new cancer cases in children each year. This highlights the importance of children's cover as part of protection insurance. VitalityLife offers children's cover as a separate standalone benefit, recognising that it should not be treated as an added extra but rather a product that offers comprehensive cover without limiting access to only those clients purchasing adult plans.

✓ VitalityLife saved members £44 million in CY2025 (CY2024: £40 million) on their insurance premiums through Optimiser, which enhances the affordability and accessibility of life insurance by directly linking premiums to healthy behaviour. Optimiser offers clients an upfront premium discount without reducing cover, thereby lowering the initial cost barrier to protection. By engaging with the Vitality programme and adopting healthier behaviours, clients can continue to benefit from lower premiums over time.

✓ VitalityLife's pricing is disciplined and value-led, and we continue to deliver growth across Optimiser, indexation, income protection cover and whole of life cover, supporting profit strength.

○ The gap in consumer protection coverage in the UK received increased regulatory and industry focus during the year, with the Financial Conduct Authority's Pure Protection Market Study highlighting challenges around access to protection, product value and consumer understanding – particularly in relation to income protection. VitalityLife worked with the Financial Conduct Authority and the Association of British Insurers on the study to help shape positive outcomes for consumers and the industry, while prioritising clearer, more consistent communication and education around income protection.

✓ We introduced a new AI-powered underwriting tool to support Life and Serious Illness Cover applications. By summarising GP reports, the tool has enabled faster assessment of complex medical evidence and streamlined underwriting decisions, delivering an estimated 50% time saving compared with full report review.

✓ Positive

✗ Negative

○ Neutral

VitalityLife's operating profit growth reflected an unwind in margins, while lapse and claims experience was favourable, driven by sustained member engagement in the Vitality programme and its positive impact on actuarial dynamics.

## WHERE WE ARE HEADED

VitalityLife aims to be the UK's leading next-generation life insurer, growing IFRS 17 new business value, increasing IFRS 17 margins and maintaining a disciplined discounted payback period. To support these goals, we will continue to prioritise price optimisation and distribution to expand our footprint, grow new business net value and maintain liquidity through a sustainable funding model. We are advancing product innovation to embed shared value more deeply, including enhancements to strengthen member engagement and outcomes, and further extension of shared value-linked reinsurance arrangements. We remain in a strong position to drive favourable mortality, morbidity and retention experience over time through the Shared-value model, while pursuing sales growth in profitable products.

Our system modernisation programme to unlock improved system stability, performance and quicker deployment is ongoing. The first phase of the programme focuses on modernising critical business services, with later phases targeting new capabilities and front-end enhancements. We plan to complete the first phase in the second half of 2026. We are also implementing claims automation, which will be deployed incrementally and closely monitored to ensure strong client outcomes and risk control, as well as further rolling out our AI-powered underwriting capabilities.

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# Global Markets



## What we offer

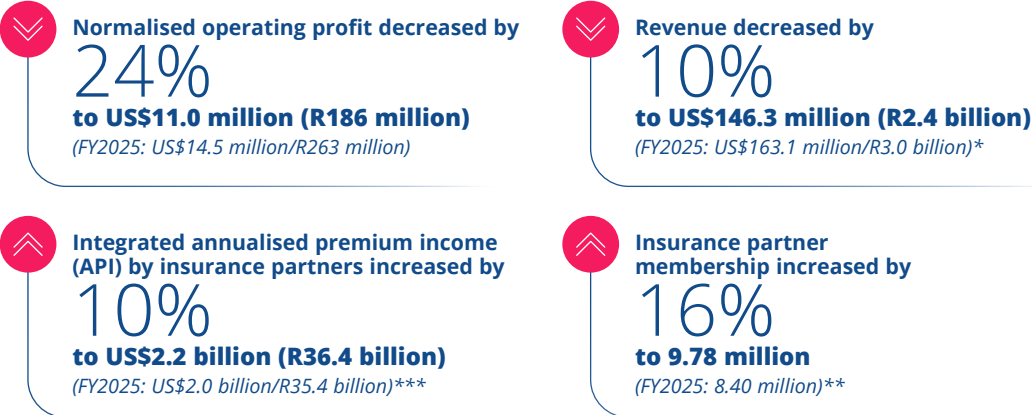
VHI Other and Vitality Network now operate under a single business unit, Vitality Global Markets (VGM), following the completion of Vitality's transition to a regionalised operating model. VGM leverages Discovery's health and Vitality's intellectual property through strategic equity holdings in health insurance, health technology, and solutions businesses – including a 25% shareholding in Amplify Health Asia (a joint venture with AIA); a 100% shareholding in VitalityHealth US; and a 50% shareholding in Quantum Health (a data and analytics joint venture with Quantum Group, which is based in Australia with operations in the UK and SA). VGM also partners with and licenses the Group's Shared-value Insurance model, supported by relevant expertise, data and technology, to major insurers across 22 international markets.

