



Unaudited Interim Results

and cash dividend declaration
for the six months ended 31 December 2025



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Discovery Limited
Registration number 1999/007789/06

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Commentary

Discovery Group achieved strong growth in the period ended 31 December 2025, evidenced by a 24% growth in normalised operating profit to R8 891 million. Headline earnings increased by 29% to R5 692 million and normalised headline earnings increased by 27% to R5 745 million, resulting in the normalised return on equity increasing to 17.4%, from 15.4% in the prior period.

1. GROUP OVERVIEW AND SALIENT RESULTS

SALIENT GROUP RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2025

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

	Unit	31 December 2025	31 December 2024	% Change
Group earnings¹				
Normalised profit from operations	R million	8 891	7 188	24%
Normalised headline earnings	R million	5 745	4 511	27%
Headline earnings	R million	5 692	4 428	29%
Basic earnings per share	Cents	846.6	661.3	28%
Basic headline earnings per share	Cents	850.0	667.1	27%
Basic normalised headline earnings per share	Cents	858.0	679.6	26%
Returns, cash conversion and dividends				
Normalised return on equity (RoE) ¹	%	17.4	15.4	+2%
Annualised return on opening embedded value (RoEV)	%	17.3	19.0	lower by 1.7%
Dividend per share for the period	Cents	111	87	28%
Cash conversion ²	%	71	76	lower by 5%
Growth drivers				
Income from non-insurance business lines ²	R million	3 567	3 181	12%
New business annual premium income (API) ²	R million	14 026	12 534	12%

	Unit	31 December 2025	30 June 2025	% Change (annualised)
Financial position and embedded value				
Net asset value	R million	73 438	65 699	25%
Embedded value	R million	135 844	126 554	15%
Basic embedded value per share	R	201.97	189.85	13%
Financial leverage ratio (FLR)	%	15.1	16.8	lower by 1.7%

¹ Restated: Refer to D.1.

² Refer to Annexure A, which also includes details on the restatement of the cash conversion.



Commentary continued

1. GROUP OVERVIEW AND SALIENT RESULTS *continued*

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

Over the period, the Group continued to execute its growth strategy, delivering 24% growth in normalised profit from operations. Discovery SA delivered 19% growth in normalised profit from operations, reflecting a compelling contribution from each business in SA. Vitality generated 41% growth in normalised profit from operations, reflecting the focus and strong execution within the restructured global operations. Headline and normalised headline earnings increased by 29% and 27%, respectively, reflecting the benefit of the improving financial leverage ratio (FLR) translating into lower finance charges.

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

The successful deployment of the SV model had a significant impact across both the SA and global composites, and within each business of each composite. This manifested in superior margins for the short-term insurance businesses, superior returns on capital for the long-term insurance businesses with strong actuarial outcomes, and scalable growth in value for Discovery Bank.

The Group's continued investment in and deployment of artificial intelligence (AI) into the platforms provide a clear opportunity to propel the model forward into a new phase, with demonstrable increases in engagement and outcomes in some of the early developments, like Personal Health Pathways (PHP).

Over the period, the Group's embedded value increased to R135.8 billion, a 17.3% return on embedded value (RoEV), driven by strong operational performance. Total new business API increased 12%, reflecting the strong competitive dynamics of the SV model, with a focus on deliberate and disciplined pricing strategies, resulting in an improved new business value. Favourable experience variances increased for the period, with positive contributions from each business, reflecting the positive financial dynamics of the model and particularly strong underlying claims dynamics of the in-force pool of clients across the businesses. Lower bond yields resulted in a positive impact of economic basis assumptions, which offset lower translated values of foreign operations given the stronger rand, with a favourable contribution in aggregate.

INCREASED FINANCIAL FLEXIBILITY IN A COMPLEX ENVIRONMENT

Capital ratios remained strong across every regulated business and the strong operating cash generation and improving FLR provided the Group with significant financial flexibility. The Group recently announced the intention to purchase Discovery's head office building, 1 Discovery Place. The transaction includes cancelling a portion of the remaining lease, with a total consideration of R4.05 billion (exclusive of VAT) and is subject to Competition Authority approval and other customary suspensive conditions. The acquisition is to be fully funded through pre-arranged debt and provides strong financial and economic benefits to the Group.

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

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

¹ Restated: Refer to D.1.

² Includes Discovery Vitality SA.

³ Vitality AI also includes other central costs.

2. Business-specific performance

DISCOVERY SA



Discovery SA increased normalised operating profit by 19% to R6 775 million. New business volumes increased by 10% to R9 942 million. Discovery Bank (DB) continued to expand its capabilities, innovative product solutions and quality customer base, with more than 70% of new bank clients now also being new to the Group, demonstrating the Bank's expanding relevance beyond the core Discovery client base. DB is a key strategic platform, powered by data, technology and AI, to drive further growth through Discovery SA's 6.5 million client base, which increased 7% compared with the prior period. The composite delivered a strong improvement in central and Vitality programme costs and improved customer engagement levels.

DISCOVERY BANK

	Unit	December 2025	December 2024	% Change
Net non-interest revenue (NIR)	R million	848	611	39%
Net Interest income (NII) ¹	R million	623	489	27%
Operating profit before new business acquisition costs	R million	319	69	>100%
Normalised profit/(loss) from operations	R million	75	(145)	>100%
Retail deposits	R billion	25.7	21.2	21%
Gross retail advances	R billion	11.1	7.8	42%
Average interest-earnings assets (IEA) ¹	R billion	26.9	21.6	25%
Credit loss ratio (CLR) ²	%	2.69	3.01	11%
Number of accounts	Million	3.37	2.61	29%
Number of clients	Million	1.40	1.09	28%

¹ Average interest-earning assets (IEA) = treasury assets + retail banking activities; NII includes the allocation of interest earned on the bond trading portfolio (recognised as fair value gains in the income statement)

² CLR calculated as the expected credit loss (ECL) charge, including overlays and IFRS adjustments, on the period-end advances balance across the products.

Discovery Bank (DB) continued its strong momentum, with normalised profit R220 million better than the prior-period loss of R145 million, and operating profit before new business acquisition costs improving by R250 million, ahead of plan. DB's total client base grew 28%, with a further acceleration in the acquisition of clients, currently averaging approximately 1,500 clients per day. Strong performance across key metrics illustrates the consistent quality of clients and their levels of engagement and primacy.

Non-interest revenue increased 39%, driven by client growth and higher product take-up and engagement across the SV model, which lifted fee income per client. Expenses benefitted from growing economies of scale, with operating leverage improving as the book expanded. Efficiency gains from increased use of AI and automated service channels drove efficiencies despite a larger client base, while the introduction of TRUST Alerts strengthened fraud prevention for clients.

Deposits increased 21% from December 2024, and advances grew 42%, supported by strong growth in home loans (R2.9 billion at the end of the period) and a 48% increase in the Revolving Credit Facility, contributing to a 27% year-on-year increase in NII.

DISCOVERY HEALTH

	Unit	December 2025	December 2024	% Change
Normalised profit from operations	R million	2 128	2 023	5%
New business API	R million	5 454	4 714	16%
Revenue ¹	R million	6 181	5 737	8%
Non-scheme revenue as % of total revenue ¹	%	17.8	15.3	16%
Lives under administration ¹	Million	3.86	3.79	2%

¹ Refer to A.1: Restated to exclude HealthyCompany, which is now included within CEB (Discovery Life).

Discovery Health's (DH) operating profit increased by 5%, delivering excellent cost efficiency and scalability in the period, while fully absorbing a once-off administration fee concession to members of R125 million. Alongside this, the business has continued its investment in technology, AI and strategic adjacencies.

Performance was underpinned by strong new business API, the continued success of the Active Smart Plan within Discovery Health Medical Scheme (DHMS), and membership growth across LA Health Medical Scheme. Non-medical scheme offerings remain an important growth vector, with non-scheme revenue increasing to 17.8% of total DH revenue.

DHMS continued to demonstrate resilience, achieving membership growth in a challenging macro-economic environment. The Scheme's financial position remains strong, with projected unaudited 2025 solvency of 32.6%, well above the 25% statutory requirement.



Commentary continued

DISCOVERY LIFE

	Unit	December 2025	December 2024	% Change
Normalised profit from operations ¹	R million	3 093	2 686	15%
New business API ¹	R million	1 635	1 655	(1%)
New business APE ²	R million	411	355	16%
Premium income	R million	9 862	9 388	5%
Insurance revenue (IFRS 17)	R million	9 798	9 437	4%
Solvency ratio	%	180	183	
RoEV ³	%	31	21	
VNB margin	%	4.3	3.6	
New business net value ⁴	R million	930	886	5%

1 Restated: Refer to D.1; Includes Group Risk and Umbrella (part of Corporate and Employee Benefits (CEB) offerings).

2 New business annual premium equivalent (APE) – refer to embedded value statement.

3 Including Discovery Invest.

4 Calculated as: New business contractual service margin (CSM) + risk adjustment (RA) minus onerous new business.

Discovery Life's (DL) operating profit increased by 15% to R3 093 million. Individual Life profit was up 6%, driven by favourable overall experience. Corporate and Employee Benefits (CEB) delivered a strong profit increase of 129%, driven by favourable claims experience as well as Umbrella turning profitable over the period.

During the period leading up to December 2025, long-term interest rates in South Africa decreased significantly. This led to a material gain, of approximately R8 billion, in the present value of projected fulfilment cash flows, with the gain reflected through Other Comprehensive Income (OCI), a component of equity, rather than being recognised directly in earnings.

New business APE, measured as per the Embedded Value (EV) statement, grew 16% to R411 million, which included a recovery from Group Risk. New business API declined slightly – a result of lower inflation rates on automatic contribution increases (ACIs) compared to the prior period and lower Umbrella Fund sales, both of which are not incorporated into the measure of new business in the EV basis. The VNB margin of 4.3% improved significantly from 3.6% in the prior period and 2.1% in June 2025, primarily due to the lower interest rates.

Discovery Life Limited (including Discovery Invest) delivered positive variances, generating an annualised RoEV of 31%, or 14%, excluding the impact of lower interest rates. Continued favourable claims experience offset the net impact of lapse and policy alterations experience for Individual Life, which was largely consistent with the projected action plan. Retention at CEB declined slightly in a competitive market. The business remains focused on managing the negative policy alterations experience according to a well-defined strategy.

Discovery Life Limited's (including Discovery Invest) cash generation increased further, to R1 628 million (prior half-year R1 497 million), before a R616 million net repayment of financing arrangements (prior period R981 million).

DISCOVERY INVEST

	Unit	December 2025	December 2024	% Change
Normalised profit from operations ¹	R million	984	972	1%
Assets under administration	R billion	200	167	20%
Assets under management	R billion	142	115	24%
% linked assets in Discovery funds	%	81	81	0%
Net client cash flows	R billion	2.6	2.4	8%
New business API	R million	1 961	1 735	13%
New business APE ²	R million	1 467	1 234	19%

¹ Restated: Refer to D.1.1.

² New business annual premium equivalent (APE) – refer to embedded value statement.

Discovery Invest increased operating profit by 1% to R984 million. Assets under management and assets under administration increased 24% and 20%, respectively, as a result of strong market performance and positive net inflows. The rate of earnings growth was dampened by an in-period asset-liability matching (ALM) loss (R87 million) related to the steep decline in yields, following the prior period ALM gain (R85 million). Excluding the ALM movements, earnings increased 21%, in line with the growth in average assets under management.

Robust growth in new business followed strong sales of linked business, offset partly by lower sales of guaranteed products, as the lower interest-rate environment made these products less attractive.

DISCOVERY INSURE

	Unit	December 2025	December 2024	% Change
Discovery Insure normalised profit from operations	R million	487	378	29%
Equity accounted profit/(loss)	R million	59	29	>100%
Normalised profit from operations	R million	546	407	34%
Operating margin	%	15.2	12.3	24%
New business API	R million	646	659	(2%)
Insurance revenue	R million	3 207	3 078	4%

Discovery Insure delivered an excellent performance, with normalised profit from operations increasing 29% to R487 million and total normalised profit from operations rising 34% to R546 million. Rigorous implementation of the Vitality Shared-value model resulted in a substantial increase in operating margin, to 15.2%, notwithstanding weather conditions worsening from a benign prior period. Specific focus on pricing and claims management drove continued improvement in the underlying book, while maintaining quality of new business.

Motor accident claims were significantly below budget, reflecting the continued impact of the Vitality Drive programme, with improved driving-status profiles across durations and calendar periods. The growth in insurance revenue was supported by the resilience of the in-force book and the slight decline in new business is consistent with the disciplined pricing stance in a softening market cycle.



Commentary continued

VITALITY (UNITED KINGDOM AND VITALITY GLOBAL)

Vitality's normalised operating profit increased by 41% to R2 116 million, off the back of exceptional performances in both the UK and China. New business API increased by 16% to R4 084 million. Vitality now covers 11.2 million lives outside China, up 15% over the year, including more than two million clients in the UK. Ping An Health Insurance's (PAHI) lives increased 17%, exceeding 34 million.

All the global operations have now been successfully restructured into a single focused business, through a regionalised operating model that can effectively deploy and efficiently scale its capabilities. The investment into Vitality AI has accelerated over the period, anticipated to drive increased efficiency in the Vitality programmes globally, accelerate traction in existing partnerships and enhance the value from new partnerships. Vitality unveiled its partnership with Google in November 2025, combining Google's secure, scalable cloud and AI capabilities with Vitality's unique data assets and leadership in incentivised behaviour change and shared-value insurance to deliver precise and personalised health improvement actions at scale.

In Vitality UK, VitalityHealth benefitted from its focused model-driven repricing and VitalityLife generated excellent new business returns, both successfully deploying the Vitality Shared-value model. Vitality Network focused on restructuring existing partnerships and delivering new European partnerships, with investment to ensure the business is well positioned for growth and long-term value creation. Vitality Health International focused on continued scaling through quality profits within Ping An Health Insurance, while growing its own distribution channels and Vitality Health USA and Amplify Health focused on deploying superior capabilities and driving traction towards operational profitability.

VITALITY HEALTH

	Unit	December 2025	December 2024	% Change
Normalised profit from operations	£ million	50.9	25.9	97%
	R million	1 186	599	98%
Insurance revenue (earned premiums)	£ million	450.8	393.8	14%
	R million	10 498	9 112	15%
New business API ¹	£ million	61.8	57.3	8%
	R million	1 440	1 326	9%
Lives covered	Million	1.06	1.04	2%

¹ Refer to Annexure A.

VitalityHealth's (VH) operating profit rose by 97% to £50.9 million (98% to R1 186 million), reflecting its strong recovery. The business is tracking ahead of the run rate required to achieve its 7.5% margin guidance for the current financial year, driven by effective pricing, a stable claims environment and particularly strong claims and expense management in this period. Premiums remain aligned to claims experience, notwithstanding ongoing challenges in the National Health Service.

New business growth of 8%, in a challenging macro-economic environment with heightened price competition, was supported by advanced price optimisation and a diversified distribution capability. Consistent with the strategy to rebase premiums and restore margins, retention efforts focused on maintaining high-quality business at appropriate pricing. Together with new business, this supported a 14% increase in earned premiums, while net lives growth of 2% was more moderate. VH continued to invest in healthcare risk management, primary care assets and digital servicing to enhance cost efficiency and care outcomes.

VITALITY LIFE

	Unit	December 2025	December 2024	% Change
Normalised profit from operations	£ million	15.1	14.1	7%
	R million	352	327	8%
Earned premiums	£ million	247.6	216.8	14%
	R million	5 767	5 016	15%
New business API	£ million	64.2	47.6	35%
	R million	1 495	1 101	36%
New business APE ¹	£ million	53.5	39.8	34%
	R million	1 245	921	35%
Insurance revenue	£ million	190.2	162.4	17%
	R million	4 429	3 758	18%
Lives covered	Million	0.958	0.852	12%
VNB margin	%	2.2	0.9	
New business net value ²	£ million	34.6	24.3	42%
	R million	805	562	43%

¹ New business annual premium equivalent (APE) - refer to embedded value statement

² New business net value (NB CSM + NB RA minus onerous NB) excludes the impact of new reinsurance contracts attaching to the in-force book in the year. The total CSM and RA on all contracts inception in the year was £37.3 million (R831 million).

VitalityLife's (VL) operating profit rose by 7% to £15.1 million (8% to R352 million), reflecting the unwind in margins, with stable lapse and claims experience from sustained member engagement in the Vitality programme and its positive impact on actuarial dynamics.

VL maintained its exceptional sales trajectory, with new business increasing by 35%. The UK market showed signs of growth, and VL continued to execute the Vitality Shared-value model effectively through an expanded distribution footprint, supporting both volume growth and improved new business quality. Together with disciplined expense management, this resulted in a 42% increase in new business net value. Robust retention, combined with strong new business volumes, increased lives covered by 12% and earned premiums by 14%.

VITALITY GLOBAL



VITALITY NETWORK

	Unit	December 2025	December 2024	% Change
Revenue	US\$ million	47.8	54.1	(12%)
	R million	831	970	(14%)
Normalised profit from operations	US\$ million	10.2	18.9	(46%)
	R million	176	339	(48%)
Operating margin	%	21	35	(40%)
Integrated API by Insurance Partners	US\$ million	1 026	910	13%
	R million	17 843	16 304	9%
Number of lives	Million	6.9	6.2	11%

Vitality Network's (VN) normalised operating profit decreased by 46% to US\$10.2 million (48% to R176 million), significantly impacted by adverse economics from foreign exchange movements, primarily in the weakening of the USD/JPY and higher Japanese interest rates, resulting in losses of US\$7.5 million in aggregate, versus prior period gains of US\$1.5 million (and \$4 million gains in FY2025). The consistent and exceptional performance of Sumitomo Life has driven an expanded Yen-denominated contract asset, which is expected to unwind at a high rate, but which gave rise to earnings volatility through its currency translation in the current period. Excluding the impact of these economics, profits increased 7%, reflecting the investment underway to build greater longer-term scale and value.

Vitality-integrated new business increased 13% to approximately US\$1.03 billion and membership increased 11% to 6.9 million, demonstrating the growing global relevance of the model. Lower solutions revenues and licence fees impacted the growth in revenues, which were up 2% excluding the impact of the above economics, and down 12% in total.

Following the establishment of the global Vitality composite, the business restructured its operating model and partnerships to further monetise its unique global position. In particular, the termination of the partnership with Generali has opened the large European markets where Vitality is actively pursuing multiple new long-term partnerships.



Commentary continued

PING AN HEALTH INSURANCE (PAHI)

	Unit	Discovery interim results			PAHI full-year (12-month) period ²		
		December 2025	December 2024	% Change	December 2025	December 2024	% Change
PAHI after-tax operating profit (25%), after Discovery's costs	R million	573	424	35%	1 355	1 204	13%
PAHI pre-tax profit (100%)	RMB million	1 444	906	59%	3 082	2 439	26%
Profit before investment income and gains (100%)	RMB million	682	306	123%	1 773	1 420	25%
Investment income and gains (100%)	RMB million	762	599	27%	1 309	1 018	29%
New business (100%) ¹	RMB million	1 883	1 743	8%	4 947	3 994	24%
New business (25%) ¹	R million	1 149	1 088	6%	3 084	2 547	21%
Written premium (100%) ¹	RMB million	8 271	7 452	11%	19 642	17 036	15%
Earned premium (100%) ¹	RMB million	9 500	8 286	15%	18 243	15 904	15%
Lives ¹	Million	34.1	29.1	17%	34.1	29.1	17%
Investable assets	RMB million	27.6	24.6	12%	27.6	24.6	12%

¹ PAHI own licence business.

² PAHI full-year calendar performance has been included to align with the Chinese industry comparable reporting.

The Group's share of PAHI's after-tax operating profit increased 35% to R573 million for the six-month period. The strong operational result was delivered by disciplined cost control, regulatory-driven reductions in distribution costs, and stable retention. A surge in the Shanghai Stock Exchange resulted in an exceptional investment result for the period. PAHI maintained a solid financial position, with an unaudited comprehensive solvency ratio of 312% in Q4 CY2025. Profitability was further enhanced by product innovation and deeper integration of health and wellness features, resulting in a 13% net margin for the calendar year. From January 2026, the margin is likely to be negatively impacted by changes relating to dividend tax credits, expected to impact PAHI's CY2026 net profit by approximately RMB200 million.

New business written under the PAHI insurance licence grew 8% over six months (24% over 12 months), supported by increased volumes from online third-party channels. Direct written premiums rose 11% over six months, driven by sustained new business growth and improving retention across all channels, and 15% for CY2025, 9% faster than the industry. As of December 2025, directly insured lives increased 17%, exceeding 34 million.

New business growth was impacted by recent changes implemented to its distribution arrangement with Ping An Life (PAL), another Ping An Group subsidiary. In response to regulatory requirements pertaining to related parties, PAL discontinued its distribution of PAHI's main eShengBao product range, accounting for approximately 22.5% of new business at the time (September 2025). This will affect new business production in the short term but is being ameliorated by PAHI's rapidly growing multi-channel distribution capability, and a widening product range. Existing eShengBao in-force policies that were sold by PAL will remain with PAHI and the impact on PAHI's operating profits is expected to be largely mitigated. PAL and PAHI are establishing new commercial arrangements, aligned with the regulations, both for services provided by PAHI to PAL and for the distribution of other PAHI products.

Both Ping An Group and Discovery remain confident in PAHI's long-term growth prospects, underpinned by strong momentum in product innovation, channel diversification, and a supportive regulatory environment in China.

VITALITY HEALTH INTERNATIONAL - OTHER

	Unit	December 2025	December 2024	% Change
Revenue	US\$ million	28	25.9	8%
	R million	487	465	5%
Normalised profit from operations	US\$ million	(1)	(8.3)	(88%)
	R million	(16)	(149)	(89%)

Vitality Health International (VHI) Other made rapid progress towards profitability, with losses decreasing significantly to \$1 million, driven by smaller losses in Vitality Health USA and Amplify Health.

Vitality Health USA continues to evolve from a traditional employee wellness provider to offering comprehensive, integrated digital health and care solutions to health plans and employers. The acquisition of WellSpark, a personalised coaching business, in November 2024 has exceeded expectations, contributing to the improved result. The business has developed a broad set of customised wellbeing, coaching and disease prevention services, and has deployed Vitality AI to EmblemHealth, New York's leading health plan provider. The business continues to make progress in its sales to health plans, including to Blue Cross Blue Shield plans, and to the significant Medicare Advantage market, as total membership reached 2.4 million at the end of the period.

Amplify Health continued to deliver award-winning, AI-enabled and data-driven health-tech products and solutions across the Asia-Pacific region. The business had successful deployments in multiple Asia-Pacific markets, across all its main products, including its core claims system, and is prioritising further deployment of an integrated suite of products in key AIA markets.

Prospects and dividend

Discovery's growth strategy is based on the efficacy, repeatability and scalability of its model through organic growth and global partnerships. The acceleration of technological and demographic trends reinforces the relevance of the model and Discovery's unique data. The Group is well positioned for sustained growth through focused composites; Discovery South Africa and Vitality, with strong platforms in each, resulting in growth in earnings, cash generation, and return on equity, as well as lower leverage. The Group established a five-year ambition for normalised profit from operations to grow between 15% to 20% on a compound basis from the end of 2024 to 2029. The strong underlying momentum and performance in the first half of 2026 has further increased the Group's confidence in achieving this ambition.

In terms of the Group's current dividend policy and guidance, annual ordinary dividends are expected to be covered approximately five times by normalised headline earnings, with interim ordinary dividends expected to be paid in the range of 30% to 40% of the expected total annual ordinary dividend. In line with this, the Group has declared its interim ordinary dividend for the period at 111 cents per share, up 28% following the growth in normalised headline earnings.

Notes to Analysts

Any forecast financial information contained in this announcement has not been reviewed or reported on by the Company's external auditors.

Discovery has published supplemental unaudited information on the website. For this and other results information, visit <https://www.discovery.co.za/corporate/investor-relations> and go to Financial and annual reports.

