



Unaudited Interim Results

and cash dividend declaration for the six
months ended 31 December 2024

Performance overview



Normalised profit

+27%

to R7 020m

Headline earnings

+34%

to R4 267m

Normalised headline earnings

+34%

to R4 350m

New business¹

-12%

to R12 534m

+6% when excluding Sasolmed in prior period

Non-insurance income

+14%

to R3 181m

¹ Excluding discontinued products like VitalityInvest, DBI and Ping An Health reinsurance business

Key insights from H1 FY2025 performance



- 1 Growth** The structuring of the group into two composites has been completed, with the Group in a new phase of growth and performing well
 - 2 Consistency** The growth is consistently strong across the two composites and within the businesses
 - 3 Resilience** The Group is financially resilient in a complex and uncertain environment
 - 4 Shared value** The Vitality Shared-value model is a key driver of performance
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Strong profit performance



Normalised profit, ZARm



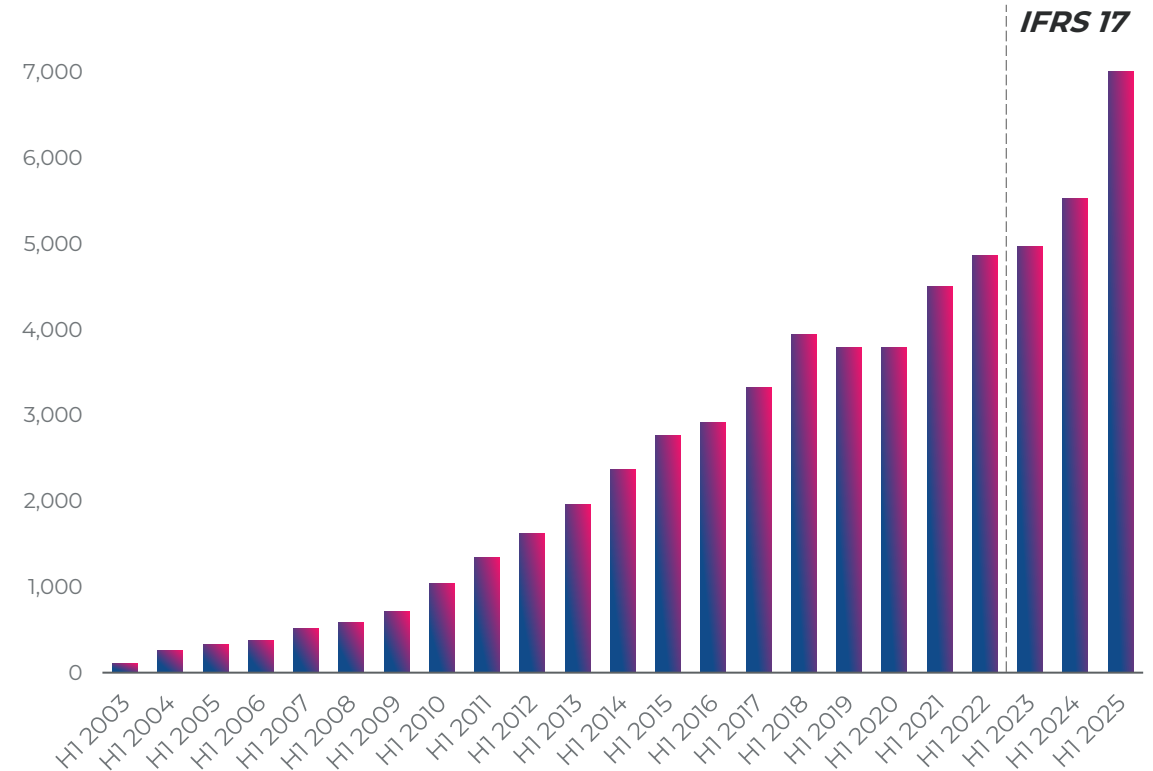
Health	2 023	+8%
Life	2 612	+15%
Invest	904	+46%
Insure	401	+1905%
Bank	-145	-57%
Other SA ¹	-275	+216%
SA	5 520	+27%



Vitality Health	599	+14%
Vitality Life	327	+8%
Vitality Network	339	+15%
Ping An Health Insurance	424	+23%
VHI - Other	-149	-14%
Other Vitality	-40	-33%
Vitality (UK and VG)	1 500	+27%

Strong normalised profit growth

+27%
to R7 020m



¹ Vitality, Other SA Initiatives and Group initiatives and central costs

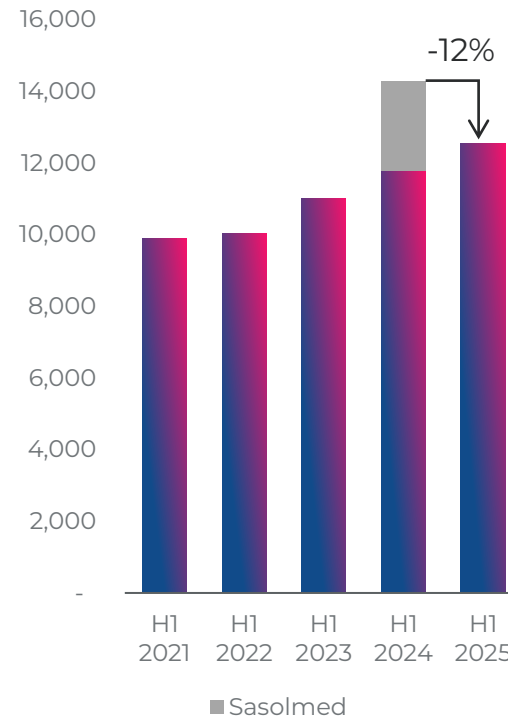
Strong performance



ZARm	New business ²		Non-insurance income	
Health	4 714	-31%	646	+9%
Life	1 463	-4%		
Invest	1 735	+7%		
Insure	659	-1%		
Bank			1 100	+42%
Other SA ¹	448	+22%		
SA	9 019	-18%	1 746	+27%
Vitality Health	1 326	+2%		
Vitality Life	1 101	+18%		
Vitality Network			970	+3%
Ping An Health Insurance	1 088	+6%		
VHI - Other			465	-2%
Other Vitality				
Vitality (UK and VG)	3 515	+8%	1 435	+1%

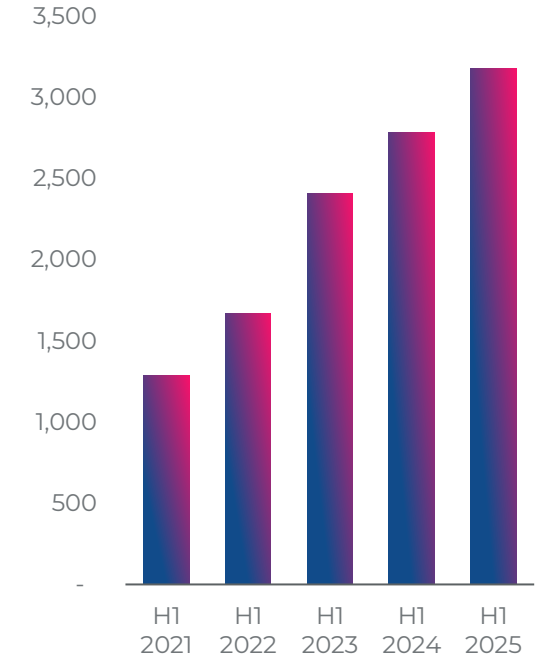
New business growth impacted by Sasolmed

+6% Excl Sasolmed in prior period
to R12 534m



Robust non-insurance income growth

+14%
to R3 181m



Entering a new phase of growth



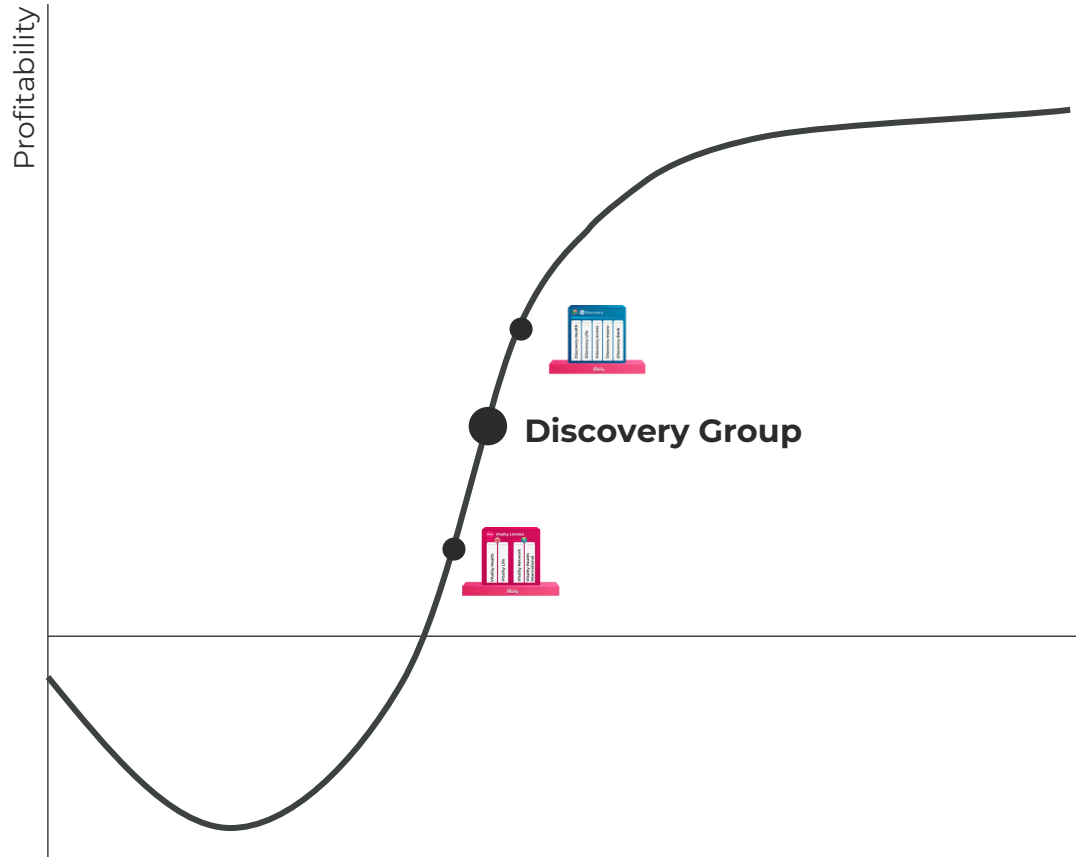
	Unfettered organic growth	Big investments in New	Scaled organic growth	H1 FY25	Expected FY25
Normalised profit growth	<p>CAGR 22%</p>	<p>CAGR IFRS 4 9%</p>	<p>Illustrative ranges 15-20% CAGR</p>	27% H1FY25	Above plan
% spend on new	<p>Average 8%</p>	<p>Average 15%</p>	<p>c5% Spend on new</p>	5% H1FY25	Within plan
RoE	<p>Average 20%</p>	<p>Average 13%</p>	<p>15-20% RoE</p>	15% H1FY25	Within plan
Cash conversion ratio (normalised history)	<p>Average 60%</p>	<p>Average 56%</p>	<p>60-70% Cash conversion ratio</p>	75% H1FY25	Within plan
FLR	<p>Average 3%</p>	<p>Average 22%</p>	<p>10-20% FLR</p>	18% H1FY25	Within plan
Dividend cover	<p>Average 4.6x</p>	<p>Average 5.7x</p>	<p>≤5x Dividend cover</p>	30-40% of expected full year dividend at H1FY25	Within plan

Forward looking information on this slide is for illustration and has not been reviewed or reported on by the auditors and reflects the average expected over the time frame

Well positioned for future growth

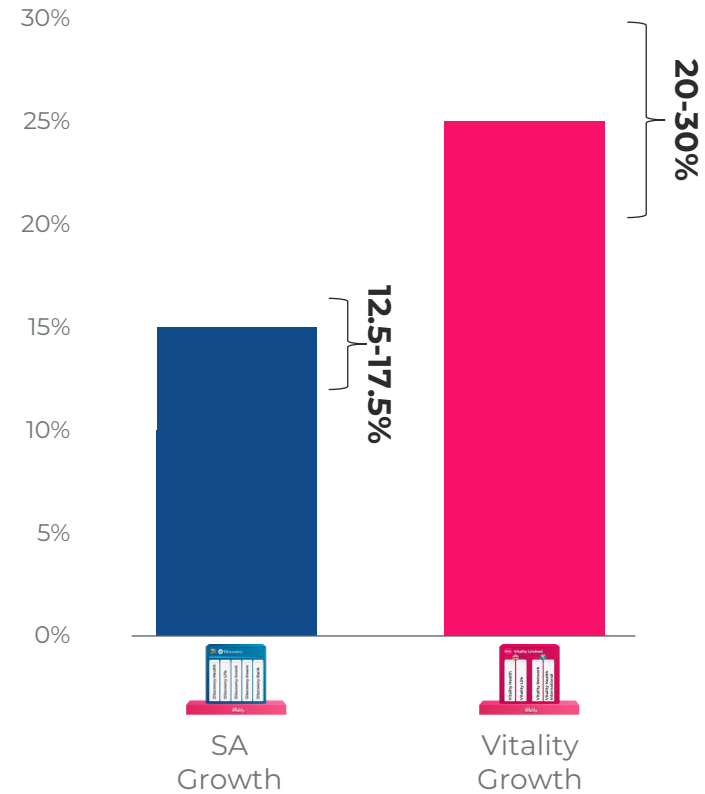


Expect continued organic growth



Average expected earnings growth ambition

p.a. (FY25-FY29)



Strong ambition in each composite



Growth ambitions

Discovery SA

R400m Bank operating profit growth p.a.

R3bn Bank FY29 profit ambition

>RF+8%

Life and Invest new business IRR

c10%

Insure margin

Vitality UK

>10%

Premium growth (GBP)

>RF+5%

Life new business IRR

c7.5%

Health gross margin

Vitality Network

c15%

Revenue growth (USD)

c50%

Operating margin

Vitality Health International

>5%

Premium growth above market

Preserving quality profit growth

PAHI

>RF+10

Hurdle return on capital

VHI-other

FY27

Vitality USA break-even

12.5% - 17.5% p.a.

Earnings growth

FY25-FY29

20% - 30% p.a.

Earnings growth

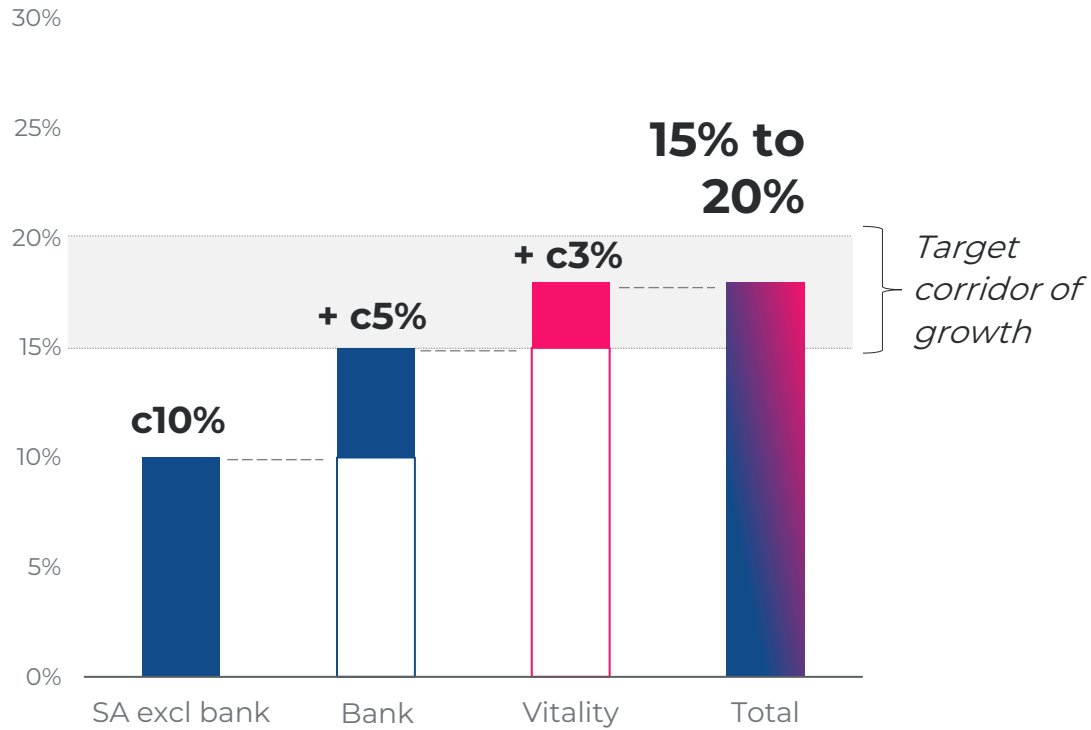
FY25-FY29

The mathematics of growth - actual better than expected



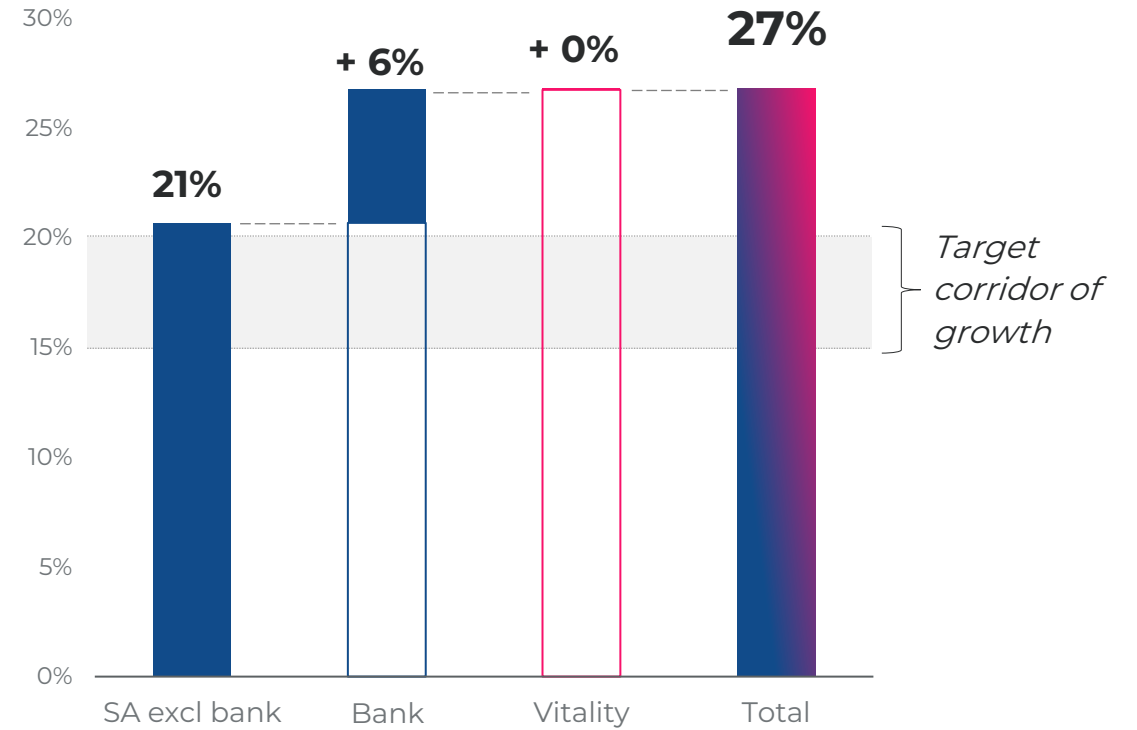
Expect strong profit growth from composites

Expected average growth contribution (FY25-FY29)



Outperformed against targets in period

H1 FY2025 cumulative profit growth contribution



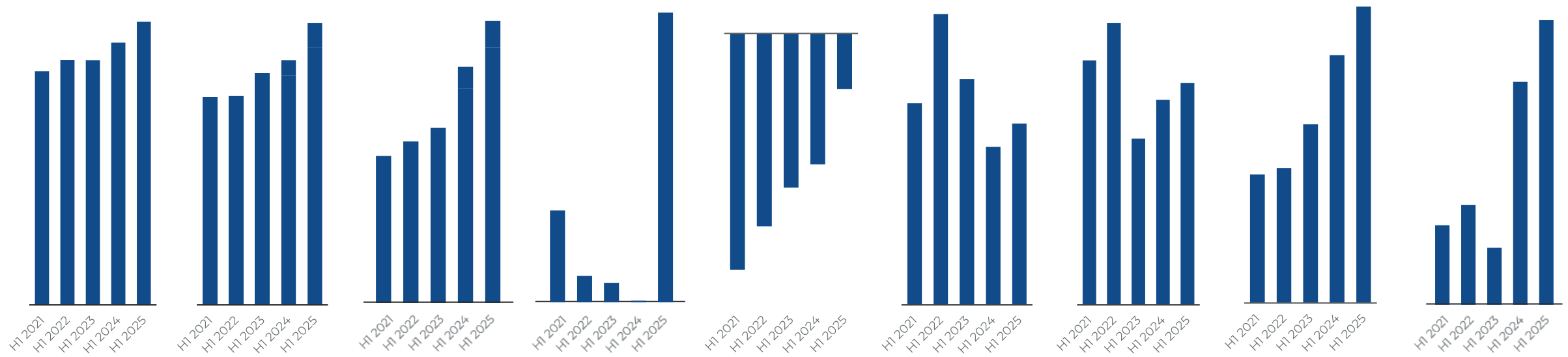
Consistently strong growth across all businesses



Health Life Invest Insure Bank Vitality Health Vitality Life Vitality Network Ping An Health Insurance

Normalised profit
(H1 FY25 Growth)

+8% **+15%** **+46%** **>100%** **+57%** **+14%** **+8%** **+15%** **+23%**



Supportive below the line performance for the six months



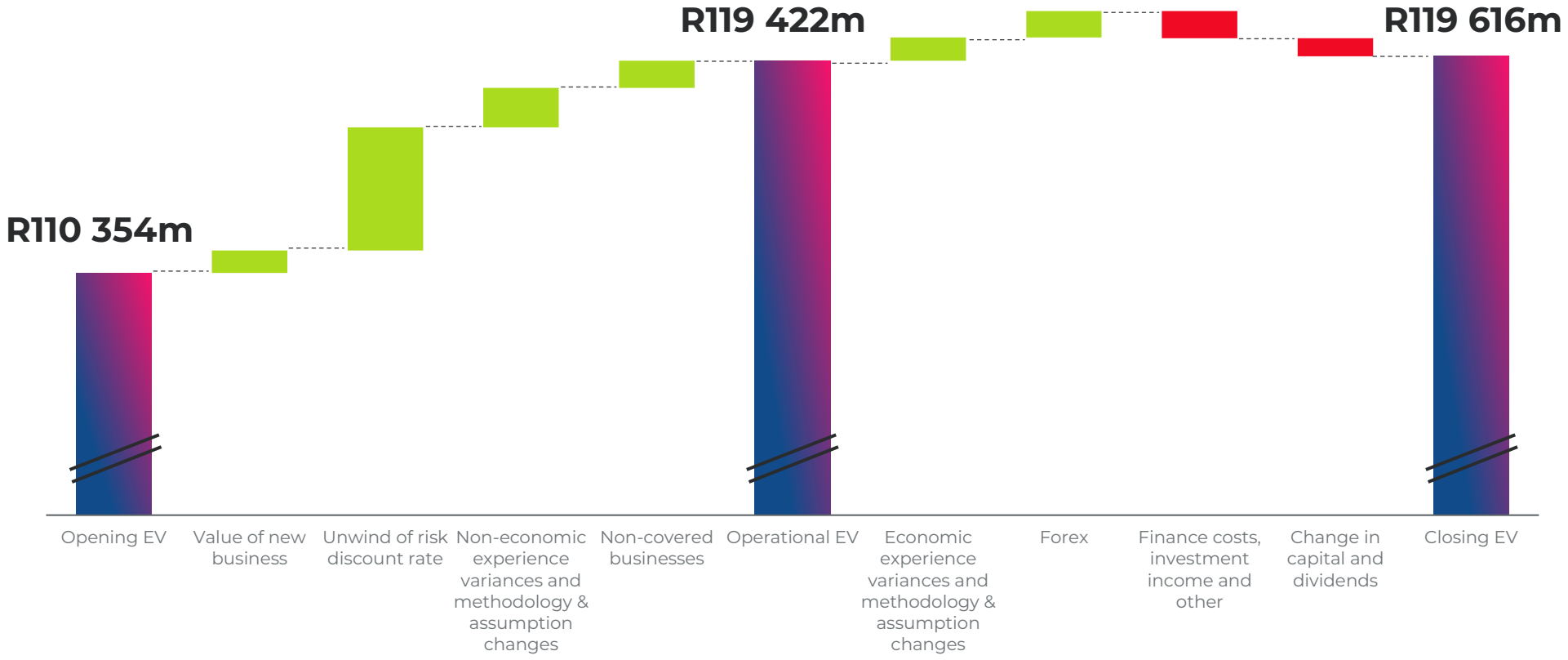
R million	Actual H1 2025	Actual H1 2024	%
Normalised profit from operations	7 020	5 536	27%
Forex gains/(losses)	13	-40	
1 DP finance lease impact	-44	-59	
Finance charges excl. 1DP finance lease	-954	-881	
Investment income and fair value gains on financial instruments	260	195	
Other	-126	-72	
Profit before tax	6 169	4 679	32%
Taxation	-1 840	-1 401	
Profit after tax	4 329	3 278	32%
Profit not attributable to ordinary shareholders	-100	-88	
Loss on disposal/derecognition of property and equipment	2	2	
Loss on derecognition of intangible assets	16	4	
Loss on dilution and disposal of equity accounted investments	20		
Headline earnings	4 267	3 196	34%
Amortisation of intangibles from business combinations	47	45	
Restructuring costs	36	15	
Normalised headline earnings	4 350	3 256	34%

