2026

DISCOVERY VITALITY

Discovery

Annual financial statements

for the year ended 30 June 2026



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Discovery Vitality Proprietary Limited

Registration number
1999/007736/07

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Basis of preparation

The Annual Financial Statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and the requirements of the South African Companies Act. They have been prepared in accordance with the going concern principle using the historical cost basis, except where otherwise stated in the accounting policies.

The Annual Financial Statements have been prepared under the supervision of L Lulema CA(SA), Chief Financial Officer. The Annual Financial Statements are reviewed by management, the Discovery Limited Audit Committee and Board, and are audited by the external auditors of Vitality, KPMG Inc.

A copy of the set of financial statements with the signatures of the directors is available at the Company's registered office through a secure electronic manner, at the election of the person requesting inspection.



Directors' responsibility statement

for the year ended 30 June 2026

Directors' responsibility to the shareholders of Discovery Vitality Proprietary Limited (Vitality or Company)

The Directors of Vitality are required by the Companies Act, No. 71 of 2008, as amended (Companies Act), to maintain adequate accounting records and to prepare financial statements for each financial year that fairly present the state of affairs of Vitality at the end of the financial year and the results and cash flows for the year. In preparing the accompanying Annual Financial Statements, IFRS Accounting Standards have been used, and reasonable estimates have been made. The Annual Financial Statements incorporate full and responsible disclosure, in line with Vitality's philosophy on corporate governance.

The Directors have reviewed Vitality's budget and cash flow forecast for the year to 30 June 2027. On the basis of this review, and in light of the current financial position and available cash resources, the directors have no reason to believe that Vitality will not be a going concern for the foreseeable future. The going concern basis has therefore been adopted in preparing the Annual Financial Statements.

The directors are responsible for Vitality's systems of internal control, which include internal financial controls in the various subsidiaries that are designed to provide reasonable, but not absolute, assurance against material misstatement and loss. Vitality maintains internal financial controls to provide assurance regarding:

- Safeguarding of assets against unauthorised use or disposition, and
- The maintenance of proper accounting records, written or electronic and the reliability of financial information used within the business, or for the publication thereof, including submissions to the Companies and Intellectual Property Commission (CIPC).

The controls contain self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. Even an effective system of internal control, no matter how well designed, has inherent limitations, including the possibility of circumvention and the overriding of controls. An effective system of control therefore aims to provide reasonable assurance with respect to the reliability of financial information and, in particular, the presentation of Annual Financial Statements.

To the best of their knowledge and belief, based on the above, the directors are satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the year under review.

Vitality's external auditors, KPMG Inc., have audited the Financial Statements and their unmodified report appears on pages 2 to 3.

The Annual Financial Statements of Vitality for the year ended 30 June 2026, which appear on pages 7 to 44 have been approved by the Board of Directors on 2 October 2026, and are signed on its behalf by:

A Pollard
Director

D Govender
Director

Independent auditors' report

for the year ended 30 June 2026

To the shareholder of Discovery Vitality Proprietary Limited

Opinion

We have audited the financial statements of Discovery Vitality Proprietary Limited (the Company) set out on pages 7 to 44, which comprise the statement of financial position as at 30 June 2026, and the income statement, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information (Annexure A).

In our opinion, the financial statements present fairly, in all material respects, the financial position of Discovery Vitality Proprietary Limited as at 30 June 2026, and its financial performance and cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards*). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Discovery Vitality Proprietary Limited Annual Financial Statements for the year ended 30 June 2026", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditors' report *continued*

for the year ended 30 June 2026

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Inc.

Registered Auditor

Per: LW Grobler
Chartered Accountant (SA)
Registered Auditor
Director

KPMG Crescent
85 Empire Road
Parktown
2193

7 October 2026

Directors' report

for the year ended 30 June 2026

The Directors present their report, which forms part of the Annual Financial Statements of Discovery Vitality Proprietary Limited, for the year ended 30 June 2026.

Nature of business

Discovery Vitality consists of the Vitality Health programme, and to an extent the Vitality Money and Vitality Drive programmes, which give policyholders access to a wide range of tools, activities, and partners to encourage and reward their positive behaviour, thereby making them healthier, and enhancing and protecting their lives. As a policyholder engages in improving their health, they (1) earn Vitality Points, which contribute to improving their Vitality Status, and (2) earn rewards, some of which increase based on Vitality status, in the form of upfront discounts, Discovery Miles, cashbacks and vouchers at Vitality's rewards partners.

Review of results

Vitality made a profit for the year of R95 million (2025: R159 million loss).

Share capital

There were no changes in the authorised or issued share capital of the Company during the financial year.

Dividends

There were no dividends paid in the current or prior financial year.

Holding company

Vitality is a wholly owned subsidiary of Discovery Limited which is listed in the insurance sector of the JSE Limited. Discovery Limited and its subsidiaries are referred to as the Group in the financial statements.

Directors

The following were directors and prescribed officers of the Company during the current financial year:

Executive directors	Independent non-executive directors	
D Govender	H Kallner	
L Lulema	NS Koopowitz	
	A Pollard	
	B Swartzberg	
	NB Kader	Appointed (01 January 2026)

The following were directors and prescribed officers of the Company during the prior financial year:

Executive directors	Independent non-executive directors	
D Govender	A Gore	Resigned (30 June 2025)
L Lulema	H Kallner	
	NS Koopowitz	
	A Pollard	
	B Swartzberg	

Directors' remuneration

A detailed analysis of directors' emoluments and participation in share incentive schemes is set out in Annexure B of the Annual Financial Statements.

Directors' service contracts

All executive Directors are employed on employment contracts that can be cancelled with written notice by either the Executive or the company.

Directors' report *continued*

for the year ended 30 June 2026

Directors' interests in contracts

No material contracts involving Director's interests were entered into in the current year. The Directors had no interest in any third party or company responsible for managing any of the business activities of Vitality.

Indemnification and insurance of directors and officers

The Company entered into agreements to indemnify its directors to the extent permitted by law against all liabilities, including legal costs, incurred by the director in connection with or as a consequence of the director acting in any capacity, including as an authorised representative of a company. During the financial year, the Company paid insurance premiums in respect of a Directors and Officers Liability insurance contract, which insures directors and officers of the Company against certain liabilities arising in the course of their duties to the Company. As such disclosure is prohibited under the terms of the contract, details of the nature of the liabilities covered and the amount of premium paid are not disclosed.

Borrowing powers

The directors may exercise all the powers of the Company to borrow money. In terms of the Memorandum of Incorporation, the borrowing powers of the Company are unlimited.

Company secretary

M Bagus is the Company Secretary

Registered office	**Postal address**
1 Discovery Place	PO Box 786722
Sandton	Sandton
2196	2146

Events after the reporting date

There are no significant events after the reporting date, being 30 June 2026, to the date of the approval of the Annual Financial Statements, namely, 2 October 2026.

Auditors

KPMG Inc. have been appointed as external auditors in accordance with section 90(1) of the Companies Act, for the year ended 30 June 2026 (2025: KPMG Inc.).

Primary **financial statements**



Statement of financial position

as at 30 June 2026

R million	Notes	2026	2025
Assets			
Intangible assets	3	**194**	163
Property and equipment	4	*****	1
Deferred tax asset	5.1	**62**	98
Assets arising from contracts with customers	6.1	**69**	90
Financial assets			
– Loans to fellow group companies at amortised cost	7	**139**	169
Contract receivables and other receivables	8	**375**	363
Cash and cash equivalents	9	**535**	145
TOTAL ASSETS		**1 374**	1 029
Equity			
Capital and reserves			
Ordinary share capital and share premium	10	*****	*
Other reserves		**(20)**	(24)
Retained earnings		**213**	124
Equity attributable to equity holders of the Company		**193**	100
TOTAL EQUITY		**193**	100
Liabilities			
Contract liabilities to customers	6.1	**724**	498
Financial liabilities			
– Loans from fellow group companies at amortised cost	11	**20**	121
– Finance guarantee contracts	12	**1**	2
– Other financial payables at amortised cost	13	**274**	217
Other payables	14	**158**	91
Current tax liability		**4**	*
TOTAL LIABILITIES		**1 181**	929
TOTAL EQUITY AND LIABILITIES		**1 374**	1 029

* *Amount is less than R500 000.*

Income statement

for the year ended 30 June 2026

R million	Notes	2026	2025
Revenue	6.2	**4 565**	4 187
Investment income using the effective interest rate method	15	**39**	17
Other income	16	**38**	6
Total income		**4 642**	4 210
Acquisition costs		**(116)**	(219)
Expected credit losses		*****	*
Marketing and administration expenses:		**(4 349)**	(4 089)
– Benefit expenses		**(3 433)**	(3 161)
– Marketing and administration expenses	17	**(916)**	(928)
Operating profit/(loss)		**177**	(98)
Interest expense	18	**(32)**	(87)
Profit/(loss) before income tax		**145**	(185)
Income tax (expense)/credit	5.2	**(50)**	26
Profit/(loss) and comprehensive income for the year		**95**	(159)

* *Amount is less than R500 000.*

Statement of changes in equity

for the year ended 30 June 2026

R million	Share capital and share premium	Hedging reserve	Share-based payment reserve	Retained earnings	Total equity
Year ended 30 June 2025					
At beginning of the year	*	*	(28)	283	255
Total comprehensive income for the year	–	–	–	(159)	(159)
Net loss for the year	–	–	–	(159)	(159)
Other comprehensive income	–	–	–	–	–
Transactions with owners	–	–	4	–	4
Employee share option schemes:					
– Contribution to share trust	–	–	(23)	–	(23)
– Value of employee services, net of tax	–	–	27	–	27
– Transfer of vested shares	–	–	*	(*)	–
At end of the year	*	*	(24)	124	100
Year ended 30 June 2026					
At beginning of the year	*****	*****	**(24)**	**124**	**100**
Total comprehensive income for the year	**–**	**–**	**–**	**95**	**95**
Net profit for the year	**–**	**–**	**–**	**95**	**95**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**
Transactions with owners	**–**	**–**	**4**	**(6)**	**(2)**
Employee share option schemes:					
– Contribution to share trust	**–**	**–**	**(30)**	**–**	**(30)**
– Value of employee services, net of tax	**–**	**–**	**28**	**–**	**28**
– Transfer of vested shares	**–**	**–**	**6**	**(6)**	**–**
At end of the year	*****	*****	**(20)**	**213**	**193**