On behalf of the Board

ME Tucker
Chairperson

Sandton

2 March 2026

A Gore
Group Chief Executive



Group statement of financial position

as at 31 December 2025

R million	December 2025	June 2025
Assets		
Goodwill	5 172	5 429
Intangible assets	7 206	7 542
Property and equipment	3 075	3 266
Assets arising from insurance contracts issued	58 241	48 047
Assets arising from reinsurance contracts held	978	962
Deferred tax asset	4 239	4 886
Assets arising from contracts with customers	3 677	3 722
Investment in equity-accounted investees	9 322	8 989
Financial assets		
- Loans and advances to customers at amortised cost	11 705	8 513
- Investments at amortised cost	13 609	12 812
- Investments at fair value through other comprehensive income	-	14
- Investments at fair value through profit or loss	216 868	193 776
- Derivative financial instruments at fair value through profit or loss	83	63
Contract receivables and other receivables	7 441	7 368
Non-current assets held for sale	-	62
Current tax asset	41	31
Cash and cash equivalents	20 767	21 968
TOTAL ASSETS	362 424	327 450
Equity		
Capital and reserves		
Ordinary share capital and share premium	12 121	11 358
Perpetual preference share capital	779	779
Other reserves	7 588	4 921
Retained earnings	52 956	48 646
Equity attributable to equity holders of the Company	73 444	65 704
Non-controlling interest	(6)	(5)
TOTAL EQUITY	73 438	65 699
Liabilities		
Liabilities arising from insurance contracts issued	133 095	118 878
Liabilities arising from reinsurance contracts held	10 354	9 121
Deferred tax liability	11 454	8 755
Contract liabilities to customers	1 567	1 516
Third-party interest in consolidated funds	40 319	35 932
Financial liabilities		
- Borrowings at amortised cost	19 479	20 046
- Other financial payables at amortised cost	7 357	9 148
- Deposits from customers	25 726	23 326
- Investment contracts at fair value through profit or loss	36 794	32 188
- Derivative financial instruments at fair value through profit or loss	287	135
Other payables	2 210	2 333
Current tax liability	344	373
TOTAL LIABILITIES	288 986	261 751
TOTAL EQUITY AND LIABILITIES	362 424	327 450

Group income statement

for the six months ended 31 December 2025

R million	December 2025	Restated December 2024 ¹	June 2025
Insurance revenue	30 700	27 925	57 713
Insurance service expenses	(25 064)	(23 483)	(49 028)
Net expenses from reinsurance contracts	(961)	(866)	(1 306)
Insurance service result	4 675	3 576	7 379
Net financial result from insurance finance income and expense	(12 470)	(6 082)	(13 088)
- Net finance expense from insurance contracts	(12 332)	(5 892)	(12 665)
- Net finance expense from reinsurance contracts	(138)	(190)	(423)
Investment income using the effective interest rate method	526	461	998
Net fair value gains on financial assets at fair value through profit or loss	22 263	12 637	25 818
Fair value adjustment to liabilities under investment contracts	(3 338)	(1 919)	(3 810)
Third party interest: fair value adjustment to liabilities under investment contracts	(4 068)	(2 401)	(4 394)
Other gains on financial instruments	-	(9)	(9)
Net insurance and investment results	7 588	6 263	12 894
Fee income from administration businesses	7 026	7 031	14 326
Vitality income	2 802	2 618	5 322
Net banking fee and commission income	990	731	1 695
- Banking fee and commission income	1 334	1 036	2 238
- Banking fee and commission expense	(344)	(305)	(543)
Net banking interest and similar income	590	489	966
- Banking interest and similar income using the effective interest rate	1 243	1 105	2 203
- Banking interest and similar expense using the effective interest rate	(653)	(616)	(1 237)
Other income	1 021	936	1 832
Non-insurance revenue and income	12 429	11 805	24 141
Net income	20 017	18 068	37 035
Non-insurance acquisition costs	(188)	(317)	(384)
Expected credit losses	(150)	(118)	(279)
Marketing and administration expenses	(11 092)	(10 533)	(21 765)
Impairment of goodwill	-	-	(20)
Operating profit	8 587	7 100	14 587
Loss on dilution and disposal of equity-accounted investments	-	(26)	(32)
Share of net profits from equity-accounted investments	707	399	1 215
Profit before financing and income tax	9 294	7 473	15 770
Interest expenses on borrowings and lease liabilities	(937)	(1 094)	(2 087)
Foreign exchange (losses)/gains	(83)	13	(36)
Profit before income tax	8 274	6 392	13 647
Income tax expense	(2 515)	(1 900)	(4 089)
Profit for the period/year	5 759	4 492	9 558
Profit attributable to:			
- Ordinary shareholders	5 716	4 448	9 471
- Preference shareholders	44	47	93
- Non-controlling interest	(1)	(3)	(6)
	5 759	4 492	9 558
Earnings per share for profit attributable to ordinary shareholders of the company during the period/year (cents):			
- Basic	846.6	661.3	1 402.2
- Diluted	842.7	658.0	1 394.9

¹ The comparative information for December 2024 has been restated for the correction of the prior period errors in line with and as disclosed in the annual financial statements for the year ended 30 June 2025. Refer to D.1 for more details.



Group statement of other comprehensive income

for the six months ended 31 December 2025

R million	December 2025	Restated December 2024 ¹	June 2025
Profit for the period/year	5 759	4 492	9 558
Income and expenses that will be reclassified to profit or loss when specific conditions are met:			
Currency translation differences	(2 168)	577	998
- Unrealised (losses)/gains	(2 233)	589	1 032
- Tax on unrealised losses/(gains)	65	(12)	(34)
Cash flow hedges	(72)	(40)	(104)
- Unrealised losses	(74)	(40)	(106)
- Gains reclassified to profit or loss	2	-	2
Net finance income/(expense) from insurance contracts issued	6 398	2 060	2 186
- Unrealised income/(expense)	8 746	2 810	2 961
- Tax on unrealised (income)/expense	(2 348)	(750)	(775)
Net finance (expense)/income from reinsurance contracts held	(530)	(67)	(282)
- Unrealised (expense)/income	(724)	(90)	(382)
- Tax on unrealised expense/(income)	194	23	100
Share of other comprehensive income from equity-accounted investments	(506)	301	(120)
- Change in fair value of debt instruments at fair value through other comprehensive income	(62)	49	16
- Currency translation differences	(444)	252	(136)
Total income and expenses that will be reclassified to profit or loss when specific conditions are met	3 122	2 831	2 678
Income and expenses that will not be reclassified to profit or loss:			
Equity instruments held at fair value through other comprehensive income	-	-	(2)
- Change in fair value of equity instruments at fair value through other comprehensive income	-	-	(2)
- Tax on change in fair value of equity instruments at fair value through other comprehensive income	-	-	*
Share of other comprehensive income/(loss) from equity-accounted investments	22	(5)	23
- Change in fair value of equity instruments at fair value through other comprehensive income	22	(5)	23
Total income and expenses that will not be reclassified to profit or loss	22	(5)	21
Other comprehensive income for the period/year, net of tax	3 144	2 826	2 699
Total comprehensive income for the period/year	8 903	7 318	12 257
Attributable to:			
- Ordinary shareholders	8 860	7 274	12 169
- Preference shareholders	44	47	93
- Non-controlling interest	(1)	(3)	(5)
Total comprehensive income for the period/year	8 903	7 318	12 257

* Amount is less than R500 000.

¹ The comparative information for December 2024 has been restated for the correction of the prior period errors in line with and as disclosed in the annual financial statements for the year ended 30 June 2025. Refer to D.1 for more details.

Group statement of cash flows

for the six months ended 31 December 2025

R million	December 2025	Restated December 2024 ¹	June 2025
Cash flows from operating activities	1 965	3 546	8 667
Cash (utilised)/generated from operations	(4 070)	485	1 289
Interest received	1 589	1 245	2 955
Interest paid	(1 574)	(1 494)	(2 877)
Taxation paid	(1 337)	(758)	(1 867)
Net movement in operating assets and liabilities	7 357	4 068	9 167
- Increase in operating assets	(6 846)	(5 005)	(11 060)
- Increase in operating liabilities	14 203	9 073	20 227
Cash flows from investing activities	(812)	(1 304)	(1 823)
Purchase of property and equipment	(145)	(120)	(294)
Proceeds from disposal of property and equipment	2	3	3
Purchase of intangible assets	(735)	(875)	(1 682)
Acquisition of business and subsidiaries net of cash	-	(304)	(316)
Proceeds from disposal of sale of non-current asset held for sale	59	-	-
Additional investment in equity-accounted investments	(3)	(11)	(24)
Dividends from equity-accounted investments	10	3	490
Cash flows from financing activities	(1 765)	(1 938)	(4 016)
Dividends paid to ordinary shareholders	(1 363)	(1 026)	(1 614)
Dividends paid to preference shareholders	(44)	(47)	(93)
Proceeds from borrowings	2 592	1 765	3 264
Repayment of borrowings	(2 950)	(2 630)	(5 573)
Net (decrease)/increase in cash and cash equivalents	(612)	304	2 828
Cash and cash equivalents at beginning of the period/year	21 966	18 965	18 965
Effects of exchange rate changes on cash and cash equivalents	(587)	90	173
Cash and cash equivalents at end of the period/year	20 767	19 359	21 966
Reconciliation to statement of financial position			
Cash and cash equivalents	20 767	19 359	21 968
Bank overdraft included in borrowings at amortised cost	-	-	(2)
Cash and cash equivalents at end of the period/year	20 767	19 359	21 966

¹ The comparative information for December 2024 has been restated for the correction of the prior period errors in line with and as disclosed in the annual financial statements for the year ended 30 June 2025. Refer to D.1 for more details.



Group statement of changes in equity

for the six months ended 31 December 2025

R million	Attributable to equity holders of the Company				Attributable to equity holders of the Company						Non-controlling interest	Total Equity
	Share capital and share premium	Perpetual preference share capital	Share-based payment reserve	Investment reserve ¹	Insurance finance reserve	Foreign currency translation reserve	Hedging reserve	Retained earnings	Total			
Six months ended 31 December 2025												
At beginning of the period - July 2025	11 358	779	1 480	118	(2 928)	6 375	(124)	48 646	65 704	(5)	65 699	
Total comprehensive income for the period	-	44	-	(40)	5 868	(2 612)	(72)	5 716	8 904	(1)	8 903	
Profit for the period	-	44	-	-	-	-	-	5 716	5 760	(1)	5 759	
Other comprehensive income	-	-	-	(40)	5 868	(2 612)	(72)	-	3 144	-	3 144	
Transactions with owners	763	(44)	(476)	(1)	-	-	-	(1 406)	(1 164)	-	(1 164)	
Share issue	625	-	-	-	-	-	-	(9)	616	-	616	
Increase in treasury shares	(625)	-	-	-	-	-	-	-	(625)	-	(625)	
Delivery of treasury shares	763	-	(763)	-	-	-	-	-	-	-	-	
Modification of share based payment settlement	-	-	(95)	-	-	-	-	(40)	(135)	-	(135)	
Changes in ownership interests	-	-	-	-	-	-	-	5	5	-	5	
Transfer among reserves	-	-	-	(1)	-	-	-	1	-	-	-	
Employee share option schemes:												
- Value of employee services, net of tax	-	-	382	-	-	-	-	-	382	-	382	
Dividends paid to preference shareholders	-	(44)	-	-	-	-	-	-	(44)	-	(44)	
Dividends paid to ordinary shareholders	-	-	-	-	-	-	-	(1 363)	(1 363)	-	(1 363)	
At end of the period	12 121	779	1 004	77	2 940	3 763	(196)	52 956	73 444	(6)	73 438	
Six months ended 31 December 2024												
At beginning of the period - July 2024 ²	10 667	779	1 433	81	(4 832)	5 514	(20)	40 829	54 451	-	54 451	
Total comprehensive income for the period	-	47	-	44	1 993	829	(40)	4 448	7 321	(3)	7 318	
Profit for the period	-	47	-	-	-	-	-	4 448	4 495	(3)	4 492	
Other comprehensive income	-	-	-	44	1 993	829	(40)	-	2 826	-	2 826	
Transactions with owners	690	(47)	(330)	-	-	-	-	(1 044)	(731)	-	(731)	
Share issue	626	-	-	-	-	-	-	-	626	-	626	
Increase in treasury shares	(626)	-	-	-	-	-	-	-	(626)	-	(626)	
Delivery of treasury shares	690	-	(672)	-	-	-	-	(18)	-	-	-	
Employee share option schemes:												
- Value of employee services, net of tax	-	-	342	-	-	-	-	-	342	-	342	
Dividends paid to preference shareholders	-	(47)	-	-	-	-	-	-	(47)	-	(47)	
Dividends paid to ordinary shareholders	-	-	-	-	-	-	-	(1 026)	(1 026)	-	(1 026)	
At end of the period	11 357	779	1 103	125	(2 839)	6 343	(60)	44 233	61 041	(3)	61 038	

¹ This relates to fair value adjustments on those equity instruments designated at fair value through other comprehensive income (FVOCI) and those debt instruments measured at FVOCI, in terms of IFRS 9 Financial Instruments.

² The comparative information for December 2024 has been restated for the correction of the prior period errors in line with and as disclosed in the annual financial statements for the year ended 30 June 2025. Refer to D.1 for more details.



SECTION A

Notes to the Interim results

- 17 A.1 Segment information
- 26 A.2 Normalised profit from operations
- 26 A.3 Earnings, headline earnings and normalised headline earnings
- 28 A.4 Revenue from non-insurance activities
- 28 A.5 Borrowings at amortised cost
- 30 A.6 Fair value hierarchy



Disclosure

for the six months ended 31 December 2025

A. Notes to the Interim results

A.1 SEGMENT INFORMATION

Discovery's operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM has been identified as the Group Executive Committee who makes strategic decisions regarding these businesses.

An operating segment is a component of an entity:

- (a) That engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the same entity.
- (b) Whose operating results are regularly reviewed by the entity's CODM to make decisions about resources to be allocated to the segment and assess its performance; and
- (c) For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues, for example, start-up operations may be operating segments before earning revenues.

Discovery will report separately information about an operating segment that meets any of the following quantitative thresholds:

- (a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 percent or more of the combined revenue, internal and external, of all operating segments.
- (b) The absolute amount of its reported profit or loss is 10 percent or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss; and
- (c) Its assets are 10 percent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the financial statements.

Discovery may combine information about operating segments that do not meet the quantitative thresholds with information about other operating segments that do not meet the quantitative thresholds to produce a reportable segment only if the operating segments have similar economic characteristics.

The Group has identified its reportable segments based on a combination of products and services offered to customers and the location of the markets served.



A. Notes to the Interim results *continued*

A.1 SEGMENT INFORMATION *continued*

The following summary describes the operations of each of the Group's reportable segments:

1

Discovery

SA HEALTH

- Administers and provides managed care services to medical schemes in South Africa.
- Renders administration services to other business segments within the Group.
- Together with Medical Services Organisation International (MSO), a subsidiary company, delivers health insurance, healthcare risk management and third-party administration services within rest of Africa markets.
- Offers non-medical scheme-related products such as Gap Cover for unexpected medical costs and Flexicare – which provides quality, affordable access to primary healthcare for employees unable to access medical scheme benefits.

SA INVEST

Offers, through a range of investment fund choices, including Discovery managed unit trusts, a comprehensive and flexible range of investment choices. These products are sold through a number of investment wrappers, including Discovery Life policies, and are offered to individuals in South Africa.

SA LIFE

Offers a range of insurance and financial solutions to the Group's clients against the financial impact of lifestyle-changing events in South Africa. This segment also includes Corporate and Employee Benefits (CEB), which comprises the Group Risk, Umbrella and HealthyCompany offerings.

SA INSURE

Offers a range of personal line insurance (motor, building, household content and portable possessions) to the Group's SA clients against the financial impact of loss or damage. The segment also includes SA Insure's equity-accounted interests including Cambridge Mobile Telematics (CMT).

SA BANK

Offers retail banking solutions, including deposits and loans and advances, to clients in the South African market. The Bank is still in a start-up phase.

2

Vitality

UK HEALTH

Offers consumer-engaged private medical insurance products to employer groups and individuals in the UK. All contracts in this segment are short-term insurance contracts.

UK LIFE

Offers a risk-only life assurance product. All contracts in this segment are long-term assurance contracts offered to both employer groups and individuals in the UK.

3

All other segments

Includes those businesses that are not operating segments, as well as those operating segments that do not meet the qualitative thresholds for separate reporting. It includes:

1 Discovery SA

- SA Vitality, which offers health and lifestyle benefits with selected partners to the Group's SA clients.
- SA Insure commercial: provides commercial short-term risk insurance products to the South African market. Discovery announced that it is exiting this business with all remaining covers terminated by 31 August 2024.
- SA Distribution: provides sales and distribution services in respect of all SA products.
- Discovery Central Services, performing various shared services, treasury and administrative functions to entities within the Discovery Group.
- Other new group initiatives, including Discovery Green, as well as unallocated central costs.

2 Vitality

- Vitality Corporate Services (VCSL): provides administration, distribution and management services for entities within the UK Composite.
- Vitality Health International, leverages Discovery Health and Vitality's intellectual property to create strategic partnerships through equity-accounted interests in health insurance and health technology and solutions businesses, which includes the equity-accounted interests in Ping An Health Insurance and Amplify Health.
- Vitality Network, which provides a Vitality platform to international insurance businesses.
- Includes Vitality AI spend, immaterial interests in equity-accounted interests, as well as unallocated central costs.

A.1 SEGMENT INFORMATION *continued*

The Group Executive Committee assesses the performance of the reportable segments based on normalised profit/loss from operations. Items that are excluded from normalised profit/loss from operations are separately disclosed in the segment information to reconcile to the segment results and Group income statement. The segment information is presented on the same basis as reported to the CODM.

The segment total is then adjusted for accounting reclassifications and entries required to produce results compliant with the IFRS Accounting Standards, i.e. IFRS reporting adjustments. These adjustments include the following:

- (a) Unit trusts that the Group controls in terms of IFRS 10 *Consolidated Financial Statements* are consolidated into Discovery's results for IFRS purposes. The IFRS reporting adjustments include the effects of consolidating the unit trusts into Discovery's results, effectively being the income and expenses relating to units held by third parties.
- (b) The effects of eliminating intercompany transactions on consolidation and normalised operating profit adjustments; and
- (c) The effects of reclassifying items to align to the IFRS Group income statement.

Changes effective from 1 July 2025

1. Effective from 1 July 2025, Discovery has revised the presentation of the 'Intersegment funding' charge between SA Invest and SA Life. Previously, this charge predominantly reflected the cost incurred by SA Invest in backing its liabilities using the Assets arising from insurance contracts within SA Life. Over recent years, SA Invest has increasingly backed its liabilities using financial assets it held directly. As a result, the 'Intersegment funding' charge now predominantly reflects costs associated with the service component of providing benefits on integrated SA Life and SA Invest product offerings. To better reflect the service cost nature of this charge, the charge has been reclassified and is now included within insurance service expense and other. The comparative information has been restated accordingly. This change in presentation had no impact on the Group income statement, normalised profit from operations, basic and diluted earnings, or cash flows.

CHANGES EFFECTIVE FROM 1 JULY 2024 AS PREVIOUSLY PUBLISHED IN THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 IMPACTING DECEMBER 2024 RESULTS

2. Prior to 1 July 2024, the Group Risk portfolio of the CEB business was included within the SA Life segment, while the remainder of the CEB business was reported under All other segments in the segment information. To reflect the operational and managerial alignment of CEB with SA Life's business activities and internal reporting structure, the remainder of CEB business was reclassified to the SA Life segment effective from 1 July 2024. The comparative information has been restated accordingly, resulting in a R26 million decrease in SA Life's normalised profit from operations, with a corresponding increase in All other segments. The change has no impact on the Group's normalised profit from operations.
3. From 1 July 2024, SA Invest amended the presentation of specified income tax expenses within its business line to improve the usefulness of the information provided and to enhance comparability with peers in the market. Within its normalised profit from operations, SA Invest now includes tax expenses specific to policyholder tax funds that are directly chargeable to, or recoverable from, policyholders. These are also often referred to as 'policyholder taxes' or 'contract holder taxes'. The comparative information has been restated to reflect this revised presentation.
4. Prior to 1 July 2024, Vitality Drive International (VDI) was included under All other segments. Effective from 1 July 2024 VDI has been reclassified to the SA Insure segment resulting in an increase in normalised profit from operations of R6 million and a corresponding decrease in All other segments. This reflects the strategic integration of VDI within Discovery Insure's international expansion and incentive-based behaviour programme, aligning the reporting structure with operational responsibility and performance oversight.



A. Notes to the Interim results *continued*

A.1 SEGMENT INFORMATION *continued*

R million	Notes	SA Health	SA Life	SA Invest	SA Insure	SA Bank	UK Health	UK Life	All other segments	Segment total	IFRS reporting adjustments	IFRS total
31 December 2025												
Income statement												
Insurance revenue		369	9 798	2 399	3 207	-	10 498	4 429	-	30 700	-	30 700
- Contracts measured under the General measurement model/Variable fee approach		-	7 912	2 399	-	-	-	4 429	-	14 740	-	14 740
- Contracts measured under Premium allocation approach		369	1 886	-	3 207	-	10 498	-	-	15 960	-	15 960
Insurance service expenses		(260)	(7 713)	(1 570)	(2 718)	-	(8 963)	(3 845)	5	(25 064)	-	(25 064)
- Claims and benefits		(184)	(5 562)	(342)	(1 416)	-	(5 911)	(1 824)	6	(15 233)	-	(15 233)
- Insurance service expense and other		(45)	(930)	(742)	(847)	-	(1 960)	(334)	(1)	(4 859)	-	(4 859)
- Insurance acquisition cash flows		(31)	(1 221)	(486)	(455)	-	(1 092)	(1 687)	-	(4 972)	-	(4 972)
Tax specific to policyholder tax funds ¹		-	-	(51)	-	-	-	-	-	(51)	51	-
Insurance service result (pre-reinsurance)		109	2 085	778	489	-	1 535	584	5	5 585	51	5 636
Net (expense)/income from reinsurance contracts		(1)	(525)	-	(58)	-	3	(378)	(2)	(961)	-	(961)
- Reinsurance expense		(1)	(2 016)	-	(59)	-	(2)	(4 650)	-	(6 728)	-	(6 728)
- Insurance claims recovered from reinsurers		-	1 491	-	1	-	5	4 272	(2)	5 767	-	5 767
Insurance service result		108	1 560	778	431	-	1 538	206	3	4 624	51	4 675
Net financial result from insurance finance income and expense		-	1 430	(14 072)	(19)	-	-	118	-	(12 543)	73	(12 470)
- Net finance income/(expense) from insurance contracts		-	1 371	(14 072)	(19)	-	-	315	-	(12 405)	73	(12 332)
- Net finance expense from reinsurance contracts		-	59	-	-	-	-	(197)	-	(138)	-	(138)
Investment income using the effective interest rate method		9	18	44	155	-	102	36	16	380	146	526
Net fair value gains on financial instruments at fair value through profit or loss		-	2 958	14 870	-	33	28	-	-	17 889	4 374	22 263
Fair value adjustments to liabilities under investment contracts ²		-	(2 678)	(695)	-	-	-	-	-	(3 373)	35	(3 338)
Third-party interest: fair value adjustments to liabilities under investment contracts		-	-	-	-	-	-	-	-	-	(4 068)	(4 068)
Net insurance and investment results		117	3 288	925	567	33	1 668	360	19	6 977	611	7 588
Fee income from administration businesses	A.1.1	4 939	103	715	-	-	19	-	1 300	7 076	(50)	7 026
Vitality income	A.1.1	-	-	-	-	-	16	147	2 932	3 095	(293)	2 802
Net banking fee and commission income		-	-	-	-	848	-	-	(44)	804	186	990
- Banking fee and commission income		-	-	-	-	1 334	-	-	-	1 334	-	1 334
- Banking fee and commission expense		-	-	-	-	(486)	-	-	(44)	(530)	186	(344)
Net banking interest and similar income		-	-	-	-	590	-	-	-	590	-	590
- Banking interest and similar income using the effective interest rate		-	-	-	-	1 243	-	-	-	1 243	-	1 243
- Banking interest and similar expense using the effective interest rate		-	-	-	-	(653)	-	-	-	(653)	-	(653)
Other income	A.1.1	960	93	-	31	25	-	-	7 737	8 846	(7 825)	1 021
Non-insurance revenue and income		5 899	196	715	31	1 463	35	147	11 925	20 411	(7 982)	12 429
Net income		6 016	3 484	1 640	598	1 496	1 703	507	11 944	27 388	(7 371)	20 017
Non-insurance acquisition costs		-	-	(257)	-	-	-	-	(102)	(359)	171	(188)
Expected credit losses		-	-	-	-	(150)	-	-	-	(150)	-	(150)
Marketing and administration expenses	A.1.2	(3 888)	(391)	(399)	(112)	(1 271)	(517)	(156)	(11 985)	(18 719)	7 627	(11 092)
Share of net profits from equity-accounted investments		-	-	-	60	-	-	1	670	731	(24)	707
Normalised profit/(loss) from operations	A.2	2 128	3 093	984	546	75	1 186	352	527	8 891	403	9 294
Investment income earned on shareholder investments and cash		47	14	2	7	-	-	-	76	146	(146)	-
Intercompany investment income		-	-	-	-	-	-	-	706	706	(706)	-
Net fair value gain on financial assets at fair value through profit or loss		-	53	37	-	-	-	-	35	125	(125)	-
Amortisation of intangibles from business combinations		-	-	-	(24)	-	-	-	(39)	(63)	63	-
Market rentals related to Head Office building adjusted for finance costs and depreciation		-	-	-	-	-	-	-	(25)	(25)	25	-
Interest expenses on borrowings and lease liabilities		(1)	-	-	-	-	(9)	(57)	(736)	(803)	(134)	(937)
Intercompany finance expenses on borrowings		(233)	-	-	-	-	-	(237)	(236)	(706)	706	-
Foreign exchange (losses)/gains		-	-	-	-	-	-	-	(83)	(83)	-	(83)
Profit/(loss) before income tax		1 941	3 160	1 023	529	75	1 177	58	225	8 188	86	8 274
Income tax expense ³		(518)	(853)	(551)	(138)	(28)	(295)	(39)	(7)	(2 429)	(86)	(2 515)
Profit/(loss) for the period		1 423	2 307	472	391	47	882	19	218	5 759	-	5 759
Profit attributable to:												
- Ordinary shareholders		1 424	2 307	472	391	47	882	19	174	5 716	-	5 716
- Preference shareholders		-	-	-	-	-	-	-	44	44	-	44
- Non-controlling interest		(1)	-	-	-	-	-	-	-	(1)	-	(1)

¹ Tax specific to policyholder tax funds is reallocated from the income tax expense line. This includes taxes that are directly chargeable to the policyholder under insurance contracts, with a corresponding change in the policyholder fund values, which are included within the insurance revenue line.