Interim ordinary dividend declaration of 87cps, a 34% increase in line with growth in normalised headline earnings

Solid growth in Group Embedded Value



19% Annualised RoEV
 (18% excl all economic basis updates)



c30% of Group revenue is not covered in EV

Revenue split by covered vs non-covered businesses

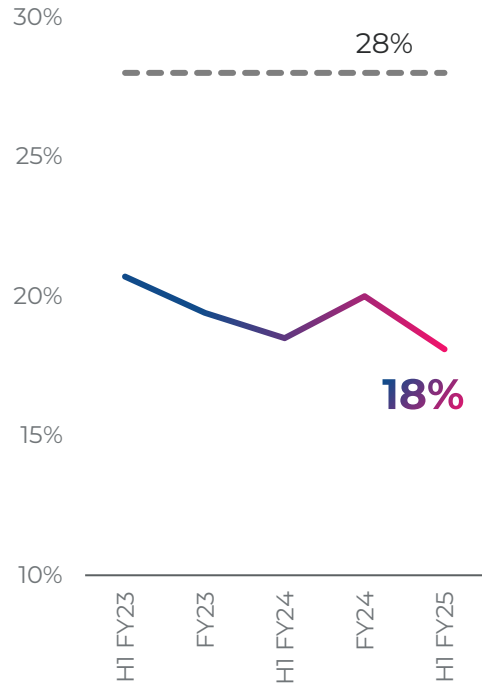
■ Non-covered ■ Covered

Group well capitalised with robust cash generation



FLR decreasing

FLR



Strongly capitalised

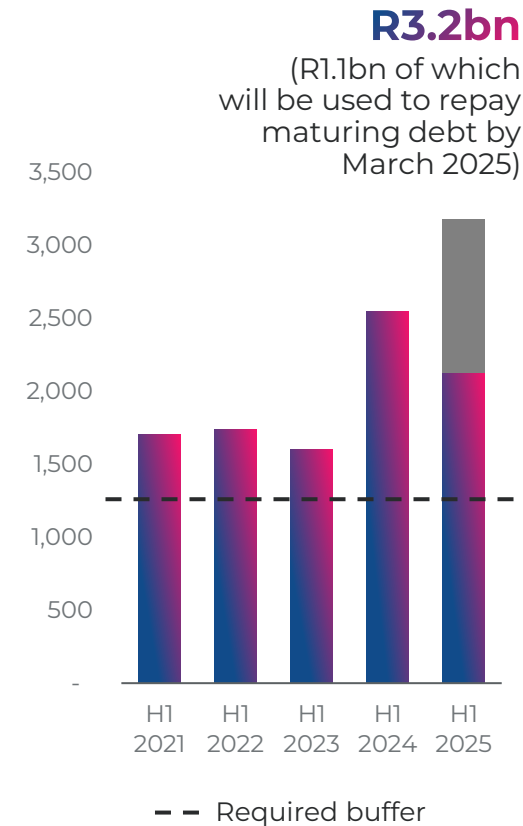
Solvency cover

	Dec 23 Cover	Dec 24 Cover
Life	1.8x	1.8x
Insure	1.5x	2.0x
VH	1.4x	1.7x
VL	2.3x	2.0x
Bank ¹	1.3x	1.2x
PAHI ²	3.1x	3.4x

DHMS solvency (unaudited) 31%

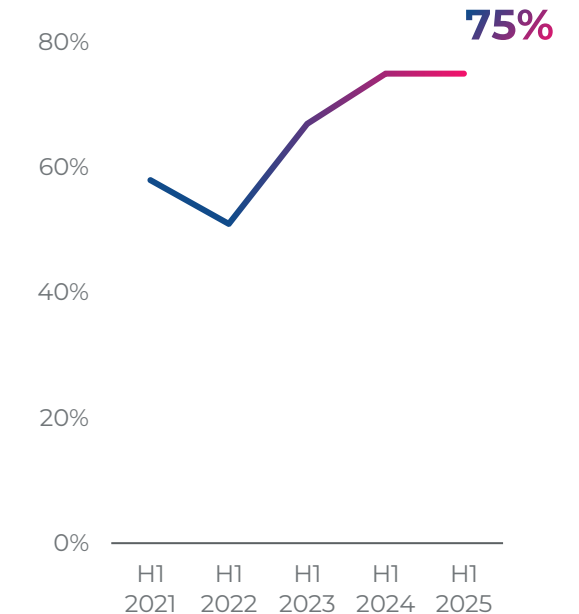
Sufficient centre liquidity

Centre liquidity³, Rm

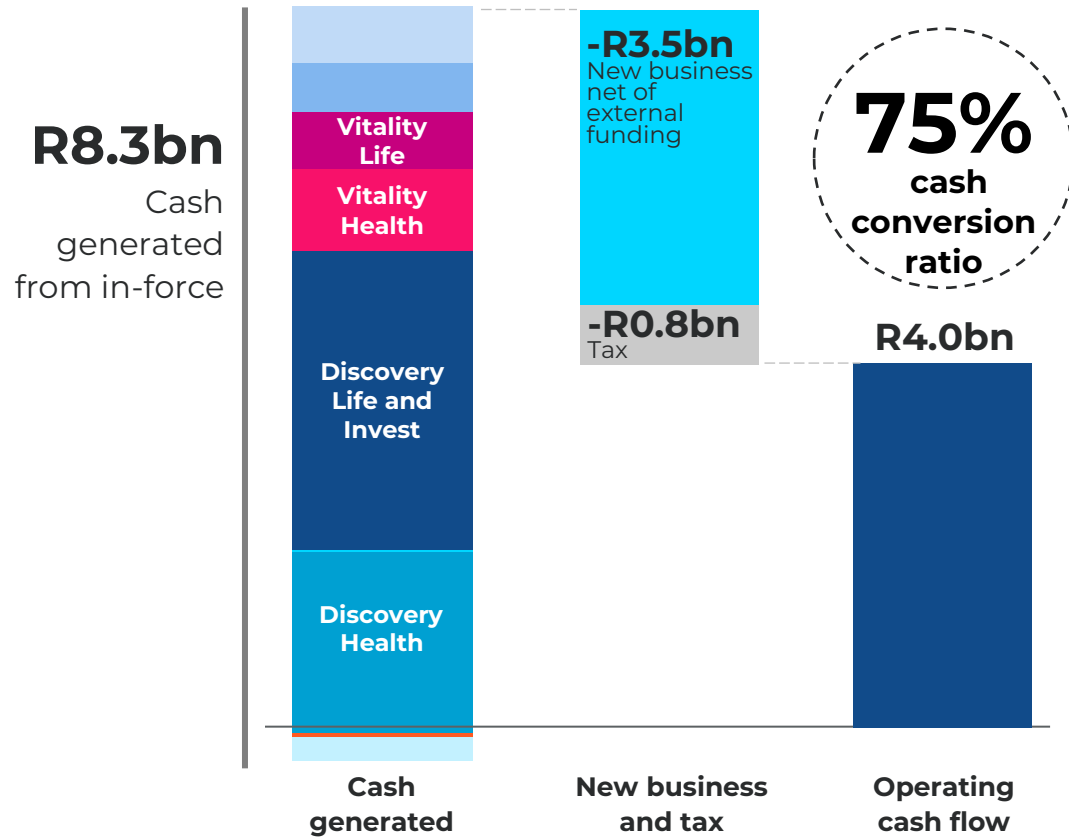


Improving cash conversion

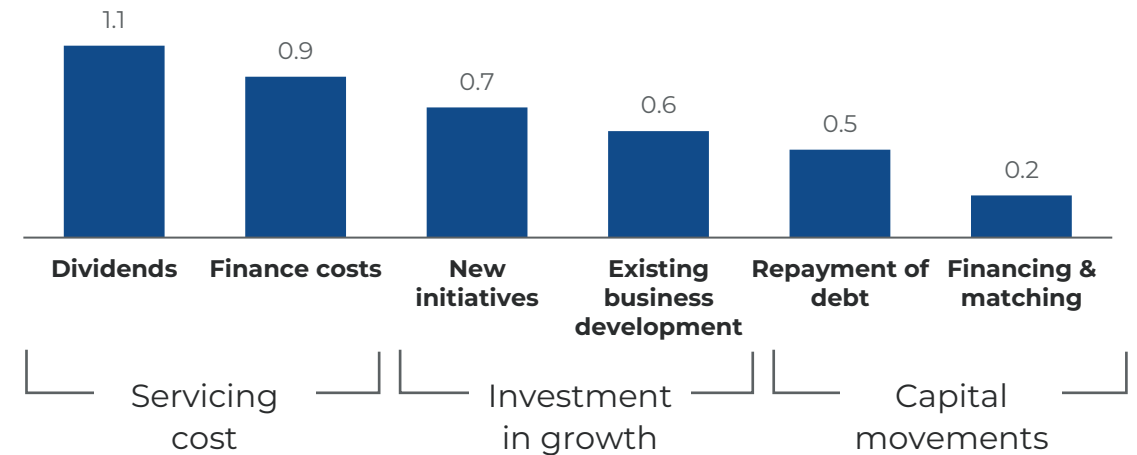
Group cash conversion ratio⁴



Robust cash generation drives strong cash conversion



Cash uses (Rbn)

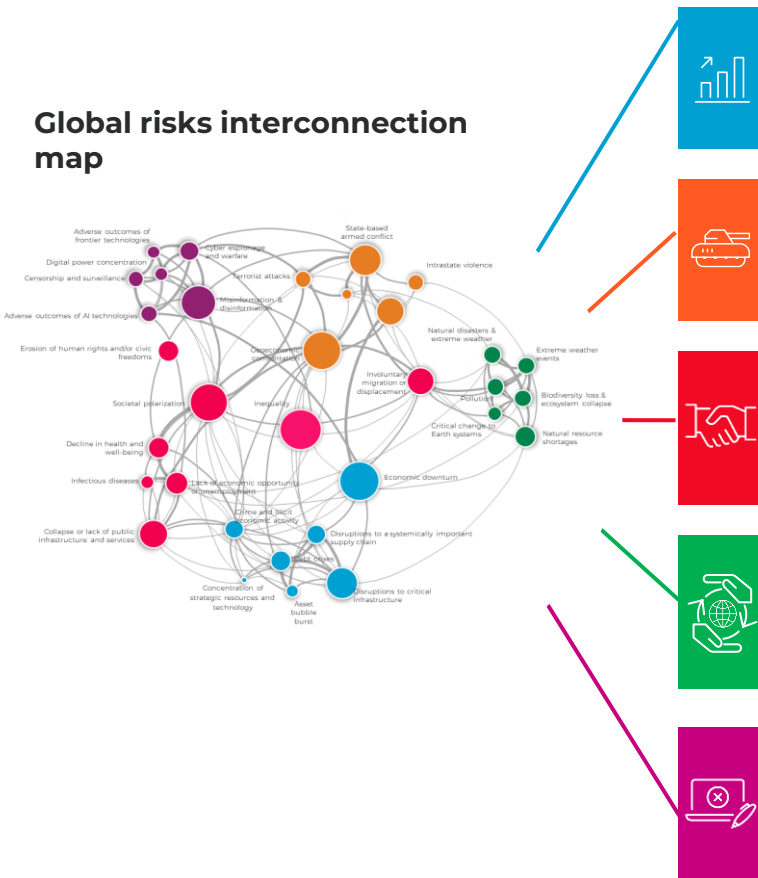


Increasingly complex environment, with risks mounting on all fronts



The world is growing increasingly complex, with risks mounting on all fronts and optimism fading about the ability of institutions to manage them. Geopolitical tensions, economic instability, and trade wars are fueling uncertainty, while AI-driven misinformation erodes public trust. At the same time, climate challenges, resource shortages, and a weakening of multilateral cooperation further complicate coordinated responses to emerging crises

Global risks interconnection map



ECONOMIC

Global economic risks have shifted from immediate inflation concerns to broader fears of stagnation, supply chain disruptions, and asset market instability

- Economic downturn (recession, stagnation)
- Disruptions to a systemically important supply chain

GEOPOLITICAL

The world is experiencing a "geopolitical recession," where traditional alliances are weakening, and new regional power struggles are emerging

- State-based armed conflict
- Geoeconomic confrontation (sanctions, tariffs, etc.)

SOCIOPOLITICAL

Social cohesion is weakening due to rising misinformation and deepening ideological divisions. Governments worldwide are struggling to balance security measures with the protection of civil rights

- Misinformation and disinformation
- Societal polarisation
- Erosion of human rights/civic freedoms

ENVIRONMENTAL

The economic costs of extreme weather events are rising, disproportionately impacting vulnerable communities. Water and food security are emerging as global flashpoints, requiring immediate action

- Extreme weather events
- Natural resource shortages
- Critical change to Earth systems

TECHNOLOGICAL

Technology is evolving faster than governance structures can adapt, creating new vulnerabilities - concerns about misinformation, surveillance, and job displacement gaining traction

- Adverse outcomes of AI technologies
- Cyber espionage and warfare
- Online harms (fraud, misinformation, etc.)

Strong risk governance ensures minimal exposure



Set of defined risk principles

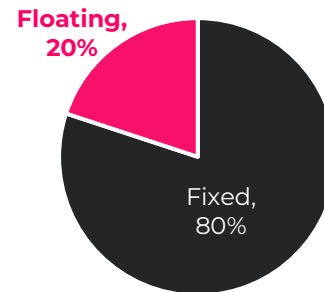
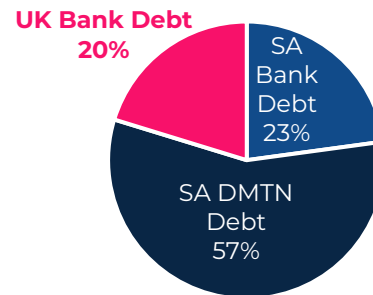
- 1. Liability matching:** Liabilities matched by currency, nature and duration
- 2. Interest rates hedged:** Interest rate fluctuations that affect solvency and liquidity will be hedged out
- 3. Currency matching:** Cross-currency expenses will be immunised via forward currency instruments, and debt is serviced from cashflows in country in which debt is denominated
- 4. Appropriate liquidity buffers:** Appropriate cash buffers are held in all regulated entities
- 5. Mitigate lapse risk:** Where economically feasible lapse risk will be mitigated through non-recourse financial reinsurance arrangements, and mass lapse protection
- 6. Monitor new initiatives:** Focus on key initiatives will be intensified and new initiatives that have marginal benefit will be ceased

Minimal risk exposure due to geographic diversification

Only **20%** of debt is not fixed, with exposure to UK interest rates

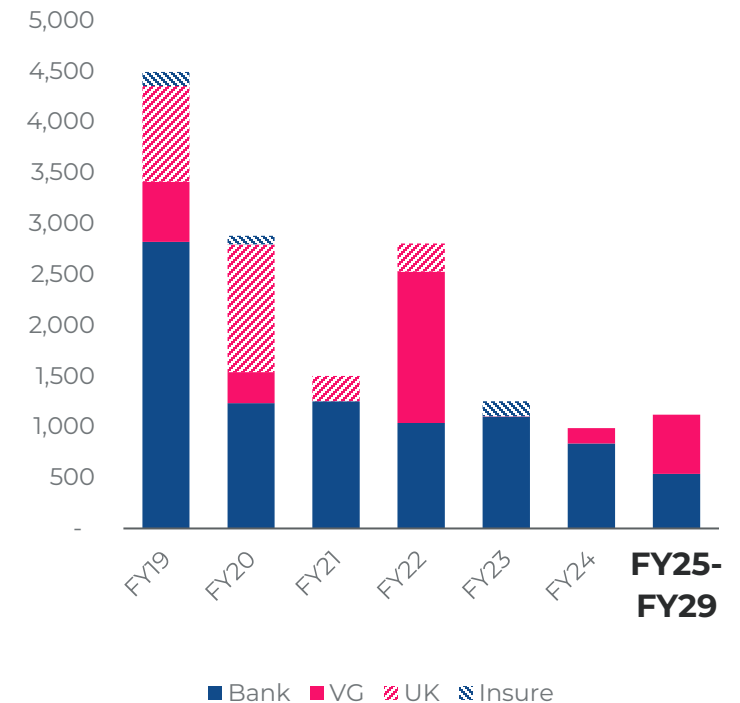
Limited short-term offshore funding planned (VG)

Composition of Group debt FY24



1% increase in SONIA is c4% increase in finance cost bill (R77m p.a.)

Cash from the centre, Rm



Group remains resilient to economic uncertainty



Stresses are calibrated to reflect severe but plausible events*

Rand Appreciation
25% ZAR appreciation

Equity Stress
30% reduction to asset value with no recovery

Inflation Down (permanent)
SA inflation -100bps
UK inflation -50bps

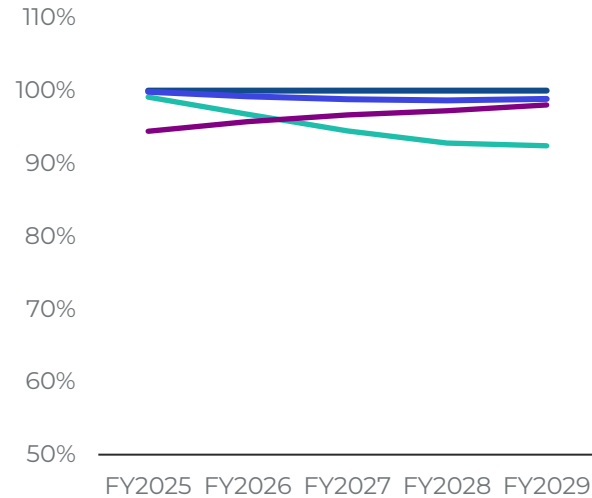
Inflation Up (permanent)
SA inflation +100bps
UK inflation +50bps

Nominal Interest Down (permanent)
SA nominals -100bps
UK nominals -50bps

Interest Rate and Inflation Up (permanent)
SA nominals +100bps
UK nominals +50bps

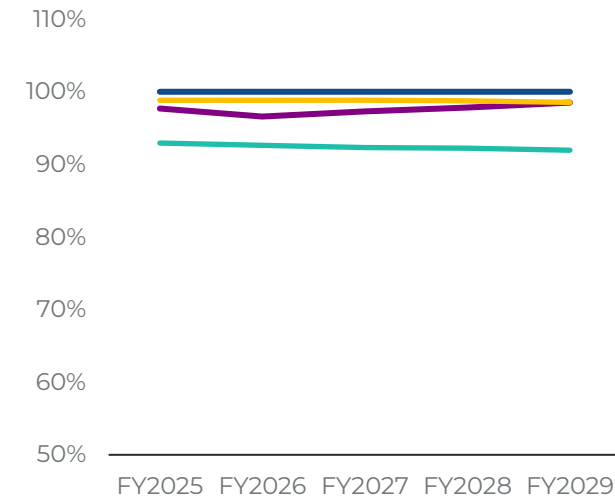
Operating cash flow

Stresses relative to base (base scenario rebased to 100%)



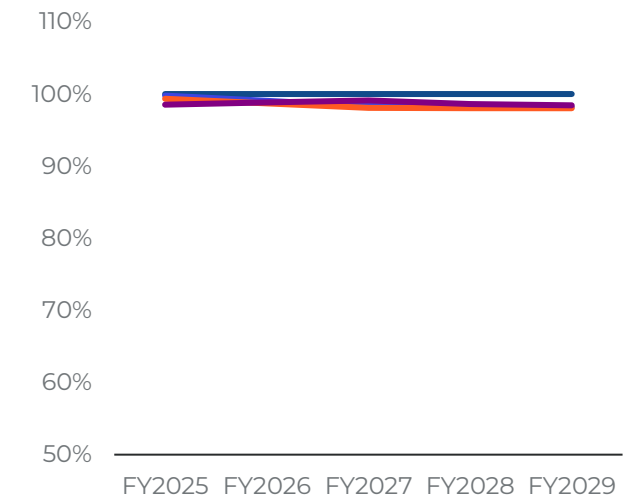
Equity shock and rand appreciation are the worst stresses

Headline earnings

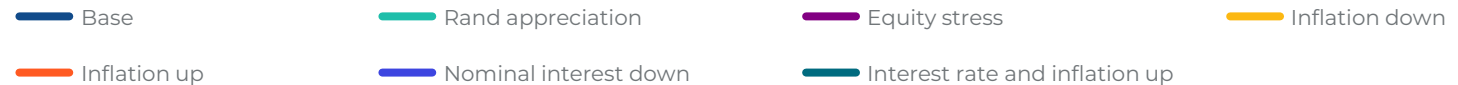


Rand appreciation is the worst stress

Group solvency

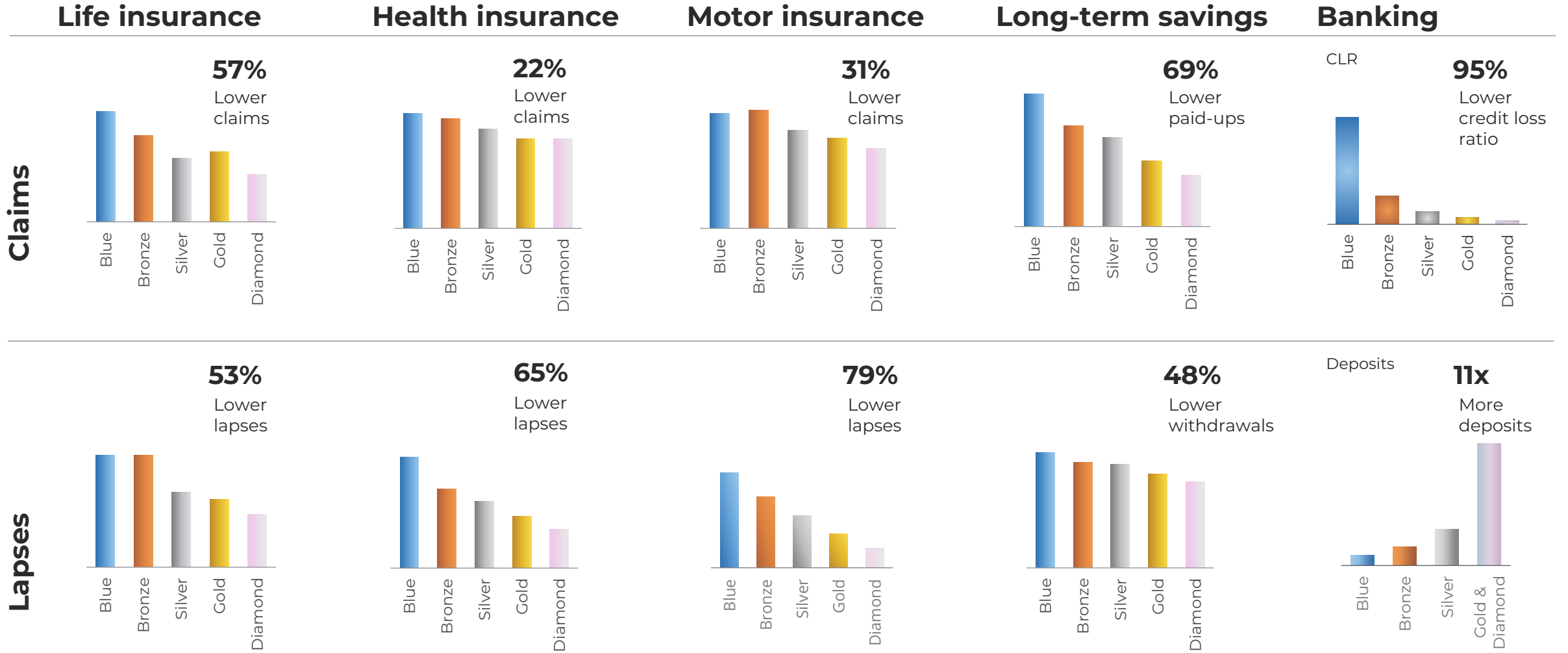


Interest rate up is the worst stress



*Stresses broadly parameterised at 1-in-25-year level
Forward looking information on this slide is for illustration and has not been reviewed or reported on by the auditors