## What sets VGM apart

VGM comprises Discovery's international health interests outside SA, Africa and the UK. Through strategic joint ventures and partnerships, VGM combines Discovery's market-proven health insurance and Vitality capabilities with partners' complementary strengths in high-growth markets. Separately, its wholly owned US business offers Vitality's integrated IP and technology through employers and health plans, providing direct exposure to the world's largest healthcare market. Including the Icario acquisition and HealthEquity partnership, the business is expected to reach over 18 million lives.

VGM's shared-value insurance offering is underpinned by extensive data assets, analytical expertise and proven solutions that improve health outcomes and insurance economics. These capabilities are supported by Vitality AI through the Vitality Technology Platform (previously the Vitality1 platform), a scalable platform that enables deployment across multiple markets and languages through a single configurable app and common technology stack.

## Our key performance indicators



\* Includes gross recurring and lump sum revenues earned by VGM and solutions revenue from external clients, while that from internal clients and rewards is specifically excluded

\*\* Includes enrolled members on the Vitality Technology Platform (net of cancellations/lapses)

\*\*\* Annual premiums generated by our partners from Vitality-integrated products



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# Our performance against strategy

VGM's normalised profit from operations was significantly impacted by adverse Japanese macroeconomic conditions. The successful partnership with Sumitomo Life has driven a large yen-based contract asset, which is expected to unwind at a high rate and which resulted in earnings volatility during the period. The combination of a decline in the Japanese yen and higher Japanese interest rates at year-end resulted in a negative revaluation of US\$11.6 million, compared with a gain of US\$4 million in FY2025. Excluding these impacts, profits increased by 115%, reflecting strong progress for VGM.

The business continued to actively manage its partnership portfolio, focusing on opportunities with strong strategic alignment, scale potential and long-term commitment. During the period, some partnerships were exited to concentrate resources on the most attractive existing and new opportunities. Good progress was made towards securing new long-term partnerships across several European markets following the termination of the Generali partnership, and in expanding beyond traditional insurance partnerships into adjacent areas such as health systems and government-related opportunities.

- ✓

During the year, VitalityHealth US:

  - Rolled out Vitality AI, coaching and clinical programmes across health plan and employer clients
  - Acquired Ramp Health in March 2026, a provider of workplace coaching, safety and clinical services, and commenced the phased migration of processes and clients while embedding Ramp Health capabilities into the long-term operating model
  - Finalised a partnership with HealthEquity, the largest Health Savings Account custodian in the US market by number of accounts, with over 10 million Health Savings Accounts, extending the reach of Vitality's engagement capabilities in the US
  - Migrated over one million members onto the Vitality AI platform following the acquisition of WellSpark which included a multi-year agreement to provide Vitality services to EmblemHealth members
- ✓

VGM and AIA continued to integrate shared-value insurance through new Vitality programme features and enhanced technology and distribution support for AIA market partners.