² The value is reflected net of contract holder taxes, which are taxes directly chargeable to the contract holder. There is a corresponding change in the contract holder value, which is included in the fair value measurement.

³ On consolidation, the allocations referred to in items 1 and 2 above are grossed up and presented within the income tax expense line, as required by IFRS Accounting Standards. In addition, a deferred tax asset was recognised in prior years in respect of unutilised assessed losses accumulated within the Individual Policyholder Fund (IPF), amounting to approximately R1.6bn (net). During the period under review, the deferred tax asset began to reverse as the underlying assessed losses were utilised and, over the medium term, will result in an increase in reported income tax expense as the asset is utilised. This increase is a non-cash item and does not give rise to current tax payable.



A. Notes to the Interim results *continued*

A.1 SEGMENT INFORMATION *continued*

R million	Notes	SA Health	SA Life	SA Invest	SA Insure	SA Bank	UK Health	UK Life	All other segments	Segment total	IFRS reporting adjustments	IFRS total
31 December 2024 Restated¹												
Income statement												
Insurance revenue		236	9 437	2 209	3 078	-	9 112	3 758	95	27 925	-	27 925
- Contracts measured under the General measurement model/Variable fee approach		-	7 588	2 209	-	-	-	3 758	-	13 555	-	13 555
- Contracts measured under Premium allocation approach		236	1 849	-	3 078	-	9 112	-	95	14 370	-	14 370
Insurance service expenses		(146)	(7 525)	(1 441)	(2 690)	-	(8 280)	(3 290)	(111)	(23 483)	-	(23 483)
- Claims and benefits		(94)	(5 788)	(295)	(1 568)	-	(5 367)	(1 693)	(74)	(14 879)	-	(14 879)
- Insurance service expense and other		(27)	(678)	(636)	(672)	-	(1 957)	(173)	(33)	(4 176)	-	(4 176)
- Insurance acquisition cash flows		(25)	(1 059)	(510)	(450)	-	(956)	(1 424)	(4)	(4 428)	-	(4 428)
Tax specific to policyholder tax funds ²		-	-	(46)	-	-	-	-	-	(46)	46	-
Insurance service result (pre-reinsurance)		90	1 912	722	388	-	832	468	(16)	4 396	46	4 442
Net expenses from reinsurance contracts		(1)	(580)	-	(52)	-	-	(239)	6	(866)	-	(866)
- Reinsurance expense		(1)	(1 885)	-	(66)	-	(2)	(4 270)	(33)	(6 257)	-	(6 257)
- Insurance claims recovered from reinsurers		-	1 305	-	14	-	2	4 031	39	5 391	-	5 391
Insurance service result		89	1 332	722	336	-	832	229	(10)	3 530	46	3 576
Net financial result from insurance finance income and expense		-	1 274	(7 454)	-	-	-	145	-	(6 035)	(47)	(6 082)
- Net finance income/(expense) from insurance contracts		-	1 336	(7 454)	-	-	-	273	-	(5 845)	(47)	(5 892)
- Net finance expense from reinsurance contracts		-	(62)	-	-	-	-	(128)	-	(190)	-	(190)
Investment income using the effective interest rate method		9	8	42	123	-	51	44	2	279	182	461
Net fair value (losses)/gains on financial instruments at fair value through profit or loss		6	1 584	8 216	8	(1)	60	-	-	9 873	2 764	12 637
Fair value adjustments to liabilities under investment contracts ³		-	(1 317)	(611)	-	-	-	-	-	(1 928)	9	(1 919)
Third-party interest: fair value adjustments to liabilities under investment contracts		-	-	-	-	-	-	-	-	-	(2 401)	(2 401)
Other gains on financial instruments		-	-	-	-	(9)	-	-	-	(9)	-	(9)
Net insurance and investment results		104	2 881	915	467	(10)	943	418	(8)	5 710	553	6 263
Fee income from administration businesses	A.1.1	4 744	103	706	-	-	17	-	1 527	7 097	(66)	7 031
Viability income	A.1.1	-	-	-	-	-	16	128	2 741	2 885	(267)	2 618
Net banking fee and commission income		-	-	-	-	611	-	-	(30)	581	150	731
- Banking fee and commission income		-	-	-	-	1 036	-	-	-	1 036	-	1 036
- Banking fee and commission expense		-	-	-	-	(425)	-	-	(30)	(455)	150	(305)
Net banking interest and similar income		-	-	-	-	489	-	-	-	489	-	489
- Banking interest and similar income using the effective interest rate		-	-	-	-	1 105	-	-	-	1 105	-	1 105
- Banking interest and similar expense using the effective interest rate		-	-	-	-	(616)	-	-	-	(616)	-	(616)
Other income	A.1.1	882	50	-	44	21	10	-	7 133	8 140	(7 204)	936
Non-insurance revenue and income		5 626	153	706	44	1 121	43	128	11 371	19 192	(7 387)	11 805
Net income		5 730	3 034	1 621	511	1 111	986	546	11 363	24 902	(6 834)	18 068
Non-insurance acquisition costs		-	-	(203)	-	-	-	-	(114)	(317)	-	(317)
Expected credit losses		-	-	-	-	(118)	-	-	-	(118)	-	(118)
Marketing and administration expenses	A.1.2	(3 707)	(348)	(446)	(140)	(1 138)	(387)	(221)	(11 316)	(17 703)	7 170	(10 533)
Share of net profits from equity-accounted investments		-	-	-	36	-	-	2	386	424	(25)	399
Normalised profit/(loss) from operations	A.2	2 023	2 686	972	407	(145)	599	327	319	7 188	311	7 499
Investment income earned on shareholder investments and cash		43	14	5	-	-	-	-	120	182	(182)	-
Intercompany investment income		-	-	-	-	-	-	-	681	681	(681)	-
Net fair value gains/(losses) on financial assets at fair value through profit or loss		-	41	35	-	-	-	-	2	78	(78)	-
Gain/(loss) from dilution and disposal of equity-accounted investments		-	-	-	(26)	-	-	-	-	(26)	-	(26)
Amortisation of intangibles from business combinations		-	-	-	(25)	-	-	-	(29)	(54)	54	-
Market rentals related to Head Office building adjusted for finance costs and depreciation		-	-	-	-	-	-	-	(44)	(44)	44	-
Restructuring costs		-	-	-	-	-	-	-	(46)	(46)	46	-
Interest expenses on borrowings and lease liabilities		(1)	-	-	-	-	(10)	(104)	(839)	(954)	(140)	(1 094)
Intercompany finance expenses on borrowings		(222)	-	-	-	-	-	(225)	(234)	(681)	681	-
Foreign exchange gains/(losses)		(2)	3	(6)	-	-	-	-	18	13	-	13
Profit/(loss) before income tax		1 841	2 744	1 006	356	(145)	589	(2)	(52)	6 337	55	6 392
Income tax expense		(497)	(735)	(379)	(103)	32	(147)	(31)	15	(1 845)	(55)	(1 900)
Profit/(loss) for the year		1 344	2 009	627	253	(113)	442	(33)	(37)	4 492	-	4 492
Profit attributable to:												
- Ordinary shareholders		1 347	2 009	627	253	(113)	442	(33)	(84)	4 448	-	4 448
- Preference shareholders		-	-	-	-	-	-	-	47	47	-	47
- Non-controlling interest		(3)	-	-	-	-	-	-	-	(3)	-	(3)

¹ The comparative information has been restated due to (1) correction of a prior period error in line with and as disclosed in the annual financial statements for the year ended 30 June 2025. Refer to D.1 for more details as well as (2) those changes noted in items 1,2,3 and 4 as discussed in the introduction to Segment information in section A.1 "Changes effective from 1 July 2025".

² Tax specific to policyholder tax funds is reallocated from the income tax expense line. This includes taxes that are directly chargeable to the policyholder under insurance contracts, with a corresponding change in the policyholder fund values, which are included within the insurance revenue line.

³ The value is reflected net of contract holder taxes, which are taxes directly chargeable to the contract holder. There is a corresponding change in the contract holder value, which is included in the fair value measurement.



A. Notes to the Interim results *continued*

A.1 SEGMENT INFORMATION *continued*

A.1.1 Revenues and income with other operating segments

The net income presented within each respective segment includes the following items of revenue and income derived from transactions with other operating segments of the Group:

R million	SA Health	SA Life	SA Invest	SA Insure	SA Bank	UK Health	UK Life	All other segments	Segment total
31 December 2025									
Fee income from administration businesses	-	-	-	-	-	-	-	42	42
Vitality income	-	-	-	-	-	-	-	293	293
Other income	124	86	-	23	25	48	-	7 735	8 041
Total	124	86	-	23	25	48	-	8 070	8 376
31 December 2024									
Fee income from administration businesses	-	-	-	-	-	-	-	60	60
Vitality income	-	-	-	-	-	-	-	267	267
Other income ¹	116	49	-	12	21	-	-	7 006	7 204
Total	116	49	-	12	21	-	-	7 333	7 531

¹ The comparative information for December 2024 has been restated for the correction of the prior period errors in line with and as disclosed in the annual financial statements for the year ended 30 June 2025. Refer to D.1 for more details.

A.1.2 Material items of expenses

Additional information on material items of expenses included within the marketing and administration expenses:

R million	SA Health	SA Life	SA Invest	SA Insure	SA Bank	UK Health	UK Life	All other segments	Segment total
31 December 2025									
Depreciation and amortisation	(92)	(1)	(13)	(1)	(206)	-	(30)	(640)	(983)
Derecognition of intangible assets and property and equipment	-	-	-	(4)	-	-	-	(29)	(33)
Staff costs	(1 549)	(196)	(137)	(39)	(542)	-	-	(4 311)	(6 774)
Other expenses ²	(2 247)	(194)	(249)	(68)	(523)	(517)	(126)	(7 005)	(10 929)
Total: Marketing and administration expenses	(3 888)	(391)	(399)	(112)	(1 271)	(517)	(156)	(11 985)	(18 719)
31 December 2024									
Depreciation and amortisation	(74)	-	(9)	(21)	(191)	-	(28)	(639)	(962)
Derecognition of intangible assets and property and equipment	-	-	-	(4)	-	-	-	(21)	(25)
Staff costs ¹	(1 440)	(180)	(124)	(52)	(483)	-	-	(3 820)	(6 099)
Other expenses ^{1,2}	(2 193)	(168)	(313)	(63)	(464)	(387)	(193)	(6 836)	(10 617)
Total: Marketing and administration expenses	(3 707)	(348)	(446)	(140)	(1 138)	(387)	(221)	(11 316)	(17 703)

¹ The comparative information for December 2024 has been restated for the correction of the prior period errors in line with and as disclosed in the annual financial statements for the year ended 30 June 2025. Refer to D.1 for more details.

² Included in SA Health, other expenses are IT systems and consumables of R794 million (31 December 2024: R778 million).



A. Notes to the Interim results *continued*

A.2 NORMALISED PROFIT FROM OPERATIONS

The following table shows the main components of the normalised profit from operations for the six months ended 31 December 2025:

R million	December 2025	Restated December 2024 ¹	% Change	June 2025
Discovery Health	2 128	2 023	5%	4 259
Discovery Life	3 093	2 686	15%	5 525
Discovery Invest	984	972	1%	1 987
Discovery Insure	546	407	34%	817
Discovery Bank	75	(145)	(152%)	(68)
Other initiatives and central costs ²	(51)	(255)	(80%)	(515)
Normalised profit from Discovery SA	6 775	5 688	19%	12 005
VitalityHealth	1 186	599	98%	1 188
VitalityLife	352	327	8%	637
Ping An Health Insurance (PAHI) ²	573	424	35%	1 206
Vitality Health International - Other ²	(16)	(149)	(89%)	(291)
Vitality Network ²	176	339	(48%)	554
Vitality AI ^{2,3}	(155)	(40)	288%	(89)
Normalised profit from Vitality	2 116	1 500	41%	3 205
Normalised profit from operations	8 891	7 188	24%	15 210

¹ The comparative information for December 2024 has been restated for the correction of the prior period errors in line with and as disclosed in the annual financial statements for the year ended 30 June 2025. Refer to D.1 for more details.

² Presented in 'All other segments' in the Segment information disclosure note in section A.1.

³ Vitality AI also includes other central costs.

A.3 EARNINGS, HEADLINE EARNINGS AND NORMALISED HEADLINE EARNINGS

	December 2025	Restated December 2024 ¹	June 2025
Number of shares used in calculation			
Weighted number of shares in issue ('000)	669 610	663 795	665 168
Diluted weighted number of shares ('000)	672 737	667 131	668 715
Earnings per share (cents):			
- basic	846.6	661.3	1 402.2
- diluted	842.7	658.0	1 394.9
Headline earnings per share (cents):			
- basic	850.0	667.1	1 447.0
- diluted	846.1	663.7	1 439.4
Normalised headline earnings per share (cents):			
- basic	858.0	679.6	1 470.4
- diluted	854.0	676.2	1 462.8
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ('000)			
Issued ordinary shares at 1 July	666 587	661 021	661 021
Effect of share options exercised and vesting of share awards	3 023	2 774	4 147
Weighted-average number of ordinary shares (basic)	669 610	663 795	665 168
Effect of share options exercised and vesting of share awards	3 127	3 336	3 547
Weighted-average number of ordinary shares (diluted)	672 737	667 131	668 715
EARNINGS RECONCILIATION (R MILLION)			
Profit attributable to the ordinary shareholders	5 716	4 448	9 471
Adjusted for:			
- Profit attributable to non-forfeitable dividend share plan	(47)	(58)	(144)
Basic earnings attributable to the ordinary shareholders	5 669	4 390	9 327

¹ The comparative information for December 2024 has been restated for the correction of the prior period errors in line with and as disclosed in the annual financial statements for the year ended 30 June 2025. Refer to D.1 for more details.

A.3 EARNINGS, HEADLINE EARNINGS AND NORMALISED HEADLINE EARNINGS *continued*

HEADLINE EARNINGS RECONCILIATION

Headline earnings per share is disclosed per the JSE Limited (JSE) Listings Requirements and is calculated in accordance with the circular titled Headline Earnings issued by SAICA, as amended from time to time. Headline earnings per share is based on the net profit after tax attributable to ordinary shareholders adjusted for items of a capital nature and the weighted average number of ordinary shares in issue.

R million	December 2025			December 2024 ¹			June 2025		
	Gross	Tax	Net	Gross	Tax	Net	Gross	Tax	Net
Basic earnings attributable to the ordinary shareholders			5 669			4 390			9 327
<i>Adjusted for:</i>									
IFRS 3: Goodwill impairment	-	-	-	-	-	-	20	-	20
IFRS 5: Impairment - NCAHFS	-	-	-	-	-	-	79	-	79
IAS 16: Gain on disposal of property and equipment	(1)	-	(1)	(1)	-	(1)	(1)	-	(1)
IAS 16: Loss on derecognition of property and equipment	5	(2)	3	4	(1)	3	11	(3)	8
IAS 16: Impairment of property and equipment	-	-	-	-	-	-	131	(19)	112
IAS 38: Loss on derecognition of intangible assets	28	(7)	21	21	(5)	16	65	(10)	55
IAS 28: Loss/(gain) on the dilution and disposal of equity-accounted investments	-	-	-	26	(6)	20	32	(7)	25
Headline earnings (basic and diluted)			5 692			4 428			9 625

¹ The comparative information for December 2024 has been restated for the correction of the prior period errors in line with and as disclosed in the annual financial statements for the year ended 30 June 2025. Refer to D.1 for more details.

NORMALISED HEADLINE EARNINGS RECONCILIATION

Normalised headline earnings is calculated per Discovery's policy as set out in the Accounting Policies in note E.2. Management considers that normalised headline earnings is an appropriate alternative performance measure to enhance the comparability and understanding of the financial performance of the Group.

R million	December 2025			Restated December 2024 ¹			June 2025		
	Gross	Tax	Net	Gross	Tax	Net	Gross	Tax	Net
Headline earnings			5 692			4 428			9 625
<i>Adjusted for:</i>									
- Gain arising from the recognition of deferred tax asset resulting from assessed loss: Initial recognition	-	-	-	-	-	-	-	(9)	(9)
- Amortisation of intangible assets arising from business combinations	39	(10)	29	29	(7)	22	71	(18)	53
- Restructuring costs	-	-	-	46	(10)	36	80	(19)	61
<i>Adjustments attributable to equity-accounted investments:</i>									
- Amortisation of intangible assets arising from business combinations	24	-	24	25	-	25	51	-	51
Normalised headline earnings (basic and diluted)			5 745			4 511			9 781

¹ The comparative information for December 2024 has been restated for the correction of the prior period errors in line with and as disclosed in the annual financial statements for the year ended 30 June 2025. Refer to D.1 for more details.



A. Notes to the Interim results *continued*

A.4 REVENUE FROM NON-INSURANCE ACTIVITIES

Discovery Group's Revenue includes 'Fee income from administration businesses', 'Vitality income' and 'Banking fee and commission income'.

The split of revenue per geographical region and reportable segment can be viewed in Note A.1 Segment information.

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	December 2025	Restated December 2024 ¹	June 2025
Fee income from administration businesses	7 026	7 031	14 326
– Over time	6 952	7 031	13 769
– Point-in-time ²	74	–	557
Vitality income	2 802	2 618	5 322
– Over time	1 947	1 756	3 671
– Point-in-time	855	862	1 651
Banking fee and commission income	1 334	1 036	2 238
– Over time	460	361	1 455
– Point-in-time	874	675	783

¹ The comparative information for December 2024 has been restated for the correction of the prior period errors in line with and as disclosed in the annual financial statements for the year ended 30 June 2025. Refer to D.1 for more details.

² Included are specified contracts earning fee income from administration business through the Vitality Network. The variable consideration is estimated using the expected value method, based on the present value of future expected fees from new business written by the customer. The resulting assets arising from contracts with customers include inputs pertaining to foreign exchange rates as well as interest rates until such time as the value is settled in cash. During the period under review, the JPY weakened significantly against the US\$, and JPY government bond rates increased significantly. The impact of these losses included within the remeasurement of revenue is US\$6.8 million.

A.5 BORROWINGS AT AMORTISED COST

R million	Reference	December 2025	June 2025
Borrowings from banks and listed debt		15 683	16 103
– UK borrowings	A.5.1	1 166	3 710
– South African borrowings	A.5.2	14 517	12 393
Bank overdraft in underlying liabilities of consolidated Unit Trusts		–	2
Lease liabilities		3 796	3 941
– 1 Discovery Place (1 DP)		3 050	3 124
– Other lease liabilities		746	817
		19 479	20 046

In October 2025, the Group settled £100 million of UK borrowings ahead of their contractual maturity in December 2025. The settlement was funded through a drawdown of R1.5 billion under the Group's existing revolving credit facility, together with additional South African borrowings to fund the remaining balance. The refinancing was executed through an intercompany loan arrangement, with the associated foreign exchange and interest rate exposures managed through a cross-currency basis swap.

A.5.1 UK borrowing facilities

Facility amount GBP million	Variable rate	Capital repayment and maturity date	Carrying amount			
			December 2025		June 2025	
			GBP	R	GBP	R
25	SONIA + 275bps ¹	At Maturity - 23 December 2025	–	–	25	608
75	SONIA + 300bps ¹	At Maturity - 21 December 2025	–	–	75	1 828
55	SONIA + 285bps ¹	At Maturity - 11 December 2026 ²	52	1 166	52	1 274
			52	1 166	152	3 710

¹ Interest payable quarterly in arrears.

² The loan was extended from 12 December 2025 to 11 December 2026, during the current period.

Total finance costs in respect of the external UK borrowings for the six months ended 31 December 2025 were £4.02 million (R93 million) (31 December 2024: £6.4 million (R148 million)).

A.5.2 South African borrowings

Credit rating

In January 2026 Moody's Investors Service ("Moody's") affirmed Discovery Limited's global scale long-term issuer rating of Ba3 and Aa3.za on the national scale. The outlook remained unchanged as stable, aligned to the outlook of the country.

A.5 BORROWINGS AT AMORTISED COST *continued*

A.5.2 South African borrowings *continued*

DISCOVERY LIMITED

Facility amount R million	Variable rate	Interest per annum	Capital repayment and maturity date	Carrying value R million	
				December 2025	June 2025
Listed DMTN					
404	–	7.895% ¹	At maturity – 21 November 2025	–	392
1111	3-month JIBAR + 95bps	7.73% ²	At maturity – 21 May 2026	1 120	1 120
700	3-month JIBAR + 180bps	8.49% ^{2,3}	At maturity – 21 August 2026	706	707
300	3-month JIBAR + 180bps	7.60% ^{2,3}	At maturity – 21 August 2026	303	303
500	3-month JIBAR + 69bps	7.56% ²	At maturity – 21 November 2026	504	–
792	3-month JIBAR + 173bps	7.98% ^{2,3}	At maturity – 21 May 2027	799	799
576	3-month JIBAR + 140bps	7.50% ^{2,3}	At maturity – 21 November 2027	581	581
750	3-month JIBAR + 140bps	7.19% ^{2,3}	At maturity – 21 November 2027	757	758
226	3-month JIBAR + 180bps	7.98% ^{2,3}	At maturity – 21 May 2029	228	228
924	3-month JIBAR + 159bps	8.17% ^{2,3}	At maturity – 21 November 2029	932	932
1000	3-month JIBAR + 159bps	8.17% ^{2,3}	At maturity – 21 November 2029	1 011	1 012
Unlisted DMTN ⁴					
1 650	–	9.55% ²	At maturity - 10 March 2026	1 659	1 659
Other					
2 100 ⁵	3-month JIBAR + 115bps	7.93% ²	At maturity - 18 August 2027	594	–
1 000	3-month JIBAR + 190bps	8.38% ³	At maturity – 02 March 2028	1 001	1 000
500	3-month JIBAR + 190bps	7.51% ³	At maturity - 02 March 2028	500	500
Total Discovery Limited Borrowings				10 695	9 991

¹ Interest is payable semi-annually in arrears.

² Interest payable quarterly in arrears.

³ The interest rate is the rate at which the 3-month JIBAR variable interest rate has been fixed.

⁴ During the financial year ended 30 June 2020, Discovery Limited refinanced R3.6 billion bank-syndicated loans through the issue of unlisted DMTN notes. The notes, although underwritten by a bank until maturity, are structured to enable short-term issuances into the commercial paper market on an ongoing basis.

⁵ The R2.1 billion Revolving Credit Facility was concluded on 19 August 2025. A commitment fee of 0.35% per annum is paid monthly in arrears on the undrawn portion. R600 million of the facility was drawn down during October 2025.

DISCOVERY CENTRAL SERVICES

Facility amount R million	Interest rate per annum	Capital repayment and maturity date	Carrying value R million	
			December 2025	June 2025
1 500	3-month JIBAR + 130bps ¹	At maturity - 8 June 2026 ²	1 507	–
691	3-month JIBAR + 190 bps ^{1,3}	At maturity - 30 June 2027	694	694
650	11.56% ⁴	At maturity - 29 October 2027	213	300
1 400	9.97% ⁴	At maturity - 20 December 2028	1 408	1 408
500	Prime rate less 145bps ⁵	At maturity - 364-day notice	–	–
Total Discovery Central Services Borrowings			3 822	2 402

¹ Interest payable quarterly in arrears.