Significant status correlations



Vitality SA experienced considerable engagement



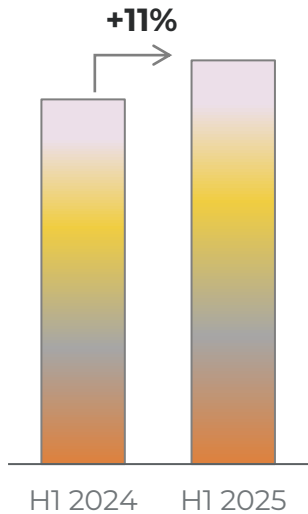
Increase in status distribution

2.4m



Vitality members

% members Bronze and above



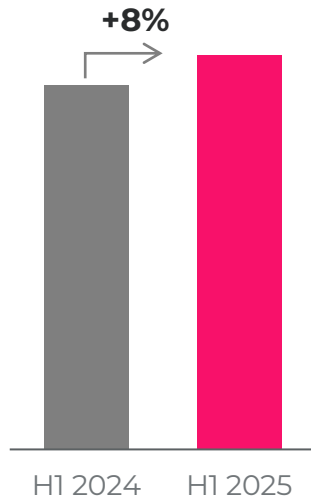
Increased engagement

52m



Vitality points-earning workouts

Total Active Rewards gameboard plays



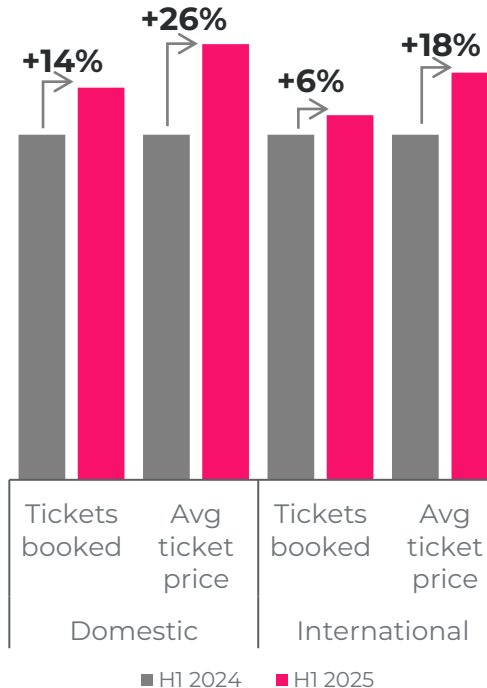
Increased travel bookings

1.1m



flights booked

Flights bookings and prices



Increased HealthyFood spend

R3.4bn

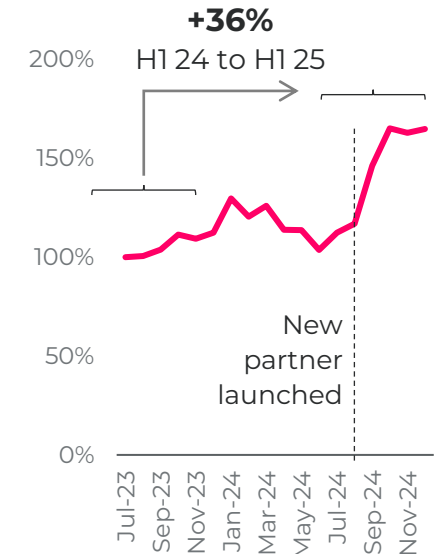
HealthyFood spend



28m

HealthyFood baskets

HealthyFood spend



The power of the Vitality Shared-value model in dealing with profound change



		Trends	Challenge
Health insurance	Discovery Health Vitality Health 平安健康保险 PING AN HEALTH INSURANCE	<ul style="list-style-type: none"> • Fiscal pressures on public healthcare • Ageing populations • Increasing chronicity • Escalating technology costs 	Rapid medical inflation
Life insurance	Discovery Life Vitality Life	<ul style="list-style-type: none"> • Massive and mature industry • Capital-intensive with long payback periods • Commoditisation and digital distribution • Consumer duty and treating customers fairly 	Acceptable return on capital
Long-term savings	Discovery Invest	<ul style="list-style-type: none"> • Transfer of risk moving from Defined Benefit to Defined Contribution 	Inadequate retirement savings
Short-term insurance	Discovery Insure	<ul style="list-style-type: none"> • Supply chain disruptions post COVID-19 • Rising climate volatility and catastrophe risk • Commoditisation and digital distribution 	Margin pressure and volatile profits
Banking	Discovery Bank	<ul style="list-style-type: none"> • Shift to 'skinny banks' – commoditised and low service, with a focus on transaction accounts and payment processing 	Multi-banked clients



H1 FY25 profit growth:

+27%

+27%



Discovery SA

 **Discovery Bank**

Excellent performance across all key metrics and achieved monthly operational break-even ahead of target

 **Discovery Health**

Strong earnings and core new business growth (up 9% excl the new closed scheme Sasolmed in prior period)

 **Discovery Life**

Strong earnings and cash generation with positive claims experience and maintained its retail market share and new business margins, while Group Life new business declined

 **Discovery Invest**

Significant earnings growth benefitting from strong market performance and some one-off gains for the period

 **Discovery Insure**

Excellent margin achieved from diligently executed business actions, with benign weather conditions (severe in prior period)



Discovery Bank and market trends



GLOBAL BANKING TRENDS

Generative AI as the operational backbone

Democratising private banking through the use of Generative AI, and personalising financial products at scale



Data-centric hyper-personalisation

Using behavioural data to dynamically adjust rewards based on real-time health and spending data, using AI and predictive analytics to anticipate customer needs and nudge behaviours



Integrated holistic ecosystem

Growing emphasis on integrating banking into broader ecosystems, such as retail platforms, to reach new segments and provide comprehensive services



Leveraging fintech to enhance rewards programmes

Integrating personalised data analytics, gamification, and real-time redemption options, creating more engaging and tailored customer experiences



Phygital banking: blending digital agility with human trust

Seeking app-based convenience, while retaining the affinity for tangible interactions - acknowledging diverse customer preferences



Cybersecurity prioritisation

Embedding encryption and anomaly detection into core systems to combat fraud and AI deepfakes promoting financial scams



- #1 - Smart, simple and easy products
- #1 - Best service and experience
- #1 - Top private banking provider
- #1 - Excellent benefits and rewards
- #1 - Best emotional experience
- #1 - Best relationships with clients

Discovery Bank



Total clients **Total accounts** **Deposits** **Advances** **Revenue (NII+NIR)** **Normalised profit**

+32%
to 1.1m

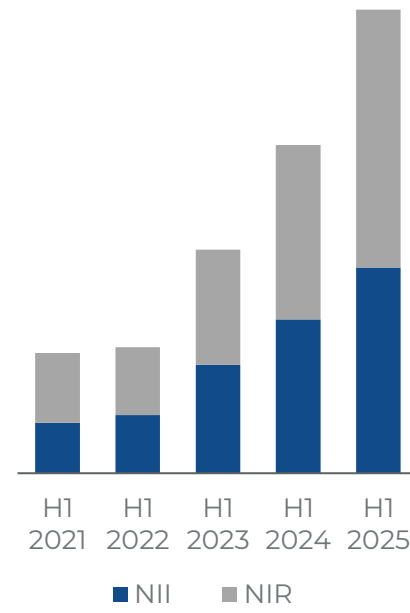
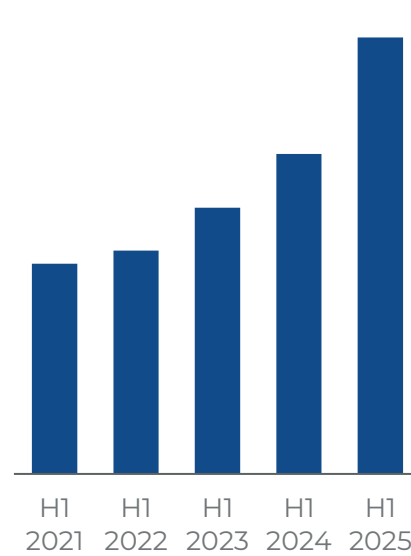
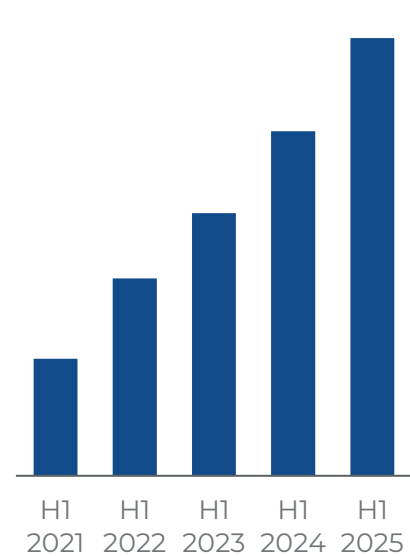
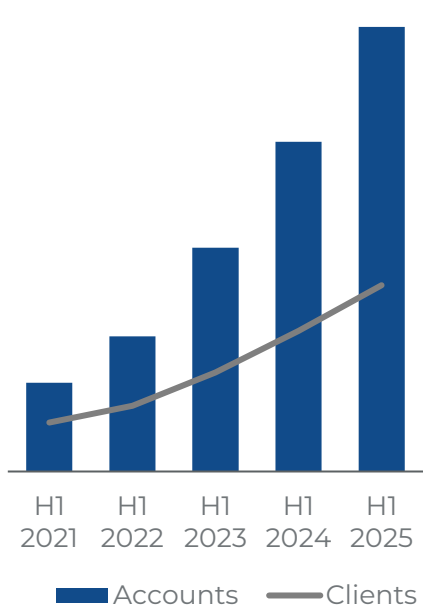
+35%
to 2.6m

+27%
to R21.2bn

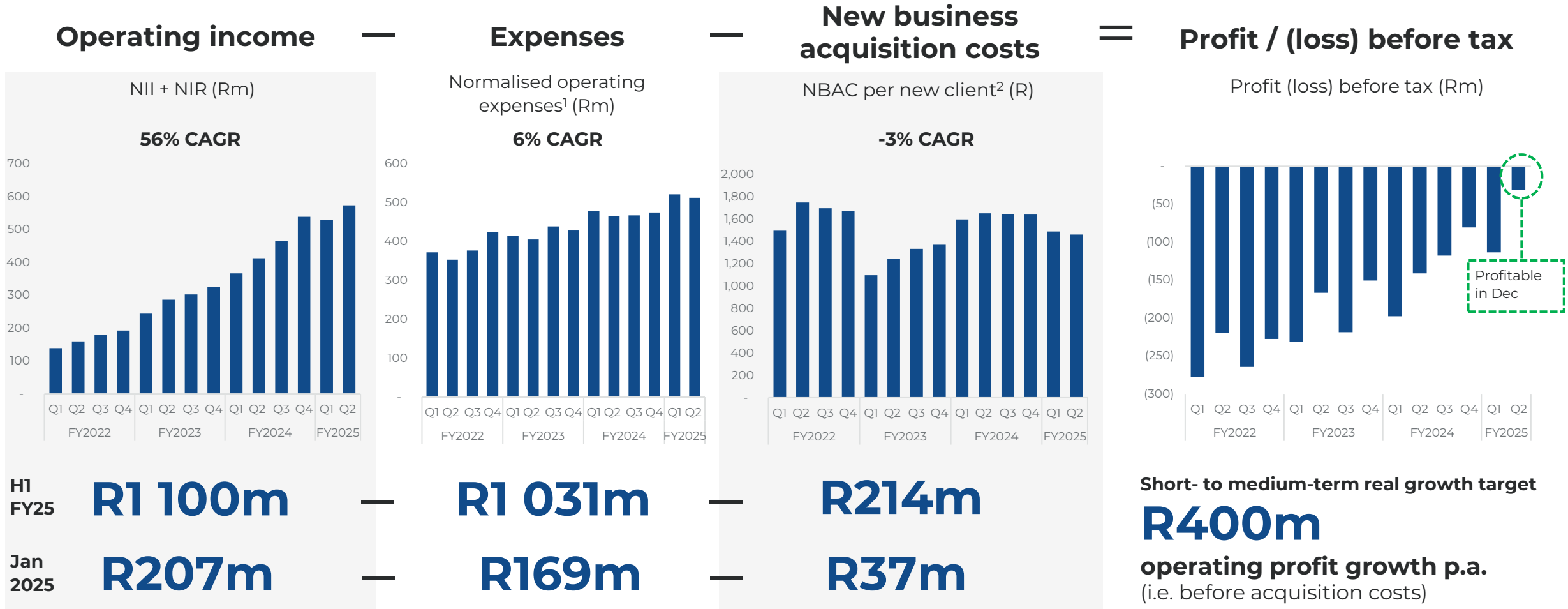
+37%
to R7.8bn

+42%
to R1.1bn

+57%
to (R145m)



Achieved run-rate break-even ahead of target



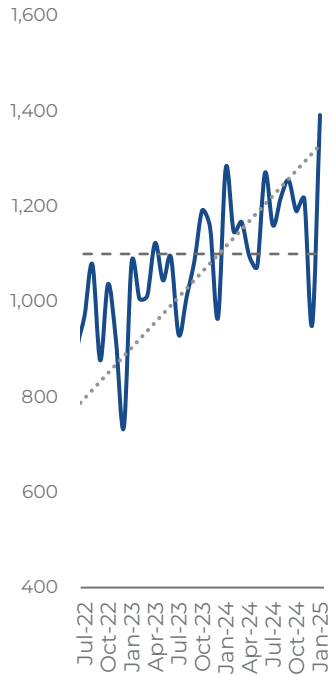
¹ Includes fair value adjustments | ² New Business Acquisition Costs represent the upfront expenses incurred to acquire new clients. Revenue generation from these clients occurs over time as they increase engagement with their Discovery Bank account. As a result, NBAC reflects an initial investment with deferred returns. Forward looking information on this slide is for illustration and has not been reviewed or reported on by the auditors

Attributes driving Discovery Bank growth



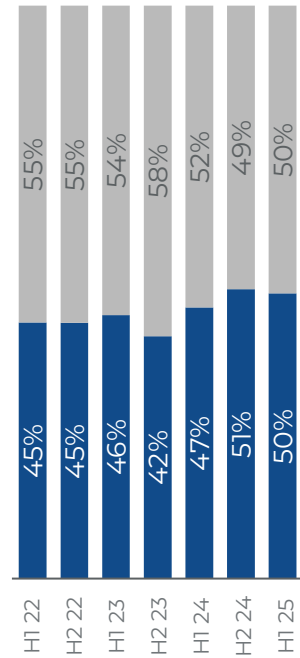
Daily growth maintained

Daily sales per business day



Shift towards credit products

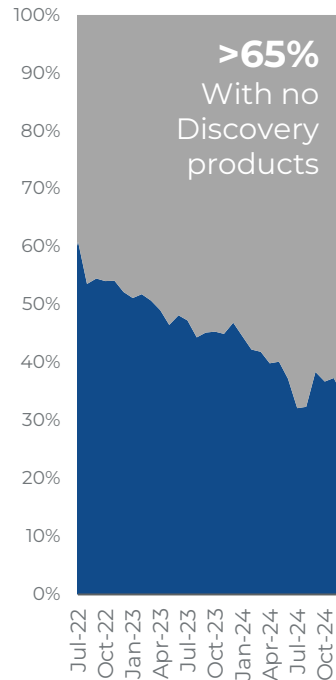
New-to-Bank product mix



■ Transaction PAYT and Savings
■ Credit, Suite & TRX Bundled

Relevance from outside DSY

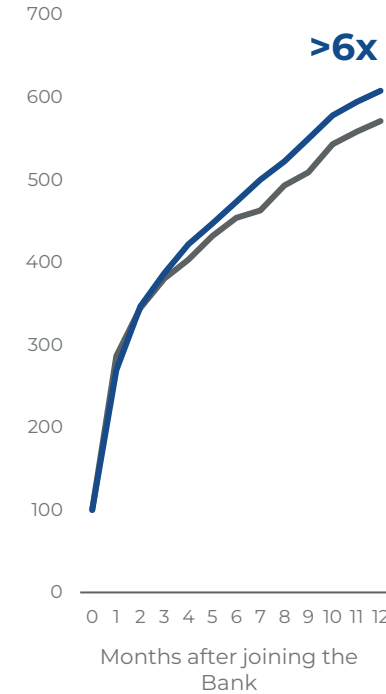
New business by Discovery product take up



■ With no Discovery products
■ With a Discovery product

Revenue driven by engagement

Engagement per client



— Payment value
— Number payments

Growing home loans book

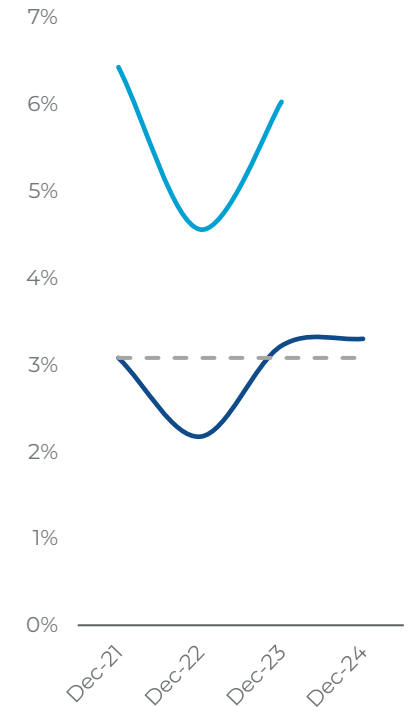
Value of home loans disbursed, Rm



As at Dec24:
Growing market share, currently 2%
Switching market share of 9%

Superior credit quality maintained

Credit loss ratio vs market



— Market average
— Discovery
- - CLR TTC*

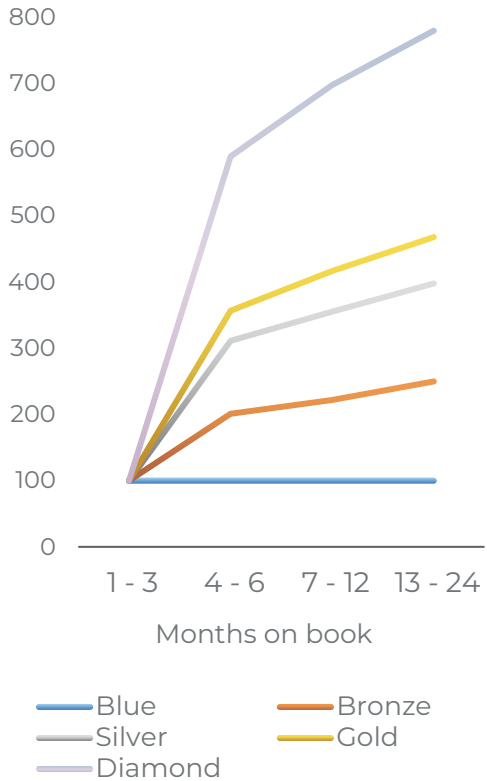
*Through-The-Cycle; adjusted average to measure the expected credit losses over an extended period, rather than in the current reporting cycle

Shared value in Discovery Bank



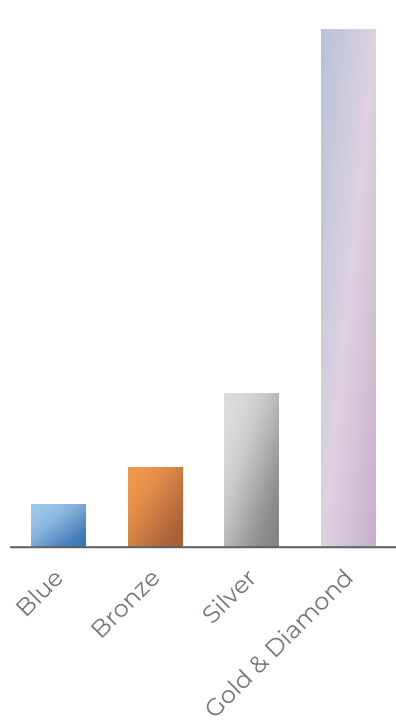
NIR per client

NIR by VM status (indexed to Blue)



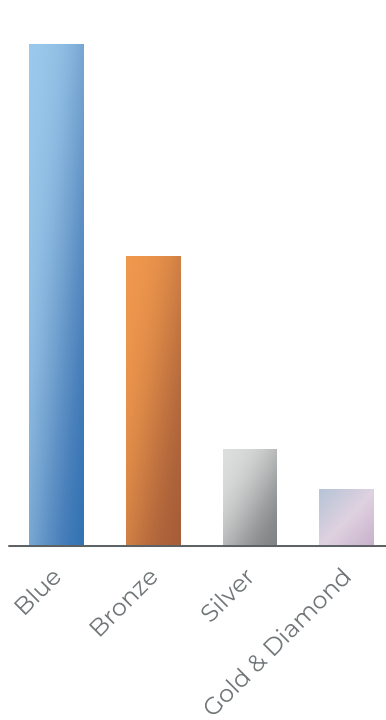
Total deposits

11x more deposits



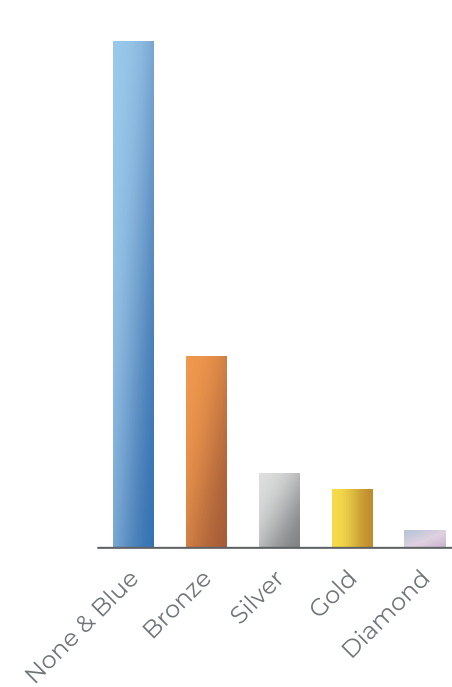
Probability of default

89% lower probability of default



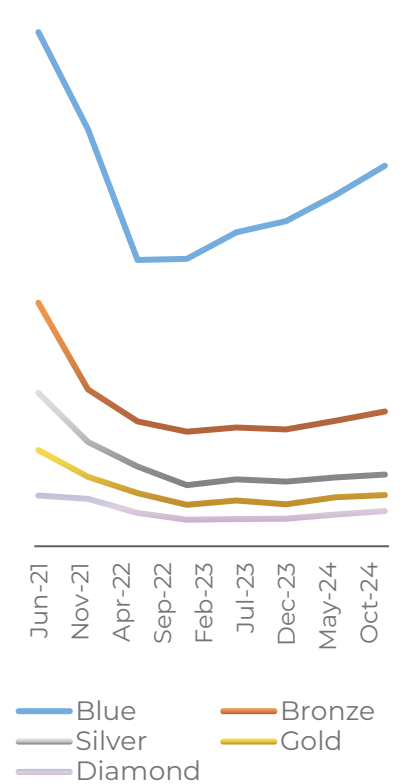
1 - 90 days arrears

97% lower arrears rate



Credit loss rate

>95% lower credit loss rate

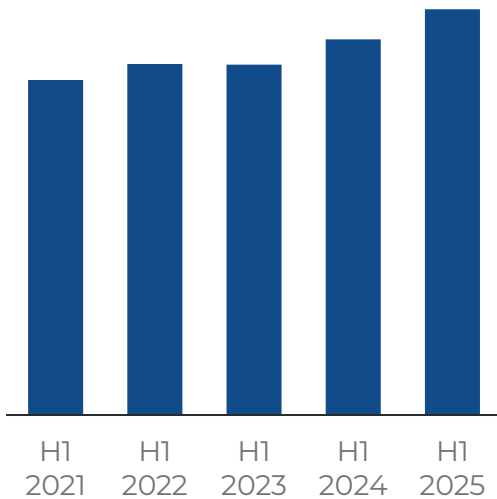






Normalised profit

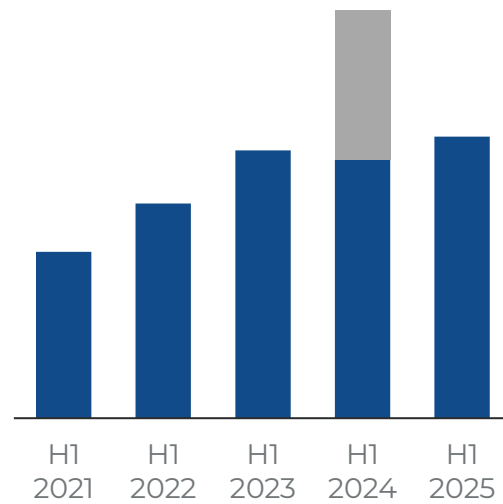
+8%
to R2 023m



New business

-31%
to R4 714m

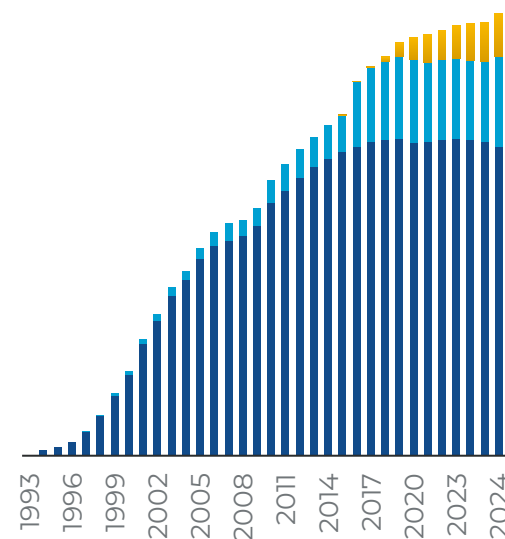
Excluding Sasolmed
in prior period: **+9%**