VitalityHealth US continues to expand beyond employee wellness into integrated digital health and care solutions for health plans and employers. WellSpark continued to outperform expectations, while the integration of Ramp Health increased coaching, clinical and workplace health capabilities. VitalityHealth US revenues grew by 22% as it continued to deploy its Vitality AI-enabled engagement solutions, expanded its footprint to 10 health plans in key market segments, and increased total covered membership to 3.6 million.

Amplify Health delivered against its priorities to scale its AI-enabled health technology platform, deepen existing partner relationships, expand into new markets and improve profitability. It strengthened its presence across Asia-Pacific through multi-year value-sharing partnerships in four key AIA markets and expanded its regional footprint through a three-year partnership with Star Health, India's leading specialist health insurer.

**The Vitality Technology Platform delivers value to our partners through product enhancements, new features available across markets, and scalable AI technology and assets that reduce complexity and accelerate adoption across markets.**

**52% of registered VitalityHealth US members are highly engaged,** reaching silver status or above.\*

\* At 30 September 2026

- ✗

VGM revenue decreased during the period, primarily due to the planned market exits. While this resulted in a short-term reduction in revenue, the business continues to make good progress in securing higher-value partnership opportunities across several European markets, including expanding beyond traditional insurance partnerships into adjacent areas, which are expected to support future growth. Revenue was further affected by lower activity in a core South-East Asian market, following unusually strong sales in the prior period driven by a regulatory change.
- ✓

Partnerships with John Hancock and Manulife continued to perform well, supported by strong new business growth, expanded distribution reach and sustained demand for differentiated life insurance solutions that encourage healthier behaviours.
- ✓

Sumitomo Life Insurance has 2.01 million policies in-force on the Vitality Technology Platform as at 30 June 2026. Total in-force premiums for Vitality-integrated insurance policies grew by 12% in FY2026, driven by a new disability product and broader premium payment options.
- ✗

The yen-based contract asset arising from the Sumitomo Life partnership decreased in value following the year-end revaluation, primarily due to movements in the Japanese yen and interest rates.

## WHERE WE ARE HEADED

Challenges in global health insurance markets continue to provide growth opportunities, and the Group's technology, data science assets and health insurance capabilities remain well positioned to support the globalisation of its intellectual property.

VGM will remain focused on growing revenue by strengthening existing partnerships, securing new opportunities, unlocking geared profits through operational efficiencies generated from scaling, and evolving Vitality products through hyper-personalisation and Vitality AI.

In Asia, the focus remains on scaling Amplify Health and achieving sustainable profitability by rolling out an integrated product package within AIA, while expanding revenue from external partners following the Star Health partnership. VGM will prioritise delivery of Vitality AI to AIA business units, deepen shared-value integration with AIA insurance products, and implement new initiatives to drive growth in AIA Vitality through innovation, personalisation and data-driven engagement. In Japan, Sumitomo Life Insurance is prioritising new sales and the conversion of non-integrated members to achieve its target of five million active Vitality clients by 2030, which remains on track.

In North America, together with John Hancock, VGM's focus is on the next phase of growth through broader participation across additional US life insurance segments and extending the reach of Vitality's Shared-value model. John Hancock continues to invest in new products, distribution expansion and client engagement initiatives to accelerate growth and strengthen market differentiation.

VitalityHealth US is focused on accelerating growth through organic expansion, targeted acquisitions, new distribution channels and the rollout of Vitality AI. A key priority is delivering a more comprehensive continuum of engagement, wellness and care solutions for health plans and employers. After year-end, VitalityHealth US acquired Icario, a leading provider of member activation and engagement services for government-sponsored health plans. Together with the HealthEquity partnership, these initiatives expand access to new addressable markets, create additional growth channels and strengthen the business's ability to compete at scale. Following these transactions, VitalityHealth US will provide services to over 18 million clients.