* *Amount is less than R500 000.*

Statement of cash flows

for the year ended 30 June 2026

R million	Notes	2026	2025
Cash flows from operating activities		**559**	118
Cash generated from/(utilised by) operations	20.1	**174**	(44)
Interest received		**39**	17
Taxation (paid)/received	20.4	**(8)**	1
Net movement in operating assets		**354**	144
– Decrease in operating assets	20.2	**65**	166
– Increase/(Decrease) in operating liabilities	20.3	**289**	(22)
Cash flows from investing activities		**(61)**	(56)
Purchase of intangible assets		**(61)**	(56)
Cash flows from financing activities		**(108)**	*
Proceeds from loans from fellow group companies		**–**	120
Repayment of loans from fellow group companies		**(108)**	(120)
Net increase in cash and cash equivalents		**390**	62
Cash and cash equivalents at beginning of the year		**145**	83
Cash and cash equivalents at end of the year		**535**	145
Reconciliation to statement of financial position			
Cash and cash equivalents		**535**	145
Cash and cash equivalents at end of the year		**535**	145

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1 Significant accounting estimates and judgements in applying accounting policies

In preparing the Annual Financial Statements, estimates, assumptions, and judgements are made that could materially affect the reported amounts of assets and liabilities within the next financial year. Accounting estimates and judgements are regularly reviewed and are based on historical experience, current best estimates, and expectations of future outcomes as well as anticipated changes in the environment. The following represents the most material key assumptions applied by management in preparing these Annual Financial Statements.

Discovery Miles liability

The fair value of the Discovery Miles granted to members is estimated by applying a weighted average cost per Mile based on estimated redemption percentages. The weighted average cost is 10.20 cents per mile for the current financial year (2025: 10.19 cents per mile). Miles can be earned by various factors, such as achieving weekly Vitality Active Rewards goals, purchasing items within Healthy Living, and transacting with your Discovery Bank credit card. As per the Vitality benefit rules, Vitality issues Miles to members when they have met the qualifying criteria. This has been included as part of Contract Liabilities in the Statement of Financial Position as it is closely associated with the Vitality Income earned from the Vitality Programme.

Deferred tax asset

Vitality recognises deferred tax assets on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised.

2 Management of financial risk

Vitality's activities expose it to a variety of financial risks. Financial risks include market risk, credit risk and liquidity risk.

Financial risks are managed by Vitality as follows:

- The Capital, Currency, Investment Committee (CCIC) is a sub-committee of Vitality Executive Committee and meets quarterly to focus on shareholder assets and the performance of asset managers responsible for managing these assets. The CCIC also sets exposure limits for exposures of individual counterparties.
- The Investment Committee is a sub-committee of the CCIC and meets monthly to make operational decisions regarding Vitality's liquidity.

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

2 Management of financial risk *continued*

2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and investment return. Market risk that could impact on future cash flows and hence the value of a financial instrument arises from:

- Interest rate risk: The impact of changes in market interest rates.
- Currency risk: The impact of changes in foreign exchange rates.

Vitality's exposure will be discussed in more detail below.

2.1.1 INTEREST RATE RISK

Sensitivity to changes in interest rates is relevant to financial assets or liabilities bearing floating interest rates due to the risk that future cash flows fluctuate. However, sensitivity will also be relevant to fixed-rated financial assets and financial liabilities that are re-measured to fair value. The table below details the specific interest rate risk that the Vitality is exposed

R million	Carrying value	Floating	Fixed	Non-interest bearing
As at 30 June 2026				
Loans to fellow group companies at amortised cost	**139**	**–**	**–**	**139**
Contract receivables	**14**	**–**	**–**	**14**
Other receivables	**299**	**–**	**–**	**299**
Cash and cash equivalents	**535**	**535**	**–**	**–**
Total financial assets	**987**	**535**	**–**	**452**
Loans from fellow group companies at amortised cost	**20**	**–**	**–**	**20**
Financial guarantee contracts	**1**	**–**	**–**	**1**
Other financial payables at amortised cost	**274**	**–**	**–**	**274**
Total financial liabilities	**295**	**–**	**–**	**295**
As at 30 June 2025				
Loans to fellow group companies at amortised cost	169	–	–	169
Contract receivables	47	–	–	47
Other receivables	228	–	–	228
Cash and cash equivalents	145	145	–	–
Total financial assets	589	145	–	444
Loans from fellow group companies at amortised cost	121	–	–	121
Financial guarantee contracts	2	–	–	2
Other financial payables at amortised cost	217	–	–	217
Total financial liabilities	340	–	–	340

INTEREST RATE SENSITIVITY ANALYSIS

For cash and cash equivalents, a 1% increase in the local interest rate would result in an increase of R5 349 888 before tax and equity (2025: R1 454 419). A 1% decrease in the local interest rate would result in a decrease of R5 349 888 before tax and equity (2025: R1 454 419). The sensitivity is based on the assumption that the interest rate had increased/decreased by 1% with all other variables held constant.

2.1.2 CURRENCY RISK

Currency risk is the impact of changes in foreign exchange rates on future cash flows and hence the value of a financial instrument.

All Vitality's financial instruments are Rand denominated and therefore have no exposure to currency risk.

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

2 Management of financial risk *continued*

2.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The credit risk associated with Cash and cash equivalents is managed by monitoring exposure to external financial institutions against limits set by the CCIC.

CREDIT EXPOSURE FOR DEBT INSTRUMENTS, MONEY MARKET INSTRUMENTS AND CASH AND CASH EQUIVALENTS

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Key areas where Vitality is exposed to credit risk are:

- Cash and cash equivalents: This risk is managed by monitoring exposure to external financial institutions. Credit ratings are provided below
- Certain financial assets within Contract and other receivables
- Loans to fellow group companies
- Financial guarantee contracts

CREDIT EXPOSURE

The following table provides information regarding the aggregated credit risk exposure for Vitality, categorised by the Group's rating scale at 30 June:

R million	Total	Aa1-3	A1-3	Baa1-3	Ba1-3	B1-3	Internally rated/ assessed
As at 30 June 2026							
Loans to fellow group companies at amortised cost	**139**	**–**	**–**	**–**	**139**	*	**–**
Cash and cash equivalents	**535**	**102**	**–**	**333**	**100**	**–**	**–**
Total financial assets	**674**	**102**	**–**	**333**	**239**	**–**	**–**
Financial guarantee contracts	**12 592**	**–**	**–**	**–**	**–**	**–**	**–**
As at 30 June 2025							
Loans to fellow group companies at amortised cost	169	–	–	–	169	–	–
Cash and cash equivalents	145	–	–	145	–	–	–
Total financial assets	314	–	–	145	169	–	–
Financial guarantee contracts	12 868	–	–	–	–	–	–

* *Amount is less than R500 000.*

For the rating scales applied, refer to Discovery Limited's Annual Financial Statements, note 3.12.

CREDIT RISK RELATING TO CONTRACT AND OTHER RECEIVABLES

The table below summarises the Company's contract receivables and other receivables as at 30 June. This table only relates to shareholder's credit exposure.

R million	Notes	2026	2025
Contract receivables:		**14**	47
Discovery Health Medical Scheme members		**2**	38
Closed scheme members		**16**	11
Less provision for impairment of contract receivables	2.3	**(4)**	(2)
Other loans and receivables:		**299**	228
Agents and brokers		**–**	17
Vitality partner debtors		**312**	250
Less allowance for expected credit losses	2.3	**(13)**	(39)
Total		**313**	275

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

2 Management of financial risk *continued*

2.2 Credit risk *continued*

CREDIT RISK RELATING TO CONTRACT AND OTHER RECEIVABLES *continued*

Credit risk relating to loans and receivables is managed as follows:

1. The Vitality premiums due from Discovery Health Medical Scheme (DHMS) and closed scheme members do not carry significant credit exposure as amounts due from any single member is insignificant.
2. Agents and brokers are subject to a comprehensive relationship management program including credit assessment. Agents and brokers are not rated by Vitality as exposure to any single intermediary is insignificant. The widespread nature of the individual amounts combined with this close management relationship reduces credit risk. Most commission claw-backs are off-set against future payments and hence the risk of outstanding commission is minimal.
3. Vitality partner debtors settle their accounts within 30 days in the ordinary course of business. These debtors have not been rated.

Vitality ages and pursues unpaid accounts on a monthly basis. The ageing of the components of contract and other receivables at 30 June was:

	2026		2025	
R million	Gross	Impairment	Gross	Impairment
Not past due (current)	**209**	**(13)**	254	(39)
30 days	**17**	**–**	11	–
60 days	**36**	**–**	13	–
90 days	**10**	**–**	6	–
120 days	**38**	**(4)**	21	(2)
150 days	**4**	**–**	(4)	–
>150 days	**16**	**–**	15	–
	330	**(17)**	316	(41)

Vitality applies the expected credit loss model to contract and other receivables, cash and cash equivalents and loans to fellow group companies. The approach to determining credit losses varies according to the asset type, past bad debt experience and the potential to incorporate forward looking information.

The expected credit loss approach requires that Vitality assess the credit risk of the instrument and determine whether there has been a significant increase in credit risk since recognition. Where there has not been a significant increase in credit risk since initial recognition expected credit losses are measured as the 12 month expected credit losses. Where there has been a significant increase in credit risk, expected credit losses are recognised as the life-time credit losses.