■ Sasolmed* closed scheme

Membership

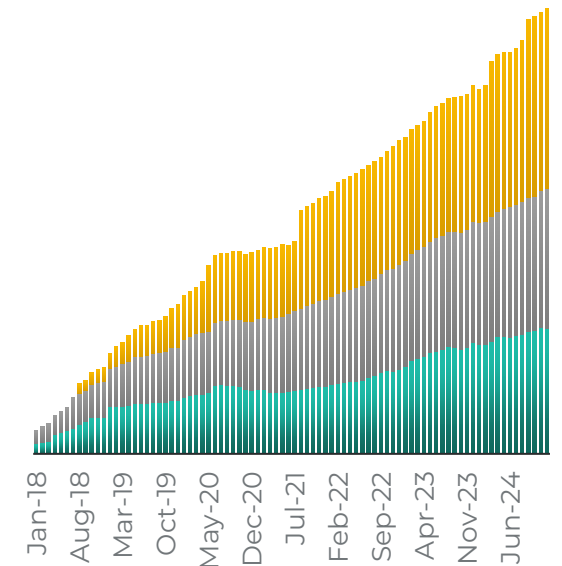
3.96m
Lives under
administration



■ Non Scheme Products
■ Restricted Schemes
■ DHMS

Non-scheme growth

+21%
>412k lives



■ Flexicare
■ Gap cover
■ Healthy Company

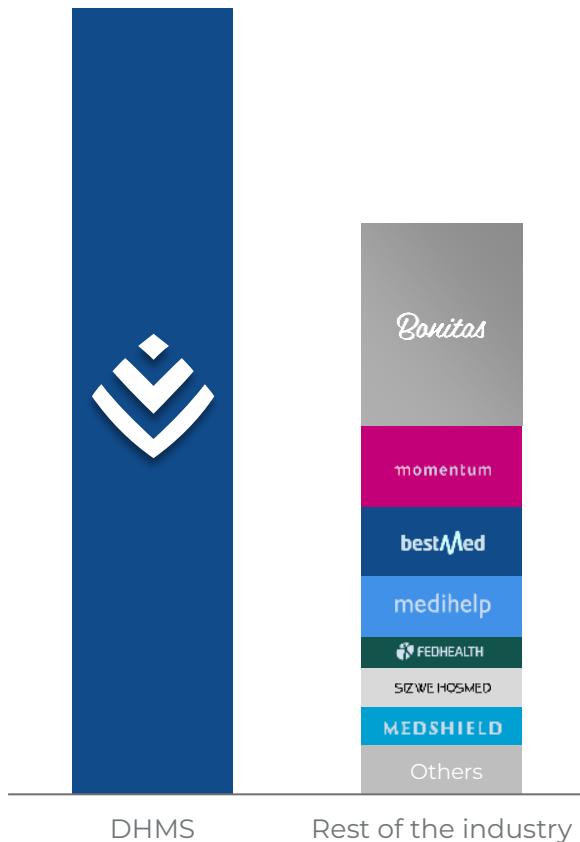
*Sasolmed contributed R2 510m to new business for FY2024

Discovery Health Medical Scheme: continued excellent performance in a complex environment



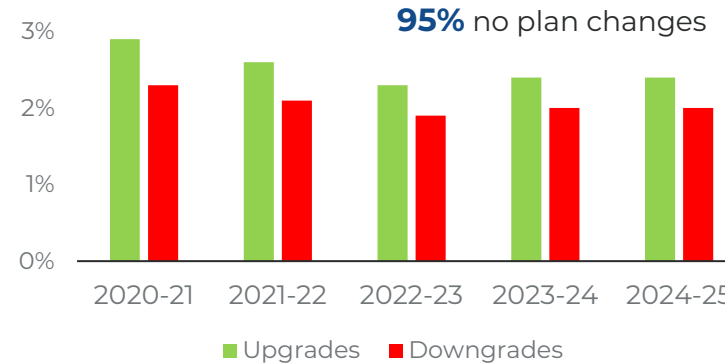
Membership

57.9% market share

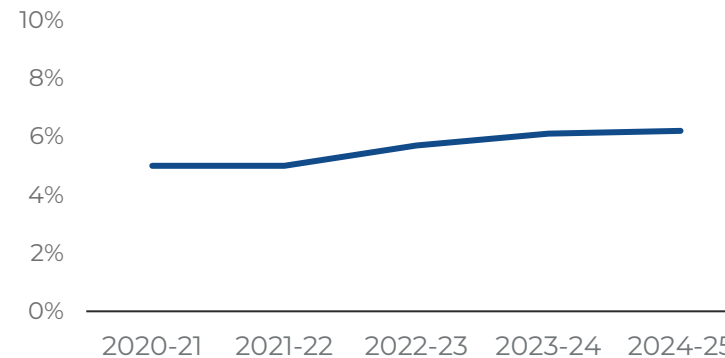


Customer satisfaction

Low proportions of members change plans, with more members upgrading than downgrading:



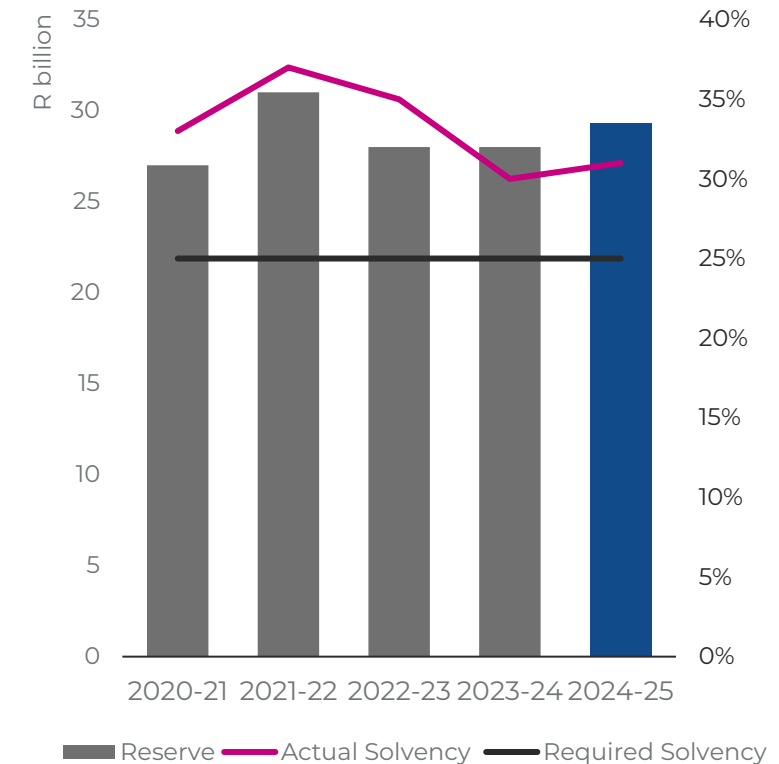
Lapses continue to remain stable



Solvency

R29.4bn
31%
AAA

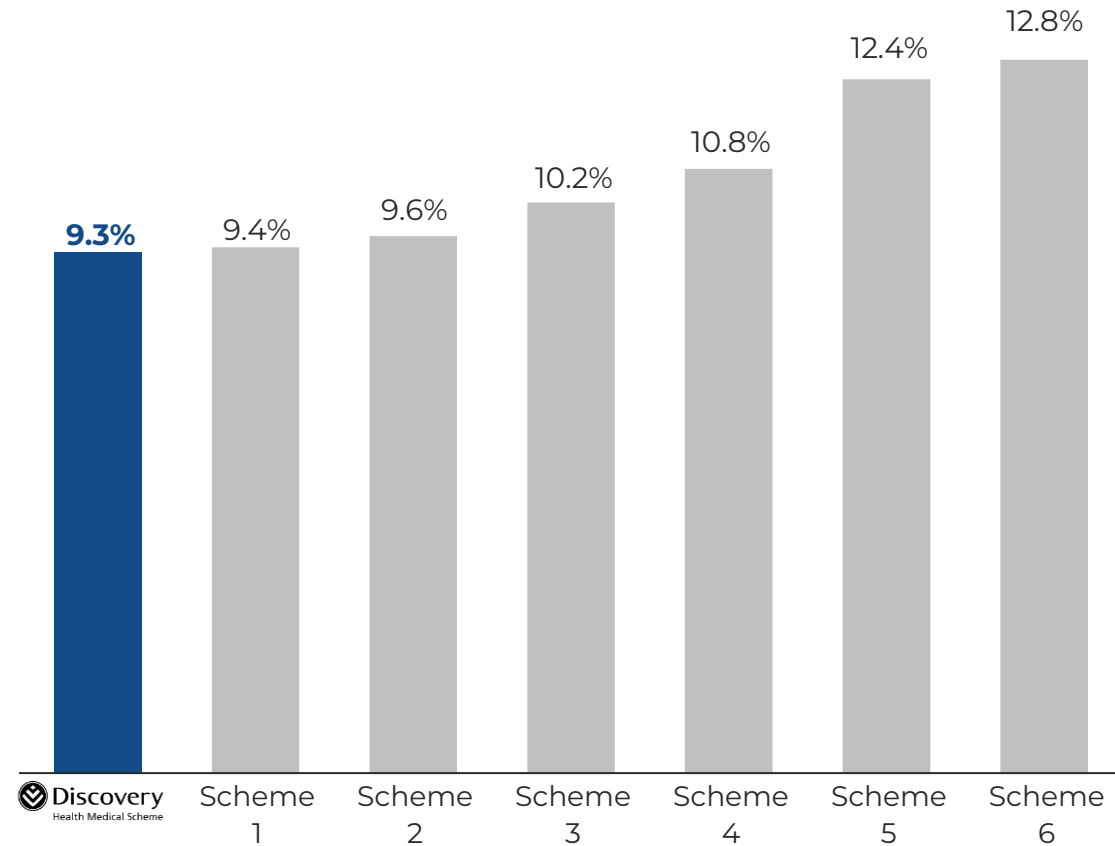
projected unaudited reserves
projected unaudited solvency
credit rating



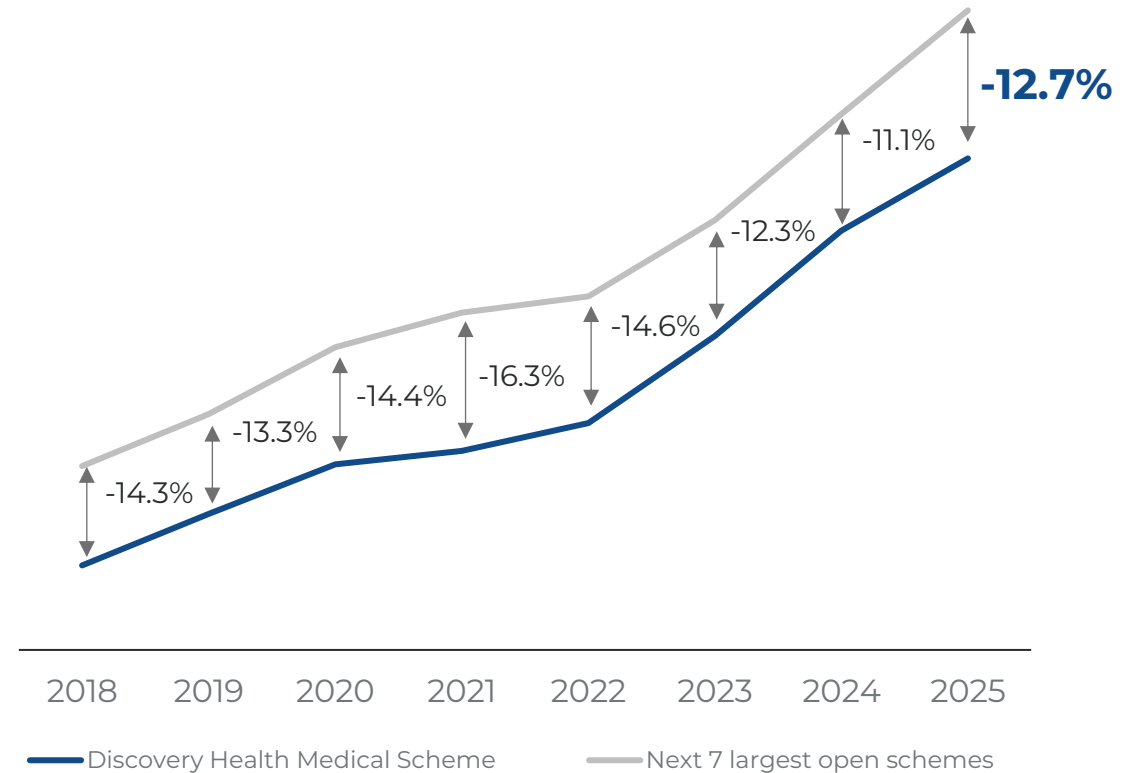
DHMS's growing contribution differential enhances market competitiveness into 2025



Weighted average contribution increase (%)



Comparison of average contributions

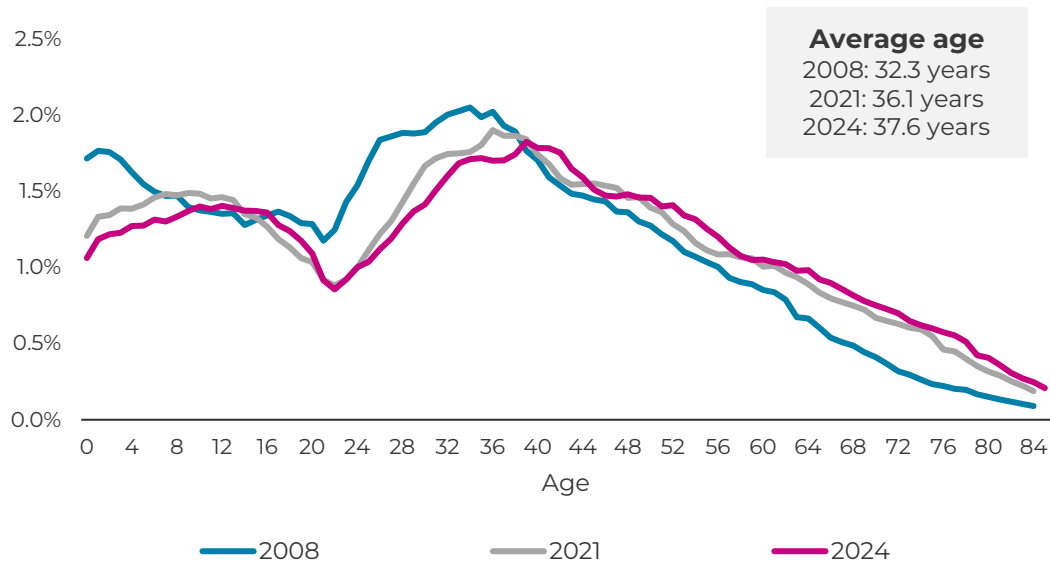


Addressing the cost of healthcare



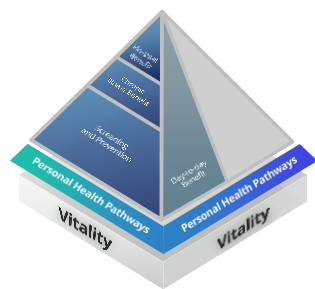
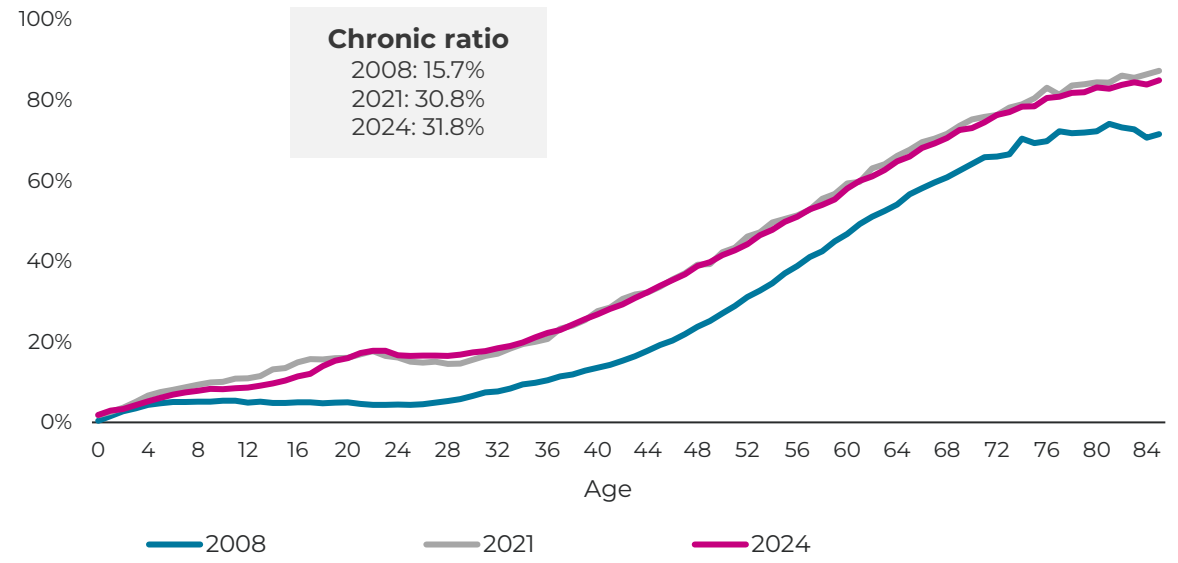
Sustained aging of the Scheme

Age distribution of lives (2008 – 2024)



Increased chronicity continues across age groups

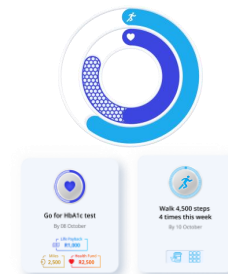
Chronic ratio (2008 – 2024)



ACTIVE Smart
(Launched 2025)

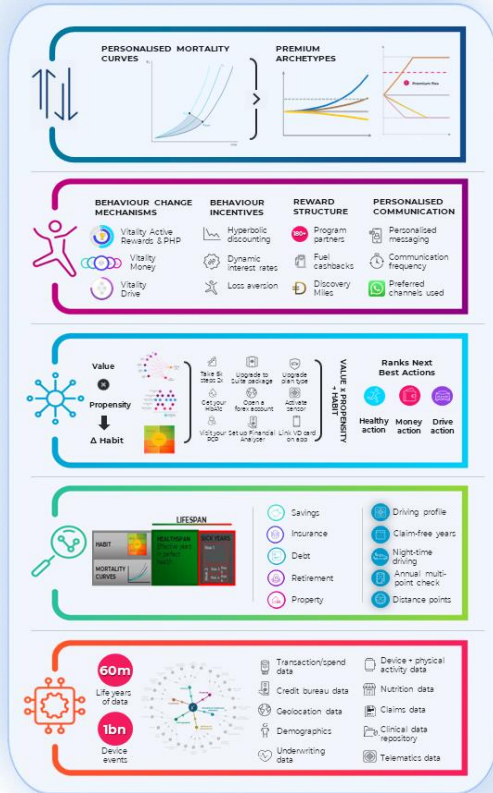
R1 350 Lowest price point in the market

>61% Market share for 20-to-39-year-olds held by Smart plans



PERSONAL HEALTH PATHWAYS
(Launched 2025)

Engaging members in a personalised program that incentivises healthier habits and behaviour change



2.08m eligible lives

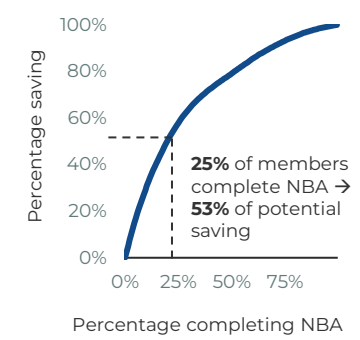
63% of activated lives are in the chronic, disease prevention or emerging risk cohort

348k Next Best Actions completed since Jan 2025

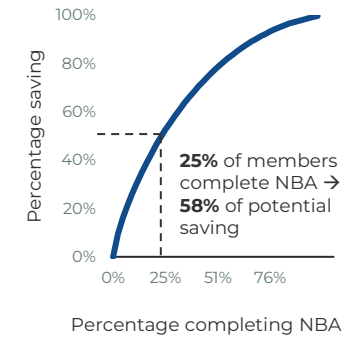
R7.9m rewards earned

Impact of doing Next Best Action | Net savings to health funder

Diabetes



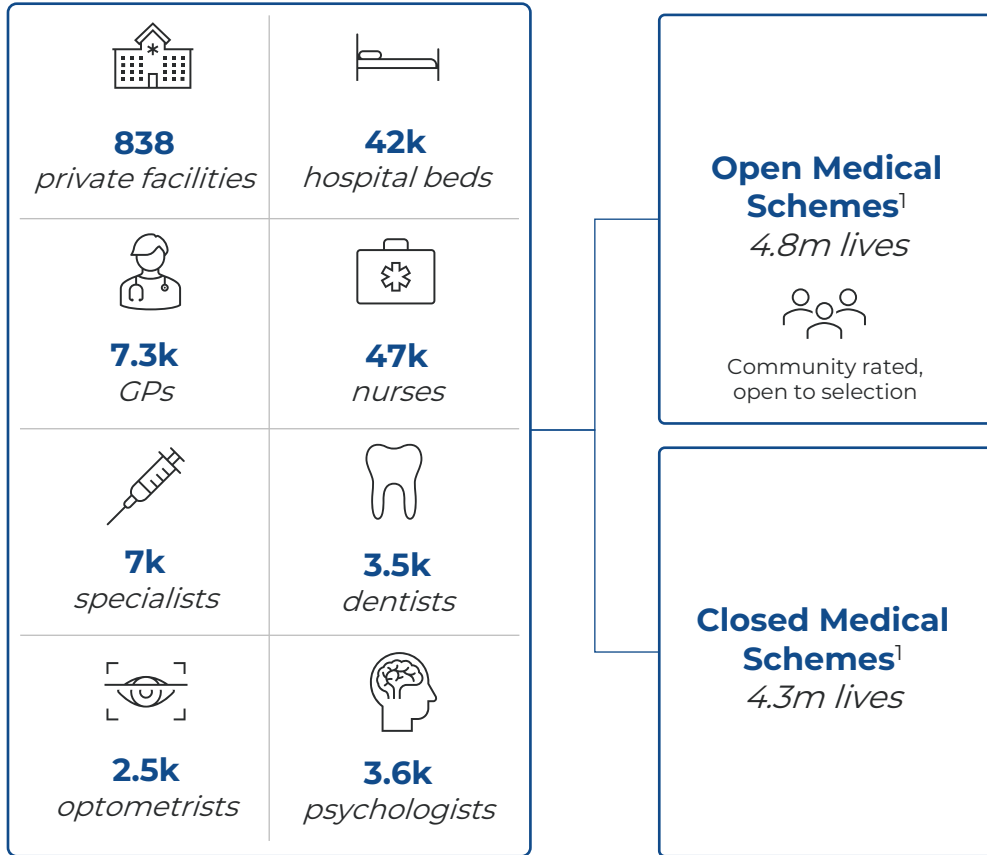
Hypertension



The private healthcare sector is a strong asset – delivers excellent value for members