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# 平安健康保险

PING AN HEALTH INSURANCE

## What we offer

Ping An Health Insurance (PAHI), in which Discovery has a 24.99% equity stake, is a specialist health insurance company in China, forming part of the Ping An Group. The business aims to make people healthier by providing a range of comprehensive health insurance solutions to individual and corporate clients, including medical and accident insurance, wellness management and medical services. PAHI has access to a medical network that gives clients access to local and global expert medical services. Vitality Asia, with offices in Shanghai and Hong Kong, manages Discovery's investment in PAHI, delivering value-adding, capability-enhancing projects, and drives Discovery's relationship with the Ping An Group.

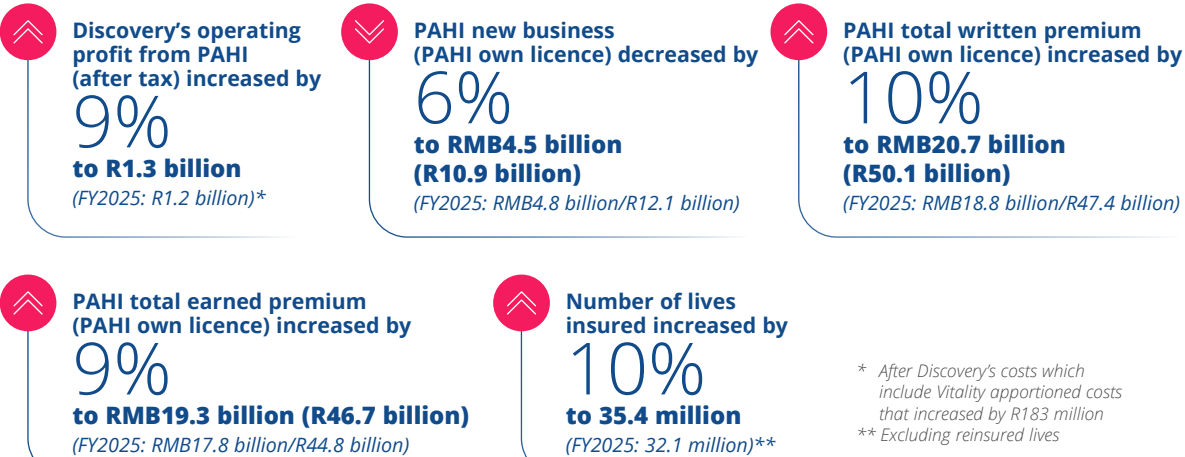
## What sets PAHI apart

PAHI combines Discovery's leading expertise in health insurance product innovation, behavioural science, data and analytics, as well as the Vitality Shared-value Insurance model, with the Ping An Group's scale, technology and extensive healthcare ecosystem. A key differentiator is *HuoLiGO*, PAHI's locally adapted Vitality programme, which applies Discovery's behavioural science and Vitality's intellectual property to engage clients in healthier behaviours, improve health outcomes and create a stronger integration between insurance, health management and everyday wellbeing. PAHI continues to enhance *HuoLiGO* alongside its AI-enabled, personalised Five-Good Living journey – Good Exercise, Good Sleep, Good Nutrition, Good Relax and Good Screening – to deepen client engagement and strengthen the value proposition of its health insurance products.

PAHI also benefits from its established health and wellness service capabilities and access to the broader Ping An Group healthcare ecosystem, including healthcare delivery, digital health and medical resources such as PKU Healthcare and Ping An Good Doctor – providing a differentiated platform to integrate insurance, health management and healthcare services.



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Our performance against strategy

PAHI delivered a strong financial performance, with the Group’s share of after-tax operating profit, after Discovery’s costs, increasing by 9% to R1.3 billion. PAHI’s profit before investment income and gains grew by 21%, reflecting improved underlying business performance driven by innovative product offerings, channel diversification, stronger client retention and continued cost discipline. Profit before tax increased by 31% – supported by strong investment gains as Chinese equity markets recovered from the second half of CY2025, despite periods of volatility arising from geopolitical tensions during the first half of CY2026. This contributed to a net margin of 13%, an improvement of two percentage points compared with FY2025.