2.3 Expected credit loss reconciliation

For a breakdown of those contract receivables and other receivables for which allowance for expected credit loss was recognised, refer to note 8. Contract receivables and other receivables. For the accounting policies relevant to the recognition and measurement of expected credit losses refer to Annexure A policy 4.1.2.

	General Model			Simplified model		
R million	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL/credit impaired)	Not Credit impaired	90 days past due/ credit impaired	Total
Year ended 30 June 2026						
Balance at beginning of the year	**–**	**(4)**	**–**	**–**	**(37)**	**(41)**
Decrease in ECL	**–**	**2**	**–**	**–**	**17**	**19**
Amounts utilised during the year	**–**	**–**	**–**	**–**	**5**	**5**
Balance end of the year	**–**	**(2)**	**–**	**–**	**(15)**	**(17)**
Year ended 30 June 2025						
Balance at beginning of the year	–	–	–	–	(21)	(21)
Increase in ECL	–	(4)	–	–	(21)	(25)
Amounts utilised during the year	–	–	–	–	5	5
Balance end of the year	–	(4)	–	–	(37)	(41)

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

2 Management of financial risk *continued*

2.3 Expected credit loss reconciliation *continued*

CREDIT RISK RELATING TO LOANS TO FELLOW GROUP COMPANIES

Loans to fellow group companies arise from intercompany transactions as disclosed in Note 21 – Related Parties. There is immaterial credit risk relating to these loans as they are settled on a monthly basis.

CREDIT RISK RELATING TO FINANCIAL GUARANTEE CONTRACTS

Vitality has issued financial guarantees as security for loans incurred by Discovery Limited and Discovery Central Services Proprietary Limited. The maximum credit risk that Vitality is exposed to on these contracts is the carrying amount, which amounted to R16 billion (2025: R13 billion). For majority of the issued financial guarantees, Vitality is co-guarantor with Discovery Limited and Discovery Health Proprietary Limited. There is immaterial credit risk relating to the financial guarantee contracts.

2.4 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities (ie insufficient cash available to meet commitments as and when due).

Cash flow forecasting is performed by Vitality and liquidity requirements are monitored to ensure there is sufficient cash to meet operational needs.

Cash held by Vitality is managed by Group treasury. Group treasury invests it in interest-bearing accounts, time deposits and money market deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. At the reporting date, the company held cash and cash equivalents of R535 million (2025: R145 million).

The table below analyses Vitality's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

Company R million	Total	<1 year	1-2 years	3-5 years	6-10 years	>10 years
As at 30 June 2026						
Loans from fellow group companies at amortised cost	**20**	**20**	**–**	**–**	**–**	**–**
Other financial payables at amortised cost	**274**	**274**	**–**	**–**	**–**	**–**
	294	**294**	**–**	**–**	**–**	**–**
Financial guarantees contracts[1]	**12 592**	**12 592**	**–**	**–**	**–**	**–**
	12 886	**12 886**	**–**	**–**	**–**	**–**
As at 30 June 2025						
Loans from fellow group companies at amortised cost	121	121	–	–	–	–
Other financial payables at amortised cost	217	217	–	–	–	–
	338	338	–	–	–	–
Financial guarantees contracts[1]	12 868	12 868	–	–	–	–
	13 206	13 206	–	–	–	–

1 *Vitality stands as guarantor for the obligations of fellow group companies and Vitality is confident that these companies will pay their own obligations. Refer to Note 12 for further details.*

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

3 Intangible assets – software development

For the accounting policies relevant to the recognition and measurement of Intangible assets, refer to Annexure A, policy 2.

R million	2026	2025
Year ended 30 June		
– Cost	**214**	155
– Accumulated amortisation and impairments	**(51)**	(23)
Opening carrying amount	**163**	132
Movements		
Additions: Owned: cost	**61**	56
Derecognition: Owned	**–**	–
– Cost	**–**	(3)
– Accumulated amortisation	**–**	3
Amortisation charge: Owned	**(30)**	(25)
Closing carrying amount	**194**	163
– Cost	**275**	214
– Accumulated amortisation	**(81)**	(51)
Carrying amount	**194**	163

4 Property and equipment

R million	Motor Vehicles
Year ended 30 June 2026	
Cost – owned	**2**
Accumulated depreciation – owned	**(1)**
Opening carrying amount – owned	**1**
Movements	
Depreciation charge	
Owned: cost	**(*)**
Closing carrying amount – owned	*****
Cost – owned	**2**
Accumulated depreciation – owned	**(2)**
Closing carrying amount – owned	*****

R million	Motor Vehicles
Year ended 30 June 2025	
Cost – owned	2
Accumulated depreciation – owned	(1)
Opening carrying amount – owned	1
Movements	
Depreciation charge	–
Owned	(*)
Closing carrying amount – owned	1
Cost – owned	2
Accumulated depreciation – owned	(1)
Closing carrying amount – owned	1

* *Amount is less than R500 000.*

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

5 Income tax

5.1 Deferred tax asset and liabilities

For the accounting policies relevant to the recognition and measurement of deferred tax, refer to Annexure A, policy 8.2.

R million	2026	2025
Deferred tax asset – non-current	**77**	120
Deferred tax liability – non-current	**(15)**	(22)
Total deferred tax	**62**	98

R million	Balance at beginning of the year	Charge for the year: Recognised in profit or loss	Charge for the year: Recognised in other comprehensive income	Charge for the year: Recognised in equity	Balance at end of year
Year ended 30 June 2026					
Assessed losses	**75**	**(49)**	**–**	**–**	**26**
Financial Instruments and share-based payments	**(1)**	**(1)**	**–**	**2**	**(*)**
Difference between wear and tear and depreciation/amortisation	*****	**(2)**	**–**	**–**	**(2)**
Prepayments	**–**	**(1)**	**–**	**–**	**(1)**
Accruals and other liabilities	**–**	**26**	**–**	**–**	**26**
Other	**24**	**(11)**	**–**	**–**	**13**
	98	**(38)**	**–**	**2**	**62**
Year ended 30 June 2025					
Assessed losses	75	(*)	–	–	75
Financial Instruments and share-based payments	(1)	(*)	–	*	(1)
Difference between wear and tear and depreciation/amortisation	2	(2)	–	–	–
Provisions	21	(21)	–	–	–
Other	(25)	49	–	–	24
	72	26	–	*	98

* *Amount is less than R500 000.*

5.2 Income tax expense

For the accounting policies relevant to the recognition and measurement of taxation, refer to Annexure A policy 8.1.

R million	2026	2025
Charge for the year:		
Current taxation		
Normal taxation	**12**	–
– prior year under provision	*****	–
– current year charge	**12**	*
Deferred taxation	**38**	26
– prior year under provision	**1**	–
– current year charge	**37**	26
Total income tax expense recognised in profit or loss	**50**	26

* *Amount is less than R500 000.*

	%	%
Statutory rate	**27.0**	(27.0)
Non-deductible expenditure	**6.8**	12.7
Prior year under provision	**0.7**	0.0
Standard rate of taxation	**34.5**	(14.3)

The current tax rate for South African entities in a tax paying position is 27%. Vitality uses the South African tax rate for its tax rate reconciliation since it is based in South Africa and the most significant operations are in South Africa.

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

6 Revenue related

6.1 Assets and liabilities arising from contracts with customers

For the accounting policies relevant to the recognition and measurement of Revenue, refer to Annexure A policy 12.

Where either party to a contract has performed, Vitality presents either a contract asset or contract liability, depending on the relationship between Vitality's performance and the customer's payment. Where Vitality has performed and has unconditional rights to consideration, an IFRS 9 receivable asset is presented separately.

Company R million	Costs of obtaining and fulfilling contracts[1]	Contract liabilities
Year ended 30 June 2026		
Balance at beginning of the year	**90**	**(498)**
Contract receivables recognised in the current year	**58**	**–**
Accrued income recognised during the year	**(79)**	**–**
Contract liabilities recognised in the current year	**–**	**(269)**
Revenue recognised in the year	**–**	**43**
Balance at end of the year	**69**	**(724)**
Year ended 30 June 2025		
Balance at beginning of the year	108	(407)
Contract receivables recognised in the current year	84	–
Accrued income recognised during the year	(102)	–
Costs of obtaining new contracts	–	
Contract liabilities recognised in the current year	–	(143)
Revenue recognised in the year	–	52
Balance at end of the year	90	(498)

1 Presented as Assets arising from contracts with customers.

The Company incurs costs upfront in respect of the Apple Watch and Oura Ring benefit, to purchase the device and provide it to the customer.

These costs are deferred and recognised over the two-year term of the benefit and recognised as an Asset arising from its contracts with customers in the Statement of Financial Position.

The contract liability primarily relates to the advance consideration received from customers for which revenue will be recognised over the expected terms of the arrangement. It further includes the Discovery Miles Provision and cashback balances that are due to the members relating to the Vitality Programme.

6.2 Revenue

For the accounting policies relevant to the recognition and measurement of Revenue, refer to Annexure A policy 12.

The split of revenue according to the timing of satisfaction of performance obligations, i.e. 'over time' or a 'point-in-time' is as follows:

R million	2026	2025
Vitality fee income		
– Over time	**3 560**	3 197
Vitality Benefit Activation fee and rebate income		
– Over time	**420**	442
Vitality Access fee income		
– Over time	**585**	548
Total revenue	**4 565**	4 187

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

7 Loans to fellow group companies at amortised cost

R million	2026	2025
Discovery Bank Limited	**21**	31
Discovery Connect Distribution Services (Pty) Ltd	**–**	1
Discovery Health Proprietary Limited	**41**	62
Discovery Insure Limited	**15**	13
Discovery Life Investment Services Proprietary Limited	*****	*
Discovery Life Limited	**62**	62
Closing carrying amount	**139**	169
Current	**139**	169
Balance at beginning of year	**169**	109
Net increase in loans	**(30)**	60
Balance at end of the year	**139**	169

* *Amount is less than R500 000.*

Loans to fellow group companies are measured at amortised cost. They are non-interest bearing and repayable on demand. The amortised cost approximates fair value.