² During the year ended 30 June 2025, the maturity date of this Revolving Credit Facility was extended to 08 June 2026. The facility was drawn down during October 2025.

³ The interest rate exposure has been capped at 8.36% through a derivative instrument.

⁴ Instalments of interest and capital are monthly.

⁵ The Revolving Credit Facility is a committed 364-day notice facility granted in November 2023. A commitment fee of 0.60% per annum is paid monthly in arrears on the undrawn portion. This facility was not drawn down.

Total finance costs in respect of South African borrowings and related hedges for the six months ended 31 December 2025 were R613 million (31 December 2024: R679 million).



A. Notes to the Interim results *continued*

A.6 FAIR VALUE HIERARCHY

The Group's assets and liabilities measured at fair value are disclosed in accordance with the fair value hierarchy. The hierarchy has three levels that reflect the significance of the inputs used in measuring fair value. These are as follows:

Level 1: includes those assets and liabilities that are measured using unadjusted, quoted prices in an active market for identical financial instruments. Quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2: includes those assets and liabilities that are valued using techniques based significantly on observable market data. Assets and liabilities in this category are valued using:

- Quoted prices for similar instruments or identical instruments in markets that are not considered to be active; or
- Valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

Level 3: includes those assets and liabilities that are valued using valuation techniques that incorporate information other than observable market data and where at least one input (which could have a significant effect on the instruments' valuation) cannot be based on observable market data.

R million	Level 1	Level 2	Level 3	Total
31 December 2025				
Financial assets				
Financial instruments mandatorily at fair value through profit or loss:	161 600	55 266	2	216 868
– Equity portfolios	101 038	15 391	1	116 430
– Debt portfolios	60 562	2 203	–	62 765
– Money market portfolios	–	9 949	–	9 949
– Multi-asset portfolios	–	27 723	1	27 724
Derivative financial instruments at fair value:	–	83	–	83
– used as cash flow hedges	–	–	–	–
– not designated as hedging instruments	–	83	–	83
Total financial assets	161 600	55 349	2	216 951
Financial liabilities				
Third-party interest in consolidated funds	–	40 319	–	40 319
Investment contracts at fair value through profit or loss	–	36 794	–	36 794
Derivative financial instruments at fair value:	–	287	–	287
– used as cash flow hedges	–	191	–	191
– not designated as hedging instruments	–	96	–	96
Total financial liabilities	–	77 400	–	77 400

There were no transfers between hierarchy levels during the current financial period.

A.6 FAIR VALUE HIERARCHY *continued*

R million	Level 1	Level 2	Level 3	Total
30 June 2025				
Financial assets				
Financial instruments mandatorily at fair value through profit or loss:	141 140	52 636	-	193 776
- Equity portfolios	87 458	12 477	-	99 935
- Debt portfolios	53 682	2 186	-	55 868
- Money market portfolios	-	12 948	-	12 948
- Multi-asset portfolios	-	25 025	-	25 025
Financial instruments at fair value through other comprehensive income:	-	-	14	14
- Equity portfolios	-	-	14	14
Derivative financial instruments at fair value:	-	41	22	63
- used as cash flow hedges	-	1	-	1
- not designated as hedging instruments	-	40	22	62
Total financial assets	141 140	52 677	36	193 853
Non-financial assets				
Non-current asset held for sale ¹	-	-	62	62
Total assets	141 140	52 677	98	193 915
Financial liabilities				
Third-party interest in consolidated funds	-	35 932	-	35 932
Investment contracts at fair value through profit or loss	-	32 188	-	32 188
Derivative financial instruments at fair value:	-	135	-	135
- used as cash flow hedges	-	117	-	117
- not designated as hedging instruments	-	18	-	18
Total financial liabilities	-	68 255	-	68 255

¹ The fair value was determined from an agreed sales price between unrelated parties, reflecting an arm's length transaction under current market conditions. Given the agreed sales price, no variability is expected in the fair value measurement, as the transaction price represents the best available estimate of fair value. The measurement approach incorporates relevant observable market inputs where available. The non-current asset held for sale was disposed of in July 2025.



A. Notes to the Interim results *continued*

A.6 FAIR VALUE HIERARCHY *continued*

Specific valuation techniques used to value financial instruments in level 2 and level 3

If a quoted market price is not available on a recognised stock exchange or from a broker for non-exchange-traded financial instruments, the fair value of the instrument is estimated by the asset managers, using valuation techniques including the use of recent arm's-length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

Valuation techniques used in determining the fair value of assets and liabilities:

Instruments	Valuation technique	Main inputs and assumptions for level 2 and level 3 fair value hierarchy items
Within equity portfolios, Equity-linked notes	The calculation of the daily value of the equity-linked investments is made by the provider of the note. Discovery has procedures in place to ensure that these prices are correct. Aside from the daily reasonableness checks versus similar funds and movement since the prior day's price, the fund values are calculated with reference to a specific formula or index, disclosed to the policyholders, which is recalculated by Discovery in order to check if the price provided by the provider is correct.	<ul style="list-style-type: none"> ■ discount rate ■ spot price of the underlying
Debt portfolios and Money market instruments	Money market instruments are valued by discounting the future cash flows using a risk-adjusted discount rate.	<ul style="list-style-type: none"> ■ discount rate, credit spread
Multi-assets	The fair values of financial liabilities arising on the consolidation of mutual funds are determined using the quoted put (exit) price provided by the fund manager and discounted for the applicable notice period. The fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.	<ul style="list-style-type: none"> ■ discount rate
Investment contracts at fair value, including third-party interest in consolidated funds	<p>Unit-linked policies: assets that are linked to the investment contract liabilities are accounted for by the Group. The investment contract obliges the Group to use these assets to settle these liabilities.</p> <p>Therefore, the fair value of third-party interest in consolidated funds and investment contract liabilities is determined with reference to the fair value of the underlying assets (i.e., amount payable on surrender of the policies).</p> <p>Annuity: certain discounted cash flow models are used to determine the fair value of the stream of future payments.</p>	<ul style="list-style-type: none"> ■ discount rate ■ spot price of the underlying
Derivatives	<p>Standard derivative contracts are valued using market-accepted models and quoted parameter inputs. More complex derivative contracts are modelled using more sophisticated modelling techniques applicable to the instrument. Techniques include:</p> <ul style="list-style-type: none"> ■ Discounted cash flow model ■ Black-Scholes model ■ Combination technique models 	<ul style="list-style-type: none"> ■ discount rate ■ spot price of the underlying ■ correlation factors ■ volatilities ■ earnings yield ■ valuation multiples
Unlisted equity instruments at fair value	For unlisted equity instruments, a discounted cash flow methodology is used. The discounted cash flow methodology values an asset by determining the present value of its expected future net cash flows. This valuation considers both historic experience and future projected budgets. The valuation is stress tested by considering earnings multiples, e.g., price-earnings multiple (P/E ratio).	<ul style="list-style-type: none"> ■ discount rate ■ growth rate ■ projected earnings ■ valuation multiples, e.g., P/E ratio

SECTION B

Other significant items in these results

- 34 B.1 Exchange rates to the South African rand used in the preparation of these results
- 34 B.2 Capital management, financial leverage ratio and covenants
- 36 B.3 Impact of financial risk variances within the SA Life and UK Life operating segments
- 36 B.4 Cash and cash equivalents
- 37 B.5 Consolidation of Discovery Unit Trusts
- 37 B.6 Material transactions with related parties
- 37 B.7 Major customers and other Discovery entities not part of Discovery Group
- 37 B.8 Changes in directorate
- 38 B.9 Events after reporting date





B. Other significant items in these results

B.1 EXCHANGE RATES TO THE SOUTH AFRICAN RAND USED IN THE PREPARATION OF THESE RESULTS

Exchange rate to SA rand	Closing rates			Average rates		
	December 2025	December 2024	June 2025	December 2025	December 2024	June 2025
US dollar	16.59	18.86	17.77	17.39	17.92	18.16
Pound sterling	22.27	23.61	24.34	23.29	23.14	23.48
Chinese yuan	2.37	2.53	2.48	2.44	2.50	2.51

B.2 CAPITAL MANAGEMENT, FINANCIAL LEVERAGE RATIO AND COVENANTS

The Group's capital is defined as capital and reserves attributable to shareholders, as presented in the Group statement of financial position. The Group's objectives when managing capital are:

- To comply with the statutory capital and liquidity requirements in each of its regulated entities;
- To maintain a capital and liquidity buffer in excess of the statutory requirements in order to reduce the risk of breaching the statutory requirements;
- To ensure that sufficient capital is available to fund the Group's working capital and strategic capital requirements;
- To achieve an optimal and efficient capital funding profile; and
- To consider capital management needs both in the short term and over a five-year planning horizon.

Discovery has a Finance and Capital Committee that ensures alignment in strategic financial management between the centre and subsidiaries within South Africa, UK and US. The committee is the governance body for all capital allocation activities across the Group ultimately overseen by the Board.

A range of capital-raising options are available to manage the capital structure of the Group, which includes the issue of new shares, debt, financial reinsurance arrangements and other hybrid instruments.

Regulatory capital

For Group subsidiaries that operate in the insurance and financial services sectors, the relevant regulator specifies the minimum amount and type of capital that must be held by each of the subsidiaries in addition to their insurance liabilities. The minimum required capital must be maintained at all times throughout the period.

Discovery Life and Discovery Insure are regulated under the Insurance Act 18 of 2017 (Insurance Act), and the related Prudential Standards, while VitalityHealth and VitalityLife are regulated under the Solvency UK regulatory regime.

The table below summarises the capital requirements of insurance companies on a statutory basis, across the Group subsidiaries, and the actual solvency capital held in relation to these requirements as at the end of the reporting period.

	31 December 2025		31 December 2024	
	Statutory capital requirements	Cover	Statutory capital requirements	Cover
Discovery Life	R27 801 million	1.8 times	R24 228 million	1.8 times
Discovery Insure	R1 201 million	2.1 times	R1 141 million	2.0 times
VitalityHealth	£121 million R2 695 million	1.7 times	£118.9 million R2 807 million	1.7 times
VitalityLife	£421.5 million R9 388 million	1.9 times	£368.8 million R8 709 million	2.0 times

Discovery Bank's common equity tier 1 (CET1) ratio is 14.91% (31 December 2024: 16.67%). In addition, the Bank holds an internal management buffer to cater for future unexpected growth and volatility in risk weighted exposures, as well as an estimation risk buffer.

B.2 CAPITAL MANAGEMENT, FINANCIAL LEVERAGE RATIO AND COVENANTS *continued*

As part of the capital management process, the Group monitors its capital structure in line with a Financial Leverage Ratio (FLR) risk appetite. The Group's strategy is to maintain a prudent FLR in line with Discovery's risk appetite statement, with an overall maximum FLR of 28%, which remains conservative.

The FLR is calculated as follows: total debt¹ ÷ (total debt + total equity + 50% Contractual Service Margin (CSM) net of reinsurance and net of tax). Non-recourse financial reinsurance and all IFRS 16 lease liabilities are not included in the measurement of total debt.

R million	December 2025	June 2025
– Borrowings at amortised cost (refer to note A.5) ¹	15 683	16 105
Total debt¹	15 683	16 105
Total equity	73 438	65 699
Total Contractual Service Margin (CSM)²	29 053	28 047
Financial leverage ratio % (50% CSM factored in)	15.1%	16.8%

¹ Excludes all IFRS 16 lease liabilities of R3 796 million (30 June 2025: R3 941 million).

² The CSM is net of reinsurance and net of tax.

The FLR at 31 December 2025 is within Discovery's risk appetite.

Debt covenants

The following are the key debt covenant ratios and their proximity to minimum requirements as per the contractual financial covenants.

Debt covenant and explanation	Minimum requirement	December 2025	June 2025
Group Debt ¹ to EBITDA ² Ratio:	Less than 2.5 times	0.90 times	1.02 times
Group financial indebtedness to embedded value ³	Less than 30% of Group Embedded value	12.1%	13.3%
Discovery Life Statutory Capital Requirement (SCR) Cover	SCR cover must be more than 1.1	1.8 times	1.9 times
Group embedded value	Greater than R30 billion	R135 844 million	R126 554 million
New business embedded value must not be negative	Positive value of new business for 3 consecutive 6-month periods	Dec 2025: R1 356 million Jun 2025: R1 201 million Dec 2024: R953 million R953 million	Jun 2025: R1 201 million Dec 2024: R953 million Jun 2024: R1 148 million

¹ Group debt is contractually defined and means the aggregate consolidated financial indebtedness of the Group and excludes items such as the 1 Discovery Place (Discovery head office building in Sandton, South Africa) lease and includes guarantees issued to third parties.

² EBITDA is contractually defined and specifically includes items such as dividends from associates, rental paid on 1 Discovery Place and excludes items deemed extraordinary and specified Financial Reinsurance (FinRe) arrangements.

³ Group financial indebtedness is as per Group Debt in the calculation.



B. Other significant items in these results *continued*

B.3 IMPACT OF FINANCIAL RISK VARIANCES WITHIN THE SA LIFE AND UK LIFE OPERATING SEGMENTS

The actuarial bases of Discovery Life and VitalityLife are actively maintained to ensure that the most up-to-date view of best-estimate expectations of the future is accurately reflected.

In accordance with IFRS 17, financial risk assumptions are updated to reflect current market prices as at the reporting date. Discovery has elected, as permitted under IFRS 17 *Insurance Contracts*, to recognise the impact of changes in these assumptions at the end of the reporting period within Other Comprehensive Income (OCI) for the specified portfolios. Consequently, changes in financial risk, including changes in the discount rate, do not directly affect the Group income statement due to this election. Instead, the effect of changes in financial risk during the period is recognised within net finance income and expenses from insurance contracts issued and reinsurance contracts held in OCI, with the cumulative effect presented in the Insurance Finance Reserve within equity.

During the six-month period ended 31 December 2025, a significant reduction in government bond yield curves in South Africa (c.275 bps in weighted average nominal rate, c.100 bps reduction in weighted average real rate) resulted in gains recognised in OCI, thereby improving the Insurance Finance Reserve for Discovery Life.

The balance of the Insurance Finance Reserve will effectively be reclassified to profit or loss using a systematic rate over the remaining life of each relevant group of contracts. The systematic rate is determined such that, over the lifetime of the contracts, the Insurance Finance Reserve reverts to zero.

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

Insurance Finance Reserve Accumulated (income)/expense R million	SA Life Risk (GMM)	SA Life: Group Life and Other (PAA)	UK Life Risk (GMM)	Total
Balance at beginning of the period	5 938	(262)	(2 748)	2 928
Net finance (income)/expense recognised in other comprehensive income for the period	(5 553)	137	(452)	(5 868)
Balance at end of the period	385	(125)	(3 200)	(2 940)

B.4 CASH AND CASH EQUIVALENTS

B.4.1 Group Statement of Cash Flows

R million	Reference	December 2025	31 December 2024
Cash flows from operating activities	i	1 965	3 546
Cash flows from investing activities		(812)	(1 304)
Cash flows from financing activities		(1 765)	(1 938)
Net (decrease)/increase in cash and cash equivalents		(612)	304

(i) Discovery's cash flows from operating activities for the six months ended 31 December 2025 totalled R1 965 million (31 December 2024: R3 546 million).

Organic cash generation was driven by the favourable underwriting experience across insurance entities and positive contributions from Discovery Health and Discovery Vitality. The key factors that offset the positive cashflows are:

- Higher loans and advances coupled with lower deposits in Discovery Bank for the six months ended 31 December 2025 resulted in cash utilised of an additional R1 611 million compared to the prior period.
- In the prior period, additional Value-in-Force (VIF) monetisation by means of financial reinsurance in VitalityLife increased operational cash flow by R1 157 million. This additional cash flow was used to cover operational needs as well as to ensure cash remained above the liquidity risk appetite.
- Taxation paid increased by R579 million compared to the prior period, reflecting higher cash tax payable following the utilisation of assessed losses and tax credits in the prior period.

The Group statement of cash flows includes cash flows relating to policyholders as well as those arising from the consolidated Discovery Unit Trusts and therefore to assist in the understanding of cash flows not distorted by policyholder flows, a Group shareholder free cash movement has been included in additional analyst information published on Discovery's website.

B.4 CASH AND CASH EQUIVALENTS *continued*

B.4.2 Shareholder cash and cash equivalents

R million	Shareholder	Unit-linked investment and insurance contracts ¹	Total
31 December 2025			
Cash and cash equivalents at beginning of the period	17 216	4 750	21 966
Effects of exchange rate changes on cash and cash equivalents	(587)	-	(587)
Decrease in cash and cash equivalents	(365)	(247)	(612)
Cash and cash equivalents at end of the period	16 264	4 503	20 767

¹ Includes cash held within specific portfolios to match specific insurance liabilities.

Included in shareholder cash, is the cash held in the Group's insurance entities which is used to fund new business and match claims and other policyholder-related liabilities. This cash, together with the cash balances held by Discovery Bank of R4.9 billion (30 June 2025: R6.3 billion), although unencumbered, is held for specific purposes and therefore not considered available for distribution.

Cash available to support Group liquidity requirements is R2.5 billion (30 June 2025: R2.6 billion). In addition, the Group also has undrawn revolving credit facilities of R2 billion at 31 December 2025.

B.5 CONSOLIDATION OF DISCOVERY UNIT TRUSTS

Unit trusts that the Group controls in terms of IFRS 10 *Consolidated Financial Statements* are consolidated into Discovery's results for accounting purposes, which results in the recognition of the underlying assets and liabilities of each of the funds.

As these policies are linked, the consolidation of the Discovery Unit Trusts has no impact on the net asset value for shareholders. Assets and liabilities of these Discovery Unit Trusts however increased by R3 916 million, compared to the prior financial year ended 30 June 2025, with movements in the following line items on the Group's statement of financial position:

R million	December 2025	Restated June 2025 ¹	Movements
Investments at fair value through profit or loss	37 071	32 513	4 558
Contract receivables and other receivables	803	1 214	(411)
Cash and cash equivalents	2 671	2 910	(239)
Other assets	19	11	8
Total change in assets	40 564	36 648	3 916
Third-party interest in consolidated funds	40 319	35 932	4 387
Borrowings at amortised costs (bank overdraft)	-	2	(2)
Other payables and provisions	194	626	(432)
Liabilities arising from insurance contracts issued	-	73	(73)
Other liabilities	51	15	36
Total change in liabilities	40 564	36 648	3 916

¹ The comparatives have been restated to reflect the impact of consolidating the global multi-asset investment funds managed through Discovery Mauritius Asset Management, in line with the presentation of the impact in the current reporting period.

There are significant trade volumes in the underlying funds of Discovery Unit Trusts. The net cash inflow of the movement in policyholder investments for the period is R280 million and has been included in the 'Increase in operating assets' line item on the Group's statement of cash flows.

B.6 MATERIAL TRANSACTIONS WITH RELATED PARTIES

The nature of the related party transactions of the Group has not changed significantly from those described in the consolidated financial statements for the year ended 30 June 2025.

B.7 MAJOR CUSTOMERS AND OTHER DISCOVERY ENTITIES NOT PART OF DISCOVERY GROUP

Discovery Health Medical Scheme (DHMS)

Discovery Health administers DHMS and provides managed care services, for which it charges an administration fee and a managed healthcare fee, respectively. These fees are determined on an annual basis and approved by the trustees of DHMS. The fees totalled R4 131 million for the period ended 31 December 2025 (31 December 2024: R4 063 million). Discovery offers the members of DHMS access to the Vitality programme.

B.8 CHANGES IN DIRECTORATE

Changes to the Board of Discovery Limited from 1 July 2025 to the date of this announcement are as follows:

- Ms VN Fakude has been appointed as an independent non-executive director with effect from 1 September 2025.

She is a member of the Discovery Limited Nominations, Remuneration and Social and Ethics Committees. Her appointment will further augment the Board's global business experience and expertise while improving its diversity.



B. Other significant items in these results *continued*

B.9 EVENTS AFTER REPORTING DATE

The following non-adjusting events occurred between the end of the reporting period and the date when the financial results were authorised for issue.

B.9.1 Dividend declaration in respect of the six months ended 31 December 2025

B Preference share cash dividend declaration

On Thursday, 26 February 2026, the Board of directors declared an interim gross cash dividend of 528.76712 cents (423.01370 cents net of dividend withholding tax) per B preference share for the period 1 July 2025 to 31 December 2025, payable from the income reserves of the Company.

A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The issued preference share capital at the declaration date is 8 million B preference shares. The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 17 March 2026
Shares commence trading "ex" dividend	Wednesday, 18 March 2026
Record date	Friday, 20 March 2026
Payment date	Monday, 23 March 2026

B preference share certificates may not be dematerialised or rematerialised between Wednesday, 18 March 2026 and Friday, 20 March 2026, both days inclusive.

Ordinary share cash dividend declaration

On Monday 2 March 2026 the Board of Directors declared an interim gross cash dividend of 111.00000 cents (88.80000 cents net of dividend withholding tax) per ordinary share, out of the income reserves of the company. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

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

The salient dates for the dividend will be as follows:

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

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

B.9.2 Purchase of Discovery's Head Office Building, 1 Discovery Place (1DP)

As announced on SENS on 6 February 2026, the Group intends to acquire Phase 1 ("Grove and Park buildings") of 1DP and cancel the lease for Phase 2 ("Ridge building"). This will be facilitated through Discovery Propco (Pty) Limited, a wholly owned subsidiary of Discovery. The total consideration of the transaction is R4.05 billion (exclusive of VAT), and the acquisition will be fully funded through pre-arranged debt.

As at the date of these results, the transaction remains subject to Competition Authority approval and other customary suspensive conditions. Accordingly, the timing of completion may extend into the next financial year.

Once effective, the transaction will result in:

- Derecognition of the right-of-use assets and lease liabilities relating to 1 Discovery Place (Phases 1 and 2), with a net gain of between c.R1.3 billion - c.R1.6 billion pre-tax. The net gain attributable to Phase 1 acquisition would be excluded from normalised profit from operations as well as normalised headline earnings.
- Recognition of the acquired land and buildings, together with external borrowings.
- An initial increase in the FLR, followed by a continued reduction towards the lower end of the Group's guidance range of 10% to 20% over the next few years.

SECTION C

Insurance and reinsurance contracts related disclosure

- 40 C.1.1 Insurance and reinsurance contracts disclosures and reconciliations
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C. Insurance and reinsurance contracts related disclosure

C.1.1 INSURANCE AND REINSURANCE CONTRACTS DISCLOSURES AND RECONCILIATIONS

The following disclosures enable the user to assess the effect of insurance contracts issued and reinsurance contracts held on Discovery's financial position, financial performance and cash flows.