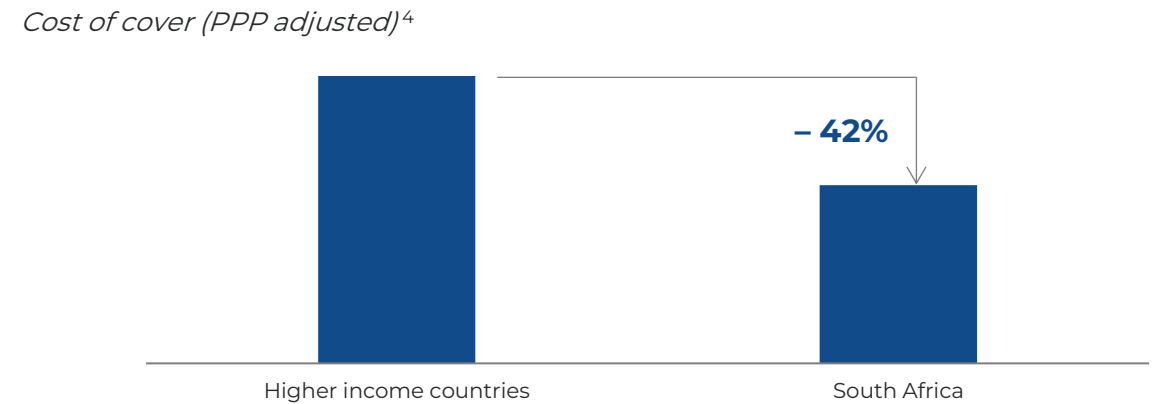
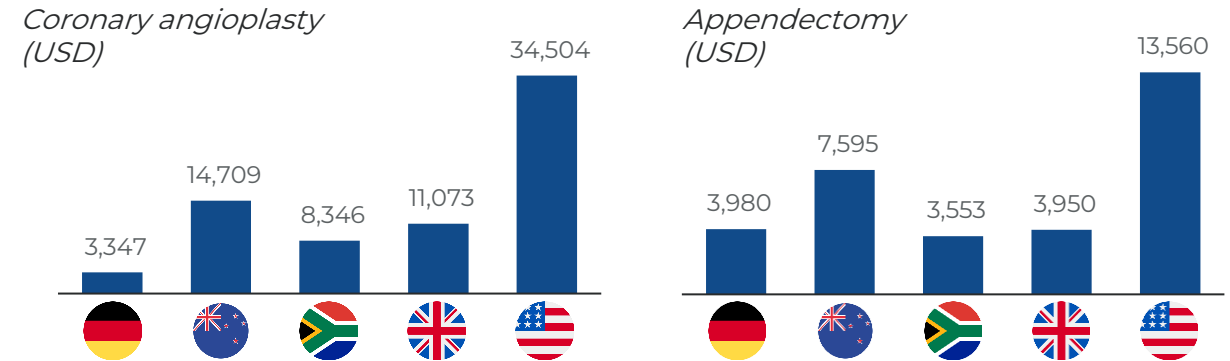
The private sector has significant scale



41.6% of SA households used the private healthcare sector as their last accessed care²

Members have access to world-class care

South African prices compare favourably by international comparison³

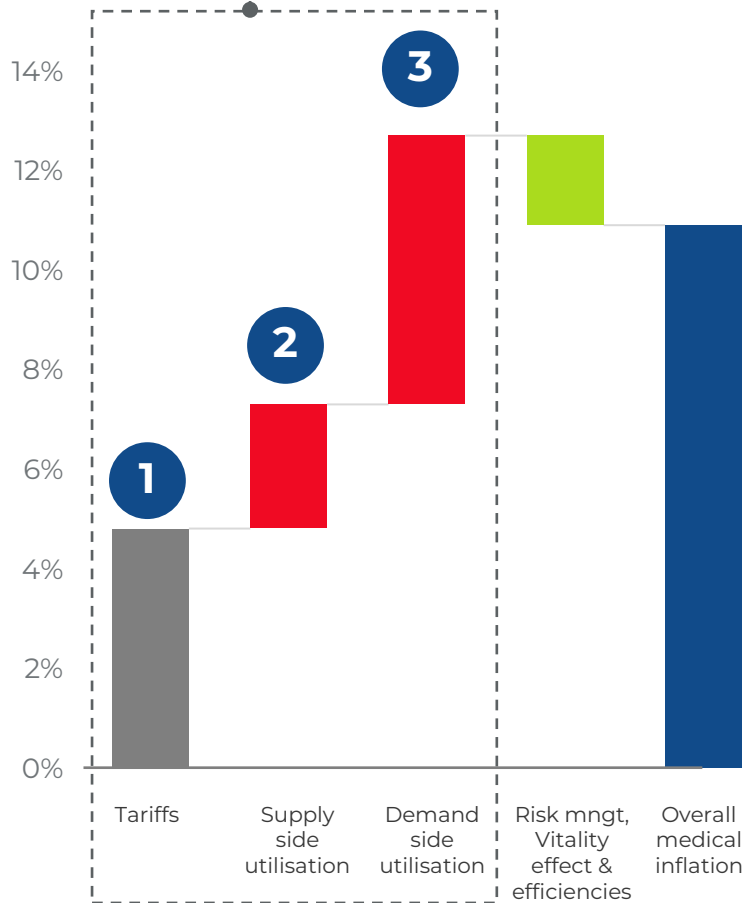


Bigger issues surrounding medical inflation



High utilisation driving medical inflation

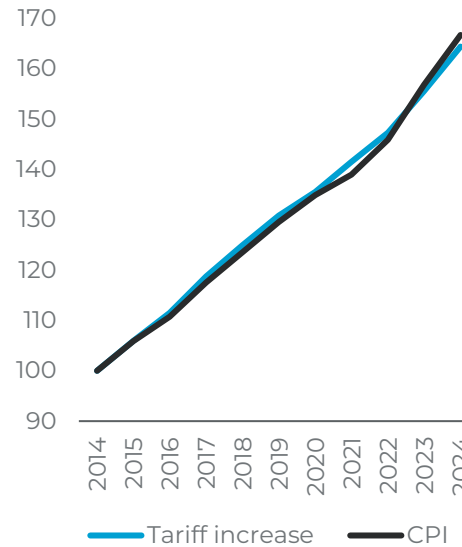
3 key drivers of inflation can be broken down further:



1

TARIFFS

Tariff growth relative to CPI growth (indexed to 2014)



2

TECHNOLOGY

New technology and treatments increase costs, but members recognise the value

2014-2023 CAGR

+7.4%

vs

+11.6%

Other

High-cost drugs

Oncology drugs (Keytruda, Darzalex,...)

Next-generation Sequencing

BioFire (multiplex panels)

Robotic-assisted surgeries

Biologics

Multiple sclerosis treatments

Micra pacemaker

3

DEMOGRAPHIC ASPECTS

- Open enrolment
- Community rating

- Increased ageing
- Increased chronicity

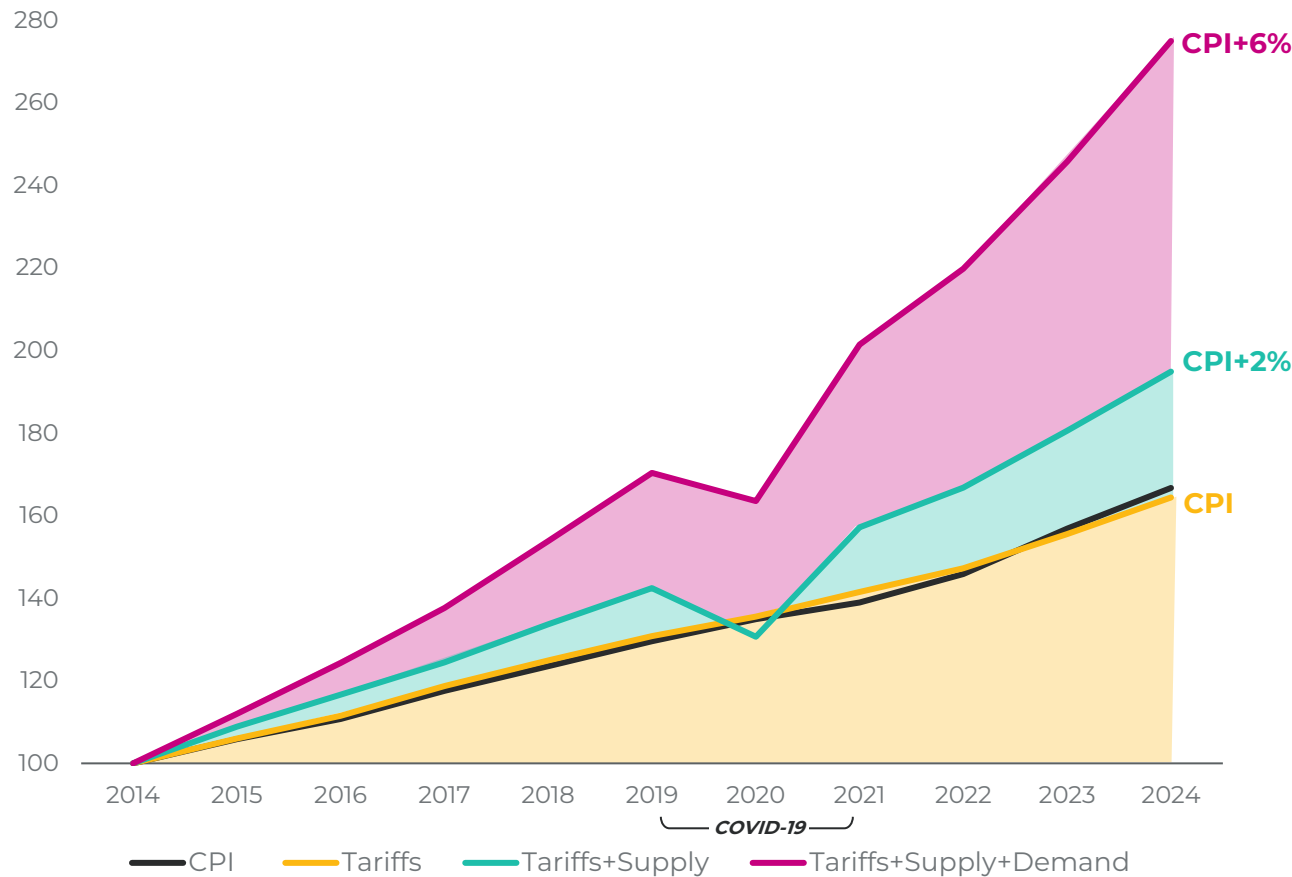
Increases access but leads to adverse selection

Bigger issues surrounding medical inflation



Longitudinal impact of medical inflation

Relative growth rates over last 10 years (indexed to 2014)



46% of medical inflation increase is due to demand-side utilisation (adverse selection)

Accelerating and gap widening

17% of medical inflation increase is due to supply-side utilisation (technology)

37% of medical inflation increase is due to tariffs

Tariffs keep in line with CPI

Management of contribution inflation requires an **overall management approach:**

- Negotiation and price regulation (tariffs)
- Networks and directionality, value-based care integration (supply-side)
- Hyper-personalisation and personal health pathways, growing the effect of Vitality (demand-side)



GENERAL EXPLANATORY NOTE:

- [] Words in bold type in square brackets indicate omissions from existing enactments.
- Words underlined with a solid line indicate insertions in existing enactments.

(English text signed by the President)
(Assented to on 15 May 2024)

ACT

To achieve universal access to quality health care services in the Republic in accordance with section 27 of the Constitution; to establish a National Health Insurance Fund and to set out its powers, functions and governance structures; to provide a framework for the strategic purchasing of health care services by the Fund on behalf of users; to create mechanisms for the equitable, effective and efficient utilisation of the resources of the Fund to meet the health needs of the population; to preclude or limit undesirable, unethical and unlawful practices in relation to the Fund and its users; and to provide for matters connected herewith.

PREAMBLE

RECOGNISING—

- the socio-economic injustices, imbalances and inequities of the past;
- the need to heal the divisions of the past and to establish a society based on democratic values, social justice and fundamental human rights; and
- the need to improve the quality of life of all citizens and to free the potential of each person;

BEARING IN MIND THAT—

- article 12 of the United Nations Covenant on Economic, Social and Cultural Rights, 1966, provides for the right of everyone to the enjoyment of the highest attainable standard of physical and mental health;
- article 16 of the African Charter on Human and People's Rights, 1981, provides for the right to enjoy the best attainable state of physical and mental health, and requires States Parties to take the necessary measures to protect the health of their people and to ensure that they receive medical attention when they are sick;
- the rights to equality and human dignity are enshrined in the Constitution in sections 9 and 10, respectively;
- the right to bodily and psychological integrity is entrenched in section 12(2) of the Constitution;
- in terms of section 27(1)(a) of the Constitution everyone has the right to have access to health care services, including reproductive health care;

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Discovery's position: NHI is not workable without private sector collaboration



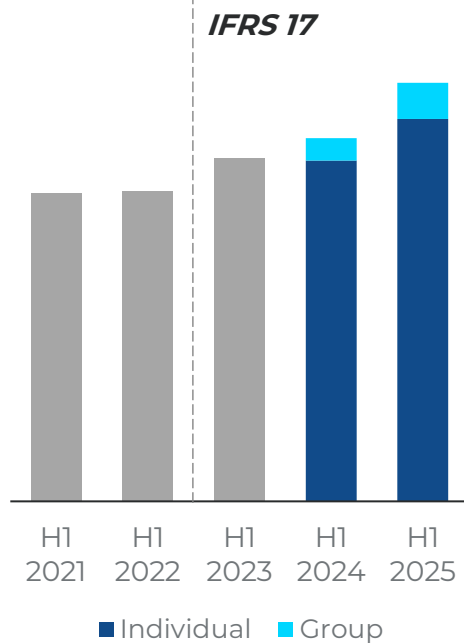


Normalised profit

+15%

to R2 612m

Individual life:
+12%

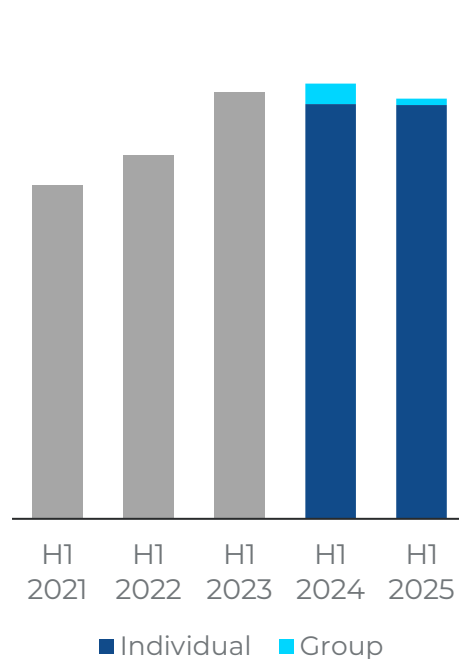


New business

-4%

to R1 463m

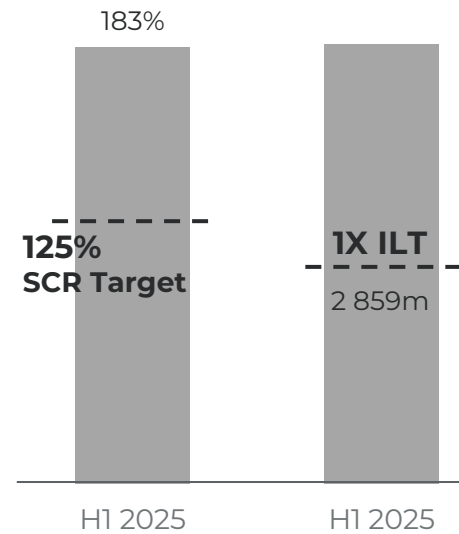
Individual life:
0%



Strong capital and liquidity

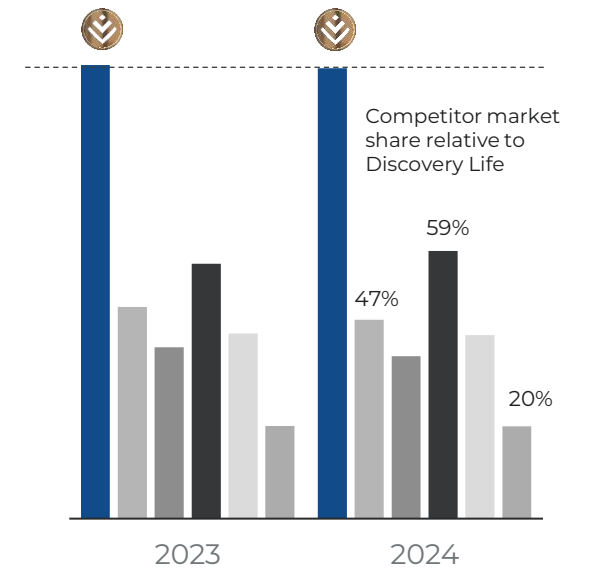
SCR coverage

Total liquidity



Maintained leading market share

12 months to Dec 2024

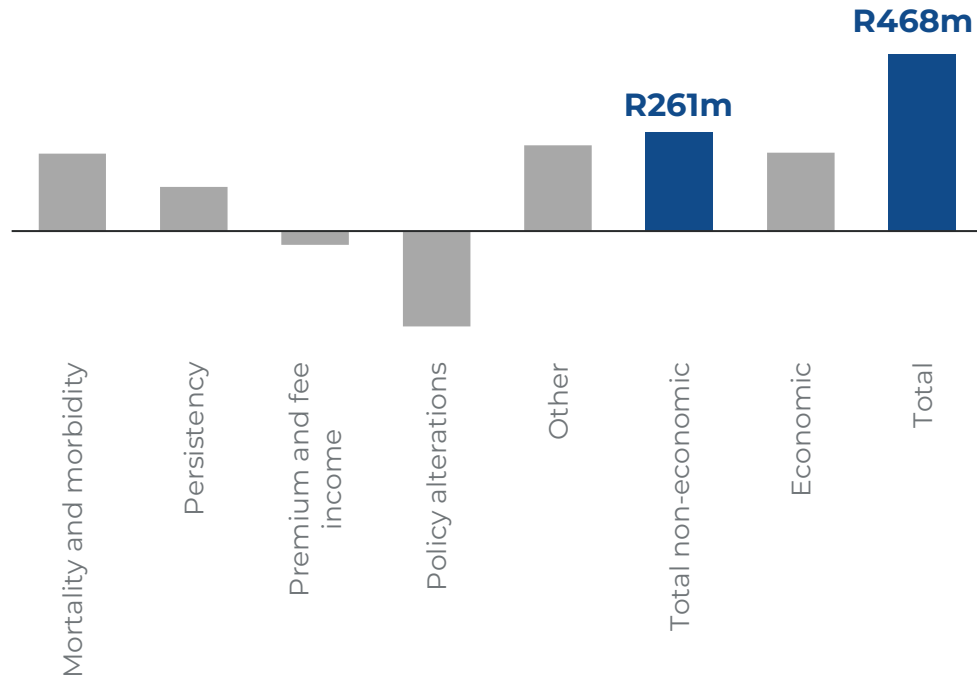


Robust performance with positive operating variances



Positive operating variances

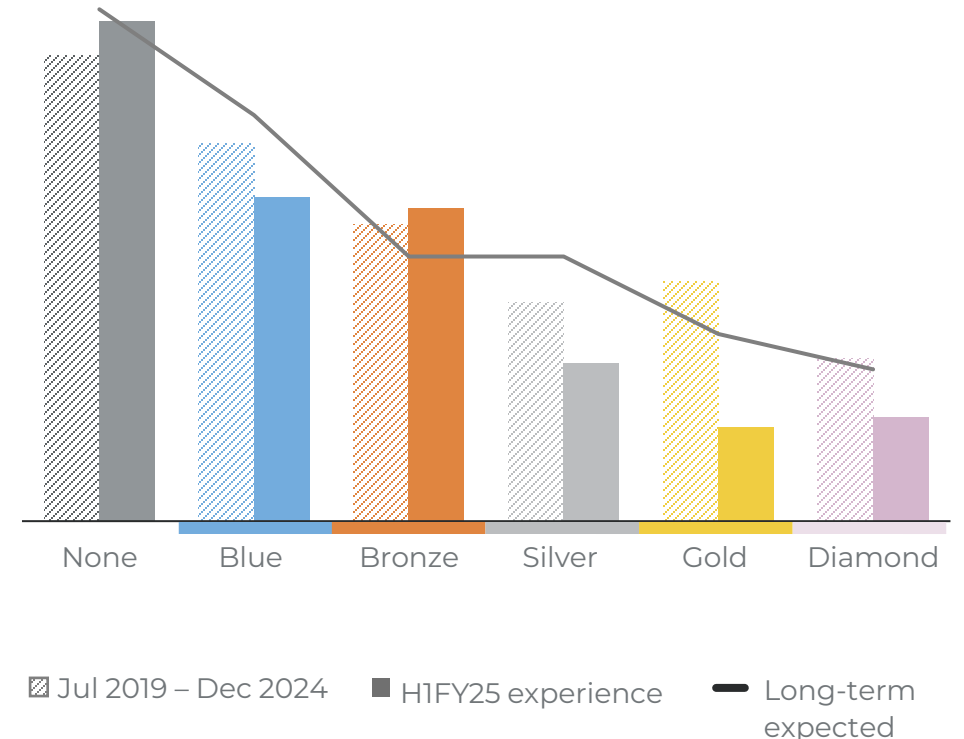
Discovery Life Ltd EV variances (Rm)



Policy alterations was a significant negative variance and slightly improved from prior period. Action plan in progress

Excellent experience relative to assumptions

Mortality experience by Vitality status relative to expected

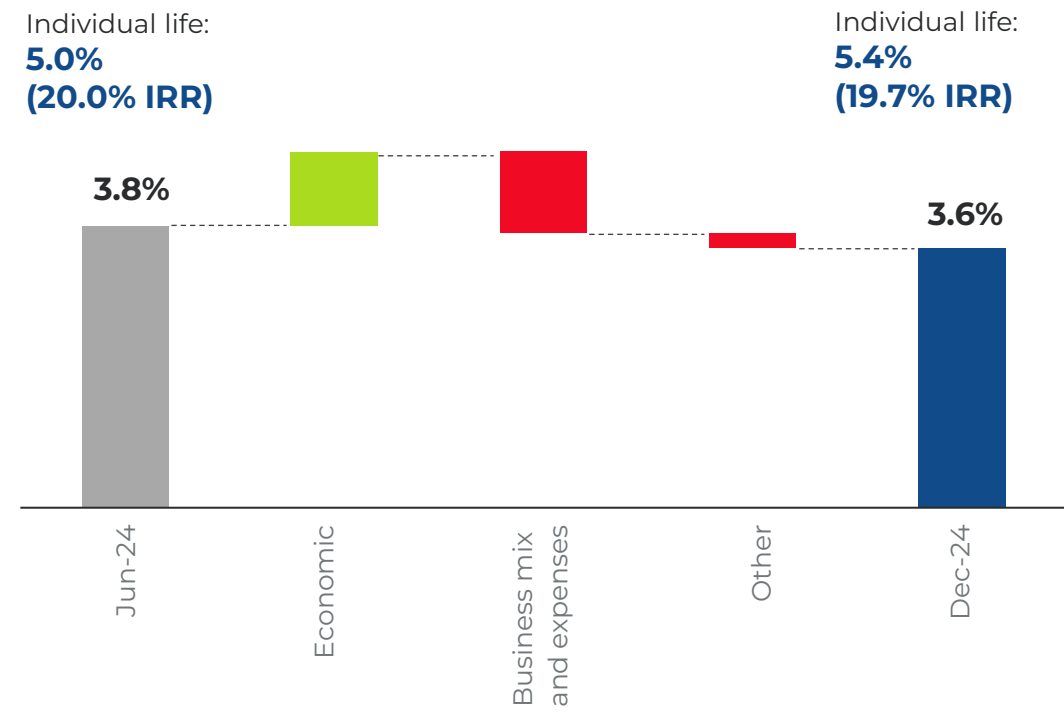


Robust EV growth and stable VNB margin



Steady VNB margin

VNB margin (%)