PAHI also maintained a strong capital position, with a comprehensive solvency ratio of 289% (unaudited), which reflects prudent capital management and the strength of the balance sheet. While exceptional investment markets supported earnings growth, the results also reflected improved underlying business performance and the increasing contribution of PAHI’s differentiated product and distribution strategy.

- PAHI achieved excellent performance, driven by product innovation, channel diversification, robust operating margins and a substantial, once-off increase in investment returns.
- China’s private health insurance market continues to expand, supported by rising demand for private healthcare and regulatory support for innovation. Against this backdrop, PAHI delivered strong growth and continued to gain market share.
- PAHI has consistently outperformed market growth over the last six calendar years due to its industry-leading products and services, data and risk management capabilities, and differentiated distribution strategy.

The anticipated decline in new business followed the discontinuation of distribution of the core *eShengBao* product range through the Ping An Life (PAL) channel. However, this decline was mitigated by strong growth from PAHI’s other channels. In addition, strong retention rates drove improved growth in renewal premiums from both the PAL channel back book and alternative distribution channels. As a result, the increase in earned premiums significantly outpaced industry growth. The number of insured lives continued to grow, reflecting strong client acquisition enabled by enhanced recognition of product innovation and deeper integration of health and wellness services.

PAHI delivered a strong financial performance, with the Group’s share of after-tax operating profit, after Discovery’s costs, increasing by 9% to R1.3 billion.

- Against the backdrop of regulatory scrutiny of related-party distribution arrangements, PAL discontinued distribution of PAHI’s core *eShengBao* product range through its agency channel and began offering similar products directly. This constrained PAHI’s new business growth and accelerated the diversification of its distribution channels.
- PAHI continues to strengthen its self-reliance by expanding scalable distribution channels and enhancing its differentiated health proposition through deeper integration of *HuoLiGO*.

Positive Negative Neutral

WHERE WE ARE HEADED

PAHI’s priority is to strengthen its growth platform through channel diversification and product innovation within a health and wellness-driven business model. Its long-term growth drivers are to expand third-party distribution, build early momentum in bancassurance and continue to develop *SuiShenYi*, PAHI’s own digitally based agency force. Key initiatives include progressing bancassurance product development and enhancing *HuoLiGO* by introducing member status, enhanced client engagement and shared-value insurance products that strengthen client value and retention.

While the discontinuation of PAL’s distribution of the *eShengBao* product range is affecting near-term new business production, PAHI remains well positioned for long-term growth through its diversified distribution model and innovative health and wellness proposition. These capabilities position PAHI to capture the structural growth opportunity in China’s private health insurance market, supported by policy reforms that encourage greater integration between commercial insurance, healthcare services and the public health system. Together with China’s ageing population, these reforms are expected to continue driving significant demand for private health insurance.



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# Integrated Reporting Framework application register

Our Integrated Annual Report has been prepared in accordance with 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, which are explained in the context of our business alongside.