Introduction

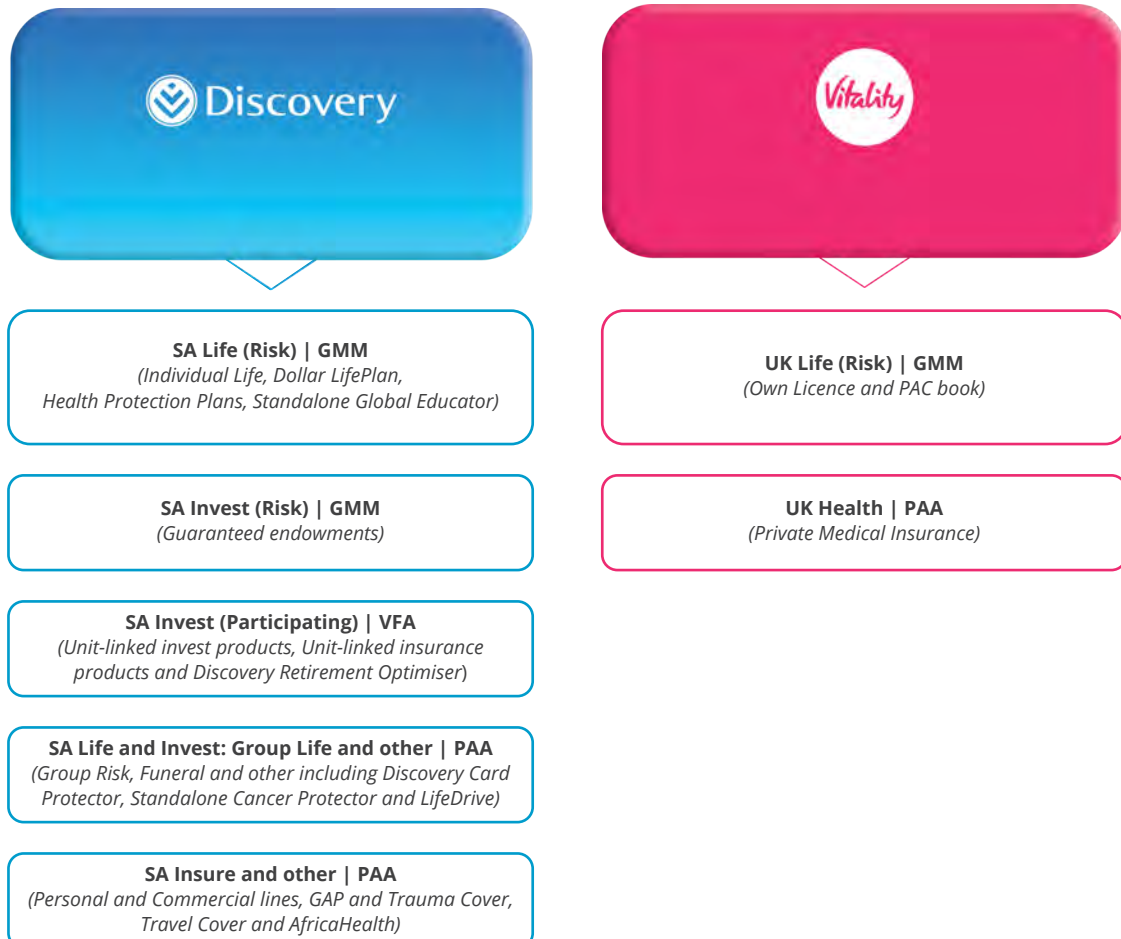
To assist the users of the financial statements in understanding the insurance and reinsurance disclosures, Section C disclosures have been re-presented in line with and as disclosed in the annual financial statements for the year ended 30 June 2025, for the following:

1. The Discovery SA Life and Invest (Risk) (GMM) portfolio has been split into two separate portfolios —SA Life (Risk) (GMM) and SA Invest (Risk) (GMM). This change is purely a re-presentation of the information, with no impact on the total values reported in the SA Life and SA Invest disclosures.
The purpose of this split is to provide users of the financial statements with a clearer view of the movements within each portfolio during the reporting period. By presenting SA Life (Risk) (GMM) and SA Invest (Risk) (GMM) separately, the users of the financial statements can better understand the distinct performance and financial impact of each portfolio during the reporting period.
2. The net investment note has been updated to provide a granular breakdown of the key components driving the interest accretion as presented in profit or loss and OCI. The change is aimed at providing the users of the financial statements a better understanding of the detailed interest accretion components.
3. The comparative disclosures for the Discovery SA Life (Risk) (GMM) portfolio have been restated due to a correction of a prior period error in line with and as disclosed in the annual financial statements for the year ended 30 June 2025, refer to section D.1 for more detail. Refer to the index summary table for all the notes that have been restated.

IFRS 17 requires that in determining the level at which an aggregated group of insurance contracts can provide useful information to the user, Discovery considers:

- The type of contract that would consider the nature of the product and the measurement model.
- The geographical areas that may expose the entity to different sets of risks, even for similar products.
- Reportable segments.

Having applied the guidance, Discovery has aggregated its portfolios for the disclosures as set out below.



C.1.1 INSURANCE AND REINSURANCE CONTRACTS DISCLOSURES AND RECONCILIATIONS *continued*

The following index is a summary of all the quantitative disclosures set out in the notes:

	Note	Description
Analysis of financial position	C.1.2.1 Summary of insurance contracts issued and reinsurance contracts held^{1,2} Summary of movements C.1.2.2.1 Contractual service margin C.1.2.2.2 Insurance Finance Reserve	The note summarises the total value of insurance and reinsurance contracts held as well as a summary of movements in the CSM and IFR, across the disclosed portfolios. Insurance and reinsurance contracts are presented separately for portfolios in a net liability or net asset position.
	Reconciliation of insurance contracts <i>Analysis by measurement component</i> GMM C.1.2.3.1 SA Life (Risk) ^{1,2} C.1.2.3.2 SA Invest (Risk) ^{1,2} C.1.2.3.3 UK Life (Risk) VFA C.1.2.4.1 SA Invest (Participating) Reconciliation of reinsurance contracts <i>Analysis by measurement component</i> GMM C.1.2.5.1 SA Life (Risk) ² C.1.2.5.2 UK Life (Risk)	The notes provide a detailed reconciliation of disclosed portfolios showing the build-up of the measurement components, namely: <ul style="list-style-type: none"> ■ Estimates of the present value of expected fulfilment cash flows. ■ The Risk adjustment. ■ The Contractual service margin reflects unearned profit. The CSM is further separated to reflect how the CSM was calculated at transition, being modified retrospectively or fully retrospectively.

¹ The comparative information for December 2024 has been restated for the correction of the prior period errors in line with and as disclosed in the annual financial statements for the year ended 30 June 2025. Refer to D.1 Refer to item 3 noted in the introduction of section C.

² The note has been re-presented for the split of the Discovery SA Life and Invest (Risk) (GMM) portfolio. Refer to item 1 noted in the introduction of section C.



C. Insurance and reinsurance contracts related disclosure *continued*

C.1.1 INSURANCE AND REINSURANCE CONTRACTS DISCLOSURES AND RECONCILIATIONS *continued*

	Note	Description
Analysis of income statement	C.1.2.6 Insurance revenue ^{1,2}	<p>The note provides a breakdown of the makeup of insurance revenue for each disclosed portfolio business unit.</p> <p>For those contracts not measured using the PAA approach, the amount reflects the provision of services and the recovery of insurance acquisition cash flows. The provision of services is represented by the change in the LRC, namely:</p> <ul style="list-style-type: none"> ■ CSM recognised during the period for the service provided. ■ The change in the risk adjustment for non-financial risk. ■ Expected claims and insurance services expenses. ■ Experience adjustments.
	C.1.2.7 Net investment result ^{1,2,3}	<p>The note provides a holistic view of the following:</p> <ul style="list-style-type: none"> ■ The investment returns on financial assets held. ■ The insurance and reinsurance finance income and expenses, including the amounts recognised in profit or loss and other comprehensive income (OCI).
Additional information	<p>Effect of contracts initially recognised in the period:</p> <p>C.1.2.8 Effect of insurance contracts initially recognised in the period².</p> <p>C.1.2.8 Effect of reinsurance contracts initially recognised in the period².</p>	<p>The notes provide a breakdown of the contracts initially recognised during the period for each disclosed portfolio business unit.</p> <ul style="list-style-type: none"> ■ For insurance contracts, differentiate between profitable contracts recognised with CSM and onerous contracts. ■ Reinsurance contracts reflect contracts originated with and without the loss-recovery component.

¹ The comparative information has been restated due to correction of a prior period error. Refer to item 3 noted in the introduction of section C.

² The note has been re-presented for the split of the Discovery SA Life and Invest (Risk) (GMM) portfolio. Refer to item 1 noted in the introduction of section C.

³ The note has been re-presented to provide a granular breakdown of interest accretion components. Refer to item 2 noted in the introduction of section C.

C.1.1 INSURANCE AND REINSURANCE CONTRACTS DISCLOSURES AND RECONCILIATIONS *continued*

Definitions and Abbreviations

The following abbreviations and terms are commonly used within the IFRS 17 disclosures:

Abbreviation or definition	Meaning
CSM	Contractual Service Margin
DISCOVERY	Discovery Group
DPF	Direct Participation Features
DRO	Discovery Retirement Optimiser
EFCF	Expected Fulfilment Cash Flows
FINANCIAL RISK	The risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, currency exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.
GMM	General Measurement Model
IACF	Insurance Acquisition Cash Flows
IFIE	Insurance finance income and expense comprise of the change in the carrying amount of the group of insurance contracts arising from: <ul style="list-style-type: none"> ■ The effect of the time value of money and changes in the time value of money, and ■ The effect of financial risk and changes in financial risk
IFR	Insurance Finance Reserve
IFRS	IFRS [®] Accounting Standards
IFRS 17	IFRS 17 Insurance Contracts (effective for Discovery post 1 July 2023)
IFRS 17 margins	IFRS 17 margins refer to the contractual service margin plus the risk adjustment
ISE	Insurance Service Expenses
LIC	Liability for Incurred Claims
LRC	Liability for Remaining Coverage
OCI	Other Comprehensive Income
PAA	Premium Allocation Approach
VFA	Variable Fee Approach



C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

C.1.2.1 Summary of insurance contracts issued and reinsurance contracts held

Group R million (Assets)/Liabilities	Navigation	SA Life Risk (GMM)	SA Invest Risk (GMM)	UK Life Risk (GMM)	SA Invest Partici- pating (VFA)	SA Life: Group Life and other (PAA)	SA Insure and other (PAA)	UK Health (PAA)	Total
Six months ended 31 December 2025									
Insurance Contracts	A = D + E	(32 903)	24 726	(20 479)	100 719	6 819	831	(4 859)	74 854
Reinsurance Contracts	B = F	762	-	9 592	-	(933)	(32)	(13)	9 376
Total	C = A + B	(32 141)	24 726	(10 887)	100 719	5 886	799	(4 872)	84 230
Insurance contracts issued									
Assets arising from insurance contracts									
- Insurance contract balances		(32 903)	-	(20 479)	-	-	-	691	(52 691)
- Assets for insurance acquisition cash flows		-	-	-	-	-	-	(5 550)	(5 550)
Total	D	(32 903)	-	(20 479)	-	-	-	(4 859)	(58 241)
Liabilities arising from insurance contracts									
- Insurance contract balances		-	24 726	-	100 719	6 819	831	-	133 095
Total	E	-	24 726	-	100 719	6 819	831	-	133 095
Reinsurance contracts held									
Reinsurance contract assets		-	-	-	-	(933)	(32)	(13)	(978)
liabilities		762	-	9 592	-	-	-	-	10 354
Total	F	762	-	9 592	-	(933)	(32)	(13)	9 376
Year ended 30 June 2025									
Insurance Contracts		(23 002)	23 580	(20 180)	88 150	6 414	734	(4 865)	70 831
Reinsurance Contracts		370	-	8 751	-	(865)	(84)	(13)	8 159
Total		(22 632)	23 580	(11 429)	88 150	5 549	650	(4 878)	78 990
Insurance contracts issued									
Assets arising from insurance contracts									
- Insurance contract balances		(23 002)	-	(20 180)	-	-	-	884	(42 298)
- Assets for insurance acquisition cash flows		-	-	-	-	-	-	(5 749)	(5 749)
Total		(23 002)	-	(20 180)	-	-	-	(4 865)	(48 047)
Liabilities arising from insurance contracts									
- Insurance contract balances		-	23 580	-	88 150	6 414	734	-	118 878
		-	23 580	-	88 150	6 414	734	-	118 878
Reinsurance contracts held									
Reinsurance contract assets		-	-	-	-	(865)	(84)	(13)	(962)
Reinsurance contract liabilities		370	-	8 751	-	-	-	-	9 121
Total		370	-	8 751	-	(865)	(84)	(13)	8 159
Cross reference to related notes of insurance contracts issued									
- Analysis by measurement component		C.1.2.3.1	C.1.2.3.2	C.1.2.3.3	C.1.2.4.1				
Cross reference to related notes of reinsurance contracts held									
- Analysis by measurement component		C.1.2.5.1		C.1.2.5.2					

C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

C.1.2.2 Summary of movements

C.1.2.2.1 CONTRACTUAL SERVICE MARGIN (CSM)

ANALYSIS OF INSURANCE CONTRACT CSM

Group R million (Assets)/Liabilities	SA Life Risk (GMM)	SA Invest Risk (GMM)	UK Life Risk (GMM)	SA Invest Participating (VFA)	Total
Six months ended 31 December 2025					
Balance at beginning of the period	27 295	820	15 349	7 108	50 572
Changes that relate to current services					
CSM recognised for services provided	(1 052)	(166)	(715)	(718)	(2 651)
Experience adjustments	-	-	-	8	8
Changes that relate to future services					
Contracts initially recognised in the period	846	86	1 351	270	2 553
Changes in estimates that adjust CSM	(237)	42	89	995	889
Net finance expenses from insurance contracts	1 244	37	164	527	1 972
Effects of movement in exchange rates	-	-	(1 345)	-	(1 345)
Net changes	801	(1)	(456)	1 082	1 426
Balance at the end of the period	28 096	819	14 893	8 190	51 998
Year ended 30 June 2025					
Balance at beginning of the period	28 842	941	13 311	6 306	49 400
Changes that relate to current services					
CSM recognised for services provided	(1 862)	(395)	(1 332)	(1 324)	(4 913)
Experience adjustments	-	-	-	34	34
Changes that relate to future services					
Contracts initially recognised in the period	1 286	245	2 128	732	4 391
Changes in estimates that adjust CSM	(3 684)	(66)	166	258	(3 326)
Net finance expenses from insurance contracts	2 713	95	298	1 102	4 208
Effects of movement in exchange rates	-	-	778	-	778
Net changes	(1 547)	(121)	2 038	802	1 172
Balance at the end of the period	27 295	820	15 349	7 108	50 572



C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

C.1.2.2 Summary of movements *continued*

C.1.2.2.1 CONTRACTUAL SERVICE MARGIN (CSM) *continued*

ANALYSIS OF REINSURANCE CONTRACT CSM

Group R million (Assets)/Liabilities	SA Life Risk (GMM)	SA Invest Risk (GMM)	UK Life Risk (GMM)	SA Invest Partici- pating (VFA)	Total
Six months ended 31 December 2025					
Balance at beginning of the period	(4 608)	-	(7 751)	-	(12 359)
Changes that relate to current services					
CSM recognised for services provided	164	-	360	-	524
Changes that relate to future services					
Contracts initially recognised in the period	(113)	-	(881)	-	(994)
Changes in estimates that adjust CSM	(54)	-	109	-	55
Net finance expenses from reinsurance contracts	(200)	-	(106)	-	(306)
Effects of movement in exchange rates	-	-	683	-	683
Net changes	(203)	-	165	-	(38)
Balance at the end of the period	(4 811)	-	(7 586)	-	(12 397)
Year ended 30 June 2025					
Balance at beginning of the period	(5 070)	-	(5 719)	-	(10 789)
Changes that relate to current services					
CSM recognised for services provided	325	-	636	-	961
Changes that relate to future services					
Contracts initially recognised in the period	(172)	-	(1 782)	-	(1 954)
Changes in estimates that adjust CSM	842	-	(331)	-	511
Net finance expenses from reinsurance contracts	(533)	-	(180)	-	(713)
Effects of movement in exchange rates	-	-	(375)	-	(375)
Net changes	462	-	(2 032)	-	(1 570)
Balance at the end of the period	(4 608)	-	(7 751)	-	(12 359)

C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

C.1.2.2 Summary of movements *continued*

C.1.2.2.2 INSURANCE FINANCE RESERVE

Group R million Accumulated (income)/ expense	SA Life Risk (GMM)	SA Life: Group Life and other (PAA)	UK Life Risk (GMM)	Total
Six months ended 31 December 2025				
Balance at beginning of the period	5 938	(262)	(2 748)	2 928
Net finance (income)/ expense for insurance contracts				
Amounts recognised in OCI	(8 280)	215	(681)	(8 746)
Related tax effects	2 236	(58)	170	2 348
Net finance income/ (expense) for reinsurance contracts				
Amounts recognised in OCI	673	(27)	78	724
Related tax effects	(182)	7	(19)	(194)
Balance at the end of the period	385	(125)	(3 200)	(2 940)
Year ended 30 June 2025				
Balance at beginning of the period	7 003	(214)	(1 957)	4 832
Net finance (income)/ expense for insurance contracts				
Amounts recognised in OCI	(1 684)	(74)	(1 203)	(2 961)
Related tax effects	455	20	300	775
Net finance income/ (expense) for reinsurance contracts				
Amounts recognised in OCI	221	8	153	382
Related tax effects	(57)	(2)	(41)	(100)
Balance at the end of the period	5 938	(262)	(2 748)	2 928



C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

C.1.2.3 Movement in insurance contract balances: GMM

C.1.2.3.1 SA Life (risk)

ANALYSIS BY MEASUREMENT COMPONENT

Group R million (Assets)/Liabilities	Navigation	December 2025				June 2025			
		Estimates of PVFCF	RA for non- financial Risk	CSM Other contracts	Total	Estimates of PVFCF	RA for non- financial Risk	CSM Other contracts	Total
Opening assets arising from insurance contracts issued		(58 654)	8 357	27 295	(23 002)	(54 499)	7 811	28 842	(17 846)
Net balance at beginning of the period	A	(58 654)	8 357	27 295	(23 002)	(54 499)	7 811	28 842	(17 846)
Changes in the income statement and OCI									
Changes that relate to current services									
CSM recognised for services provided		-	-	(1 052)	(1 052)	-	-	(1 862)	(1 862)
Change in Risk Adjustment for non-financial risk that relates to expired risk		-	(311)	-	(311)	-	(642)	-	(642)
Experience adjustments		(364)	-	-	(364)	(724)	-	-	(724)
Changes that relate to future services									
Contracts initially recognised in the period		(1 051)	229	846	24	(1 647)	395	1 286	34
Changes in estimates that adjust CSM		469	(232)	(237)	-	4 046	(362)	(3 684)	-
Changes in estimates that result in onerous contract losses or reversal of losses		363	(23)	-	340	202	(14)	-	188
Servicing expenses and commission for onerous contracts		8	-	-	8	13	-	-	13
Changes that relate to past services									
Adjustment to liability for incurred claims		-	(1)	-	(1)	-	6	-	6
Insurance service result	B	(575)	(338)	(443)	(1 356)	1 890	(617)	(4 260)	(2 987)
Net finance expenses from insurance contracts	C	(14 210)	3 086	1 244	(9 880)	(8 647)	1 163	2 713	(4 771)
Net changes to income statement and OCI	D = B + C	(14 785)	2 748	801	(11 236)	(6 757)	546	(1 547)	(7 758)
Cash flows	E	1 335	-	-	1 335	2 602	-	-	2 602
Net balance at the end of the period	G = A + D + E	(72 104)	11 105	28 096	(32 903)	(58 654)	8 357	27 295	(23 002)
Closing assets arising from insurance contracts issued		(72 104)	11 105	28 096	(32 903)	(58 654)	8 357	27 295	(23 002)
Net balance at the end of the period		(72 104)	11 105	28 096	(32 903)	(58 654)	8 357	27 295	(23 002)



C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

C.1.2.3 Movement in insurance contract balances: GMM *continued*

C.1.2.3.2 SA Invest (risk)

ANALYSIS BY MEASUREMENT COMPONENT

Group R million (Assets)/Liabilities	Navigation	December 2025				June 2025			
		Estimates of PVFCF	RA for non- financial Risk	CSM		Estimates of PVFCF	RA for non- financial Risk	CSM	
Other contracts	Total			Other contracts	Total				
Opening liabilities arising from insurance contracts issued		22 570	190	820	23 580	23 489	135	941	24 565
Net balance at beginning of the period	A	22 570	190	820	23 580	23 489	135	941	24 565
Changes in the income statement and OCI									
Changes that relate to current services									
CSM recognised for services provided		-	-	(166)	(166)	-	-	(395)	(395)
Change in Risk Adjustment for non-financial risk that relates to expired risk		-	(26)	-	(26)	-	(38)	-	(38)
Experience adjustments		3	-	-	3	32	-	-	32
Changes that relate to future services									
Contracts initially recognised in the period		(93)	11	86	4	(266)	25	245	4
Changes in estimates that adjust CSM		1	(43)	42	-	49	17	(66)	-
Changes in estimates that result in onerous contract losses or reversal of losses		(7)	(51)	-	(58)	(5)	23	-	18
Changes that relate to past services									
Adjustment to liability for incurred claims		-	-	-	-	-	-	-	-
Insurance service result	B	(96)	(109)	(38)	(243)	(190)	27	(216)	(379)
Net finance expenses from insurance contracts	C	2 567	41	37	2 645	2 805	28	95	2 928
Net changes to income statement and OCI	D = B + C	2 471	(68)	(1)	2 402	2 615	55	(121)	2 549
Cash flows	E	(1 256)	-	-	(1 256)	(3 534)	-	-	(3 534)
Net balance at the end of the period	G = A + D + E	23 785	122	819	24 726	22 570	190	820	23 580
Closing liabilities arising from insurance contracts issued		23 785	122	819	24 726	22 570	190	820	23 580
Net balance at the end of the period		23 785	122	819	24 726	22 570	190	820	23 580



C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

C.1.2.3 Movement in insurance contract balances: GMM *continued*

C.1.2.3.3 UK Life (risk)

ANALYSIS BY MEASUREMENT COMPONENT

Group R million (Assets)/Liabilities	Navigation	December 2025				June 2025			
		Estimates of PVFCF	RA for non- financial Risk	CSM Other contracts	Total	Estimates of PVFCF	RA for non- financial Risk	CSM Other contracts	Total
Opening assets arising from insurance contracts issued		(38 091)	2 562	15 349	(20 180)	(30 819)	2 239	13 311	(15 269)
Net balance at beginning of the period	A	(38 091)	2 562	15 349	(20 180)	(30 819)	2 239	13 311	(15 269)
Changes in the income statement and OCI									
Changes that relate to current services									
CSM recognised for services provided		-	-	(715)	(715)	-	-	(1 332)	(1 332)
Change in Risk Adjustment for non-financial risk that relates to expired risk		-	(121)	-	(121)	-	(246)	-	(246)
Experience adjustments		15	-	-	15	362	-	-	362
Changes that relate to future services									
Contracts initially recognised in the period		(1 404)	257	1 351	204	(2 192)	471	2 128	407
Changes in estimates that adjust CSM		(97)	8	89	-	(164)	(2)	166	-
Changes in estimates that result in onerous contract losses or reversal of losses		26	7	-	33	345	9	-	354
Insurance service result	B	(1 460)	151	725	(584)	(1 649)	232	962	(455)
Net finance expenses from insurance contracts	C	(1 221)	60	164	(997)	(2 178)	(39)	298	(1 919)
Net changes to income statement and OCI	D = B + C	(2 681)	211	889	(1 581)	(3 827)	193	1 260	(2 374)
Cash flows	E	(527)	-	-	(527)	(1 553)	-	-	(1 553)
Effect of movements in exchange rates	F	3 381	(227)	(1 345)	1 809	(1 892)	130	778	(984)
Net balance at the end of the period	G = A + D + E + F	(37 918)	2 546	14 893	(20 479)	(38 091)	2 562	15 349	(20 180)
Closing assets arising from insurance contracts issued		(37 918)	2 546	14 893	(20 479)	(38 091)	2 562	15 349	(20 180)
Net balance at the end of the period		(37 918)	2 546	14 893	(20 479)	(38 091)	2 562	15 349	(20 180)



C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

C.1.2.4 Movement in insurance contract balances: VFA

C.1.2.4.1 SA Invest (participating)

ANALYSIS OF MEASUREMENT COMPONENT

Group R million (Assets)/Liabilities	Navigation	December 2025					June 2025				
		Estimates of PVFCF	RA for non- financial Risk	CSM		Total	Estimates of PVFCF	RA for non- financial Risk	CSM		Total
Transition: Modified retro- spective	Other contracts			Transition: Modified retro- spective	Other contracts						
Opening liabilities arising from insurance contracts issued		80 199	843	5 377	1 731	88 150	66 642	773	5 275	1 031	73 721
Net balance at beginning of the period	A	80 199	843	5 377	1 731	88 150	66 642	773	5 275	1 031	73 721
Changes in the income statement and OCI											
Changes that relate to current services											
CSM recognised for services provided		-	-	(515)	(203)	(718)	-	-	(1 058)	(266)	(1 324)
Change in Risk Adjustment for non-financial risk that relates to expired risk		-	(79)	-	-	(79)	-	(186)	-	-	(186)
Experience adjustments		(40)	-	9	(1)	(32)	(96)	-	56	(22)	(62)
Changes that relate to future services											
Contracts initially recognised in the period		(285)	36	-	270	21	(764)	89	-	732	57
Changes in estimates that adjust CSM		(1 064)	69	738	257	-	(357)	99	202	56	-
Changes in estimates that result in onerous contract losses or reversal of losses		(20)	-	-	-	(20)	6	1	-	-	7
Insurance service result	B	(1 409)	26	232	323	(828)	(1 211)	3	(800)	500	(1 508)
Net finance expenses from insurance contracts	C	10 796	31	405	122	11 354	11 855	67	902	200	13 024
Net changes to income statement and OCI	D = B + C	9 387	57	637	445	10 526	10 644	70	102	700	11 516
Cash flows	E	2 043	-	-	-	2 043	2 913	-	-	-	2 913
Net balance at the end of the period	G = A + D + E	91 629	900	6 014	2 176	100 719	80 199	843	5 377	1 731	88 150
Closing liabilities arising from insurance contracts issued		91 629	900	6 014	2 176	100 719	80 199	843	5 377	1 731	88 150
Net balance at the end of the period		91 629	900	6 014	2 176	100 719	80 199	843	5 377	1 731	88 150



C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

C.1.2.5 Movement in reinsurance contract balances: GMM

C.1.2.5.1 SA Life (risk)