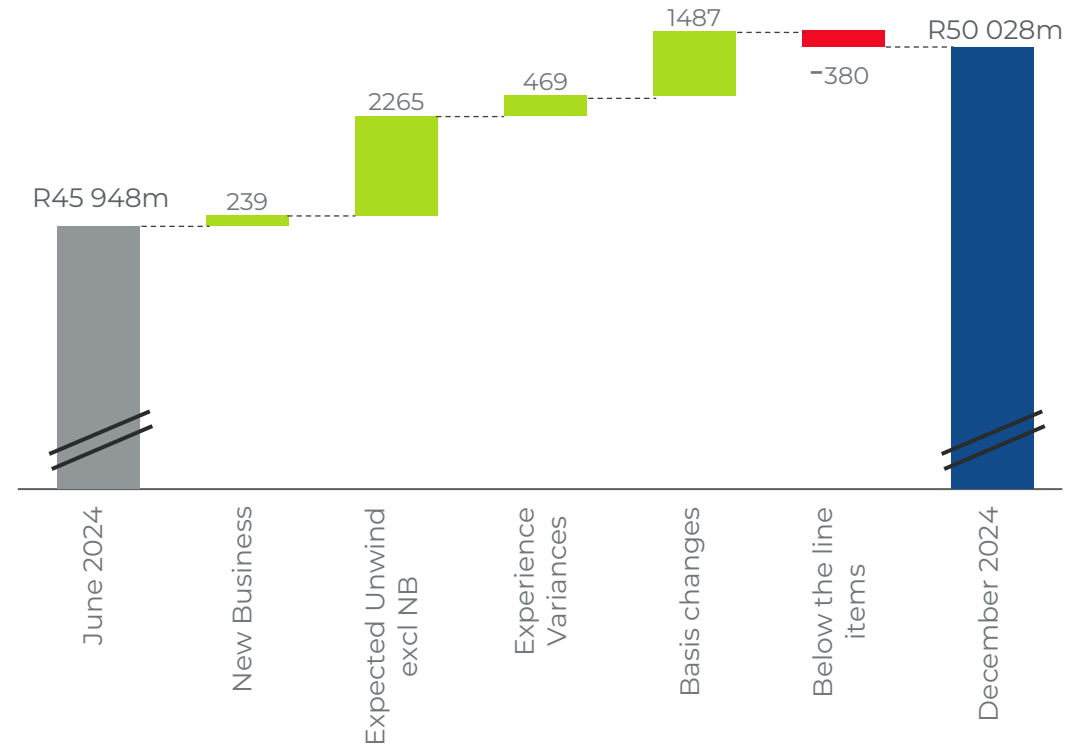


Significant drop in Group Life new business volumes over a short period. Individual Life margin benefits from lower interest rates

Growth in Embedded Value

20.6% Annualised RoEV*

14.1% excluding economic updates



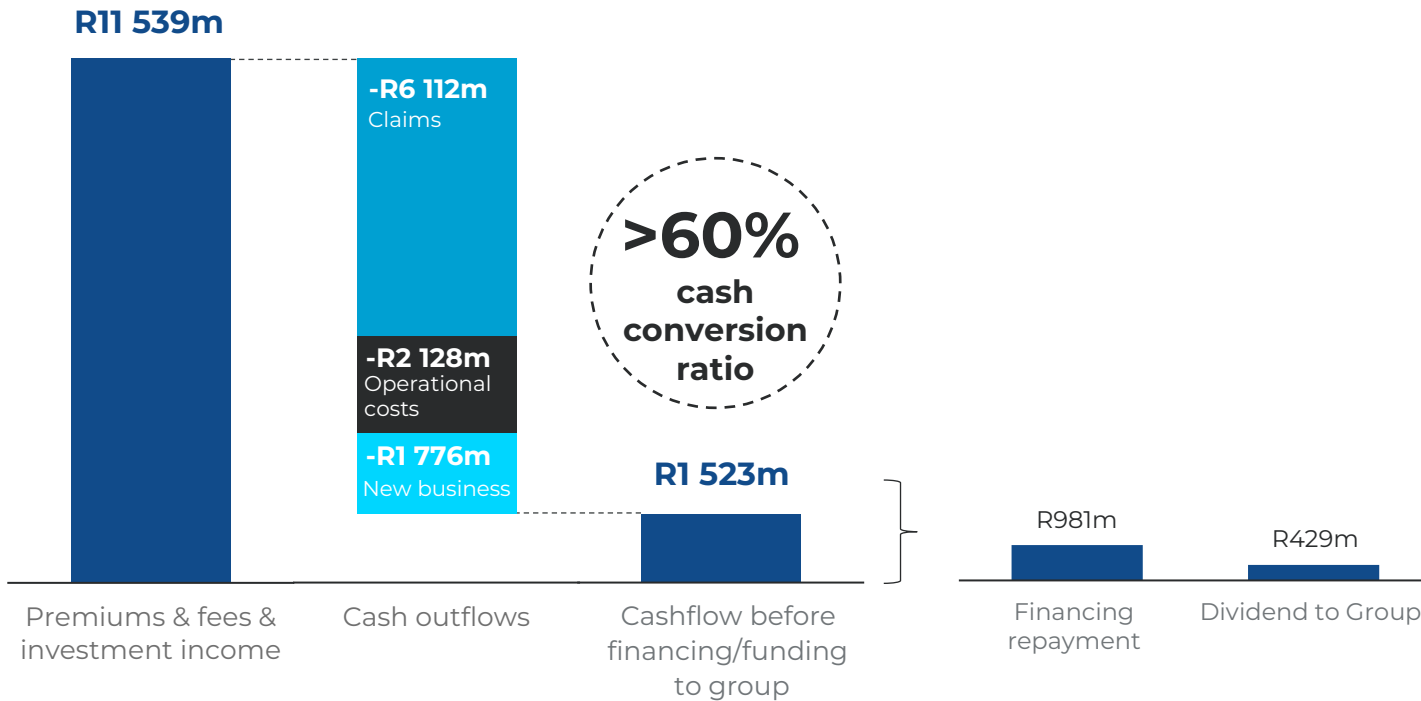
*Annualised before the dividend payment.

Strong cashflow generation



Life and Invest cash significantly ahead of target

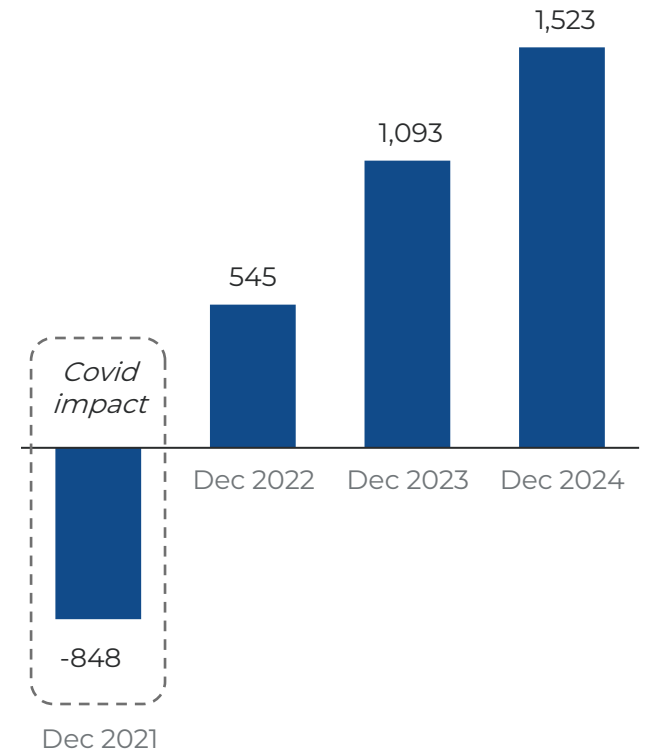
(Rm)



Exceptionally high this period given favourable claims in Indiv Life, Group Life and strong fee performance in Invest, plus lower new business strain

Cashflow over time

Cashflow before financing initiatives and dividends to Group (Rm)



Value generation of business under IFRS 17



Store of value absorbs variances and plays out as earnings during the period

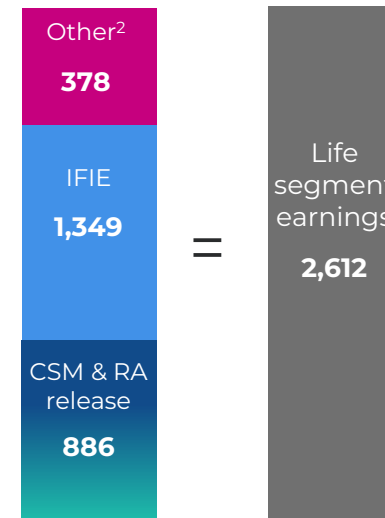
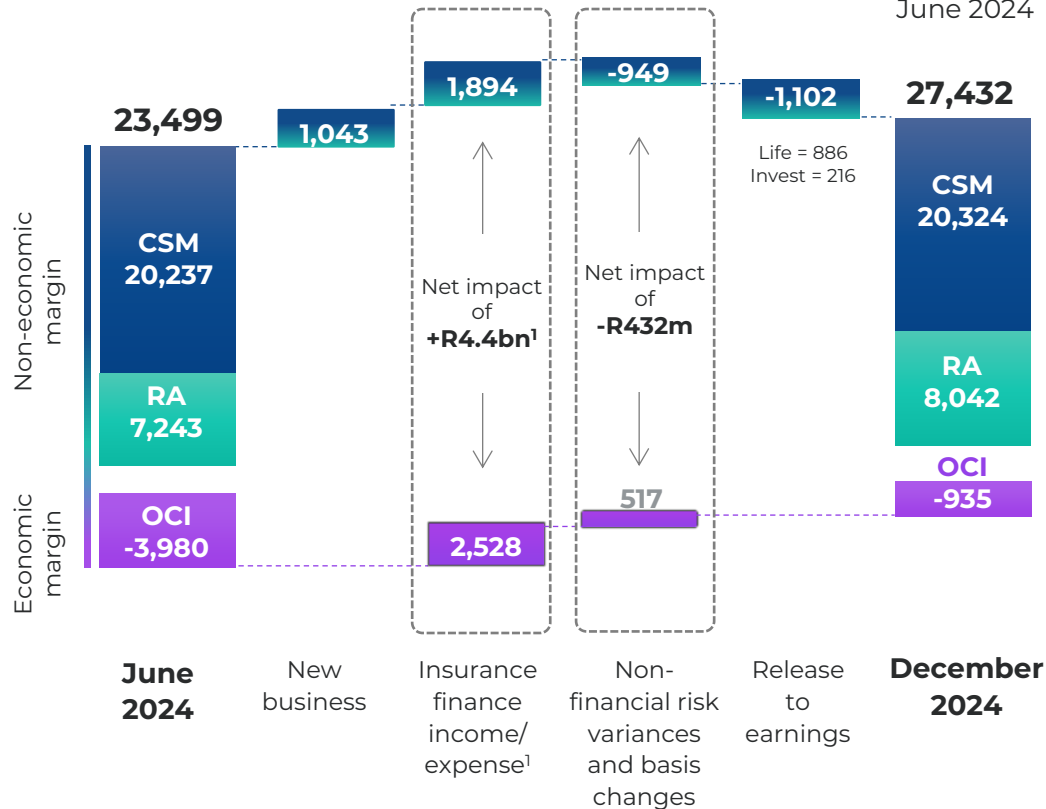
ZARm

IFRS 17 Life and Invest GMM business **stored valued** absorbs variances and basis changes

Components of **Life segment earnings** (incl PAA business such as Group Life)

= c17%

Growth from June 2024



- 1** Total margin up c17% from R23.5bn in June 24 to R27.4bn in December 24 (+c3% excl. OCI)
- 2** Significant gains reflected in OCI driven by lower interest rates in December 24 vs June 24
- 3** Favourable claims experience offsets reduction in current period IFIE due to June 24 systematic rate movements

¹ Includes changes to assumptions related to financial risk

² "Other" includes largely PAA business earnings and variances such as the favourable claims experience variance in the period and non-directly attributable expenses.