8 Contract receivables and other receivables

For the accounting policies relevant to the recognition and measurement of Contract receivables and other receivables, refer to Annexure A policy 4.

R million	2026	2025
Contract receivables:	**14**	47
Discovery Health: Closed scheme debtors	**16**	11
Discovery Health: Discovery Health Medical Scheme debtors	**2**	38
Less allowance for expected credit losses of contract receivables	**(4)**	(2)
Other financial receivables:	**299**	228
Agents and brokers	**–**	17
Vitality partner debtors	**312**	250
Less allowance for expected credit losses	**(13)**	(39)
Other non-financial receivables	**62**	88
Prepayments	**58**	84
Stock	**4**	4
Total contract receivables and other receivables	**375**	363
Current	**349**	328
Non-current	**26**	35
	375	363

The carrying value of contract and other receivables approximates the fair value due to the short-term nature.

9 Cash and cash equivalents

For the accounting policies relevant to the recognition and measurement of Cash and cash equivalents, refer to Annexure A policy 6.

R million	2026	2025
Cash at bank and in hand	**68**	32
Short-term deposits	**467**	113
Cash and cash equivalents	**535**	145

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

10 Ordinary share capital

For the accounting policies relevant to the recognition and measurement of Share capital, refer to Annexure A policy 7.

	2026	2025
Authorised		
1 000 ordinary shares of R1 each	**1 000**	1 000
Issued		
1 000 ordinary shares of R1 each	**1**	1
Share capital	**1**	1

11 Loans from fellow group companies at amortised cost

R million	2026	2025
Discovery Central Services Proprietary Limited	**9**	11
Discovery Health Proprietary Limited	**2**	2
Discovery Connect Distribution Services	**3**	–
Discovery Life Limited	*****	–
Discovery Limited	**3**	108
Vitality Group International Inc.	**3**	*
Closing carrying amount	**20**	121
Current	**20**	121
Balance at beginning of the year	**121**	157
Net working capital movements	**7**	(36)
Proceeds from loans from fellow group companies	**–**	120
Repayment of loans from fellow group companies	**(108)**	(120)
Balance at end of the year	**20**	121

** Amount is less than R500 000.*

Loans from fellow group companies are measured at amortised cost. They are non-interest bearing and repayable on demand. The amortised cost approximates fair value.

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

12 Financial guarantee contracts

For the accounting policies relevant to the recognition and measurement of Financial Guarantee Contracts, refer to Annexure A policy 5.

	Ref	2026	2025
Vitality has provided guarantees for the following group companies:			
Discovery Central Services Proprietary Limited	**i**	**1**	2
Discovery Limited	**ii**	*****	*
Total		**1**	2
Balance at the beginning of the year		**2**	3
New guarantee contracts		*****	–
Fee income released		**(1)**	(1)
Expected credit losses		*****	*
		1	2

** Amount is less than R500 000.*

i. Vitality has guaranteed the following borrowing facilities of Discovery Central Services Proprietary Limited:
   - A portion of a R650 million facility used to fund the systems build of Discovery Bank. The outstanding value that Vitality has guaranteed at 30 June 2026 is R142 million (2025: R300 million).
   - A R691 million facility, the balance outstanding at 30 June 2026 is Rnil (2025: R694 million).
   - A 5-year borrowing facility for an amount of R1.4 billion. These funds were acquired for general corporate purposes and the full amount has been drawn down and the balance outstanding at 30 June 2026 is R1 408 million (2025: R1 408 million).

ii. Vitality has issued the following financial guarantees in respect of Discovery Limited:
   - Domestic Medium Notes issued for the value of R9.534 billion (2025: R10 billion).
   - A R1.5 billion Financial Credit Facility, the balance outstanding at 30 June 2026 is R1 507 million (2025: Rnil).

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

13 Other financial payables at amortised cost

For the accounting policies relevant to the recognition and measurement of Other financial payables at amortised cost, refer to Annexure A policy 4.

R million	2026	2025
Payables and accrued liabilities	**160**	95
Unallocated deposits	**70**	70
Payroll creditors	**39**	35
Other financial payables	**5**	17
Balance at end of the year	**274**	217
Current	**274**	217
Non-current	**–**	–
	274	217

The carrying value of other financial payables at amortised cost approximates the fair value due to the short-term nature.

14 Other payables

For the accounting policies relevant to the recognition and measurement of Other payables and provisions, refer to Annexure A policies 9 and 10.

R million	2026	2025
Non-financial payables:		
Employee leave pay benefit	**14**	14
Indirect tax-related liability	**144**	77
	158	91
Current	**156**	89
Non-current	**2**	2
	158	91

15 Investment income using the effective interest rate method

For the accounting policies relevant to the recognition and measurement of Investment Income, refer to Annexure A policy 13.1

R million	2026	2025
At amortised cost interest income, using the effective interest rate	**39**	17
Cash and cash equivalents	**39**	17

16 Other income

R million	2026	2025
Amortisation of financial guarantee contracts	**1**	1
Guarantee fees	**37**	5
	38	6

Initial financial guarantee contracts are amortised over the term of the loan. Refer to note 12 for a list of guarantees that Vitality has issued.

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

17 Marketing and administration expenses

R million	2026	2025
Auditors remuneration		
Audit fees		
– current year	**3**	3
– prior year	**–**	*
	3	3
Staff costs including executive directors[1]		
Salaries, wages and allowances	**298**	283
Medical aid fund contributions	**23**	22
Defined contribution provident fund contributions	**23**	22
Social security levies	**1**	1
Share-based payments expenses: equity-settled	**26**	27
Staff training	**2**	2
Recruitment fees	**2**	*
Temporary staff	**1**	*
Provision for leave pay	**–**	(1)
Other	**25**	25
	401	381
Other operating costs		
Amortisation of software	**30**	25
Building related and office costs	**46**	42
Depreciation of property and equipment	*****	*
Impairment of contract and other receivables	**(19)**	20
IT systems and consumables	**364**	365
Marketing and distribution costs	**42**	43
Professional fees	**30**	22
Other operating costs	**19**	27
	512	544
Total marketing and administration expenses	**916**	928

* *Amount is less than R500 000.*

1 *Executive directors' and prescribed officers' remuneration is included in employee costs. Refer to Annexure B – Directorate Remuneration for detailed disclosure.*

18 Interest expense

For the accounting policies relevant to the recognition and measurement of Interest Expense, refer to Annexure A policy 8.4.

R million	2026	2025
Interest arising from taxes	**32**	87
	32	87

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

19 Incentive schemes

Vitality operates various share-based payment and long-term incentive arrangements. The details of these arrangements are described below:

Share based-payment arrangements

19.1 BEE staff share trust (equity-settled)

In 2005, 5 290 000 Discovery Limited's shares were issued to the BEE staff share trust for current and future employees. These shares had all been allocated during prior years. Additional shares have been purchased, for future allocation to employees. The trusts consist of two components; the allocation scheme and the option scheme as described below.

ALLOCATION SCHEME

Shares have been allocated to senior black employees based on level of seniority and length of past service. The shares vest to employees two, three, four and five years after allocation at a rate of 25% per annum. On each vesting date, the trustees distribute to the employees the allocated shares to which the employees may be entitled.

OPTION SCHEME

Options granted to black employees may be exercised two, three, four and five years after the option is granted at a rate of 25% per annum. Any options not exercised by the end of the fifth year from the grant date shall lapse. On exercise of the option, the employee pays cash to the trust for the full purchase price of the option.

19.2 Discovery's phantom scheme (cash-settled)

Participants earn a cash bonus based on allocation of bonus scheme units which in turn are linked to the performance of the Discovery share price. The bonus is earned if the participant is employed on each vesting date, with the vesting dates ranging between one and five years after allocation of the bonus units. The bonus may not be carried forward.

19.3 Discovery's long-term incentive plans (equity settled)

DISCOVERY LONG-TERM INCENTIVE PLAN (LTIP)

The LTIP was introduced in the financial year ended 30 June 2020 and replaced the cash-settled Phantom scheme (see point 2 above) with an equity-settled LTIP.

Participants will receive Discovery Limited shares subject to performance criteria and if the participant is employed on each vesting date. For LTIP awards granted prior to the introduction of the Single Incentive Plan (SIP), the performance conditions are aligned to the organic growth methodology of the Discovery Group and will vest from between the third and fifth anniversary of these awards.

SINGLE INCENTIVE PLAN (SIP)

During the financial year ended 30 June 2022, Discovery replaced its management short-term incentive scheme and long-term incentive schemes with a single incentive scheme called SIP, consisting of a cash incentive (short-term incentive) and deferred share awards (long-term incentive). The SIP is based on the annual award of a single total incentive relating to the performance of the Discovery Group, business unit and the individual, and is assessed against financial and non-financial measures as outlined by the Discovery Group scorecard as well as business unit and individual scorecards.

The first deferred share awards were granted in November 2022. These shares will vest between one and three years after allocation of the shares for senior management and between three and five years for executive directors and prescribed officers.

The scheme mentioned in 19.2 has been classified as a cash-settled scheme and a liability is raised in terms of IFRS 2 Share-based Payment. The other long-term incentive schemes have been accounted for in terms of IAS 19 Employee Benefits.