ANALYSIS BY MEASUREMENT COMPONENT

Group R million (Assets)/Liabilities	Navigation	December 2025					June 2025				
		Estimates of PVFCF	RA for non- financial Risk	CSM		Total	Estimates of PVFCF	RA for non- financial Risk	CSM		Total
Transition: Modified retro- spective	Other contracts			Transition: Modified retro- spective	Other contracts						
Opening liabilities arising from reinsurance contracts held		5 649	(671)	(104)	(4 504)	370	5 899	(703)	(100)	(4 970)	126
Net balance at beginning of the period	A	5 649	(671)	(104)	(4 504)	370	5 899	(703)	(100)	(4 970)	126
Changes in the income statement and OCI											
Changes that relate to current services											
CSM recognised for services provided		-	-	3	161	164	-	-	6	319	325
Change in Risk Adjustment for non-financial risk that relates to expired risk		-	33	-	-	33	-	73	-	-	73
Experience adjustments		346	-	-	-	346	624	-	-	-	624
Changes that relate to future services											
Contracts initially recognised in the period		121	(13)	-	(113)	(5)	187	(21)	-	(172)	(6)
Changes in estimates that adjust CSM		60	5	-	(54)	11	(897)	76	3	839	21
Changes in estimates that relate to losses and reversal of losses on underlying contracts		(36)	2	-	-	(34)	(19)	(2)	-	-	(21)
Changes that relate to past services											
Adjustment to assets for incurred claims		-	-	-	-	-	-	(1)	-	-	(1)
Net Expenses from reinsurance contracts held	B	491	27	3	(6)	515	(105)	125	9	986	1 015
Net finance income from reinsurance contracts	C	916	(74)	(6)	(194)	642	1 035	(93)	(13)	(520)	409
Net changes to income statement and OCI	D = B + C	1 407	(47)	(3)	(200)	1 157	930	32	(4)	466	1 424
Cash flows	E	(765)	-	-	-	(765)	(1 180)	-	-	-	(1 180)
Effect of movements in exchange rates	F	-	-	-	-	-	-	-	-	-	-
Net balance at the end of the period	G = A + D + E + F	6 291	(718)	(107)	(4 704)	762	5 649	(671)	(104)	(4 504)	370
Closing liabilities arising from reinsurance contracts held		6 291	(718)	(107)	(4 704)	762	5 649	(671)	(104)	(4 504)	370
Net balance at the end of the period		6 291	(718)	(107)	(4 704)	762	5 649	(671)	(104)	(4 504)	370



C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

C.1.2.5 Movement in reinsurance contract balances: GMM *continued*

C.1.2.5.2 UK Life (risk)

ANALYSIS BY MEASUREMENT COMPONENT

Group R million (Assets)/Liabilities	Navigation	December 2025				June 2025			
		Estimates of VFCF	RA for non- financial Risk	CSM		Estimates of PVFCF	RA for non-financial Risk	CSM	
Other contracts	Total			Other contracts	Total				
Opening liabilities arising from reinsurance contracts held		17 023	(521)	(7 751)	8 751	11 460	(471)	(5 719)	5 270
Net balance at beginning of the period	A	17 023	(521)	(7 751)	8 751	11 460	(471)	(5 719)	5 270
Changes in the income statement and OCI									
Changes that relate to current services									
CSM recognised for services provided		-	-	360	360	-	-	636	636
Change in Risk Adjustment for non-financial risk that relates to expired risk		-	3	-	3	-	25	-	25
Experience adjustments		153	-	-	153	(130)	-	-	(130)
Changes that relate to future services									
Contracts initially recognised in the period		780	(42)	(881)	(143)	1 574	(76)	(1 782)	(284)
Changes in estimates that adjust CSM		(98)	-	109	11	333	(2)	(331)	-
Changes in estimates that relate to losses and reversal of losses on underlying contracts		(5)	(2)	-	(7)	(81)	(4)	-	(85)
Net Expenses from reinsurance contracts held	B	830	(41)	(412)	377	1 696	(57)	(1 477)	162
Net finance income from reinsurance contracts	C	397	(16)	(106)	275	598	34	(180)	452
Net changes to income statement and OCI	D = B + C	1 227	(57)	(518)	652	2 294	(23)	(1 657)	614
Cash flows	E	1 006	-	-	1 006	2 460	-	-	2 460
Effect of movements in exchange rates	F	(1 547)	47	683	(817)	809	(27)	(375)	407
Net balance at the end of the period	G = A + D + E + F	17 709	(531)	(7 586)	9 592	17 023	(521)	(7 751)	8 751
Closing liabilities arising from reinsurance contracts held		17 709	(531)	(7 586)	9 592	17 023	(521)	(7 751)	8 751
Net balance at the end of the period		17 709	(531)	(7 586)	9 592	17 023	(521)	(7 751)	8 751



C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

C.1.2.6 Insurance revenue

The following tables present an analysis of the insurance revenue recognised in the period.

Group R million Income/(expense)	SA Life Risk (GMM)	SA Invest Risk (GMM)	SA Invest Participating (VFA)	SA Life: Group life and other (PAA)	SA Insure and other (PAA)	UK Life Risk (GMM) ¹	UK Health (PAA)	Total
Six months ended 31 December 2025								
Contracts not measured under the PAA								
Amounts relating to changes in liabilities for remaining coverage	6 781	515	1 398	-	-	2 742	-	11 436
- CSM recognised for services provided	1 052	166	718	-	-	715	-	2 651
- Change in risk adjustment for non-financial risk for risk expired	310	26	79	-	-	117	-	532
- Expected incurred claims and other insurance service expenses	5 410	308	574	-	-	1 955	-	8 247
- Experience adjustments	9	15	27	-	-	(45)	-	6
Recovery of insurance acquisition cash flows	1 131	91	395	-	-	1 687	-	3 304
Contracts not measured under the PAA	7 912	606	1 793	-	-	4 429	-	14 740
Contracts measured under the PAA	-	-	-	1 890	3 572	-	10 498	15 960
Total insurance revenue	7 912	606	1 793	1 890	3 572	4 429	10 498	30 700
Six months ended 31 December 2024								
Contracts not measured under the PAA								
Amounts relating to changes in liabilities for remaining coverage	6 617	480	1 218	-	-	2 334	-	10 649
- CSM recognised for services provided	935	198	613	-	-	641	-	2 387
- Change in risk adjustment for non-financial risk for risk expired	294	17	69	-	-	115	-	495
- Expected incurred claims and other insurance service expenses	5 351	262	495	-	-	1 703	-	7 811
- Experience adjustments	37	3	41	-	-	(125)	-	(44)
Recovery of insurance acquisition cash flows	972	121	389	-	-	1 424	-	2 906
Contracts not measured under the PAA	7 589	601	1 607	-	-	3 758	-	13 555
Contracts measured under the PAA	-	-	-	1 853	3 405	-	9 112	14 370
Total insurance revenue	7 589	601	1 607	1 853	3 405	3 758	9 112	27 925



C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

C.1.2.7 Net investment result

The following table analyses the Group's net investment result in profit or loss and OCI.

Group R million (Income/(expense))	SA Life Risk (GMM)	SA Invest Risk (GMM)	SA Invest Participating (VFA)	SA Life: Group Life and other (PAA)	SA Insure and other immaterial (PAA)	UK Life Risk (GMM)	UK Health (PAA)	Other businesses	Total
Six months ended 31 December 2025									
Investment return									
Interest revenue from financial assets not measured at FVTPL	11	-	18	-	2	33	91	371	526
Net gains on FVTPL investments	35	2 618	11 438	235	-	-	28	7 909	22 263
Total investment return	46	2 618	11 456	235	2	33	119	8 280	22 789
Movement in investment contract liabilities									
	-	-	-	-	-	-	-	(3 338)	(3 338)
Movement in third party interests in consolidated funds									
	-	-	-	-	-	-	-	(4 068)	(4 068)
Finance income/(expenses) from insurance contracts									
<i>Amounts recognised in profit or loss</i>									
- Changes in fair value of underlying items of direct participation contracts	1 600	(2 645)	(11 354)	(230)	(19)	316	-	-	(12 332)
- Interest accreted to the CSM	-	-	(11 354)	-	-	-	-	-	(11 354)
- Interest on FCF and other finance (income)/expenses	(1 577)	(37)	(527)	-	-	(154)	-	-	(2 295)
- Effect of changes in interest rates and other financial assumptions	3 177	(769)	527	(230)	(19)	470	-	-	3 156
	-	(1 839)	-	-	-	-	-	-	(1 839)
<i>Amounts recognised in OCI</i>									
- Interest accreted to the CSM	8 280	-	-	(215)	-	681	-	-	8 746
- Interest on FCF and other finance (income)/expenses	257	-	-	-	-	(10)	-	-	247
- Effect of changes in interest rates and other financial assumptions	(1 244)	-	-	35	-	153	-	-	(1 056)
- Effect of changing FCF at current rates when adjusting the CSM at rates on initial recognition	9 208	-	-	(260)	-	577	-	-	9 525
- Effect of movements in exchange rates	171	-	-	-	-	(39)	-	-	132
	(112)	-	-	10	-	-	-	-	(102)
Net finance expenses from insurance contracts	9 880	(2 645)	(11 354)	(445)	(19)	997	-	-	(3 586)
Finance income/(expenses) from reinsurance contracts									
<i>Amounts recognised in profit or loss</i>									
- Interest accreted to the CSM	31	-	-	28	-	(197)	-	-	(138)
- Interest on FCF and other finance (income)/expenses	229	-	-	-	-	99	-	-	328
	(198)	-	-	28	-	(296)	-	-	(466)
<i>Amounts recognised in OCI</i>									
- Interest accreted to the CSM	(673)	-	-	27	-	(78)	-	-	(724)
- Interest on FCF and other finance (income)/expenses	(20)	-	-	-	-	6	-	-	(14)
- Effect of changes in interest rates and other financial assumptions	3	-	-	(3)	-	(45)	-	-	(45)
- Effect of changing FCF at current rates when adjusting the CSM at rates on initial recognition	(700)	-	-	30	-	(33)	-	-	(703)
- Effect of movements in exchange rates	39	-	-	-	-	(6)	-	-	33
	5	-	-	-	-	-	-	-	5
Net finance income from reinsurance contracts	(642)	-	-	55	-	(275)	-	-	(862)



C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

C.1.2.7 Net investment result *continued*

Group R million Income/(expense)	SA Life Risk (GMM)	SA Invest Risk (GMM)	SA Invest Participating (VFA)	SA Life: Group Life and other (PAA)	SA Insure and other immaterial (PAA)	UK Life Risk (GMM)	UK Health (PAA)	Other businesses	Total
Six months ended 31 December 2024									
Investment return									
Interest revenue from financial assets not measured at FVTPL	2	-	-	-	133	41	45	240	461
Net gains on FVTPL investments	(42)	1 693	5 954	270	8	-	60	4 694	12 637
Total investment return	(40)	1 693	5 954	270	141	41	105	4 934	13 098
Movement in investment contract liabilities									
Movement in third party interests in consolidated funds									
Finance income/(expenses) from insurance contracts									
<i>Amounts recognised in profit or loss</i>	1 578	(1 596)	(5 904)	(242)	-	272	-	-	(5 892)
- Changes in fair value of underlying items of direct participation contracts	-	-	(5 895)	-	-	-	-	-	(5 895)
- Interest accreted to the CSM	(1 630)	(42)	(540)	-	-	(117)	-	-	(2 329)
- Interest on FCF and other finance (income)/expenses	3 208	(892)	531	(242)	-	389	-	-	2 994
- Effect of changes in interest rates and other financial assumptions	-	(662)	-	-	-	-	-	-	(662)
<i>Amounts recognised in OCI</i>	2 400	-	-	(22)	-	433	-	-	2 810
- Interest accreted to the CSM	310	-	-	-	-	(14)	-	-	296
- Interest on FCF and other finance (income)/expenses	(1 201)	-	-	41	-	298	-	-	(862)
- Effect of changes in interest rates and other financial assumptions	3 529	-	-	(59)	-	81	-	-	3 551
- Effect of changing FCF at current rates when adjusting the CSM at rates on initial recognition	(292)	-	-	-	-	68	-	-	(224)
- Effect of movements in exchange rates	54	-	-	(5)	-	-	-	-	49
Net finance expenses from insurance contracts	3 978	(1 596)	(5 904)	(264)	-	705	-	-	(3 081)
Finance income/(expenses) from reinsurance contracts									
<i>Amounts recognised in profit or loss</i>	(94)	-	-	31	-	(127)	-	-	(190)
- Interest accreted to the CSM	248	-	-	-	-	68	-	-	316
- Interest on FCF and other finance (income)/expenses	(342)	-	-	31	-	(195)	-	-	(506)
<i>Amounts recognised in OCI</i>	(41)	-	-	5	-	(54)	-	-	(90)
- Interest accreted to the CSM	(19)	-	-	-	-	7	-	-	(12)
- Interest on FCF and other finance (income)/expenses	175	-	-	(4)	-	(126)	-	-	45
- Effect of changes in interest rates and other financial assumptions	(312)	-	-	4	-	75	-	-	(233)
- Effect of changing FCF at current rates when adjusting the CSM at rates on initial recognition	118	-	-	-	-	(10)	-	-	108
- Effect of movements in exchange rates	(3)	-	-	5	-	-	-	-	2
Net finance income from reinsurance contracts	(135)	-	-	36	-	(181)	-	-	(280)



C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

C.1.2.8 Effect of contracts initially recognised in the period

Insurance contracts

Group R million Assets/(Liabilities)	Profitable contracts issued				Onerous contracts issued				Total
	SA Life Risk (GMM)	SA Invest Risk (GMM)	SA Invest Participating (VFA)	UK Life Risk (GMM)	SA Life Risk (GMM)	SA Invest Risk (GMM)	SA Invest Participating (VFA)	UK Life Risk (GMM)	
Six months ended 31 December 2025									
Insurance acquisition cash flows	(813)	(48)	(320)	(2 853)	(61)	(8)	(58)	(668)	(4 829)
Claims and other insurance service expenses payable	(1 305)	(1 097)	(4 813)	(4 364)	(126)	(159)	(924)	(1 447)	(14 235)
Estimates of present value of cash outflows	(2 118)	(1 145)	(5 133)	(7 217)	(187)	(167)	(982)	(2 115)	(19 064)
Estimates of present value of cash inflows	3 182	1 237	5 436	8 786	174	168	964	1 950	21 897
Risk adjustment for non-financial risk	(218)	(6)	(33)	(218)	(11)	(5)	(3)	(39)	(533)
CSM	(846)	(86)	(270)	(1 351)	-	-	-	-	(2 553)
Losses recognised on initial recognition	-	-	-	-	(24)	(4)	(21)	(204)	(253)
Six months ended 31 December 2024									
Insurance acquisition cash flows	(755)	(79)	(268)	(2 299)	(42)	(7)	(40)	(511)	(4 001)
Claims and other insurance service expenses payable	(1 223)	(1 812)	(4 325)	(3 328)	(83)	(194)	(599)	(1 210)	(12 774)
Estimates of present value of cash outflows	(1 978)	(1 891)	(4 593)	(5 627)	(125)	(201)	(639)	(1 721)	(16 775)
Estimates of present value of cash inflows	2 985	2 034	4 988	6 871	118	192	628	1 589	19 405
Risk adjustment for non-financial risk	(198)	(10)	(31)	(197)	(8)	(4)	(8)	(34)	(490)
CSM	(809)	(133)	(364)	(1 047)	-	-	-	-	(2 353)
Losses recognised on initial recognition	-	-	-	-	(15)	(13)	(19)	(166)	(213)



C. Insurance and reinsurance contracts related disclosure *continued*

C.1.2 INSURANCE AND REINSURANCE CONTRACT DISCLOSURES AND RECONCILIATIONS *continued*

C.1.2.8 Effect of contracts initially recognised in the period *continued*

Reinsurance contracts

Group R million Assets/(Liabilities)	Group of contracts with a net cost on initial recognition ¹		
	SA Life Risk (GMM)	UK Life Risk (GMM)	Total
Six months ended 31 December 2025			
Estimates of present value of cash outflows	(654)	(7 321)	(7 975)
Estimates of present value of cash inflows	533	6 541	7 074
Risk adjustment for non-financial Risk	13	42	55
Income recognised on initial recognition (for offset)	(5)	(143)	(148)
CSM	(113)	(881)	(994)
Six months ended 31 December 2024			
Estimates of present value of cash outflows	(576)	(4 760)	(5 336)
Estimates of present value of cash inflows	460	3 955	4 415
Risk adjustment for non-financial Risk	12	26	38
Income recognised on initial recognition (for offset)	(3)	(114)	(117)
CSM	(107)	(893)	(1 000)

¹ Group of contracts with a net cost on initial recognition refers to those reinsurance contracts with a CSM on initial recognition, that will reflect as a future cost relative to the insurance contract CSM that will release as future revenue.

SECTION D

Adoption of new standards and interpretations and restatements

70 D.1 Restatement as a result of prior period errors identified





D. Adoption of new standards and interpretations and restatements

The section provides information on the material new standards, amendments and interpretations that became effective for Discovery for its financial period commencing 1 July 2025. In addition, the section sets out the correction of prior period errors and the changes in presentation of specified line items.

New standards and interpretation that became effective

For the financial period commencing 1 July 2025, there were no material new standards, amendments or interpretations that became effective for Discovery.

D.1 RESTATEMENT AS A RESULT OF PRIOR PERIOD ERRORS IDENTIFIED

During the preparation of financial statements, management may identify prior period errors arising from miscalculations, oversights or the misapplication of information available at the time. There were no such errors identified during the period under review. As previously reported for the financial year ended 30 June 2025, management identified prior period errors requiring correction and accordingly restated the affected prior period information. As a result, the prior period information for the six months ended 31 December 2024, as presented in these results, has accordingly been restated.

This section provides summary information of the impact of the prior period information in line with the the previously communicated full year restatements. The corrections impacted the Group Income statement and Group Statement of other comprehensive income for the six months ended 31 December 2024 and the Group Statement of cash flows for the six months ended 31 December 2024. The information is set out to reconcile the previously published information to the final restated financial positions and performance.

ITEM 1: CORRECTION OF SA LIFE AND SA INVEST INSURANCE RESULTS

Discovery adopted IFRS 17 *Insurance Contracts* for the first time, with full retrospective effect, in the financial year ended 30 June 2024. During the 30 June 2025 review, Discovery identified the need to correct a coding error that impacted the quantification of the transitional impact of IFRS 17. This error affected the way in which the SA Life and SA Invest businesses accounted for changes in estimates. The correction resulted in a reallocation from the Insurance Finance Reserve, a component of equity, with a resultant increase in the Contractual Service Margin (CSM).

As explained during transition to IFRS 17, the positive increase in CSM represents a “store of value” that is expected to release to the income statement, and ultimately to equity as retained earnings, over time. The CSM releases to the income statement as services are provided based on the coverage units of the underlying groups of insurance contracts.

Notably, the strengthening of the CSM resulted in a decrease in the number of groups classified as onerous. The decrease in the onerous contract groups resulted in an increase in retained earnings as well as an increase in earnings of the prior year.

The other measurement components of insurance contract balances, namely the present value of fulfilment cash flows and the risk adjustment, were unaffected by this correction. Importantly, the correction had a cumulative impact on the later years of the fully retrospective transition.

The restatement for the six months ended 31 December 2024 had no effect on operating, investing, or financing cash flows. While there was no overall impact on cash flows from operating activities, the correction resulted in an increase of R223 million in cash generated from operations, with an equal and opposite adjustment to operating liabilities. Consistent with the impacts explained upon transition, the restatement does not affect regulatory solvency positions or embedded value.

RECONCILIATION OF GROUP INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2024¹

R million	Group 31 December 2024 (previously reported)	Item 1 Correction Increase/ (Decrease)	Group 31 December 2024 Restated
Insurance revenue	27 774	151	27 925
Insurance service expenses	(23 681)	198	(23 483)
Net income/(expenses) from reinsurance contracts	(816)	(50)	(866)
Insurance service result	3 277	299	3 576
Net financial result from insurance finance income and expense	(6 006)	(76)	(6 082)
- Net finance income/(expense) from insurance contracts	(5 807)	(85)	(5 892)
- Net finance income/(expense) from reinsurance contracts	(199)	9	(190)
Net insurance and investment results	6 040	223	6 263
Fee income from administration business	7 314	-	7 314
Non-insurance revenue and income	12 088	-	12 088
Net income	18 128	223	18 351
Non-insurance acquisition costs	(600)	-	(600)
Operating profit	6 877	223	7 100
Profit before financing and income tax	7 250	223	7 473
Profit before income tax	6 169	223	6 392
Income tax expense	(1 840)	(60)	(1 900)
Profit for the year	4 329	163	4 492

¹ Only the financial statement line items impacted by the adjustments have been included in this note; therefore, the note does not reproduce all line items from the Group income statement.

D.1 RESTATEMENT AS A RESULT OF PRIOR PERIOD ERRORS IDENTIFIED *continued*

RECONCILIATION OF GROUP STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2024¹

R million	Group 31 December 2024 (previously reported)	Item 1 Correction Increase/ (Decrease)	Group 31 December 2024 Restated
Profit for the year	4 329	163	4 492
Net finance income/(expense) from insurance contracts issued	2 611	(551)	2 060
– Unrealised income/(expense)	3 565	(755)	2 810
– Tax on unrealised (income)/expense	(954)	204	(750)
Net finance (expense)/income from reinsurance contracts held	(117)	50	(67)
– Unrealised (expense)/income	(158)	68	(90)
– Tax on unrealised expense/(income)	41	(18)	23
Total income and expenses that will be reclassified to profit or loss when specific conditions are met	3 332	(501)	2 831
Other comprehensive income for the year, net of tax	3 327	(501)	2 826
Total comprehensive income for the year	7 656	(338)	7 318

¹ Only the financial statement line items impacted by the adjustments have been included in this note; therefore, the note does not reproduce all line items from the Group statement of other comprehensive income.

ITEM 2: CORRECTION OF THE NON-INSURANCE ACQUISITION COSTS FOR DISCOVERY INVEST

During the year ended 30 June 2025, Discovery identified that it had not eliminated the reimbursement of the acquisition costs incurred within the SA Invest segment. This incorrect treatment resulted in an overstatement of the fee income from administration business and overstatement in non-insurance acquisition costs in the period ended 31 December 2024.

The correction does not impact the Group income statement's total profit, basic earnings per share, or diluted earnings per share. The restatement has had no impact on operating, investing, or financing cash flows.

RECONCILIATION OF GROUP INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2024¹

R million	Group 31 December 2024 (post item 1 correction)	Item 2 Correction Increase/ (Decrease)	Group 31 December 2024 Restated
Fee income from administration business	7 314	(283)	7 031
Non-insurance revenue and income	12 088	(283)	11 805
Net income	18 351	(283)	18 068
Non-insurance acquisition costs	(600)	283	(317)
Operating profit	7 100	–	7 100
Profit before financing and income tax	7 473	–	7 473
Profit before income tax	6 392	–	6 392
Income tax expense	(1 900)	–	(1 900)
Profit for the year	4 492	–	4 492

¹ Only the financial statement line items impacted by the adjustments have been included in this note; therefore, the note does not reproduce all line items from the Group income statement.

ITEM 3: GROUP STATEMENT OF CASH FLOWS

Discovery regularly reviews its presentation and disclosures in line with evolving market practices, IFRS Accounting Standards, and changes in its business to enhance clarity and understanding. During the June 2025 review, the Group has updated its statement of cash flows, applying the changes to the six month period ended 31 December 2025 and restating the prior year for comparability, with a reconciliation provided between the originally published 2024 figures and the restated balances.

Previously, changes in 'Fair value adjustments to liabilities under investment contracts' and 'Third-party interest: fair value adjustment to liabilities under investment contracts' were recorded as cash outflows in Cash generated from operations with a corresponding entry within changes in operating liabilities. These fair value adjustments are now appropriately recognised as non-cash movements, with an equal and opposite change to the operating liabilities. In addition, the method for determining realised gains and losses on investments has been revised, and the prior year corrected accordingly. Importantly, the restatements have no impact on total 'Cash flows from operating activities', as reflected below.