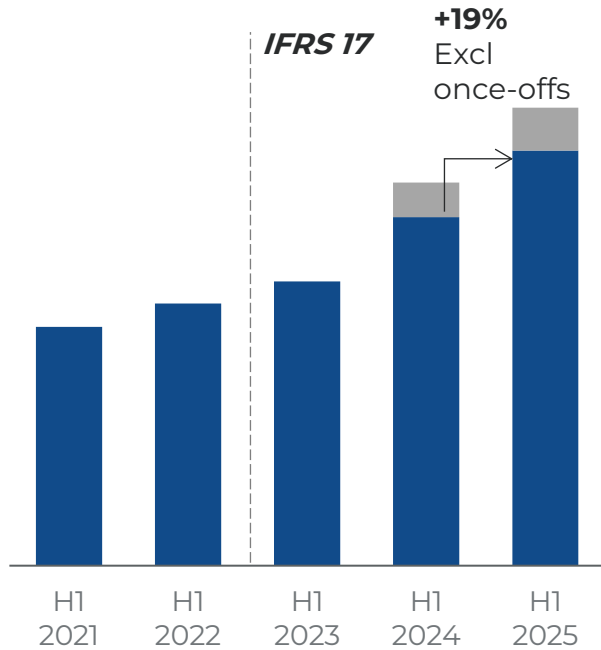


Discovery Invest



Normalised profit

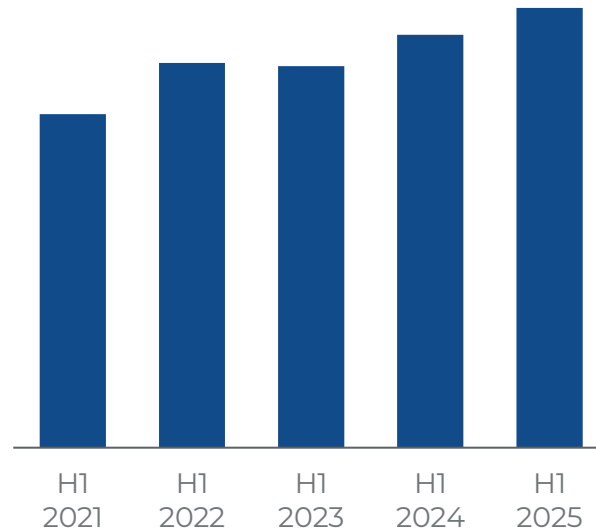
+46%
to R904m



■ Once-off items

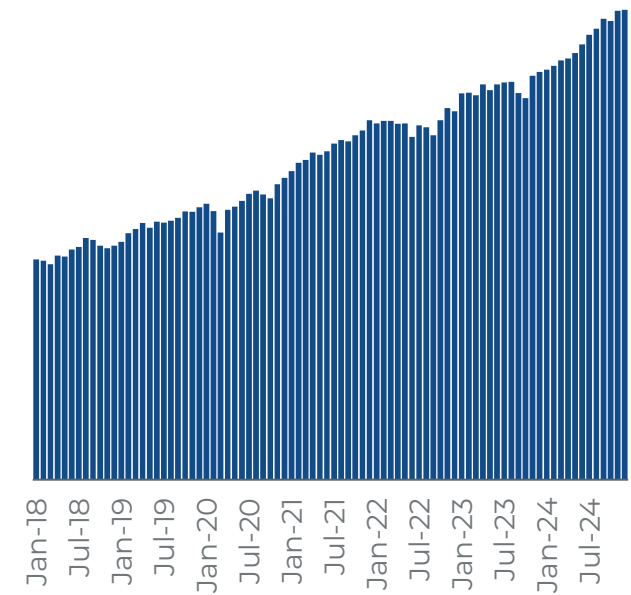
New business

+7%
to R1 735m



Assets under administration

+15%
to R167bn



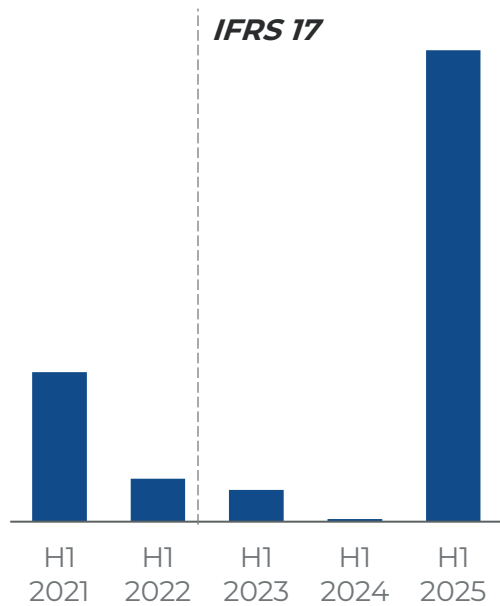


Discovery Insure



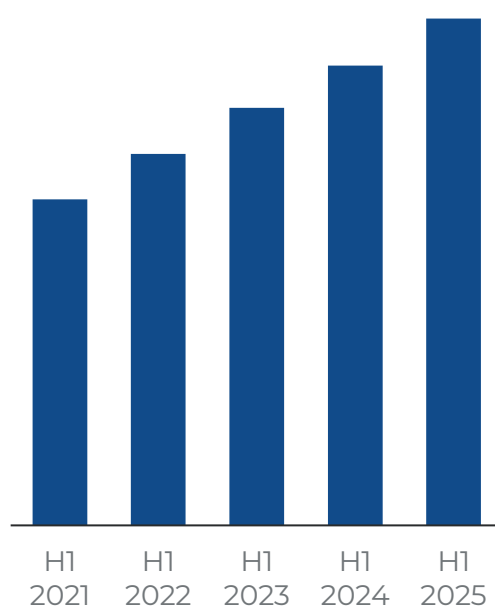
Normalised profit

>100%
to R372m



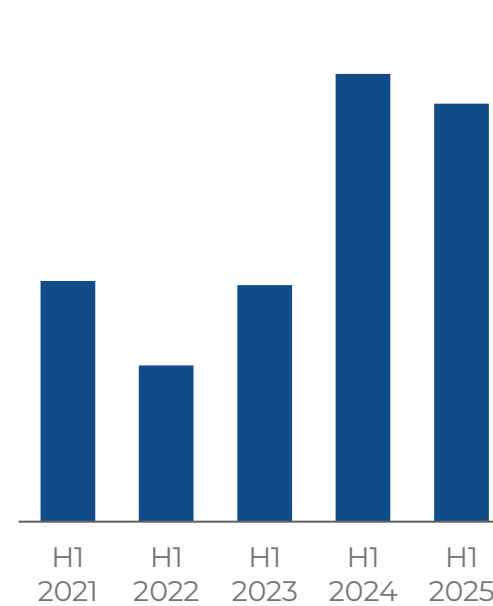
Insurance revenue

+10%
to R3 078m



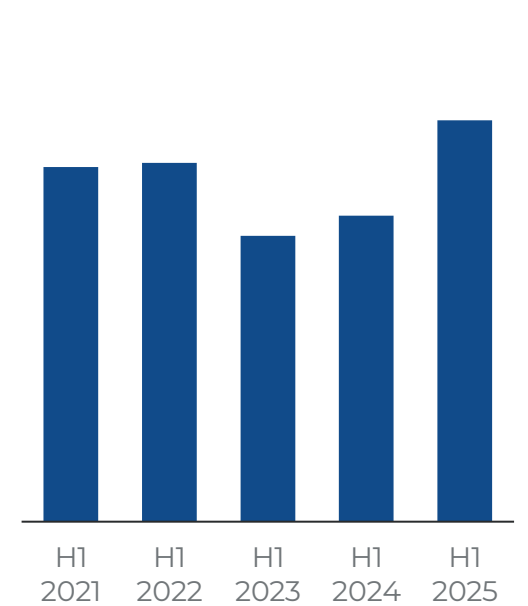
Gross new business

-1%
to R659m



Solvency

198%

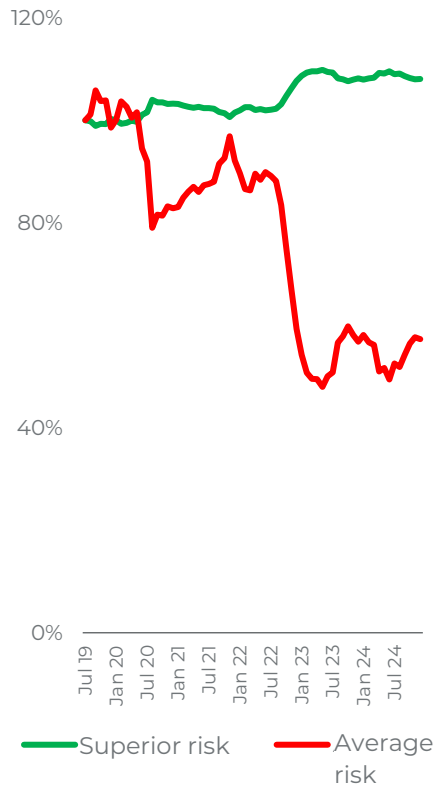


Vitality continues to drive improvement in quality



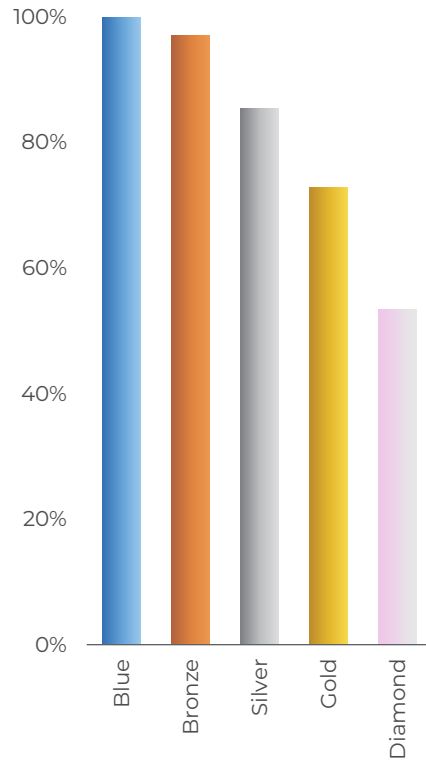
Disciplined approach to underwriting

New business based on insurance risk exposure



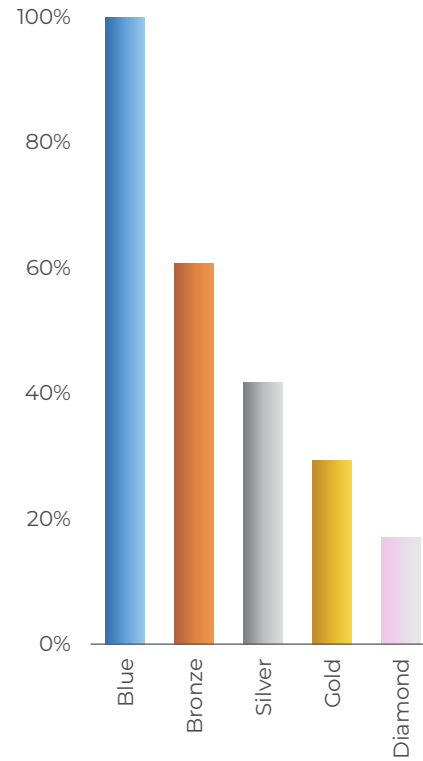
Targeted premium increases

Relative average anniversary increase by status



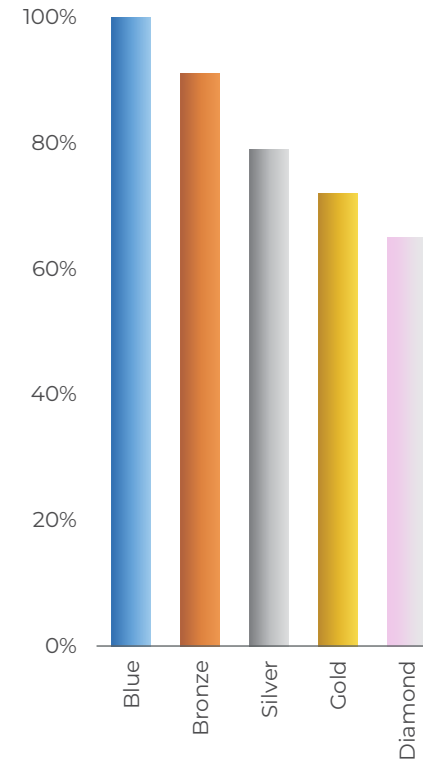
Retaining the right clients

Relative lapse rate by status



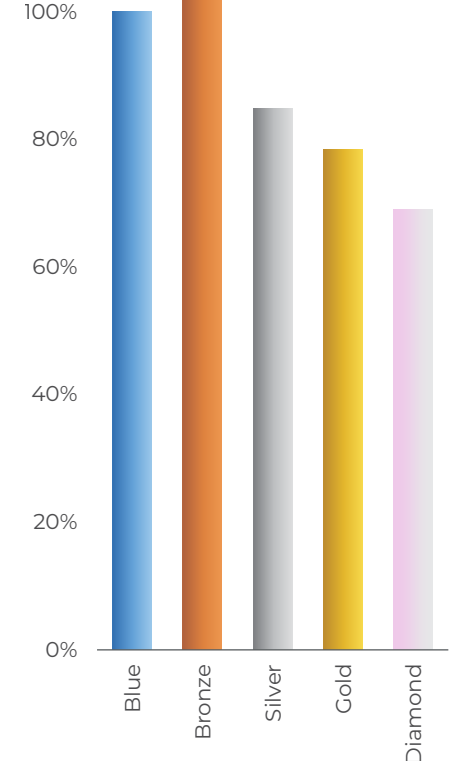
Lower severity by status

Relative accident severity by Vitality status

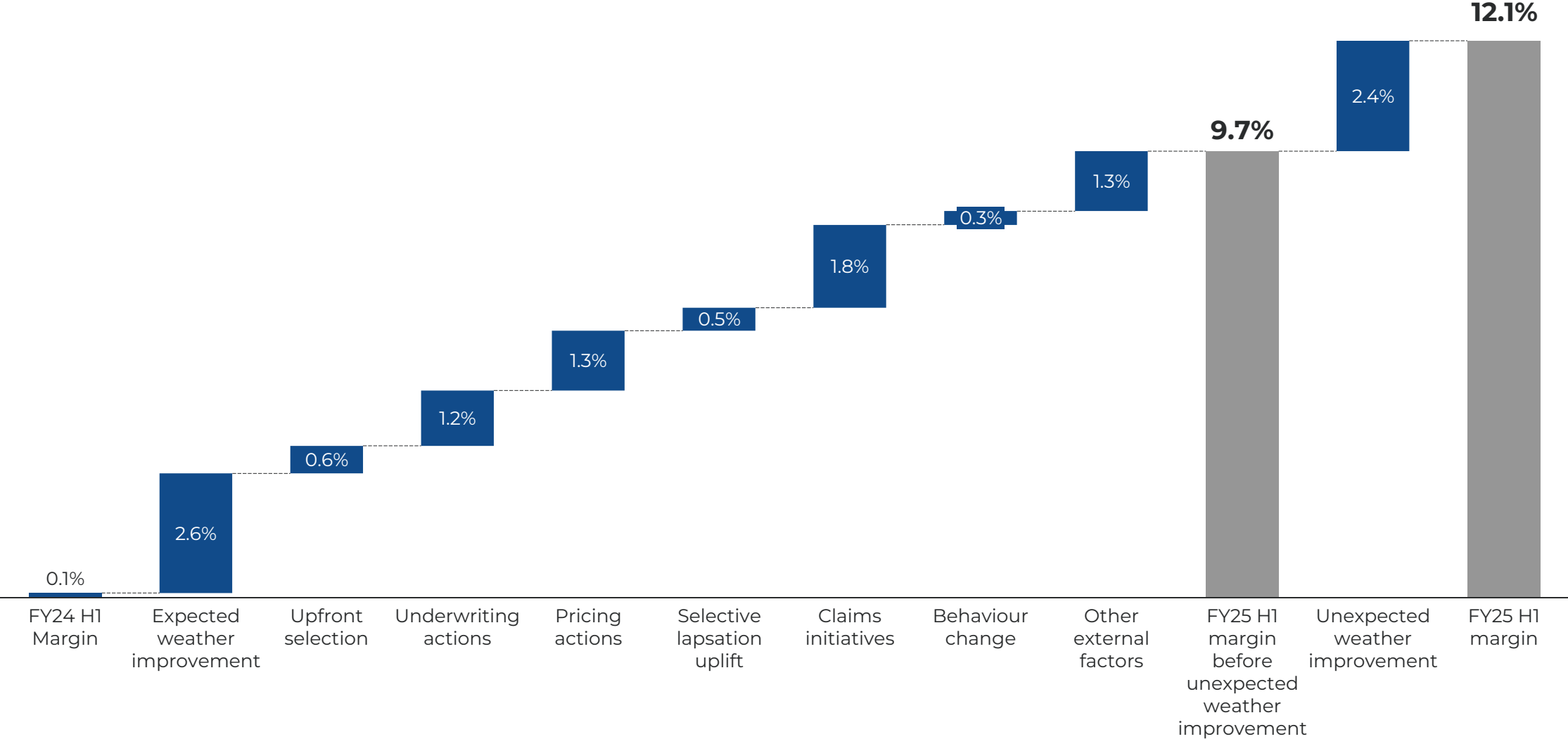


Lower loss ratio by status

Relative loss ratio by Vitality status



Strong margin recovery from management actions taken



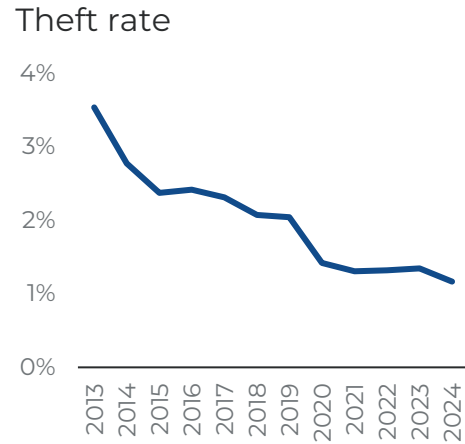
Profit margin based on insurance revenue

Material and consistent decrease in theft over time

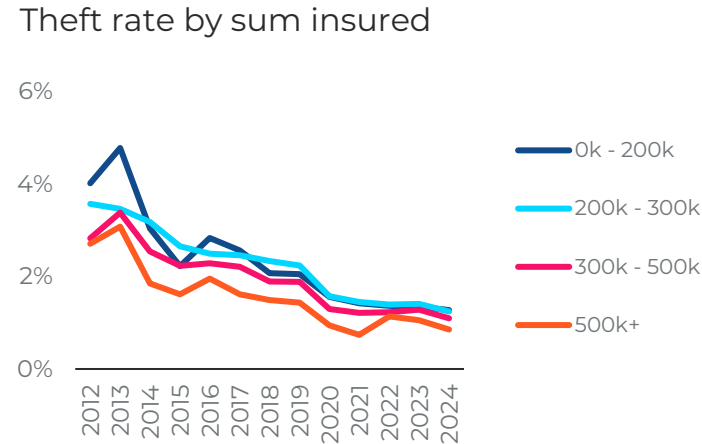


Motor theft

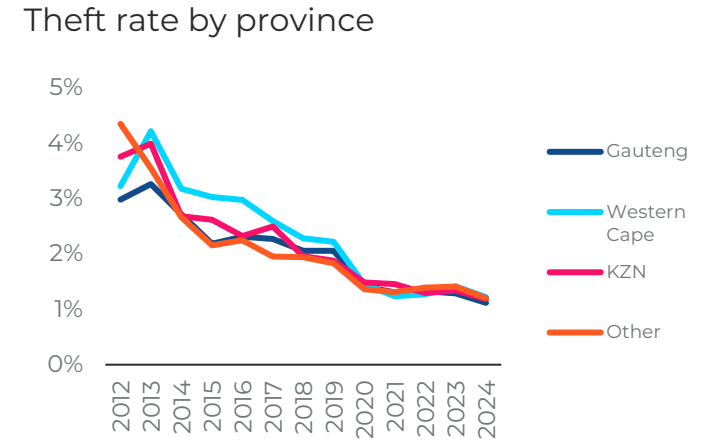
Decrease in theft rate over time



Consistent trend by sum insured

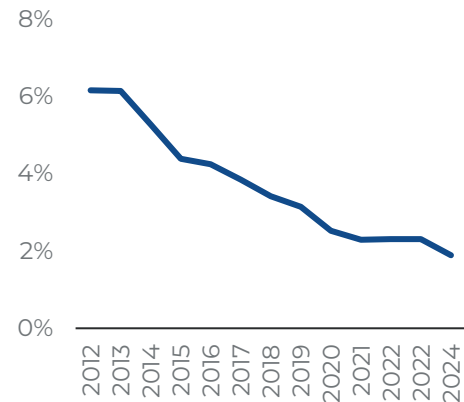


Consistent by geography

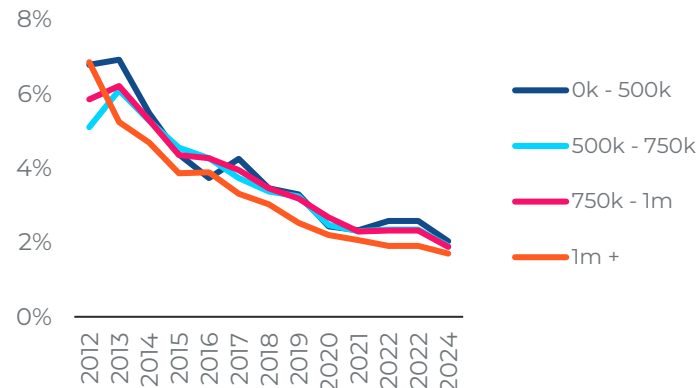


House and contents theft

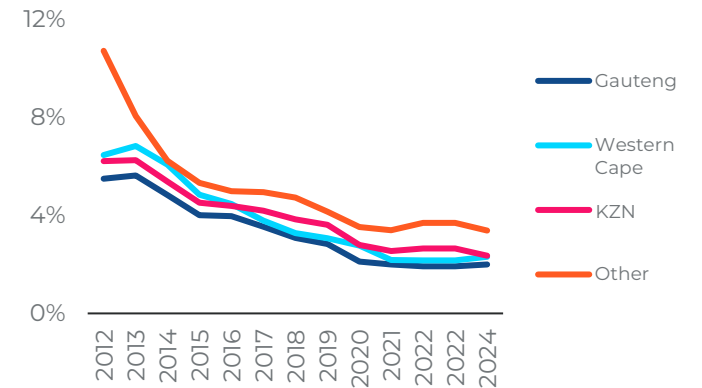
Theft rate



Theft rate by sum insured



Theft rate by province





Vitality



Successfully actioned significant price increases to mitigate increased PMI utilisation on the back of NHS pressure, with a strong retention of in-force business



Strong increase in quality new business in a commoditised and stagnant UK market



Strong margin expansion and integrated API growth, demonstrating the global relevance of the Shared-value Insurance model



Excellent progress in growing quality health insurance driven by continued operating delivery and strong gains from Chinese bond and equity market movements



Vitality USA acquired WellSpark, expanding beyond employee wellness into broader integrated digital health and care market. Amplify Health progressed in deploying healthtech solutions across Asia

A single global composite:

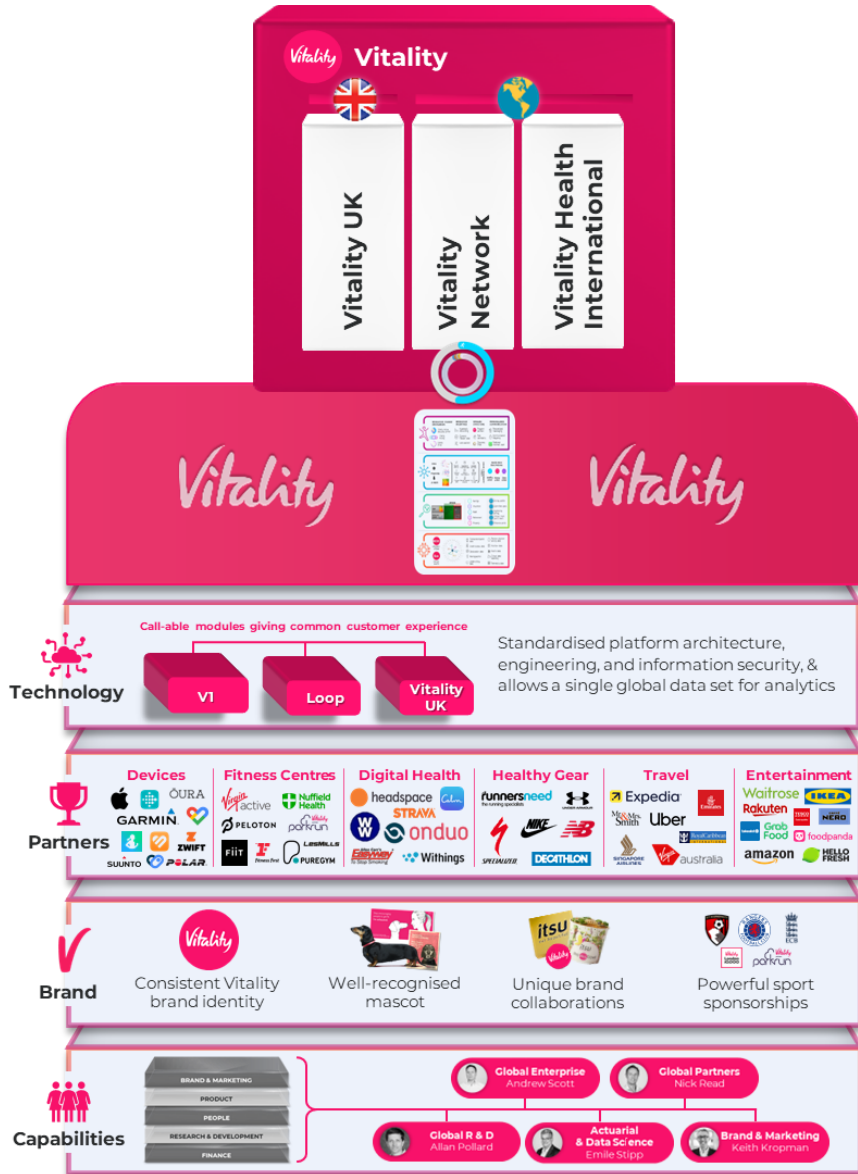
Single Vitality chassis to establish a unified approach to personalisation across markets, enhancing customer engagement and loyalty

Inter-operable technology platforms and consistent global enablement to achieve operational efficiencies, improved systems integration, scalability and reduced costs

Unified partner network to maximise benefits to our members while driving efficiencies globally

Single, more prominent brand to achieve greater brand recognition and market differentiation

Five centres of excellence to share best practice and ensure an appropriate level of alignment across the business

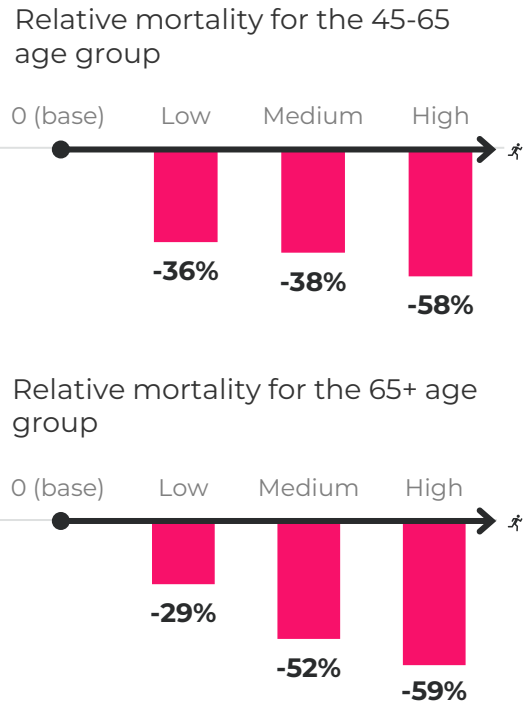


Incentivising behaviour change through hyper-personalised pathways



Causal

Physical activity has a significant impact on mortality

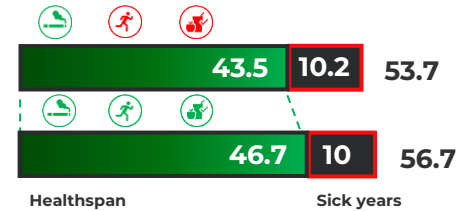


Elastic

Behavioural dynamics are universal, holding across ages and health status

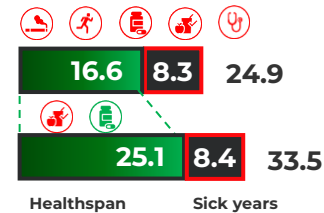
Young moderately healthy 30-year-old

+7%
increase in healthspan



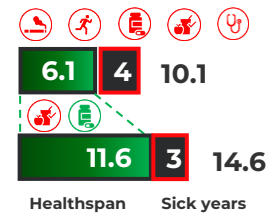
Middle age unhealthy 50-year-old

+51%
increase in healthspan



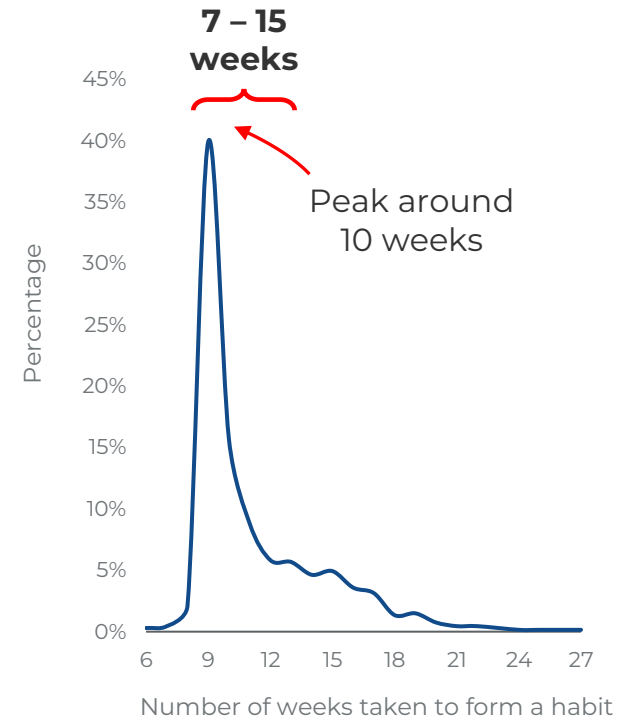
Advanced age unhealthy 70-year-old

+90%
increase in healthspan



Habitual

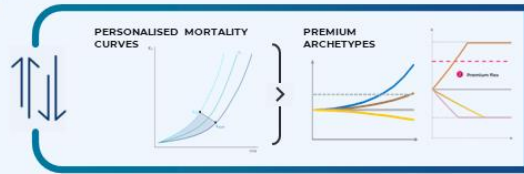
Habits form quickly and easily, yet their true strength lies in their durability





Vitality AI is the breakthrough solution for traditional model inefficiencies

Dynamic pricing



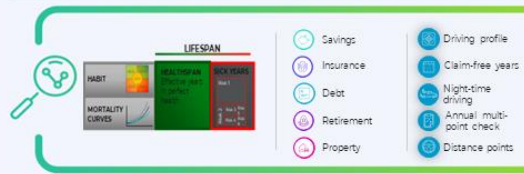
Incentivised engagement



AI recommender



Dynamic risk assessment



Data



Key value drivers

1. New business
2. Selection
3. Behaviour change
4. Selective lapsation
5. Upsell / cross-sell

Enhanced VoNB / IRR



Normalised profit

+12% **+11%**
to £40.0m to R926m

Premium income

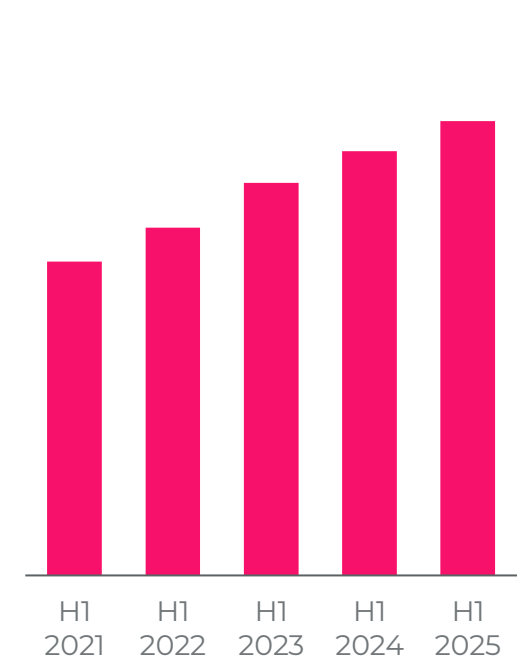
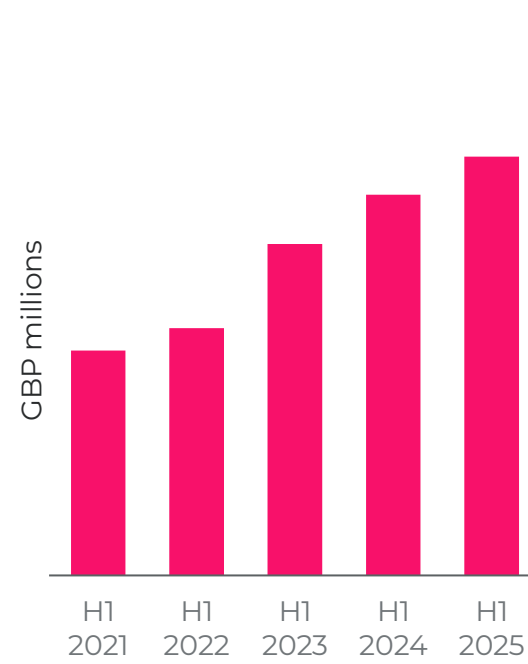
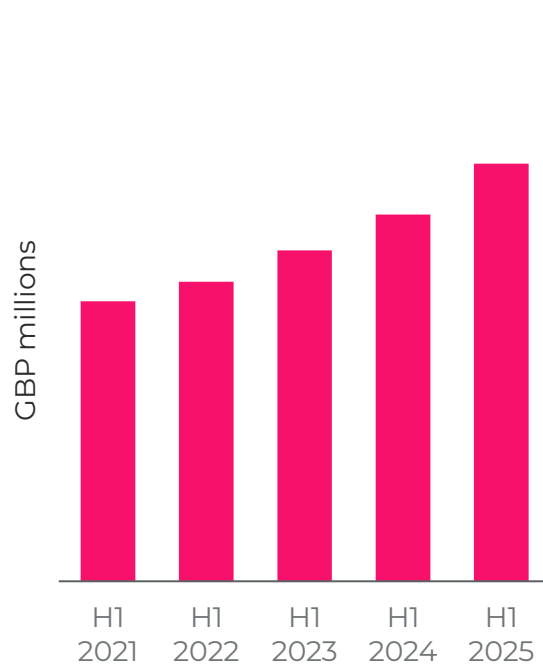
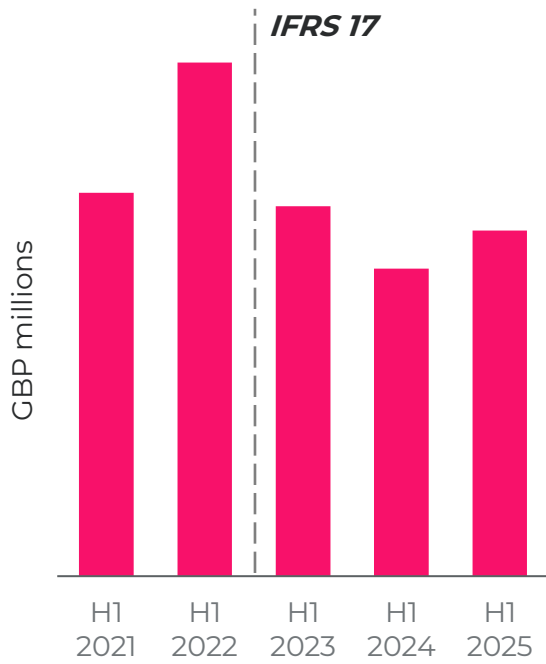
+14% **+12%**
to £610m to R14.1bn