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

19 Incentive schemes *continued*

19.4 Summary of units granted

The following is a summary of the terms and conditions of the units granted:

Date granted	Share/ Option price (R)	Final vesting date	Shares under option at beginning of year	Share/ Options granted during year	Share/ Options vesting during year	Share/ Options cancelled or adjusted during year	**Shares under option at end of year**
BEE staff share scheme							
FY2022	–	30/04/2027	633	–	(316)	–	**317**
FY2023	–	30/11/2027	1 197	–	(399)	–	**798**
FY2024	–	30/09/2028	22 092	–	(6 338)	–	**15 754**
FY2024	–	30/09/2030	–	1 288	–	–	**1 288**
Discovery LTIP and SIP							
FY2021	–	30/09/2025	48 164		(48 164)	–	**–**
FY2022	–	30/09/2026	96 769	–	(48 396)	(106)	**48 267**
FY2023	–	30/09/2025	78 265	–	(78 265)	–	**–**
FY2024	–	30/09/2026	86 485	–	(42 994)	(1 055)	**42 436**
FY2025	–	30/09/2027	120 760	–	(39 996)	(2 398)	**78 366**
FY2025	–	30/09/2028	–	150 598	(33 504)	(1 668)	**115 426**

For the financial year ended 30 June 2026, there were no additional shares/options granted in relation to the BEE staff share scheme.

VALUATION OF SHARE-BASED PAYMENT AND LONG-TERM INCENTIVES

The Discovery Limited phantom scheme awards are cash-settled and a liability is raised in terms of IFRS 2 Share-based Payment. The liability is repriced at each reporting date. The closing share price at 30 June 2026 was R264.23.

Vitality determines the grant date fair value of its equity-settled schemes at the date of allocating the grant to the employee. The grant date fair value is then recognised over the vesting period and a share-based payment reserve is recognised in terms of IFRS 2.

Issuance	**Fair value**	**Valuation methodology**
Discovery LTIP ad SIP		
01/07/2022 – 30/06/2023	127.58	
01/07/2023 – 30/06/2024	117.16 – 133.04	
01/07/2024 – 30/06/2025	192.69	Unconditional fair value is equal to the underlying share price in Discovery at grant dates.
01/07/2025 – 30/06/2026	219.52	

Issuance	**Spot price**	**Valuation methodology**
BEE Staff share trust		
01/07/2021 – 30/06/2022	141.37	
01/07/2022 – 30/06/2023	111.48 – 113.37	Unconditional fair value is equal to the share price at grant date, less the present value of estimated dividends paid prior to the time of exercise.
01/07/2023 – 30/06/2024	123.82 – 128.02	
01/07/2025 – 30/06/2026	205.72 – 215.51	

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

20 Cash flow information

20.1 Cash generated from/(utilised by) operations

R million	2026	2025
Profit/(Loss) before income tax	**145**	(185)
Adjusted for items presented separately in statement of cash flows:		
Interest income	**(39)**	(17)
Interest expense on borrowings	**32**	87
Adjusted for non-cash items:		
Amortisation of financial guarantee contracts	**(1)**	(1)
Share-based payment expense - equity settled	**26**	27
Amortisation of intangible assets	**30**	25
Depreciation - Motor vehicles	*****	(*)
Allowance for expected credit losses financial receivables, contract receivables	**(19)**	20
Allowance for expected credit losses on intercompany loans	*****	*
	174	(44)

20.2 Decrease in operating assets

R million	2026	2025
Contract receivables and other receivables	**14**	208
Assets arising from contracts with customers	**21**	18
Loans to fellow group companies at amortised cost	**30**	(60)
	65	166

20.3 Increase/(decrease) in operating liabilities

R million	2026	2025
Other financial payables at amortised cost	**40**	–
Contract liabilities to customers	**226**	91
Other payables and provisions	**16**	(77)
Loans from fellow group companies at amortised cost	**7**	(36)
	289	(22)

20.4 Taxation (paid)/received

R million	2026	2025
Balance at beginning of the year	*****	1
Taxation charged for the year in the income statement	**(50)**	26
Adjustments for movement in deferred tax	**38**	(26)
Balance at end of the year	**4**	*
	(8)	1

* *Amount is less than R500 000.*

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

21 Related parties

List of related parties as defined

HOLDING COMPANY

Discovery Limited (incorporated in South Africa) own 100% of the ordinary share capital issued by Discovery Vitality.

FELLOW GROUP COMPANIES

Fellow group companies include all companies held directly or indirectly by Discovery Limited.

KEY MANAGEMENT PERSONNEL

Key management personnel have been defined as directors of Discovery Vitality Proprietary Limited.

A list of the directors and prescribed officers of Discovery Limited can be found in the Directors' report. Also refer to Annexure B for Directorate remuneration.

To the extent specific transactions have occurred between Discovery and key management personnel, including close family members of key management (as defined in IAS 24 Related Party Disclosures), the details are included in the aggregate disclosure contained below under key management and where significant, full details of all relationships and terms of the transactions are provided.

TRANSACTIONS WITH RELATED PARTIES

FELLOW GROUP COMPANIES

Vitality undertakes certain transactions with fellow subsidiaries within the Discovery Limited Group.

Details of these transactions are set out below. All amounts are excluding VAT.

Transactions (R'million)	2026	2025
Discovery Health Proprietary Limited		
Vitality fee income	**554**	456
Premium income	**3**	3
Systems recharges and consultant fees	**31**	(11)
Discovery Insure Limited		
Benefit sales	**137**	143
Systems recharges	**(*)**	*
Discovery Invest Proprietary Limited		
Vitality fee income	*****	*
Systems recharges	**(*)**	*
Discovery Life Limited		
Vitality fee income	**139**	133
Systems recharges	**(*)**	*
Benefit sales	**8**	7
Discovery Bank		
Operations charges - Bank Rewards	**10**	22
Bank Access Fee[1]	**142**	182
Discovery Connect		
Acquisition costs	**(61)**	(54)
VG a division of Discovery Health		
Systems Recharges – Vitality International	**(15)**	(16)
Discovery Central Services – Building, Office and Corporate charges	**(264)**	(260)
Vitality Group International		
Professional Fees recharges	**(5)**	4

* *Amount is less than R500 000.*

1 *A recovery of costs that Vitality receives for administering the Vitality money programme on behalf of Discovery Bank.*

Balances due to/from fellow group companies can be found in note 7 and note 11.

Notes to the annual financial statements *continued*

for the year ended 30 June 2026

21 Related parties *continued*

Key management personnel, families of key management (as defined in IAS 24) and entities significantly influenced or controlled by key management

KEY MANAGEMENT PERSONNEL

Aggregate details of transactions between Vitality and key management personnel, their families (as defined per IAS 24) and entities significantly influenced or controlled by key management:

VITALITY PROGRAMME

	Premiums received		Rewards paid	
R'000	**2026**	2025	**2026**	2025
Vitality benefits	**58**	104	**1 773**	1 236

22 Events after reporting date

Other significant events

No significant events occurred after the reporting date being 30 June 2026 to the date of approval of the Annual Financial Statements namely 2 October 2026.



Annexures

for the year ended 30 June 2026

Annexure A – Accounting policies

for the year ended 30 June 2026

Summary of material accounting policies

1. Basis of presentation

The Annual Financial Statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and the requirements of the South African Companies Act. They have been prepared in accordance with the going concern principle using the historical cost basis, except where otherwise stated in the accounting policies.

The Annual Financial Statements have been prepared under the supervision of L Lulema, Company Chief Financial Officer. The Annual Financial Statements are reviewed by management, the Discovery Limited Audit Committee and Board, and are audited by the external auditors of Vitality.

A copy of the set of financial statements with the signatures of the directors is available at the Company's registered office through a secure electronic manner, at the election of the person requesting inspection.

1.1 NEW STANDARDS AND AMENDMENTS THAT BECAME EFFECTIVE DURING THE FINANCIAL YEAR

There were no new standards, amendments or interpretations that became effective during the year and applicable to Vitality.

1.2 NEW STANDARDS AND AMENDMENTS TO PUBLISHED STANDARDS NOT YET EFFECTIVE

- Vitality does not expect the IFRS Accounting Standards, amendments, or annual improvements it has not listed below to have a material impact on recognised or disclosed amounts
- Vitality expects the following IFRS Accounting Standards, amendments, and annual improvements that were issued during the financial year but are not yet effective to have a material effect on recognised and disclosed accounts:

IFRS 18 Presentation and Disclosure in Financial Statements	IFRS 18 supersedes IAS 1 Presentation of Financial Statements and provides additional requirements for the presentation and disclosure of information in the primary financial statements and the notes to improve transparency and comparability of information. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027. For Vitality it will be effective from 1 July 2027. IFRS 18 will impact The Company's Income statement and related note disclosures. Vitality will assess additional disclosure requirements required.

Annexure A – Accounting policies *continued*

for the year ended 30 June 2026

Summary of material accounting policies *continued*

2. Intangible assets

2.1 COMPUTER SOFTWARE EQUIPMENT COSTS

The Company measures items of software development costs at cost, less accumulated amortisation and any accumulated impairment losses. The Company does not capitalise internally generated intangibles, excluding capitalised development costs, and it reflects the related expenditure in profit or loss in the period in which the expenditure is incurred.

The Company recognises development costs that are directly attributable to the design and testing of identifiable software products which the Company controls as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use
- Management intends to complete the software product and use or sell it
- There is an ability to use or sell the software product
- The Company can demonstrate the software product will generate probable future economic benefits
- Adequate technical, financial, and other resources to complete the development and to use or sell the software product are available, and
- The Company can reliably measure expenditure attributable to the software product during its development

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of directly attributable overheads. For cloud computing arrangements, implementation costs that do not meet the requirements to be capitalised as an asset are expensed as incurred.

The Company expenses the following items as incurred:

- Costs associated with maintaining computer software programmes
- Other development expenditures that do not meet the criteria noted above

The Company does not recognise development costs previously recognised as expenses, as assets in a subsequent period. The Company recognises computer software development costs as assets from the point where the recognition criteria above are satisfied and the Company amortises the asset when it is available for use, over its useful life. The Company presents amortisation as part of marketing and administration expenses in profit or loss.