## Our resources and relationships (capitals) and what they mean for us

FC

### Financial Capital

The funds, including equity and debt, that enable us to expand globally, 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 and 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 Vitality Technology 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 is responsible 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               | <i>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.</i>                                                                                | 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, in addition to how the six capitals contribute to our ability to achieve the Group's strategic objectives.                                                                                                            | <div>PG 10</div> Our business model                                | <div>PG 27</div> Group Chief Executive's report | <div>PG 32</div> Our strategy                             | <div>PG 42</div> Risks and opportunities                | <div>PG 53</div> Our trade-offs       |
| Connectivity of information   | <i>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.</i>                                                                                                                 | 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. To enhance readability and connectivity of information, our report follows a logical structure and utilises effective navigation devices. Furthermore, the report 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. | <div>PG 3</div> Navigating and connecting our value creation story | <div>PG 10</div> Our business model             |                                                           |                                                         |                                       |
| Stakeholder relationships     | <i>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.</i>                                  | This report reflects on Discovery's relationships with its stakeholder groups, including how we perceive and measure the quality of these relationships. We provide information on 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.                                                                                                                                                                                          | <div>PG 14</div> Our material themes and material matters          | <div>PG 42</div> Risks and opportunities        | <div>PG 55</div> Engaging with our stakeholders           | <div>GOV</div> Refer to our full Governance Report.     |                                       |
| Materiality                   | <i>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.</i>                                                                                                                                       | In compiling this report, we applied our judgement to only include information that could affect the creation, preservation and erosion of value. 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 directly impact Discovery or our stakeholder groups.                                                                                                                                                                        | <div>PG 14</div> Our material themes and material matters          | <div>PG 42</div> Risks and opportunities        |                                                           |                                                         |                                       |
| Consistency and comparability | <i>The information in an integrated report should be presented:</i> <ul style="list-style-type: none"><li>On a basis that is consistent over time</li><li>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</li></ul> | 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.                                                                                                                                                                                                                                                                                                                                           | <div>PG 27</div> Group Chief Executive's report                    | <div>PG 32</div> Our strategy                   | <div>PG 66</div> Group Chief Financial Officer's review   | <div>PG 74</div> Our business reviews                   |                                       |
| Conciseness                   | <i>An integrated report should be concise.</i>                                                                                                                                                                                                                                                                         | Our Integrated Annual Report is logically structured and uses 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 stakeholders to make informed decisions on our prospects.                                                                                                                                                                                             | <div>PG 23</div> Governance overview                               | <div>PG 32</div> Our strategy                   | <div>PG 66</div> Group Chief Financial Officer's review   | <div>PG 74</div> Our business reviews                   |                                       |
| Reliability and completeness  | <i>An integrated report should include all material matters, both positive and negative, in a balanced way and without material error.</i>                                                                                                                                                                             | 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 FY2026 performance. The report is also reviewed by our Group Audit Committee and, in turn, approved by our Board.                                                                                         | <div>PG 2</div> About this report                                  | <div>PG 9</div> Snapshot of FY2026              | <div>PG 14</div> Our material themes and material matters | <div>PG 66</div> Group Chief Financial Officer's review | <div>PG 74</div> Our business reviews |



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## Content elements

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|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Organisational elements               | <i>What does the organisation do and what are the circumstances under which it operates?</i>                                                                                                      | We unpack who we are as a South African-founded financial services organisation and global leader in shared-value insurance. We explain why we are in business, how we operate and what we do, supported by 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.                                                                                                                                                                                        | <b>PG 5</b> Group overview<br><b>PG 27</b> Group Chief Executive's report<br><b>PG 74</b> Our business reviews                                                                                                                                                           |
| Governance                            | <i>How does the organisation's governance structure support its ability to create value in the short, medium and long term?</i>                                                                   | 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 through oversight of the Group's strategic direction, performance, risks and accountability.                                                                                                                                                                                                                      | <b>PG 17</b> Ensuring good governance<br><b>PG 63</b> Remuneration overview<br><b>GOV</b> Refer to our full Governance Report.                                                                                                                                           |
| Business model                        | <i>What is the organisation's business model?</i>                                                                                                                                                 | <p>This report includes a detailed section on how we create 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 2029 and our long-term objectives.</p> <p>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.</p> <p>Our Shared-value model incentivises positive behaviour change – delivering better value for clients, superior actuarial dynamics for the insurer, and a healthier society.</p> | <b>PG 10</b> Our business model<br><b>PG 11</b> Our Shared-value model                                                                                                                                                                                                   |
| Risks and opportunities               | <i>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?</i>  | This report identifies Discovery's current and emerging risks, along with the steps we are taking to mitigate these and capture any opportunities that may arise.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>PG 42</b> Risks and opportunities                                                                                                                                                                                                                                     |
| Strategy and resource allocation      | <i>Where does the organisation want to go and how does it intend to get there?</i>                                                                                                                | We detail our purpose-driven strategy, including our long-term strategic objectives across market-specific composites. We also discuss our performance against Ambition 2029 and the short-term key performance indicators that will help us achieve our goals.                                                                                                                                                                                                                                                                                                                                                                                           | <b>PG 5</b> Group overview<br><b>PG 27</b> Group Chief Executive's report<br><b>PG 32</b> Our strategy                                                                                                                                                                   |
| Performance                           | <i>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?</i>                                        | We disclose both quantitative and qualitative information on Discovery's FY2026 performance throughout this report, including the performance of our business units. We also report on our progress against key performance indicators across our three strategic objectives, as well as how our performance impacted the six capitals.                                                                                                                                                                                                                                                                                                                   | <b>PG 9</b> Snapshot of FY2026<br><b>PG 10</b> Our business model<br><b>PG 27</b> Group Chief Executive's report<br><b>PG 32</b> Our strategy<br><b>PG 53</b> Our trade-offs<br><b>PG 66</b> Group Chief Financial Officer's review<br><b>PG 74</b> Our business reviews |
| Outlook                               | <i>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?</i> | 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 navigate 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. In addition, we provide information on whether we are equipped to respond to future challenges given the volatile macroeconomic environment.                                                                                                                                                 | <b>PG 18</b> Chairperson's reflections<br><b>PG 27</b> Group Chief Executive's report<br><b>PG 32</b> Our strategy<br><b>PG 49</b> Our operating environment<br><b>PG 66</b> Group Chief Financial Officer's review<br><b>PG 74</b> Our business reviews                 |
| Basis of preparation and presentation | <i>How does the organisation determine what matters to include in the integrated report and how are such matters quantified or evaluated?</i>                                                     | The content in this Integrated Annual Report is guided by issues that could substantively impact our ability to create or preserve value over time, as well as those issues that could erode value if not managed effectively. As such, we outline a summary of the double-materiality determination process followed during FY2026, as well as 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.                                                                                                                                | <b>PG 2</b> About this report<br><b>PG 14</b> Our material themes and material matters                                                                                                                                                                                   |