D. Adoption of new standards and interpretations and restatements *continued*

D.1 RESTATEMENT AS A RESULT OF PRIOR PERIOD ERRORS IDENTIFIED *continued*

RECONCILIATION OF GROUP STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024¹

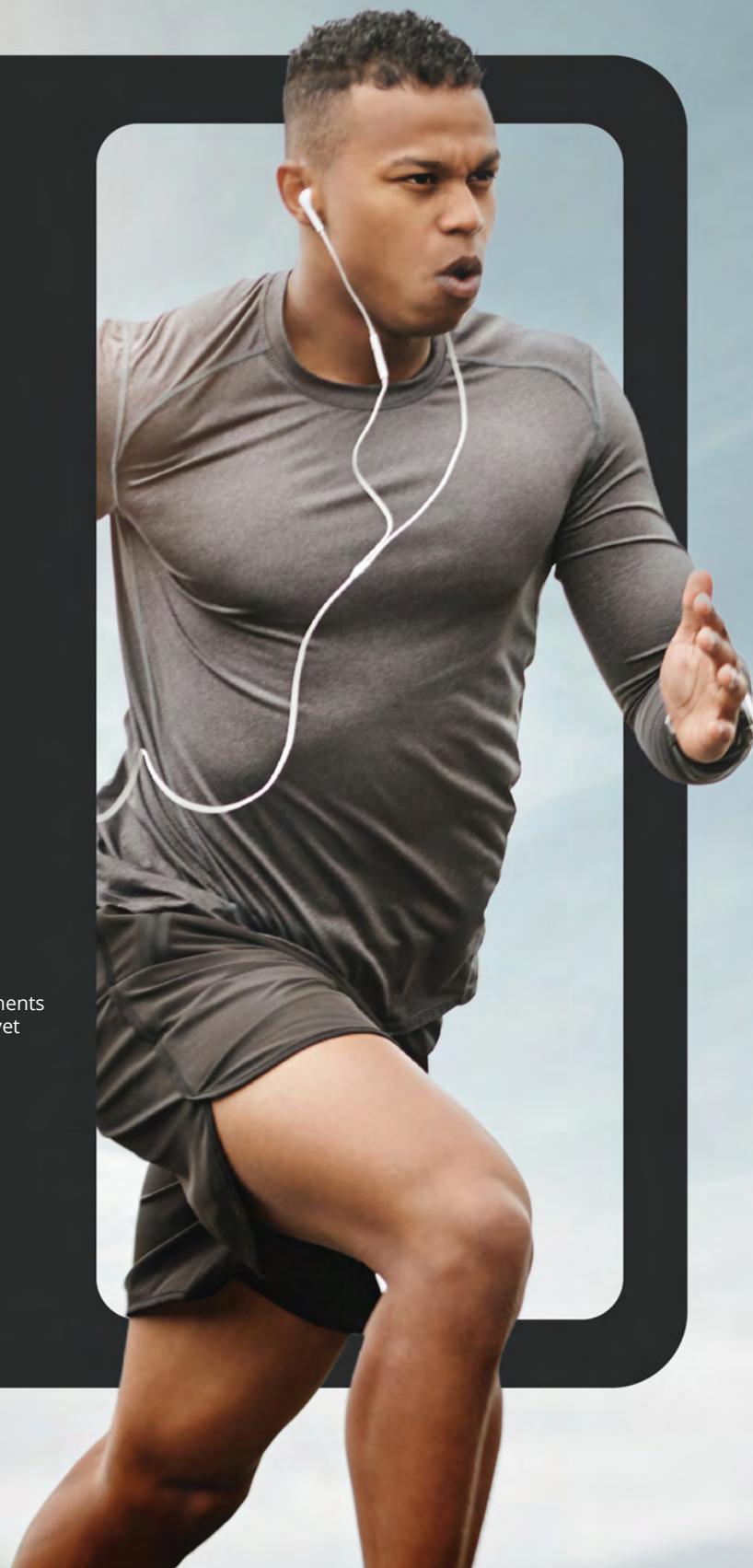
R million	Group December 2024 As previously published, including correction of item 1 as set out above	Item 3 Correction Increase/ (Decrease)	Group Restated December 2024
Cash flow from operating activities	3 546	-	3 546
Cash generated by operations	(1 174)	1 659	485
Net movement in operating assets and liabilities	5 727	(1 659)	4 068
- Increase in operating assets	(7 666)	2 661	(5 005)
- Increase in operating liabilities	13 393	(4 320)	9 073

¹ Only the financial statement line items impacted by the adjustments have been included in this note; therefore, the note does not reproduce all line items from the Group statement of cash flows.

SECTION E

Accounting policies

- 74 E.1 New accounting standards and amendments to published accounting standards not yet effective
- 74 E.2 Normalised headline earnings
- 75 E.3 Basis of preparation





E. Accounting policies

E.1 NEW ACCOUNTING STANDARDS AND AMENDMENTS TO PUBLISHED ACCOUNTING STANDARDS NOT YET EFFECTIVE

Discovery has not early adopted any other IFRS Accounting Standards, amendments or interpretations that have been issued but not yet effective and have a material impact on Discovery. Discovery does not expect any new IFRS Accounting Standards, amendments or interpretations that have been issued but not yet effective to have a material impact on the recognised amounts except for IFRS 18 *Presentation and disclosure in Financial Statements* (IFRS 18), which supersedes IAS 1 *Presentation of Financial Statements* (IAS 1) 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. For Discovery, IFRS 18 will be effective from 1 July 2027. Discovery is assessing additional disclosure requirements required.

Interest Rate Benchmark Reforms (IBOR)

In recent years, major interest rate benchmarks have been reformed globally, including the replacement of certain interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as "IBOR reform"). Discovery has financial instruments that have been or will be affected by these market-wide changes, most notably the transition from LIBOR to Sterling Overnight Index Average (SONIA) in the UK and the upcoming replacement of Johannesburg Interbank Average Rate (JIBAR) with South African rand Overnight Index Average Rate (ZARONIA).

Following an observation period from 1 November 2022 to 31 October 2023, ZARONIA was identified and endorsed as JIBAR's successor. The South African Reserve Bank (SARB) has confirmed that the JIBAR will be permanently discontinued after its final publication on 31 December 2026. Several key milestones leading up to the cessation are outlined in the industry timeline published by the SARB, including:

- November 2024 – ZARONIA-first for derivatives
- June 2025 – ZARONIA-first for the cash market
- March 2026 – No new JIBAR

Discovery has the current following JIBAR-linked exposures as at 31 December 2025:

- SA Bank borrowings, with associated interest rate derivatives, as detailed in Note A.5.2.
- Investments of c. R9.3 billion.
- Home loans provided to customers of c. R2.9 billion.

Discovery will apply the same transition relief under IFRS Accounting Standards as it did when transitioning from LIBOR to SONIA.

IBOR reforms generally result in changes to the basis for determining the contractual cash flows of financial assets and liabilities, including derivatives.

For financial assets and liabilities measured at amortised cost, the entity will update the effective interest rate without recognising a gain or loss, provided that:

- The change is a direct consequence of IBOR reform, and
- The new basis for determining contractual cash flows is economically equivalent to the previous basis.

For cash flow hedges, when assessing whether a forecast transaction remains highly probable, an entity will assume that the interest rate benchmark on which the hedged cash flows are based remains unchanged as a result of IBOR reform.

E.2 NORMALISED HEADLINE EARNINGS

Discovery assesses its performance using normalised headline earnings, an alternative profit measure not under the IFRS Accounting Standards, alongside its IFRS Accounting Standards profit measures. Management considers that Normalised Headline Earnings Per Share (NHEPS) is an appropriate alternative performance measure to enhance the comparability and understanding of the financial performance of the Group.

Measures not in terms of IFRS Accounting Standards are not uniformly defined or used by all entities and may not be comparable with similarly labelled measures and disclosures provided by other entities.

Discovery calculates headline earnings in accordance with the latest SAICA circular: 'Headline Earnings'. NHEPS is calculated by starting with headline earnings and adjusted to exclude material items that are not considered to be part of Discovery's normal operations as follows:

- Once-off transactions – for example, restructuring costs, transaction costs related to interest rate derivatives and initial deferred tax assets raised on previously unrecognised assessed losses
- Unusual items – the Group considers items to be unusual when they have limited predictive value, or it is reasonable that items of a similar nature would not necessarily arise for several future reporting periods
- Income or expenses not considered to be part of the Group's normal operations – for example, amortisation of intangibles from business combinations and fair value gains or losses on foreign exchange contracts not designated as hedges

Management is responsible for the calculation of NHEPS and determining the inclusions and exclusions in accordance with the policy. The Discovery Limited Audit Committee reviews the normalised headline earnings for transparency and consistency.

E.3 BASIS OF PREPARATION

Statement of compliance

Discovery Limited is a company incorporated in South Africa.

The unaudited condensed consolidated interim financial statements for the six months ended 31 December 2025 (interim results) consolidate the results of Discovery and its subsidiaries (together the Group) and equity account the Group's interests in associates and joint ventures.

The interim results comprise the Group statement of financial position as at 31 December 2025, the Group income statement, the Group statement of other comprehensive income, the Group statement of changes in equity and the Group statement of cash flows for the six months ended 31 December 2025 and selected explanatory notes.

The interim results have been prepared in accordance with the JSE Listings Requirements, IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), including *IAS 34 Interim Financial Reporting* (IAS 34), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC) and the requirements of the Companies Act of South Africa.

The accounting policies adopted are consistent with the accounting policies applied in the prior Annual Financial Statements.

External assurance and comparative information

The financial information in these interim results, as well as the comparative information for the six months ended 31 December 2024, have not been reviewed or audited by the Group's independent external auditors, KPMG Inc. and Deloitte & Touche. Comparative information presented as at and for the year ended 30 June 2025 within these financial statements has been extracted from the Group's audited consolidated financial statements for the year ended 30 June 2025 but is not itself audited.

These interim results do not include all the notes typically included in the annual financial statements and must be read together with the Group's audited consolidated financial statements for the year ended 30 June 2025. The Board of Discovery takes full responsibility for the accuracy of the extracted information.



Embedded value statement

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Embedded value statement

for the period ended 31 December 2025

The embedded value of the Discovery Group consists of the following components:

- the adjusted net worth attributed to the business at the valuation date;
- plus: the present value of expected future shareholder cash flows from the in-force covered business;
- less: the cost of required capital.

The present value of expected future shareholder cash flows from the in-force covered business is calculated as the value of projected after-tax shareholder cash flows of the business in-force at the valuation date, discounted at the risk discount rate.

The required capital are the assets attributed to the covered business above the amount required to back covered business liabilities, whose distribution to shareholders is restricted as they are allocated to cover regulatory and internal capital requirements.

The value of new business is the present value, at the point of sale, of the projected after-tax shareholder cash flows of the new business written by the Discovery Group, discounted at the risk discount rate, less an allowance for the reserving strain, initial expenses and cost of required capital. The value of new business is calculated using the current reporting date assumptions.

The embedded value includes the insurance and administration profits of the covered business in the Discovery Group. Covered business includes business written in South Africa through Discovery Life ("Life"), Discovery Invest ("Invest"), Discovery Health ("Health") and Discovery Vitality ("Vitality"), and in the United Kingdom through VitalityLife and VitalityHealth. For Vitality Group, Ping An Health Insurance, Discovery Insure, Discovery Bank and Umbrella Funds, no published value has been placed on the current inforce business.

In August 2011, the Discovery Group raised R800 million through the issue of non-cumulative, non-participating, non-convertible preference shares. For embedded value purposes this capital, net of share issue expenses, has been excluded from the adjusted net worth.



Embedded value statement *continued*

for the period ended 31 December 2025

TABLE 1: GROUP EMBEDDED VALUE

R million	31 December 2025	31 December 2024	% Change	30 June 2025
Shareholders' funds	73 438	64 644	14	65 699
Adjustment to shareholders' funds from published basis ¹	(47 395)	(42 525)	11	(40 660)
Adjusted net worth ²	26 043	22 119	18	25 039
Value of in-force covered business before cost of required capital	113 087	100 803	12	104 812
Cost of required capital	(3 286)	(3 306)	(1)	(3 297)
Discovery Group embedded value	135 844	119 616	14	126 554
Number of shares (millions)	672.6	666.5		666.6
Embedded value per share	R201.97	R179.47	13	R189.85
Diluted number of shares (millions)	672.7	667.1		668.7
Diluted embedded value per share ³	R201.92	R179.29	13	R189.25

¹ A breakdown of the adjustment to shareholders' funds is shown in the table below. Note that where relevant, adjustments have been converted using the closing exchange rate of R22.27/GBP (June 2025: R24.34/GBP; December 2024: R23.61/GBP).

R million	31 December 2025	31 December 2024	30 June 2025
Life net assets under insurance contracts	(28 357)	(23 982)	(21 333)
Vitality Life Limited net assets under insurance contracts	(11 692)	(11 179)	(11 663)
VitalityHealth Insurance Acquisition Cash Flow (IACF) Asset	(4 893)	(4 673)	(5 120)
VitalityLife receivable relating to the Unemployment Cover benefit (net of deferred tax)	(6)	(8)	(7)
Goodwill relating to the acquisition of Standard Life Healthcare and the PAC joint venture	(2 756)	(2 922)	(3 012)
Intangible assets (net of deferred tax) in covered businesses	(707)	(807)	(813)
Net preference share capital	(779)	(779)	(779)
Reversal of 1 Discovery Place IFRS 16 financial lease accounting	1 581	1 516	1 550
Equity settled share based payment mark-to-market adjustment*	214	309	517
Adjustment to shareholders' funds from published basis	(47 395)	(42 525)	(40 660)

* The "equity settled share based payment mark-to-market adjustment" reflects the difference between the provision in the IFRS equity and the mark-to-market value of the equity settled share based payments.

TABLE 1: GROUP EMBEDDED VALUE *continued*

2 The following table sets out the capital position of the covered businesses with the required capital on a consistent basis to that used in the embedded value:

R million	31 December 2025	31 December 2024	30 June 2025
Shareholders' funds	73 438	64 644	65 699
Adjustment to shareholders' funds	(47 395)	(42 525)	(40 660)
Adjusted net worth	26 043	22 119	25 039
Excess of available capital over adjusted net worth	56 891	51 754	52 419
Available capital	82 934	73 873	77 458
Required capital	53 364	48 106	48 446
Excess available capital	29 570	25 767	29 012

The excess of available capital over adjusted net worth reflects the difference between the adjusted net worth for embedded value purposes and the available capital on a statutory solvency basis for covered business. This includes:

- The net preference share capital of R779 million which is included as available capital.
- The difference between Vitality Life Limited's Solvency UK Pillar 1 Own Funds and its adjusted net worth.
- The difference between Life's Pillar 1 Own Funds and its adjusted net worth.

The following table sets out the required capital for each of the covered businesses:

R million	31 December 2025	31 December 2024	30 June 2025
Health and Vitality	1 296	1 280	1 286
Life and Invest	34 751	30 285	29 349
VitalityHealth	4 175	4 348	4 761
VitalityLife	13 142	12 193	13 050
Total required capital	53 364	48 106	48 446

- For Health and Vitality, the required capital was set equal to two times the monthly renewal expense and Vitality benefit cost.
- For Life and Invest, the required capital was set equal to 1.25 times the SAM Pillar 1 Solvency Capital Requirement.
- For VitalityHealth, the required capital was set equal to 1.55 times the Solvency UK Pillar 1 Solvency Capital Requirement.
- For VitalityLife, the required capital was set equal to 1.4 times the Solvency UK Pillar 1 Solvency Capital Requirement.

The cost of required capital in the embedded value is calculated assuming shareholder cash flow is limited to the cash flow available after having met both the required capital amount and, where relevant, an internally defined liquidity target capital requirement of tangible assets. As a result, changes in the required capital noted in the table above may differ from changes in the cost of required capital, where the liquidity target capital requirement of tangible assets is the prevailing constraint. Additional detail is provided in the 'basis of preparation' section.

- 3 The diluted embedded value per share adjusts for the effect of vested treasury shares, share options exercised, and vesting of share awards where the impact is dilutive. This adjustment has been aligned to the diluted number of shares shown elsewhere in the financial statements.



Embedded value statement *continued*

for the period ended 31 December 2025

TABLE 2: VALUE OF IN-FORCE COVERED BUSINESS

R million	Value before cost of capital	Cost of capital	Value after cost of capital
At 31 December 2025			
Health and Vitality	30 839	(527)	30 312
Life and Invest ¹	49 505	(1 656)	47 849
VitalityHealth ²	17 472	(441)	17 031
VitalityLife ²	15 271	(662)	14 609
Total	113 087	(3 286)	109 801
At 31 December 2024			
Health and Vitality	28 345	(524)	27 821
Life and Invest ¹	41 643	(1 844)	39 799
VitalityHealth ²	15 891	(417)	15 474
VitalityLife ²	14 924	(521)	14 403
Total	100 803	(3 306)	97 497
At 30 June 2025			
Health and Vitality	27 972	(525)	27 447
Life and Invest ¹	42 869	(1 614)	41 255
VitalityHealth ²	18 395	(526)	17 869
VitalityLife ²	15 576	(632)	14 944
Total	104 812	(3 297)	101 515

¹ Included in the Life and Invest value of in-force covered business is R3 321 million (June 2025: R2 849 million; December 2024: R2 463 million) in respect of investment management services provided on off balance sheet investment business. The net assets of the investment service provider are included in the adjusted net worth.

² The value of in-force has been converted using the closing exchange rate of R22.27/GBP (June 2025: R24.34/GBP; December 2024: R23.61/GBP).

TABLE 3: GROUP EMBEDDED VALUE EARNINGS

R million	Six months ended		Year ended
	31 December 2025	31 December 2024	30 June 2025
Embedded value at end of period	135 844	119 616	126 554
Less: embedded value at beginning of period	(126 554)	(110 354)	(110 354)
Increase in embedded value	9 290	9 262	16 200
Dividends paid	1 407	1 073	1 707
Employee share option schemes	(382)	(342)	(721)
Net change in capital	139	-	23
Transfer to hedging reserve	72	40	104
Acquisition of subsidiaries with non-controlling interest	-	-	(1)
Embedded value earnings	10 526	10 033	17 312
Annualised return on opening embedded value	17.3%	19.0%	15.7%

TABLE 4: COMPONENTS OF GROUP EMBEDDED VALUE EARNINGS

R million	Six months ended 31 December 2025				Six months ended	Year ended
	Net worth	Cost of required capital	Value of in-force covered business	Embedded value	31 December 2024	30 June 2025
Total profit from new business (at point of sale)	(3 871)	(166)	5 393	1 356	953	2 154
Profit from existing business						
- Expected return	4 905	26	294	5 225	5 268	10 878
- Change in methodology and assumptions ¹	1 922	(30)	3 787	5 679	1 241	(404)
- Experience variances	569	82	1 766	2 417	1 447	2 905
Impairment, amortisation and fair value adjustment ²	(30)	-	-	(30)	(30)	(62)
Increase in goodwill and intangibles	(179)	-	-	(179)	(179)	(382)
Non-covered businesses ³	1 174	-	-	1 174	1 160	2 537
Non-recurring expenses	(187)	-	-	(187)	(103)	(355)
Acquisition costs ⁴	(23)	-	-	(23)	(11)	(45)
Finance costs ⁵	(1 518)	-	-	(1 518)	(1 633)	(3 125)
Foreign exchange rate movements ⁶	(1 152)	100	(2 966)	(4 018)	1 125	1 550
Other ⁷	(15)	-	1	(14)	(4)	(8)
Return on shareholders' funds ^{5,8}	644	-	-	644	799	1 669
Embedded value earnings	2 239	12	8 275	10 526	10 033	17 312

1. The changes in methodology and assumptions will vary over time to reflect adjustments to the model and assumptions as a result of changes to the operating and economic environment. The current period's changes are described in detail in Table 6 below (for previous periods, refer to previous embedded value statements). Notably, over the period a significant reduction in both the South African nominal and real risk-free yield curves was observed, resulting in a material reduction in the implied risk discount rate curve which was partially offset by a reduction in the implied inflation curve. The change in the South African yield curve environment is responsible for cR5.2 billion of the total change in methodology and assumptions.

2. This item reflects the amortisation of the intangible assets reflecting banking costs, and system spend and capital expenditure for Cambridge Mobile Telematics in Discovery Insure.

3. This item includes the profits of non-covered businesses. Head office costs relating to non-covered businesses are included, together with cR92 million of expenses that are currently incurred by the covered businesses but will ultimately be borne by non-covered businesses. These expenses have therefore been excluded from the embedded value expense analysis of the relevant covered businesses. In addition, profits of cR117 million from non-covered segments within the covered businesses are included in this item.

4. Acquisition costs relate to commission paid on the Life and Invest business and expenses incurred in writing Health and Vitality business that has been written over the period but will only be activated and on risk after the valuation date. These policies are not included in the embedded value or the value of new business and therefore the costs are not deducted from the value of new business.

5. Finance costs and return on shareholders' funds are shown gross of intercompany charges (cR707 million at 31 December 2025, R1 351 million at 30 June 2025, R681 million at 31 December 2024).

6. This item includes foreign exchange gains/(losses) emerging through the income statement, in addition to translation impacts on the cost of required capital and value of in-force.

7. This item includes, among other items, the tangible tax impact from movements in covered business intangible assets, which are excluded from the net worth.

8. The return on shareholders' funds is shown net of tax and management charges.



Embedded value statement *continued*

for the period ended 31 December 2025

TABLE 5: EXPERIENCE VARIANCES

R million	Health and Vitality		Life and Invest		VitalityHealth		VitalityLife		Six months ended 31 December 2025
	Net worth	Value of in-force	Net worth	Value of in-force	Net worth	Value of in-force	Net worth	Value of in-force	Total
Renewal expenses	28	-	(17)	3	97	-	(10)	-	101
Lapses and surrenders ¹	6	133	14	30	-	17	(107)	105	198
Mortality and morbidity ²	-	-	493	(45)	204	-	102	-	754
Policy alterations ³	-	(25)	(276)	42	-	-	(5)	(52)	(316)
Backdated cancellations	-	-	-	-	-	-	-	-	-
Premium and Fee Income	81	-	(13)	23	35	-	(2)	16	140
Inflation-linked indexation ⁴	-	-	(3)	(25)	-	-	(48)	282	206
Economic ⁵	-	-	(126)	845	96	-	(1)	-	814
Tax ⁶	103	-	15	69	(25)	-	63	14	239
Reinsurance ⁷	-	-	-	-	-	-	(175)	65	(110)
Maintain modelling term ⁸	-	169	-	52	-	115	-	-	336
Vitality benefits ⁹	55	-	-	-	-	-	17	-	72
Other	-	-	(20)	19	-	-	(12)	(4)	(17)
Total	273	277	67	1 013	407	132	(178)	426	2 417

1. For Health and Vitality, lapse experience reflects the success of targeted interventions against the one-year stressed lapse assumption introduced in the prior period. For VitalityLife, the positive experience in the value of in-force from lower than expected lapses was offset by a reduction in the net worth from lower commission clawbacks and lower lapses on policies with positive reserves on the PAC book of business.
2. For Life and Invest, mortality and morbidity claims experience for the period was better than expected across the Individual Life and Group Life businesses. For VitalityLife, claims experience was driven by better than expected outcomes on the severe illness and income protection products. For VitalityHealth, this item reflects the net impact of lower than expected claims and Vitality partner spend, together with higher than expected associated risk premiums, arising from the previously higher price increases earning through. VitalityHealth policyholders are now receiving lower price increases as claims utilisation has stabilised.
3. For Life and Invest, and VitalityLife, the policy alterations experience reflects policy and benefit adjustments to in-force policies during the period, partially offset by positive experience on lapses and premium income. For Life and Invest, the underlying experience is showing initial signs of improvement following the implementation of management actions and when normalising for the effect of lower stress assumptions, initially introduced at 30 June 2024, over the period.
4. For Life and Invest, the experience reflects lower than expected in-period inflation increases on inflation-linked policies on the Individual Life business. For VitalityLife, higher than expected in-period inflation increases on inflation-linked policies resulted in higher projected premium income. The net worth impact for VitalityLife reflects an increase in the underlying IFRS 4 reserves on the PAC book of business, driven by higher in-period inflation.
5. For Life and Invest, better than expected unit fund growth in Invest resulted in an improved projected fee income reflected in the value of in-force. For VitalityHealth, investment return continued to contribute to profitability as interest rates in the UK remain high.
6. The tax variance arises due to the timing difference between the expected tax payments and actual payments.
7. For VitalityLife, higher financial reinsurance repayments made over the period results in a lower outstanding deficit account balance, which is reflected as a positive variance in the value of in-force and a negative variance in the net worth. In addition, for VitalityLife, higher than expected risk reinsurance premiums contributed to the negative variance in the net worth.
8. For Health and Vitality, Life and Invest, and VitalityHealth, the projection term is rebased at each reporting period. Therefore, an experience variance arises because the total term of the in-force covered business is effectively increased by six months.
9. For Health and Vitality, the experience is driven by successful benefit management initiatives in the Vitality business.