If significant parts of computer software development costs have different useful lives, the Company accounts for the components as separate items (major components) of computer software development costs. Computer software development costs recognised as assets are amortised over their useful lives.

Software applications	3 – 7 years
Core Systems	12 – 16 years

2.2 OTHER INTANGIBLE ASSETS

The Company does not recognise costs incurred for internally developed trademarks, patents and similar rights and assets, including franchises and management contracts. The Company recognises these costs in profit or loss in the period they are incurred.

The Company measures intangible assets at cost plus any directly attributable cost of preparing the asset for its intended use, less accumulated amortisation and any accumulated impairment losses. The Company amortises these intangible assets over their useful lives.

The Company capitalises intangible assets acquired as part of business combinations at their fair value. These fair values are represented by the estimated net present value of future cash flows relating to the existing business or at a value as determined by an independent valuer. The Company amortises these intangible assets over their useful lives, and the Company tests for impairment if an indication of impairment arises.

The Company reviews intangible assets' residual values and useful lives at least at each financial year-end and adjusts if appropriate. For the treatment of impairment of intangible assets, refer to accounting policy 5.

The Company derecognises intangible assets

- On disposal, or
- When no future economic benefits are expected from their use or disposal

The Company determines gains/ losses arising from the derecognition of an intangible asset as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. The Company recognises such gains/ losses in profit or loss when the asset is derecognised.

Annexure A – Accounting policies *continued*
for the year ended 30 June 2026

Summary of material accounting policies *continued*

3. Impairment of non-financial assets

The Company reviews assets and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such indicators include continued losses and changes in technology, market, economic, legal, and operating environments.

The Company recognises an impairment loss for the amount by which the asset's carrying value exceeds its recoverable amount. The Company measures the recoverable amount using the higher of the value-in-use and the fair value less costs to sell. The Company immediately recognises these costs in profit or loss in the period they are incurred.

The Company reviews other assets that suffered an impairment for possible reversal of the impairment at the end of each reporting period.

4. Financial instruments

The Company initially recognises financial instruments when it becomes party to the contract.

The Company measures financial instruments at initial recognition at the fair value net of directly attributable transaction costs unless the financial instrument is classified as fair value through profit or loss. For instruments the Company classifies at fair value through profit or loss, attributable transaction costs are immediately expensed.

4.1 FINANCIAL ASSETS

4.1.1 RECOGNITION, CLASSIFICATION, MEASUREMENT AND DERECOGNITION

At initial recognition, the Company considers the appropriate classification of financial assets as at Amortised cost (AC), Fair value through profit or loss (FVTPL), Fair value through other comprehensive income (FVOCI) for debt instruments, or Fair value through other comprehensive income (FVOCI) for equity instruments. The Company considers:

- Whether the contractual cash flows of the financial asset are solely payments of principal and interest (SPPI). Such contractual cash flows are consistent with a basic lending arrangement and compensate the Company for the elements of the time value of money, credit risk and other basic lending risks and a profit margin. Examples of such instruments include Treasury Bills, Government Bonds, cash and cash equivalents, and fixed-term deposits. It excludes instruments such as equity-linked financial assets or puttable investments in unit trusts, and
- Whether the business model of the Company is to hold to collect contractual cash flows or a business model that results in collecting contractual cash flows and selling the financial assets

Based on the criteria above, the Company will classify a debt instrument as:

- Amortised cost, if the financial asset meets the SPPI criterion and is held for the purpose to collect the contractual cash flows.
- Fair value with changes in other comprehensive income (debt instruments) if the financial asset meets the SPPI criterion and is held either to collect contractual cash flows or for sale. The Company currently does not hold financial assets in this category.
- Fair value through profit or loss for all other financial assets that do not meet the criteria above are mandatorily classified as financial instruments at fair value through profit and loss. In addition, the Company can irrevocably designate financial assets into this category if this will reduce measurement inconsistencies (ie 'accounting mismatch'). In considering whether the objective of a portfolio is to collect contractual cash flows or to trade in financial instruments, the Company considers the purpose for which instruments are held, the methods of risk management in a portfolio, the manner of performance reporting on a portfolio and the basis for determining compensation to managers for asset performance. The Company currently does not hold financial assets in this category.

Annexure A – Accounting policies *continued*

for the year ended 30 June 2026

Summary of material accounting policies *continued*

4. Financial instruments *continued*

4.1 FINANCIAL ASSETS *continued*

4.1.1 RECOGNITION, CLASSIFICATION, MEASUREMENT AND DERECOGNITION *continued*

	Subsequent measurement
Amortised cost (AC)	The Company measures these instruments at amortised cost using the effective interest method. Movements in the balance of the instrument relate to expected credit losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. The Company measures interest revenue using the effective interest rate (EIR) on the gross carrying amount for those financial assets categorised in Stage 1.
Fair value through profit or loss (FVTPL)	The Company measures these instruments at fair value with gains and losses recognised in profit or loss. Movements in this balance are due to fair value gains or losses, interest or dividends, and foreign exchange gains or losses. The Company has elected to present the entire fair value gains and losses on a net basis as a single amount.
Fair value through other comprehensive income (FVOCI) – equity	The Company measures these instruments at fair value with gains and losses recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss. Dividends are recognised in profit or loss.
Fair value through other comprehensive income (FVOCI) – debt	The Company measures these instruments at fair value with changes in fair value recognised in other comprehensive income. Movements in the balance relate to expected credit losses, interest income and translation differences are recognised in profit or loss. The Company measures interest revenue using the effective interest rate on the gross carrying amount for those financial assets categorised in Stage 1. Refer to accounting policy 8.1.2. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

The Company has not designated financial assets at fair value through profit or loss.

The Company expects the business model for managing a Company of financial instruments to remain stable. In rare instances where the business model changes, there can be a reclassification of the business model. Any reclassifications are applied prospectively from the first day of the first reporting period after the change in business model, with no restatement of any previously recognised gains, losses or interest. The Company has not had any changes in business models in the current reporting period, and consequently, there have been no reclassifications.

The Company derecognises financial assets when the rights to receive cash flows from them expire or when they have been transferred and the Company has also transferred substantially all the risks and rewards of ownership with no retention of control of financial assets.

Annexure A – Accounting policies *continued*

for the year ended 30 June 2026

Summary of material accounting policies *continued*

4. Financial instruments *continued*

4.1 FINANCIAL ASSETS *continued*

4.1.2 EXPECTED CREDIT LOSSES

The Company measures expected credit losses on the following items:

- Financial guarantee contracts
- Other receivables which are financial assets at amortised cost
- Contract receivables and contracts assets with non-insurance customers and cash and cash equivalents

In certain instances, the Company aggregates financial assets based on shared characteristics (ie debt payment pattern similarities, financial instruments with collateral, debtor type), and the Company determines expected credit losses on a collective basis.

In calculating the expected credit losses, the general expected credit loss approach requires that the Company assess the credit risk of the instrument and determine whether there has been a significant increase in credit risk since initial recognition.

The Company measures the loss allowance using the following approach:

- The Company refers to financial assets that have not had a significant increase in credit risk since initial recognition as Stage 1 financial assets. The Company measures loss allowances on Stage 1 financial assets at an amount equal to the 12-month expected credit losses
- The Company refers to financial assets that have had a significant increase in credit risk since initial recognition as Stage 2 and 3 financial assets. If the financial assets have had a significant increase in credit risk since initial recognition and are credit impaired or in default, the Company refers to these as Stage 3 financial assets. The Company recognises lifetime expected credit losses in measuring the loss allowance for Stage 2 and 3 financial assets

The Company measures expected credit losses on:

- Financial assets that are not credit-impaired at the reporting date as the present value of all cash shortfalls (ie the difference between the cash flows due to the entity in accordance with the contract and the cash flows that Vitality expects to receive)
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows

The Company measures assets that are trade receivables, contract assets using the simplified approach, should there be no significant financing component. The simplified approach does not require the Company to track changes in credit risk but instead requires the entity to recognise a loss allowance based on lifetime expected credit loss at each reporting date.

The Company does not recognise expected credit losses on cash and cash equivalents receivable on demand, following an assessment that these items are immaterial.

SIGNIFICANT INCREASE IN CREDIT RISK (SICR)

At each reporting date, the Company assesses whether the credit risk on a financial asset has increased significantly since initial recognition. When making the assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses.

Annexure A – Accounting policies *continued*

for the year ended 30 June 2026

Summary of material accounting policies *continued*

4. Financial instruments *continued*

4.1 FINANCIAL ASSETS *continued*

4.1.2 EXPECTED CREDIT LOSSES *continued*

CREDIT IMPAIRED AND DEFAULT

The Company considers a financial instrument to be credit-impaired when current circumstances and economic conditions indicate that the expected future cash flows from a financial instrument may not be recoverable. These circumstances include but are not limited to evidence of financial or operational challenges for the debtor and missed contractual payments.

The Company considers the following factors as to what constitutes a default from a qualitative and quantitative perspective, which is in line with the South African Reserve Bank definition.

Qualitative	Quantitative
■ The borrower is placed in debt counselling/debt review ■ The borrower is deceased ■ The facility has undergone a distressed restructure/ special arrangement ■ The facility has been transferred to charge-off/legal status ■ The client is insolvent ■ The facility is written off	■ The borrower is more than 90 days past due on any material credit obligation to Vitality.

As mentioned, the Company regards default events as confirmed debt review and debt counselling cases. The exposure will remain in Default (Stage 3) for a minimum probation period of 6 months. The Company will cure the exposure to Stage 2: SICR if the exposure is in an up-to-date state (performing) after 6 months.