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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                                                                                                                                                                                |
| CO2e          | 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                                                                                                                                                                                             |
| 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"><li>■ The effect of the time value of money and changes in the time value of money, and</li><li>■ The effect of financial risk and changes in financial risk</li></ul> |
| 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)                                                                                                                                                                                                                                                               |
| IFRS S2                  | Climate-related ISSB standard                                                                                                                                                                                                                                                                                                               |
| ISSB                     | International Sustainability Standards Board                                                                                                                                                                                                                                                                                                |
| IT                       | Information technology                                                                                                                                                                                                                                                                                                                      |
| JSE                      | JSE Limited                                                                                                                                                                                                                                                                                                                                 |
| King V™                  | King Report on Corporate Governance™ for South Africa, 2025                                                                                                                                                                                                                                                                                 |
| 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 digital health platform that combines data, actuarial and behavioural science to engage members in a personalised programme that incentivises healthier habits and 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                                                                                                                                                                                                                                                           |
| Superbank                    | Our Superbank connects banking and broader financial services with behavioural intelligence, so relevant products and actions create additional value together and help people achieve more across their financial lives                                                        |
| TCF                          | Treating customers fairly                                                                                                                                                                                                                                                       |
| 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, Vitality Global Markets and PAHI, as well as Vitality AI and other central costs                                                                                                                                                |
| Vitality AI                  | An evolution of the Vitality behaviour-change platform that merges Google's scalable cloud and AI capabilities with Vitality's vast data assets to identify clients' risk factors with greater precision, deliver accurate next best actions and encourage healthier behaviours |
| Vitality Global Markets      | Our business consisting of former Vitality Network and VHI (Other) 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 Technology Platform | Incorporates the former Vitality1 platform and is central to deploying Vitality AI by providing a single configurable app with shared-value capabilities that our partners can adopt without lengthy, costly or complex organisational transformation                           |
| Vitality UK                  | Our composite consisting of VitalityHealth and VitalityLife business units                                                                                                                                                                                                      |
| WACC                         | Weighted average cost of capital                                                                                                                                                                                                                                                |



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