TABLE 6: METHODOLOGY AND ASSUMPTION CHANGES

R million	Health and Vitality		Life and Invest		VitalityHealth		VitalityLife		Six months ended 31 December 2025
	Net worth	Value of in-force	Net worth	Value of in-force	Net worth	Value of in-force	Net worth	Value of in-force	Total
Modelling changes ¹	-	(10)	(32)	(198)	-	-	-	93	(147)
Expenses	-	-	-	-	-	-	-	-	-
Lapses	-	-	-	-	-	-	-	-	-
Mortality and morbidity	-	-	-	-	-	-	-	-	-
Benefit changes	-	-	-	-	-	-	-	-	-
Vitality	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	-	-	-	-	-
Economic assumptions ²	-	1 193	183	3 863	-	-	40	(25)	5 254
Premium and fee income ³	-	380	-	-	-	-	-	-	380
Reinsurance and financing ⁴	-	-	362	(219)	-	-	1 273	(1 308)	108
Other ⁵	-	-	92	(23)	-	-	4	11	84
Total	-	1 563	605	3 423	-	-	1 317	(1 229)	5 679

1. For Life and Invest, this largely relates to Individual Life modelling updates of management actions valued in past reporting periods. Minor refinements were made to the membership data used for Vitality. For VitalityLife, this relates to the alignment of cash flow timing on the PAC book of business with VitalityLife, as well as other minor refinements.
2. For Health and Vitality and Life and Invest, the economic assumptions were updated in line with observed internally derived nominal and real risk-free yield curves at 31 December 2025. Over the period, a significant reduction in both the nominal and real risk-free yield curves was observed, resulting in a material reduction in the implied risk discount rate curve which was partially offset by a reduction in the implied inflation curve. For Health and Vitality, this also includes the impact of higher than expected inflation applicable to the administration and managed care fee escalation in 2026. For VitalityLife, this item includes the impact of updating the assumptions relative to the Solvency UK yield curves and the IFRS interest rates.
3. For Health and Vitality, this item represents an additional administration and managed care fee margin effective for 2026. This additional margin is contractually effective given a defined level of spend to enhance the services rendered by the administrator.
4. For Life and Invest, the reinsurance and financing item primarily relates to the impact of internal financing arrangements, where the future expected cash flows arising from part of the negative reserves are monetised to match other positive policy liabilities. For VitalityLife, this item includes the impact of external financing arrangements, where future expected cash flows arising from part of the negative reserves are monetised to partially fund new business.
5. For Life and Invest, this item mainly relates to impacts arising from the IAS 12 deferred tax liability.



Embedded value statement *continued*

for the period ended 31 December 2025

TABLE 7: VALUE OF NEW BUSINESS

R million	Six months ended			Year ended
	31 December 2025	31 December 2024	% Change	30 June 2025
Health and Vitality				
Gross profit from new business (at point of sale)	640	493		1 095
Cost of required capital	(23)	(21)		(45)
Present value of future profits from new business (at point of sale) after cost of required capital	617	472	31	1 050
New business annual premium equivalent ¹	2 766	2 401	15	6 093
Life and Invest				
Present value of future profits from new business (at point of sale) ²	344	275		535
Cost of required capital	(43)	(36)		(74)
Present value of future profits from new business (at point of sale) after cost of required capital	301	239	26	461
New business annual premium equivalent ³	1 879	1 589	18	3 270
Annualised profit margin ⁴	2.1%	1.9%		1.8%
Annualised profit margin excluding Invest business	4.3%	3.6%		2.1%
VitalityHealth⁵				
Present value of future profits from new business (at point of sale)	282	207		671
Cost of required capital	(29)	(26)		(62)
Present value of future profits from new business (at point of sale) after cost of required capital	253	181	40	609
New business annual premium equivalent ⁶	1 434	1 199	20	2 564
Annualised profit margin ⁴	2.4%	2.4%		3.1%
VitalityLife				
Present value of future profits from new business (at point of sale)	256	103		153
Cost of required capital	(71)	(42)		(119)
Present value of future profits from new business (at point of sale) after cost of required capital	185	61	203	34
New business annual premium equivalent ⁷	1 245	921	35	2 094
Annualised profit margin ⁴	2.2%	0.9%		0.2%

The term "annual premium equivalent" ("APE") was disclosed as "annualised premium income" ("API") in previous reporting periods. The term was changed to avoid conflict with the new business disclosures in the published financial statements, which reference a different definition for "new business annualised premium income".

¹ Health new business annual premium equivalent is the gross contribution to the medical schemes. The new business annual premium equivalent shown above excludes premiums in respect of members who join an existing employer where the member has no choice of medical scheme, as well as premiums in respect of new business written during the period but only activated after 31 December 2025. The total Health and Vitality new business annualised premium income written over the period was R5 700 million (June 2025: R10 119 million; December 2024: R4 970 million).

² Included in the Life and Invest embedded value of new business is R33 million (June 2025: R49 million; December 2024: -R6 million) in respect of investment management services provided on off balance sheet investment business. Risk business written prior to the valuation date allows certain Invest business to be written at financially advantageous terms, the impact of which has been recognised in the value of new business.

³ Life new business is defined as Life policies to which Life became contractually bound during the reporting period, including policies whose first premium is due after the valuation date. Invest new business is defined as business where at least one premium has been received and which has not been refunded after receipt. Invest new business also includes Discovery Retirement Optimiser policies to which Life and Invest became contractually bound during the reporting period, including policies whose first premium is due after the valuation date.

The new business annual premium equivalent of R1 879 million (single premium APE: R929 million (June 2025: R1 717 million; December 2024: R826 million)) shown above excludes automatic contribution increases, servicing increases in respect of existing business and Umbrella Funds new business annualised premium income. The total new business annualised premium income written over the period was R3 596 million (single premium API: R983 million (June 2025: R1 806 million; December 2024: R867 million)) and is set out in the table below:

TABLE 7: VALUE OF NEW BUSINESS *continued*

R million	31 December 2025	31 December 2024	30 June 2025
New business annual premium equivalent	1 879	1 589	3 270
Automatic contribution increases	1 178	1 203	2 219
Servicing increases	411	406	761
Umbrella Funds new business annualised premium income	128	192	383
New business annualised premium income	3 596	3 390	6 633

The new business annual premium equivalent of R1 879 million is split between Life of R411 million (June 2025: R735 million; December 2024: R355 million) and Invest of R1 468 million (June 2025: R2 535 million; December 2024: R1 234 million).

Single premium Invest business is included at 10% of the value of the single premium. Section 14 transfers for Umbrella Funds are included at 10% of the fund value.

Policy alterations and internal replacement policies, including Discovery Retirement Optimisers added to existing Life Plans, are shown in Table 5 as experience variances and not included as new business. Term extensions on existing contracts are not included as new business.

4 The annualised profit margin is the value of new business expressed as a percentage of the present value of future premiums.

5 The VitalityHealth value of new business is calculated as the value at point of sale of the new business written premium in-force at the valuation date multiplied by the Margin multiplied by the Annuity Factor plus the new business cash flows from point of sale to the valuation date. The assumptions for the Margin and Annuity Factor are shown in Table 8.

6 VitalityHealth new business is defined as individuals and employer groups which incepted during the reporting period. The new business annual premium equivalent shown above has been adjusted to exclude premiums in respect of members who join an existing employer group after the first month, as well as premiums in respect of new business written during the period but only activated after 31 December 2025.

7 VitalityLife new business is defined as policies to which VitalityLife became contractually bound during the reporting period, including policies whose first premium is due after the valuation date. The new business annual premium equivalent shown above excludes automatic contribution increases and servicing increases in respect of existing business.



Embedded value statement *continued*

for the period ended 31 December 2025

Basis of preparation

TABLE 8: EMBEDDED VALUE ECONOMIC ASSUMPTIONS

	31 December 2025	31 December 2024	30 June 2025
Beta coefficient	0.75	0.75	0.75
Equity risk premium (%)	3.5	3.5	3.5
Risk discount rate (%)			
– Health and Vitality ¹	11.625	13.875	13.875
– Life and Invest ¹	11.875	14.375	14.625
– VitalityHealth	6.573	6.573	6.573
– VitalityLife	6.735	6.758	6.734
Rand/GB Pound Exchange Rate			
– Closing	22.27	23.61	24.34
– Average	23.29	23.14	23.48
Margin over Expense Inflation to derive medical inflation (%)			
South Africa	3.00	3.00	3.00
Expense inflation (%) ²			
South Africa			
– Health and Vitality	4.83	6.01	5.66
– Life and Invest	4.77	6.54	6.41
United Kingdom	3.64	3.99	3.72
Pre-tax investment return (%)			
South Africa			
– Cash ¹	7.75	10.25	10.50
– Life and Invest bonds ³	9.25	11.75	12.00
– Health and Vitality bonds ³	9.00	11.25	11.25
– Equity	12.75	15.25	15.50
United Kingdom			
– VitalityHealth risk-free rate	3.95	3.95	3.95
– VitalityLife risk-free rate	4.11	4.13	4.11
– VitalityLife Investment return	5.58	4.92	5.26
Long-term corporation tax rate (%)			
South Africa	27	27	27
United Kingdom	25	25	25
VitalityHealth Margin and Annuity Factor assumptions			
– Margin (net of tax and cost of capital) (%)	10.60	12.42	10.56
– Annuity Factor	7.81	6.42	7.81
Projection term			
– Health and Vitality	20 years	20 years	20 years
– Discovery Life – VIF	40 years	40 years	40 years
– Group Life	20 years	20 years	20 years
– VitalityLife	No cap	No cap	No cap
– VitalityHealth ⁴	20 years	20 years	20 years

1. Derived as a margin over (or below for cash) the respective pre-tax investment return for bonds.

2. The inflation assumption is derived as the difference between the nominal and real yield curve at each duration. As an indication, the cash flow weighted average inflation is shown in the table. For the United Kingdom, the expense inflation assumption is aligned with the long-term market view of inflation.

3. As indications, the cash flow weighted averages derived from the relevant yield curve(s) are shown.

4. The VitalityHealth projection term of 20 years is used in the derivation of the Annuity Factor.

The Discovery Group embedded value is calculated based on a risk discount rate using the Capital Asset Pricing Model ("CAPM") approach with specific reference to the Discovery Group beta coefficient. The assumed beta is fixed at 0.75. This has been set such that the risk discount rate proxies the result of a Weighted Average Cost of Capital approach with reference to the capital structure of the Group and the observed beta calculated using daily returns over a long time period. The observed beta is calculated with reference to the ALSI. The assumed beta will only change if the capital structure of the Group and/or the observed beta calculated using daily returns over a long time period suggest the beta assumption should depart significantly from the assumption at the financial year-end. As beta values reflect the historic performance of share prices relative to the market, they may not allow fully for non-market related and non-financial risk. Investors may want to form their own view on an appropriate allowance for these risks which have not been modelled explicitly.

Life and Invest mortality, morbidity and lapse and surrender assumptions were derived from internal experience, where available, augmented by reinsurance and industry information.

The Health and Vitality lapse assumptions were derived from the results of recent experience investigations.

The VitalityHealth assumptions were derived from internal experience and augmented by future expectations.

VitalityLife assumptions were derived from internal experience, where available, augmented by reinsurance, industry and Discovery Group information.

Renewal expense assumptions were based on the results of the latest expense and budget information.

The initial expenses included in the calculation of the embedded value of new business are the actual costs incurred excluding expenses of an exceptional or non-recurring nature.

The South African investment return assumptions for Life, Invest, Health and Vitality were set relative to an internally derived nominal yield curve, which is consistent with the IFRS 17 reporting basis.

The current and projected tax position of the policyholder funds within the Life company has been taken into account in determining the net investment return assumption.

The risk-free rate assumption for VitalityHealth was based on the single interest rate derived from the Prudential Regulatory Authority yield curve. VitalityLife has transitioned to the use of full yield curves to represent its risk-free rate assumption following the implementation of IFRS 17. For consistency, VitalityLife has also transitioned to the use of a market inflation curve from a long-term market view of inflation.

VitalityHealth calculate the value of in-force at the valuation date as the in-force written premium multiplied by the Margin multiplied by the Annuity Factor, as set out in the table above. The Annuity Factor assumption is derived from assumed future lapse rates and premium increases. The Margin assumption reflects assumed profit margins after tax and the cost of required capital. The assumptions underlying the Annuity Factor and Margin are set at the total book level, taking into account the current experience and future expectations across all durations of in-force business. The economic components underlying the Annuity Factor are reviewed at each reporting date; the non-economic components underlying the Annuity Factor and Margin assumptions are reviewed periodically.

The cost of required capital is calculated using the difference between the risk discount rate and the net of tax asset return on tangible assets. The Vitality Life Limited required capital amount is assumed to earn the investment return assumption, which is set based on the return on a portfolio of government and corporate bonds assumed to back the required capital. The Life and Invest cost of required capital is calculated assuming shareholder cash flow is limited to the cash flow available after having met both the required capital amount and an internally defined liquidity target capital requirement of tangible assets.

The embedded value has been calculated in accordance with the Actuarial Society of South Africa's Advisory Practice Note ("APN") 107: Embedded Value Reporting, except the recommended disclosure of Free Surplus and Required Capital has been adjusted to take into account the nature of the capital requirements in the covered businesses, as can be seen in Table 1 footnote 2.



Embedded value statement *continued*

for the period ended 31 December 2025

Basis of preparation

The risk discount rate uses the CAPM approach with specific reference to the Discovery Group beta coefficient. As beta values reflect the historic performance of share prices relative to the market, they may not allow fully for non-market related and non-financial risk. Investors may want to form their own view on an appropriate allowance for these risks which have not been modelled explicitly. The sensitivity of the embedded value and the embedded value of new business at 31 December 2025 to changes in the risk discount rate is included in the tables below.

For each sensitivity illustrated below, all other assumptions have been left unchanged. No allowance has been made for management action, such as risk premium increases, where future experience is worse than the base assumptions.

TABLE 9: EMBEDDED VALUE SENSITIVITY

R million	Discovery Group	Health and Vitality		Life and Invest		VitalityHealth		VitalityLife		Embedded value	% Change
	Adjusted net worth	Value of in-force	Cost of required capital	Value of in-force	Cost of required capital	Value of in-force	Cost of required capital	Value of in-force	Cost of required capital		
Base	26 043	30 839	(527)	49 505	(1 656)	17 472	(441)	15 271	(662)	135 844	
Impact of:											
Risk discount rate + 1%	26 043	29 081	(577)	45 248	(1 772)	16 466	(574)	14 238	(748)	127 405	(6)
Risk discount rate - 1%	26 043	32 790	(470)	54 541	(1 512)	18 593	(290)	16 456	(529)	145 622	7
Lapses - 10%	25 884	31 865	(553)	54 125	(1 684)	19 474	(491)	16 246	(745)	144 121	6
Interest rates - 1% ¹	26 205	31 001	(506)	50 131	(1 726)	18 593	(469)	14 566	(790)	137 005	1
Equity and property market value - 10%	25 984	30 839	(527)	48 440	(1 667)	17 472	(441)	15 271	(662)	134 709	(1)
Equity and property return + 1%	26 043	30 839	(527)	50 001	(1 655)	17 472	(441)	15 271	(662)	136 341	0
Renewal expenses - 10%	26 145	33 820	(488)	50 309	(1 640)	19 140	(441)	15 615	(640)	141 820	4
Mortality and Morbidity - 5%	26 309	30 839	(527)	52 671	(1 523)	21 089	(441)	15 774	(637)	143 554	6
Projection term + 1 year	26 043	31 230	(532)	49 638	(1 670)	17 684	(446)	15 271	(662)	136 556	1

¹ All economic assumptions were reduced by 1%.

The following table shows the effect of using different assumptions on the embedded value of new business.

TABLE 10: VALUE OF NEW BUSINESS SENSITIVITY

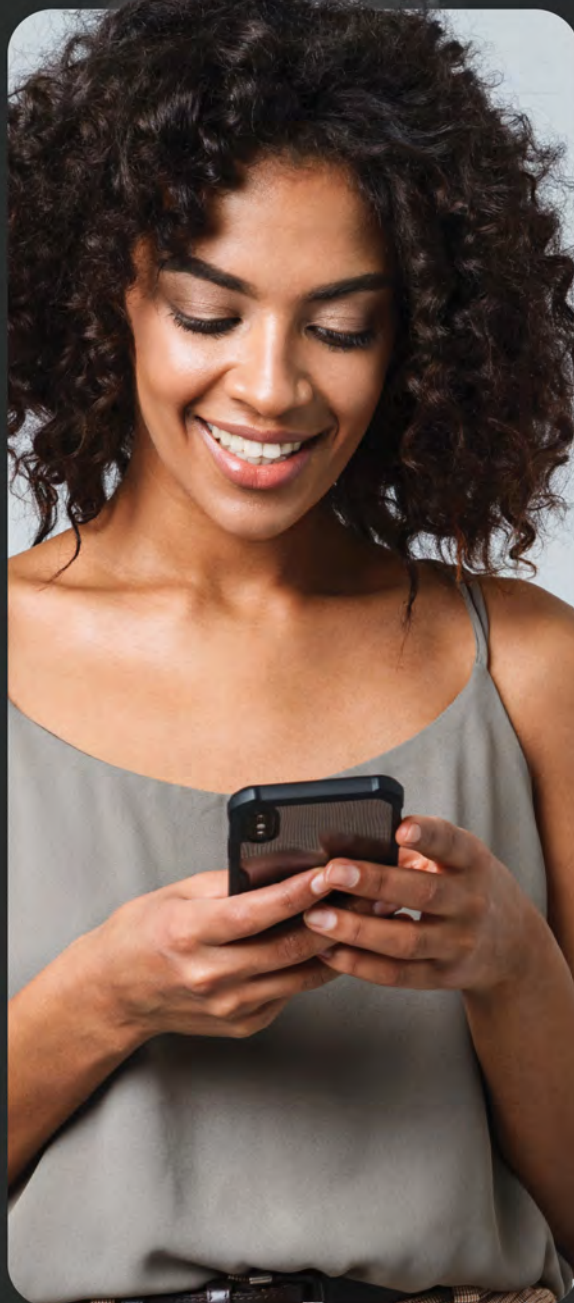
R millions	Health and Vitality		Life and Invest		VitalityHealth		VitalityLife		Value of new business	% Change
	Value of in-force	Cost of required capital	Value of in-force	Cost of required capital	Value of in-force	Cost of required capital	Value of in-force	Cost of required capital		
Base	640	(23)	344	(43)	282	(29)	256	(71)	1 356	
Impact of:										
Risk discount rate + 1%	588	(25)	235	(46)	213	(38)	151	(80)	998	(26)
Risk discount rate - 1%	699	(20)	470	(39)	358	(20)	377	(57)	1 768	30
Lapses - 10%	680	(25)	467	(43)	443	(34)	379	(81)	1 786	32
Interest rates - 1% ¹	649	(22)	362	(44)	358	(31)	336	(82)	1 526	13
Equity and property return + 1%	640	(23)	361	(43)	282	(29)	256	(71)	1 373	1
Renewal expenses - 10%	730	(22)	369	(42)	386	(29)	293	(69)	1 616	19
Mortality and Morbidity - 5%	640	(23)	391	(39)	507	(29)	294	(70)	1 671	23
Projection term + 1 year	652	(23)	347	(43)	296	(29)	256	(71)	1 385	2
Acquisition expenses - 10%	660	(23)	444	(43)	302	(29)	393	(71)	1 633	20

¹ All economic assumptions were reduced by 1%.



Annexure A

- 91 New business annualised premium income
- 92 Income from non-insurance business lines
- 92 Cash conversion ratio



Annexure A

This Annexure does not form part of the IFRS results. Discovery assesses its performance using alternative non-IFRS profit and income measures. These measures enhance the comparability and understanding of the financial performance of the Group.

NEW BUSINESS ANNUALISED PREMIUM INCOME

for the six months ended 31 December 2025

The new business annualised premium income (API) set out below provides a view of the scale of new business across all operations of the Group and does not necessarily reflect the new business attributable to the legal entities within the Group. For instance, DHMS new business is attributable to the medical scheme but is under the administration and marketing of Discovery Health which earns a fee in respect of such services.

New business API, increased by 12% for the six months ended 31 December 2025 when compared to the corresponding prior period.

	Group 31 December 2025	Group 31 December 2024	% Change
Discovery Health ¹	5 454	4 714	16%
Discovery Life	1 635	1 655	(1%)
Individual Life	1 440	1 440	—%
CEB	195	215	(9%)
Discovery Invest	1 961	1 735	13%
Discovery Insure	646	659	(2%)
Discovery Vitality	246	256	(4%)
New business API from Discovery SA	9 942	9 019	10%
VitalityHealth	1 440	1 326	9%
VitalityLife	1 495	1 101	36%
Ping An Health Insurance (PAHI) own licence	1 149	1 088	6%
New business API from Vitality	4 084	3 515	16%
New business API of Group	14 026	12 534	12%

¹ New business API for Discovery Health includes new business API for all businesses administered by Discovery Health, including DHMS, Closed Schemes and offerings such as Gap cover and FlexiCare cover. Closed Schemes refer to those restricted to certain employers and industries

Calculation of new business API

New business API is calculated at 12 times the monthly premium for new recurring premium policies and 10% of the value of new single premium policies. It also includes both automatic contribution increases and servicing increases on existing long-term insurance policies. The amounts exclude indirect taxes.

The new business API in the table above differs from the embedded value new business disclosures largely as a result of:

- The timing of inclusion of the policyholders in the calculation of new business API – in the embedded value, new business is included from the earlier of the date that the first premium has been received or when the policy is on risk, whereas in the table above, new business is included when the policy has been contractually committed.
- Inclusion of automatic contribution increases and servicing increases on existing life policies – these are included in the table above but excluded in the embedded value new business disclosures.

Refer to the footnotes to Table 7: Embedded Value of New Business for a more detailed description of the differences in new business disclosures between the embedded value annual premium equivalent and the table above.



Annexure A *continued*

INCOME FROM NON-INSURANCE BUSINESS LINES

for the six months ended 31 December 2025

The table below includes income from business lines and activities not covered by the new business API definition, as outlined in the previous table. For Discovery Bank, banking fees and commissions are presented net of related expenses. This information differs from that provided in note A.4, which reflects the gross revenue streams for goods or services within the scope of IFRS 15 *Revenue from Contracts with Customers*.

	Group 31 December 2025	Group 31 December 2024	Change %
Discovery Health – Income excluded from API measure	811	646	26%
Discovery Bank	1 438	1 100	31%
Discovery Bank – Net banking fee and commission income (NIR)	848	611	39%
Discovery Bank – Net bank interest and similar income (NII) ¹	590	489	21%
Vitality Global income ²	1 318	1 435	(8%)
Vitality Network	831	970	(14%)
Vitality Health International - Other	487	465	5%
Total income from non-insurance business lines	3 567	3 181	12%

¹ Refer to A.1 Segment Information.

² Vitality Global income includes gross recurring and lump sum revenues earned by Vitality Group and solutions revenue from external clients, while that from internal clients and rewards is specifically excluded.

CASH CONVERSION RATIO

for the six months ended 31 December 2025

Cash conversion is calculated as Operating Cash Flow (per the Group shareholder free cash movement included in the additional analyst information on Discovery's website), divided by Normalised profit from operations (IFRS total, excluding the IFRS Reporting Adjustments for shareholder investment income and fair value gains/(losses)) net of Income tax expense (IFRS total) per A.1 Segment Information. The Operating Cash Flow includes the net impact of funding sourced from financial reinsurance (whether securitised from new business or the in-force book), which offsets new business acquisition costs, and the in-period repayments in respect of previous funding taken.

	Group 31 December 2025	Group 31 December 2024
Cash conversion ratio	71%	76%

The cash conversion ratio for the prior year has been restated for the correction of prior period errors as disclosed in D.1 and for changes to segment disclosure (refer A.1 Segment Information "Changes from 1 July 2025"), as well as to allow for the reversal of the IFRS Reporting Adjustments for shareholder investment income and fair value gains/(losses) to better align Normalised Profit from Operations and Operating Cash Flow.

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a division of Nedbank Limited

Secretary and registered office

AC Ceba (FCG) (F.Inst D)
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(Incorporated in the Republic of South Africa)
(Registration number: 1999/007789/06)
Company tax reference number: 9652/003/71/7

JSE share code:	DSY ISIN: ZAE000022331
JSE share code:	DSBP ISIN: ZAE000158564
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R Farber, WM Hlahla FN Khanyile, D Macready, KC Ramon, M Schreuder, B Swartzberg*,
BA van Kralingen, DM Viljoen* (Group Chief Financial Officer).

* *Executive.*

¹ *Appointed effective 1 September 2025*

Debt officer

DM Viljoen

Unaudited interim results

- prepared by L Motsepe-Setiloane, CA(SA), G Pieterse CA(SA), J Symons CA(SA)
- supervised by DM Viljoen CA(SA)

Embedded value statement

- prepared by P Bolink FASSA
- supervised by A Rayner FASSA, FIA

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