WRITE-OFF

The Company will reduce the gross carrying amount of a financial asset when it has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Annexure A – Accounting policies *continued*

for the year ended 30 June 2026

Summary of material accounting policies *continued*

4. Financial instruments *continued*

4.2 FINANCIAL LIABILITIES

At initial recognition, the Company considers the appropriate classification as at Amortised cost (AC) or Fair value through profit or loss (FVTPL).

Financial liabilities are measured at FVTPL if:

- They are held for trading
- The financial liabilities are part of a Company of financial assets and financial liabilities which are managed and performance evaluated on a fair value basis.

The Company measures all financial liabilities that are within the scope of IFRS 9 at amortised cost.

	Subsequent measurement
Amortised cost (AC)	The Company measures these instruments at amortised cost using the effective interest method. Interest income and foreign exchange gains and losses are recognised in profit or loss.
Fair value through profit or loss (FVTPL)	The Company measures these instruments at fair value with gains and losses and any interest recognised in profit or loss.

The Company derecognises financial liabilities when the obligation is extinguished.

4.3 OFFSET

The Company offsets the financial assets and liabilities and it reports the net amount in the Statement of financial position when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the reporting entity or the counterparty.

Annexure A – Accounting policies *continued*

for the year ended 30 June 2026

Summary of material accounting policies *continued*

5. Financial guarantee contracts (FGC)

The Company accounts for financial guarantee contracts (FGCs) in accordance with IFRS 9 Financial Instruments. The Company issues FGCs to assist in securing funding for fellow group companies.

FGCs are contracts which require the Company, as the issuer of the contract, to make specified payments to reimburse the holder for a loss that the holder incurs because the specified debtor fails to make payment when it is due under the original or modified terms of the debt instrument.

The Company measures the FGC:

Initially at fair value and subsequently, at the higher of:

- The amount of expected credit losses determined under IFRS 9 (calculation 1), and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised under the principles of IFRS 15 Revenue from Contracts with Customers (calculation 2)

Where the Company issues FGCs for the debt of a related entity in the Group, the Company determines the fair value. These FGCs are seen as transactions in a capacity as the shareholder and are treated as capital contributions.

In instances where the Company issues FGCs for the debt of its parent, Discovery Limited, or another related entity within the Group where the issuer of the FGC does not have a direct parent or subsidiary relationship, the Company shows this as a capital distribution to its parent company, Discovery Limited.

In some instances, the Group entity can also pay a premium to the issuer of the FGCs. The Company then determines if the premium paid represents the fair value, or whether there is an additional cost that exceeds the fair value, incurred in the issuance of the FGC that the Company should recognise.

In the instance where the Company does not receive all the premiums upfront, it recognises the FGC using a net approach. The net approach requires that the Company presents the financial guarantee as its fair value less all future premiums.

The Company subsequently recognises financial guarantee fee income as follows:

- Amortises the fair value recognised on initial recognition over the period that the FGC is outstanding, generally the period of the underlying debt
- Recognises any premiums received for issuing the FGC as financial guarantee fee income and
- Where the Company has applied the net approach, the Company adjusts for the premiums subsequently received to ensure it takes into account all premiums in using calculation 2

The Company calculates the 12 month expected credit losses for purposes of calculation 1. Where the outcome is that calculation 1 is more than calculation 2, differences are recognised and presented as part of expected credit losses.

Where the outcome is such that calculation 2 is more than calculation 1, no adjustments are required. Any previously recognised expected credit losses can be reversed but limited to the total value previously recognised. The Company derecognises FGCs when the FGC is extinguished, expires, or the underlying debt is extinguished.

At the date of derecognition:

- Where the FGC is extinguished in exchange for a new FGC to the same holder and in respect of the same guaranteed entity, the FGC derecognised is seen as compensation for the new FGC, or
- In all other instances, the FGC is derecognised with an associated gain or loss in profit or loss.

6. Cash and cash equivalents

Cash and cash equivalents comprise:

- Cash in hand
- Balances with banks, including bank overdrafts repayable on demand and that form an integral part of the cash management process
- Deposits held at call and short notice, including short-term highly liquid investments that are readily convertible into known amounts of cash and subject to insignificant risk of changes in value, e.g. certain money market investments

Cash and cash equivalents only include items held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. Cash and cash equivalents have a maturity of less than three months from the date of acquisition. Cash and cash equivalents are carried at amortised cost (or, in specified instances, at fair value through profit or loss), which, due to their short-term nature, approximates fair value.

Due to the Company's sweeping arrangements with various financial institutions, positive and negative cash balances are presented on a net basis to represent cash and cash equivalents in the Statement of cash flows.

Annexure A – Accounting policies *continued*

for the year ended 30 June 2026

Summary of material accounting policies *continued*

7. Share capital

The Company classifies shares as equity when there is no contractual obligation to transfer cash or other financial assets to the holder. Incremental costs directly related to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

8. Income taxes, direct and indirect taxes

8.1 CURRENT TAX

The Company calculates and measures current tax at the amount expected to be paid to or recovered from the taxation authorities. The Company uses the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

8.2 DEFERRED TAX

The Company calculates deferred tax on all temporary differences using the Statement of financial position approach. The Company calculates deferred tax liabilities or assets by applying corporate tax rates that have been substantively enacted to the temporary differences between the tax values of assets and liabilities and their carrying amount, where such temporary differences are expected to result in taxable or deductible amounts in determining taxable income for future periods when the carrying amount of the assets or liabilities are recovered or settled.

The Company recognises deferred tax assets if its directors consider it probable that future taxable income will be available against which the tax losses can be utilised.

Temporary differences arise primarily from the difference between accounting and tax balances from:

- Property and equipment
- Provisions for leave pay, and
- Tax losses carried forward

Deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable income.

The Company offsets deferred tax assets and liabilities when:

- There is a legally enforceable right to offset current tax assets against current tax liabilities, and
- When the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis

If offsetting does not apply, the Company separately discloses the deferred tax asset and deferred tax liability.

The Company reviews the carrying amount of the deferred tax asset at each reporting date and it is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. The Company reassesses unrecognised deferred tax assets at each reporting date and recognises them to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

8.3 DIRECT AND INDIRECT TAXES

Direct taxes include South African and corporate tax payable and are disclosed as taxation in profit or loss.

Indirect taxes include various other taxes paid to central and local governments, including value-added tax and skills development levies. The Company includes those indirect taxes which it cannot reclaim directly as part of marketing and administration expenses in profit or loss. Alternatively, if the indirect taxes qualify to be capitalised, they are included as part of the cost of property, equipment, or intangible assets.

8.4 INTEREST ARISING FROM TAXES

The Company recognises interest arising from tax disputes and indirect taxes such as value-added tax as finance costs in the income statement.

Annexure A – Accounting policies *continued*

for the year ended 30 June 2026

Summary of material accounting policies *continued*

9. Employee benefits

9.1 SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

9.2 POST-EMPLOYMENT BENEFITS

The Company operates defined contribution schemes, the assets of which are held in separate private trustee-administered funds. The Company pays contributions to these funds on a mandatory basis. These funds are registered in terms of the Pension Funds Act of 1956, and membership is compulsory for all Discovery employees. Qualified actuaries perform annual valuations. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

9.3 SHARE-BASED COMPENSATION

The Company operates equity-settled and cash-settled share-based compensation plans.

EQUITY-SETTLED SHARE-BASED COMPENSATION PLANS

The Company expenses the fair value of the employee services received in exchange for the grant of the options, over the vesting period of the awards, as employee costs, with a corresponding credit to a share-based payment reserve in the Statement of changes in equity. The total value of the services received is calculated with reference to the fair value of the options on the grant date.

The fair value of the options are determined, excluding non-market vesting conditions. The non-market vesting conditions are included in the assumptions of the number of options expected to vest. At each reporting date, the Company revises its estimate of the number of options expected to vest. Any changes to the estimated number of options are recognised in profit or loss immediately.

CASH-SETTLED SHARE-BASED COMPENSATION PLANS

The Company recognises employee services received in exchange for cash-settled share-based payments at the fair value of the liability incurred and expenses these services over the vesting period of the benefits, as employee costs.

The Company remeasures the liability at each reporting period to its fair value and recognises all changes immediately in profit or loss.

COMPANY ACCOUNTING POLICY:

Two of the schemes that the Company operates, namely the BEE Staff Share Trust and Discovery Long-Term Incentive Plan (LTIP), are both equity-settled share-based payment arrangements in accordance with the requirements of IFRS 2 Share-based Payments. In these schemes, Discovery Limited grants the awards to the employees within the Discovery Group. The Company classifies the share-based payment transaction according to whether the entity has the obligation to settle. As Discovery Limited's shares are being awarded to employees, the Company classifies the transaction as equity-settled.

Under the IFRS Accounting Standards, the Company does not consider any repayment or recharge arrangements in determining the classification of these Company share-based payments. Any recharge payments the Group receives from its subsidiaries are treated as a return on capital from the subsidiary. When the recharge made exceeds the charge recognised in accordance with IFRS 2, the excess is accounted for as dividend income.

Discovery Limited manages the two share trusts. Discovery Limited treats the share trusts set up to facilitate the share-based payment arrangements as an agent, i.e. an extension of Discovery Limited. In other words, shares held by the Trust are treated as treasury shares of Discovery Limited.

BEE Staff Share Trust: Shares and options to acquire shares have been allocated to senior black employees based on their level of seniority and length of past service. The trust will hold shares until the date of vesting of the shares to the employee or the exercise date of the option

Discovery LTIP Trust: Participants will receive Discovery Limited shares subject to performance criteria and if the participant is employed on each vesting date. The trust will hold shares until the date of vesting of the shares to the employee. Per the LTIP Trust deed, the LTIP Trust recharges the costs of the shares acquired for the employees to the relevant subsidiary whose employees are awarded the shares

The Group capitalises to the investment in subsidiary the fair value of employee services received in exchange for the grant of the options, over the vesting period, with a corresponding credit to a share-based payment reserve in the Statement of changes in equity. The Company recognises the related share-based payment expense. The total value of the services received is calculated with reference to the fair value of the options on grant date.

The fair values of the options are determined excluding non-market vesting conditions. These vesting conditions are included in the assumptions of the number of options expected to vest.

At each reporting date, the Company revises its estimate of the number of options expected to vest. Any changes to the estimated number of options are recognised in profit or loss immediately.

Annexure A – Accounting policies *continued*

for the year ended 30 June 2026

Summary of material accounting policies *continued*

9. Employee benefits *continued*

9.4 PROFIT SHARE AND BONUS PLAN

The Company operates several other profit-sharing and bonus compensation arrangements and recognises these when a constructive obligation has been created by past practice. These are calculated with reference to predetermined formulae.

The Company has other deferred compensation schemes in place where employees are incentivised based on a variable other than the share price of Discovery Limited, such as embedded value, value of in-force and earnings multiples. The Company recognises a liability and the related expense is included in employee costs in profit or loss.

10. Other payables and provisions

10.1 OTHER PAYABLES

Other payables consist of VAT payables, premiums and fees received in advance. These are not financial liabilities and are, accordingly, not measured at amortised cost.

The Company measures as management's best estimate of the amount required to settle VAT obligations and the present value of the cash consideration received in advance on premiums and fees.

10.2 PROVISIONS

The Company recognises provisions when it has a present legal or constructive obligation of uncertain timing or amount, as a result of past events and it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The Company measures provisions as the present value of management's best estimate of the amount required to settle the obligation at the reporting date. The pre-tax discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance costs.

11. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Company does not recognise contingent liabilities, but it discloses a contingent liability when:

- It has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or
- It has a present obligation that arises from past events but is not recognised because:
  - It is not probable that an outflow of resources will be required to settle an obligation, or
  - The amount of the obligation cannot be measured with sufficient reliability

Annexure A – Accounting policies *continued*

for the year ended 30 June 2026

Summary of material accounting policies *continued*

12. Revenue recognition

A primary source of revenue for the Company arises from Vitality income which is accounted for in terms of IFRS 15 *revenue from contracts with customers.*

IFRS 15 requires that once the Company identifies contracts, it identifies the performance obligations in the contract. The Company determines this on the basis of whether the customer can benefit from the promised good or service individually or together with other readily available resources and whether the performance obligation is distinct in the context of the contract. For the Company, most contracts contained a single performance obligation.

The timing of revenue recognition is dependent on whether the Company transfers control over the good or service over time or at a point in time. In determining the appropriate timing for revenue recognition, the Company considers whether the customer benefits as the entity performs. For most revenue types, the Company provides stand-ready services to customers, where customers benefit as the entity's services are consumed. In limited instances where revenue is not recognised over time, the Company recognises revenue at a point in time when control transfers. For revenue the Company recognises over time, the stand-ready service is recognised in a straight line over the term of the contract.

In determining the amount of revenue to recognise, the Company considers any uncertainty created through variable consideration contained in the contract and constrains the recognition of revenue in order to recognise revenue only to the extent that it is highly probably that a significant reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty is resolved. The Company also considers the impact of the timing of receiving payments for revenue transactions and determines whether a significant financing component should be taken into account in the measurement of the transaction price. As the Company's contracts routinely include single performance obligations, there is limited complexity in allocating transaction prices to performance obligations. Payment terms vary across the different revenue types earned by the Company.

Where contracts with customers involve a third party, the Company considers whether it is acting as the principal or the agent in the delivery of the promised goods or services to the customer. This assessment is based on whether the Company controls the goods or services before it is transferred to the customer.

For certain contracts with customers, the Company receives income in advance of discharging the related performance obligation. In these instances, the amount is recognised as a contract liability incurred in the acquisition or fulfilment of a contract. The Company considers whether there are costs incurred for the acquisition or fulfilment of a contract. The Company recognises these costs as an asset and amortises the costs over the expected period over which performance obligations under the contract are satisfied. The Company expenses contract costs it incurs which are considered to be of a general and administrative nature and that are not explicitly recovered from the customer, as it incurs the cost.

Where the transaction price included in a contract is payable less than 12 months from the date of satisfying the related performance obligation, the practical expedient is applied in that a significant financing component is not recognised. Similarly, where the costs of obtaining a contract would be amortised over 1 year or less, the costs are not recognised as a separate asset.

	Vitality Income
Nature of performance obligations	Vitality income includes the fee income that Vitality members pay to access the Vitality benefit and various activation fees for activating additional benefits. The performance obligation relates to access to the Vitality rewards programme and partner benefits the Company provides to its members.
When does control pass – Point in time (PIT) vs over time	Performance obligations to provide access to benefits are considered stand-ready services as the customers obtain benefits over the duration of the contract and when required by the customers. As a result, the Company recognises revenue over time based on the passage of time.

Annexure A – Accounting policies *continued*
for the year ended 30 June 2026

Summary of material accounting policies *continued*

12. Revenue recognition *continued*

	Vitality Income
When are amounts payable?	The Company bills the amounts either monthly, payable within 30 days or billed on activation of the benefit, payable immediately.
Variable consideration and estimates	There are no adjustments to the transaction price as a result of any variable consideration. There is no significant financing component.
Costs to capitalise	In respect of the Apple Watch and Oura benefit, the Company incurs costs upfront to purchase the device and provide it to the customer. These costs are deferred and recognised over the two-year term of the benefit.

The Company presents any unconditional rights to consideration separately as a receivable. The Company assesses a contract asset for impairment in accordance with IFRS 9. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of IFRS 9. Any impairment losses the Company recognises on any receivables or contract assets arising from its contracts with customers are disclosed separately from impairment losses from other contracts.

COSTS OF OBTAINING CONTRACTS

The Company defers and recognises as an asset arising from its contracts with customers in the Statement of financial position the incremental costs of acquiring new contracts, which are expected to be recovered out of future revenue margins as an expense over the period in which the related performance obligations are satisfied.

13. Other non-revenue income

13.1 INVESTMENT INCOME

Investment income comprises dividends as well as the interest the Company receives from assets held at amortised cost and cash and cash equivalents.

Interest is accounted for on an accrual basis using the effective interest method.

14. Marketing and administration expenses

Marketing and administration expenses include marketing and development expenditures, all other non-acquisition-related expenditures, and benefits paid under the Vitality programme. These costs are expensed in profit or loss as incurred.

Annexure B – Directorate

Directorate remuneration

Payments to directors and for the year ended 30 June 2026 for services rendered are as follows:

R'000	Services as directors	Basic salary	Performance bonus	Long-term incentives[1]	Provident fund contributions	Other benefits[2]	Total
Executive							
D Govender	–	**5 862**	**4 991**	**14 336**	**440**	**264**	**25 893**
L Lulema	–	**2 417**	**1 512**	**565**	**331**	**166**	**4 991**
Sub-total	–	**8 279**	**6 503**	**14 901**	**771**	**430**	**30 884**
Non-executive							
H Kallner	–	**9 140**	**25 751**	**29 978**	**457**	**154**	**65 480**
NS Koopowitz[3]	–	**27 180**	**31 752**	**48 807**	**227**	**638**	**108 604**
A Pollard[4]	–	**8 451**	**4 968**	**25 746**	**237**	**565**	**39 967**
B Swartzberg	–	**7 085**	**9 185**	**12 844**	**747**	**395**	**30 256**
NB Kader[5]	**729**	–	–	–	–	–	**729**
Sub-total	**729**	**51 856**	**71 656**	**117 375**	**1 668**	**1 752**	**245 036**
Total	**729**	**60 135**	**78 159**	**132 276**	**2 439**	**2 182**	**275 920**
Less: paid by fellow subsidiaries	**(729)**	**(51 856)**	**(71 656)**	**(117 375)**	**(1 668)**	**(1 752)**	**(245 036)**
Paid by Vitality	–	**8 279**	**6 503**	**14 901**	**771**	**430**	**30 884**

1 "LTIP" comprises cash-settled and equity-settled incentives.
2 "Other benefits" comprise medical aid contributions, travel, other allowances and fees from group subsidiaries.
3 Salary and incentive are paid in GBP.
4 Salary and incentive are paid in USD.
5 Appointed 01 January 2026. Fees include directors services rendered for other group companies.

Payments to directors and for the year ended 30 June 2025 for services rendered are as follows:

R'000	Services as directors	Basic salary	Performance bonus	Long-term incentives[1]	Provident fund contributions	Other benefits[2]	Total
Executive							
D Govender	–	5 605	4 007	10 563	420	270	20 865
L Lulema	–	2 247	1 176	223	225	153	4 024
Sub-total	–	7 852	5 183	10 786	645	423	24 889
Non-executive							
A Gore[5]	–	9 346	10 623	10 984	922	422	32 297
H Kallner	–	8 914	24 294	16 525	434	233	50 400
NS Koopowitz[3]	–	27 201	21 472	39 673	235	631	89 212
A Pollard[4]	–	9 805	4 758	18 648	254	446	33 911
B Swartzberg	–	6 770	8 529	10 379	701	416	26 795
Sub-total	–	62 036	69 676	96 209	2 546	2 148	232 615
Total	–	69 888	74 859	106 995	3 191	2 571	257 504
Less: paid by fellow subsidiaries	–	(62 036)	(69 676)	(96 209)	(2 546)	(2 148)	(232 615)
Paid by Vitality	–	7 852	5 183	10 786	645	423	24 889

1 "LTIP" comprises cash-settled and equity-settled incentives.
2 "Other benefits" comprise medical aid contributions, travel, other allowances and fees from group subsidiaries.
3 Salary and incentive are paid in GBP.
4 Salary and incentive are paid in USD.
5 Resigned 30 June 2025.