New business

+10% **+9%**
to £104.9m to R2.4bn

Lives covered

+7%
to 1.9m



Normalised profit

+15% **+14%**
to £25.9m to R599m

Premium income¹

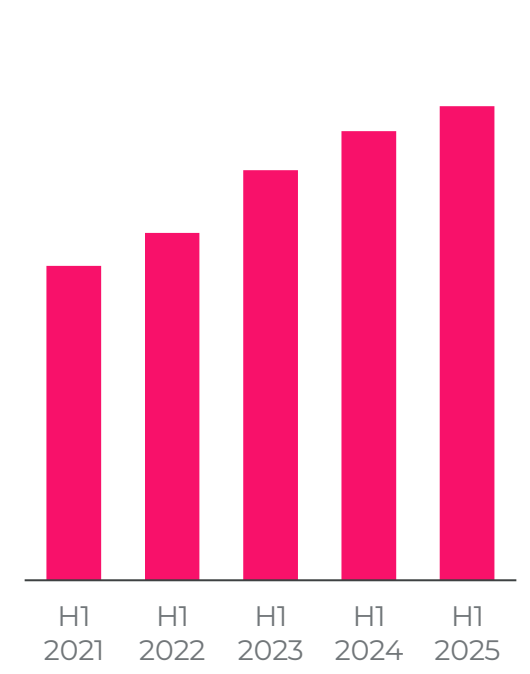
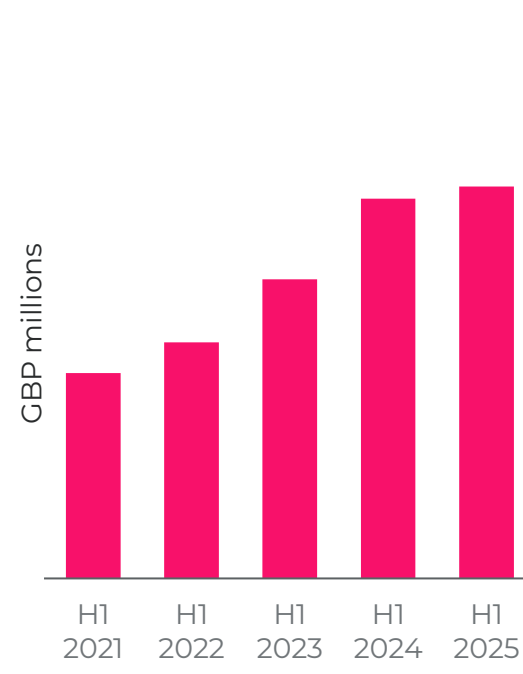
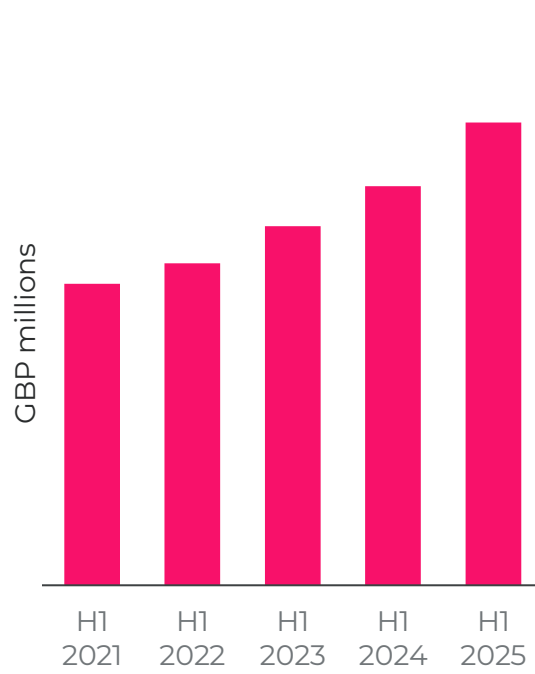
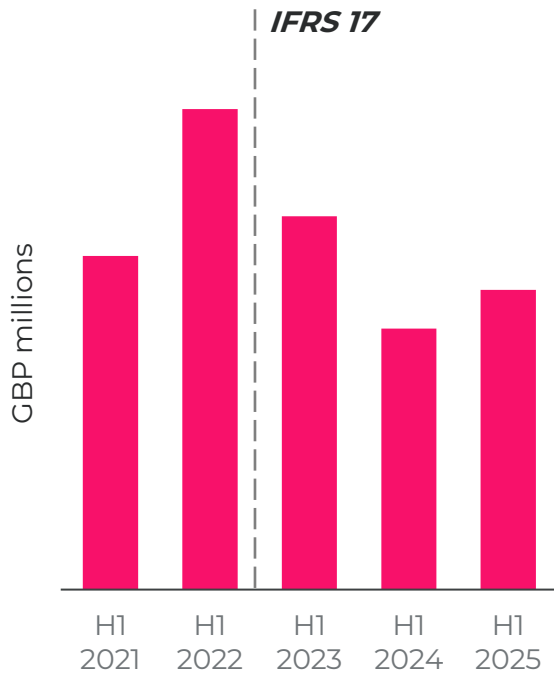
+16% **+15%**
to £394m to R9.1bn

New business

+3% **+2%**
to £57.3m to R1.3bn

Lives covered

+6%
to 1.0m



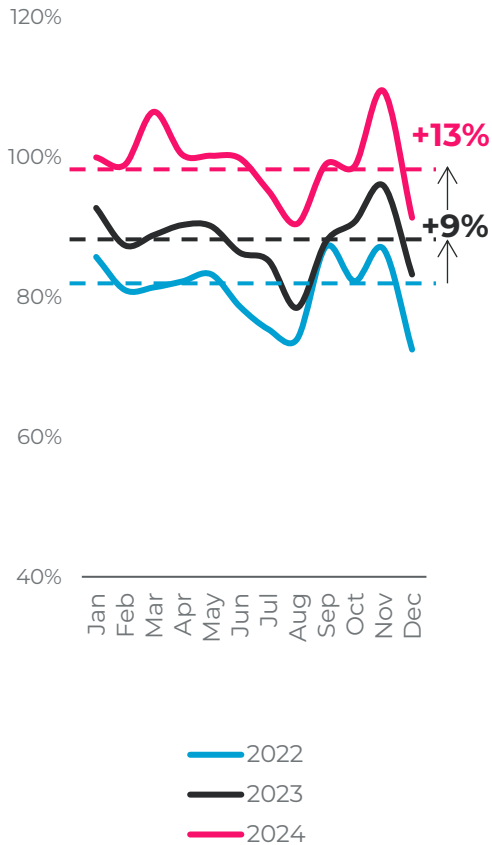
¹ Insurance revenue

Retention resilient despite pricing actions, expect recovery of margins



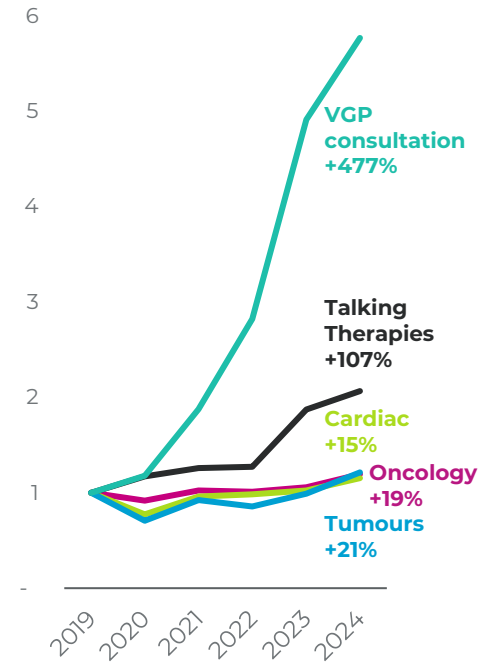
Increase in claims costs

Claims PLPM over time



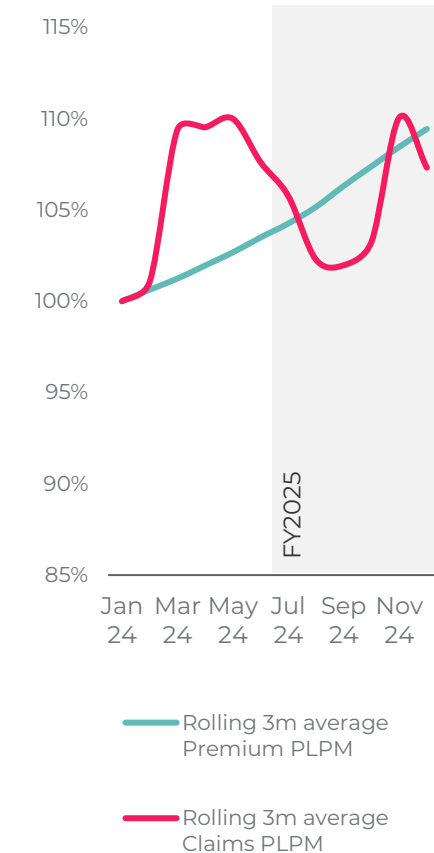
Shift towards primary care

Claim categories PLPM (indexed)



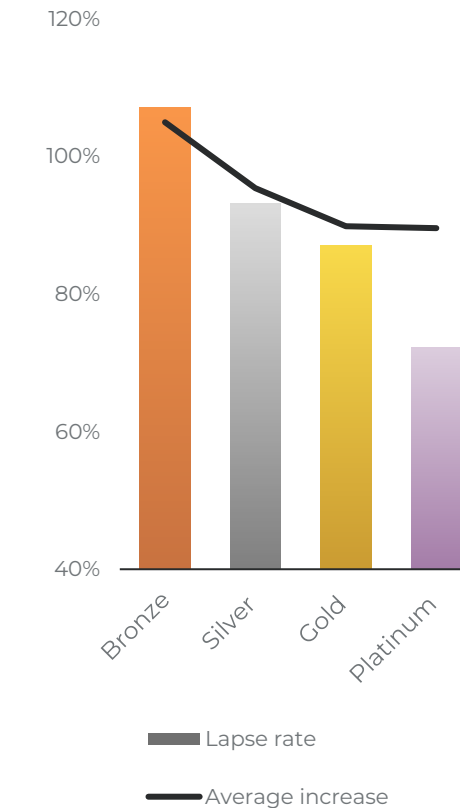
Pricing actions implemented

Premiums vs claims PLPM (rebased to Jan 24)



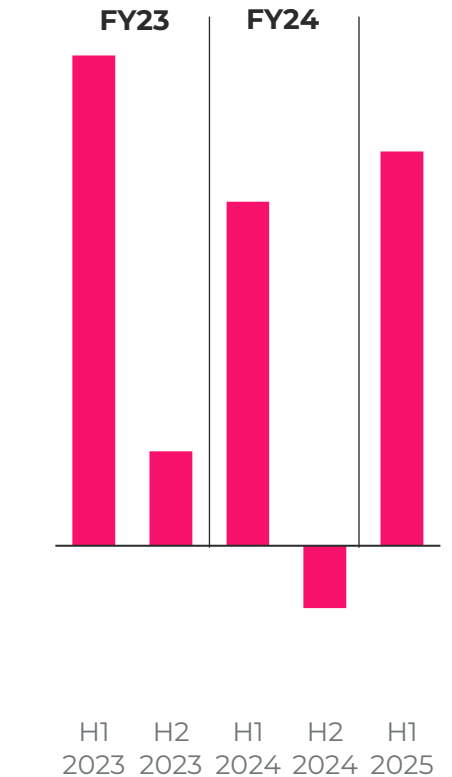
Selective retention of healthier lives

Lapse rates vs premium increase by Vitality status



Expect a recovery of margins

Normalised profit (GBPm)



Normalised profit*

+8% **+8%**
 to £14.1m to R327m

Premium income

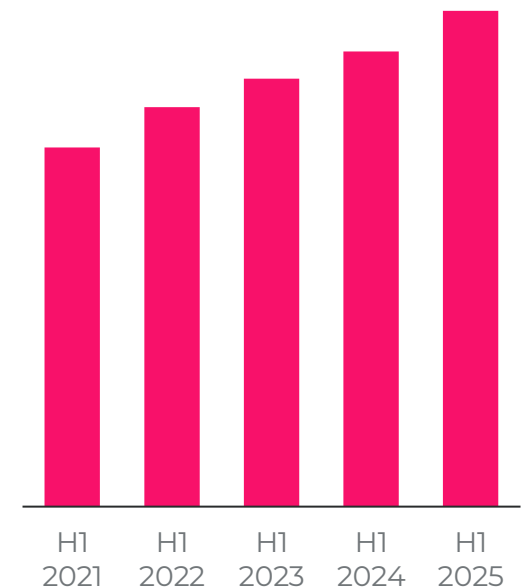
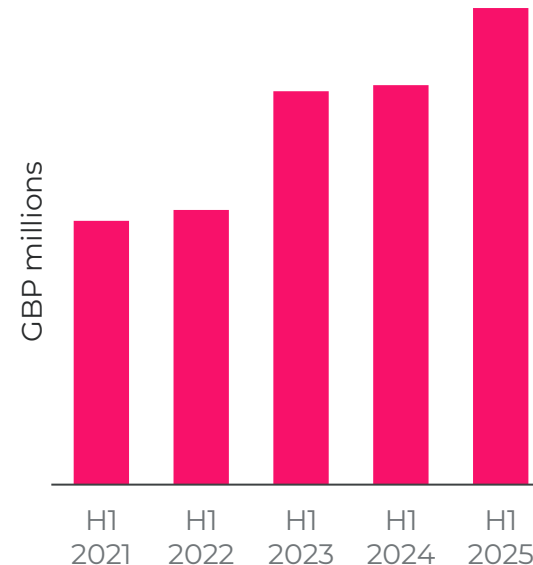
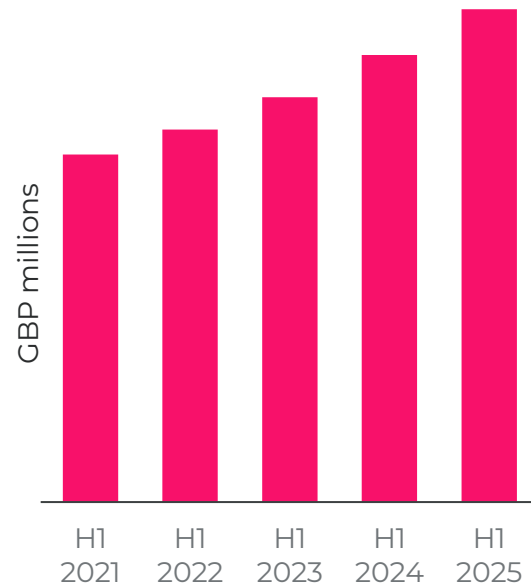
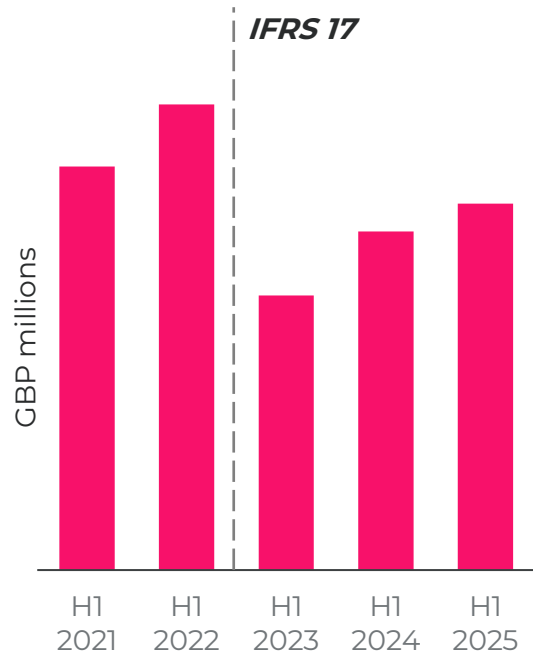
+10% **+9%**
 to £217m to R5bn

New business

+19% **+18%**
 to £47.6m to R1.1bn

Lives covered

+9%
 to 852k lives



*H1 2024 has been restated for IFRS17 accounting methodology changes applied in 30 June 2024 reporting

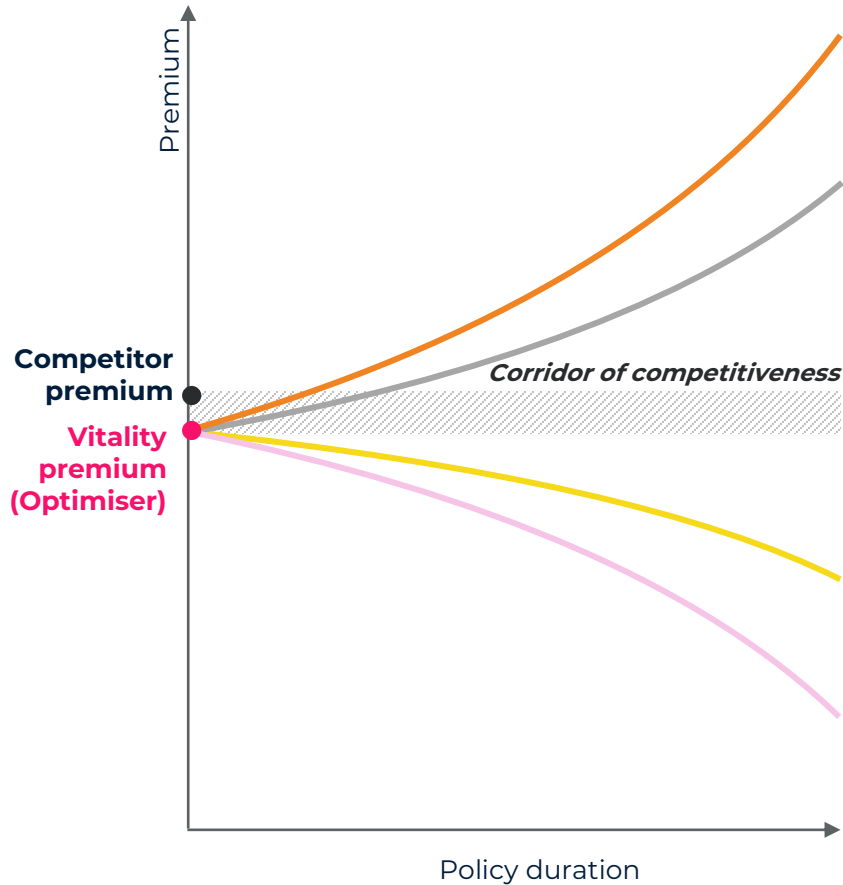
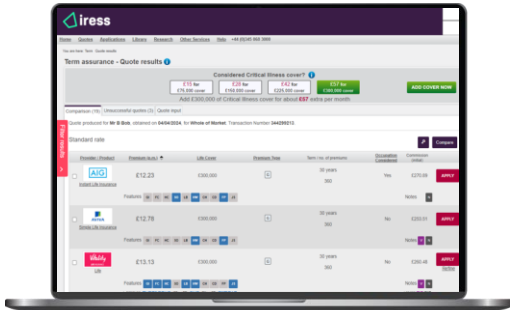
Price optimisation in a commoditised, portal-driven market



Sophisticated price optimisation and elasticity provides opportunity for Optimiser to compete on portals

Portal-driven market

Illustrative pricing



Optimiser allows us to compete on portals where price plays an important role

Up to 30% *lower than standard plan rates*

61% *of cases, Optimiser is cheapest*

1% *away from the cheapest, on average*



Dynamic rating enables us to accurately account for controllable risk throughout the policy duration



Regular and ongoing engagement through interactions that drive positive behaviour change

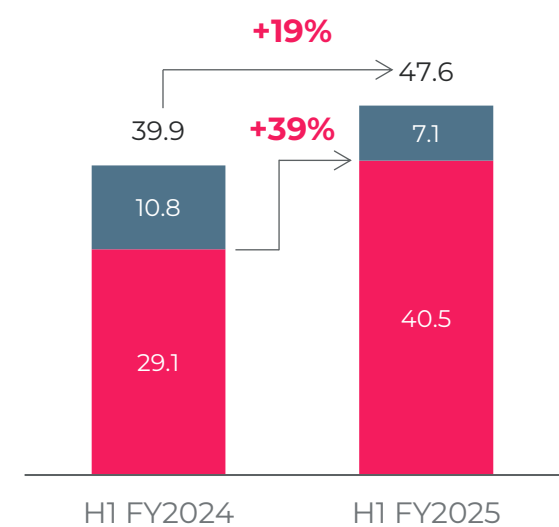
Exceptional new business growth in a stagnant market



39% net growth, despite a flat market

VL new business growth **+19%** vs market excl VL **-1%**¹

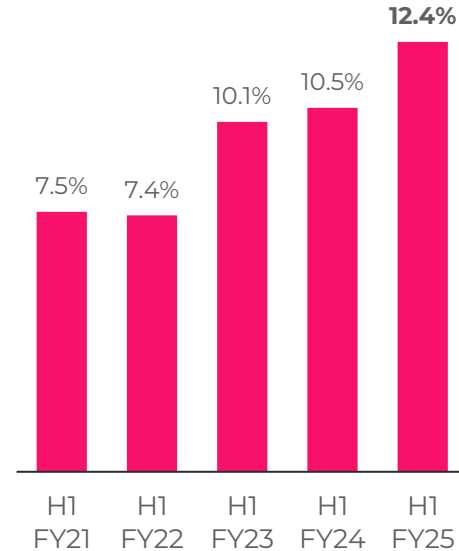
New business (£m)



- Automatic Contribution Increases (ACIs)
- Net new business (i.e. excl. ACIs)

Establishing solid market share

VitalityLife market share¹

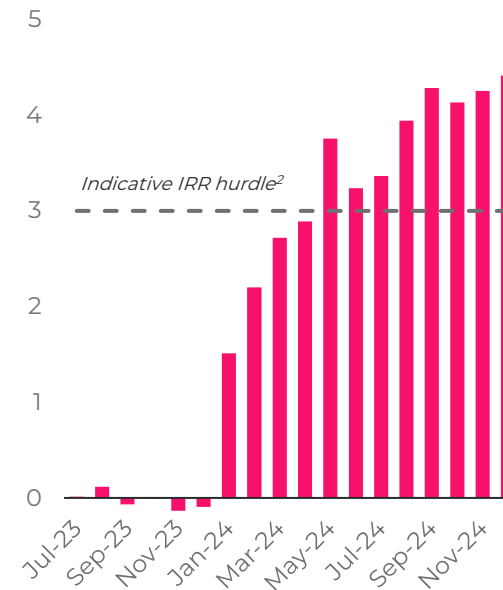


Key competitors:



Growing net new business value

New business net value (£m)



Significant change in value

VL continues to generate strong levels of net new business value. If maintained, VL's CSM and RA will grow for the year

£24.3m from -£0.2m in H1 FY24

New business net value (£m)³ (CSM and RA, less onerous new business)

£2.6m from -£5.7m in H1 FY24

VNB (£m)

¹ GenRe Protection Pulse; ² IRR hurdle line is indicative of the average monthly level of net new business value required to achieve VL's internal IRR hurdle rate, but in practice this will vary dependent on the relative level of fixed expenses, new business and profitability; ³ CSM & RA on NB excludes the impact of new reinsurance contracts attaching to the in-force book in the period. The total CSM and RA on all contracts inception in the period was £13.3m (new business net value excluding financing)

Value generation of business under IFRS 17

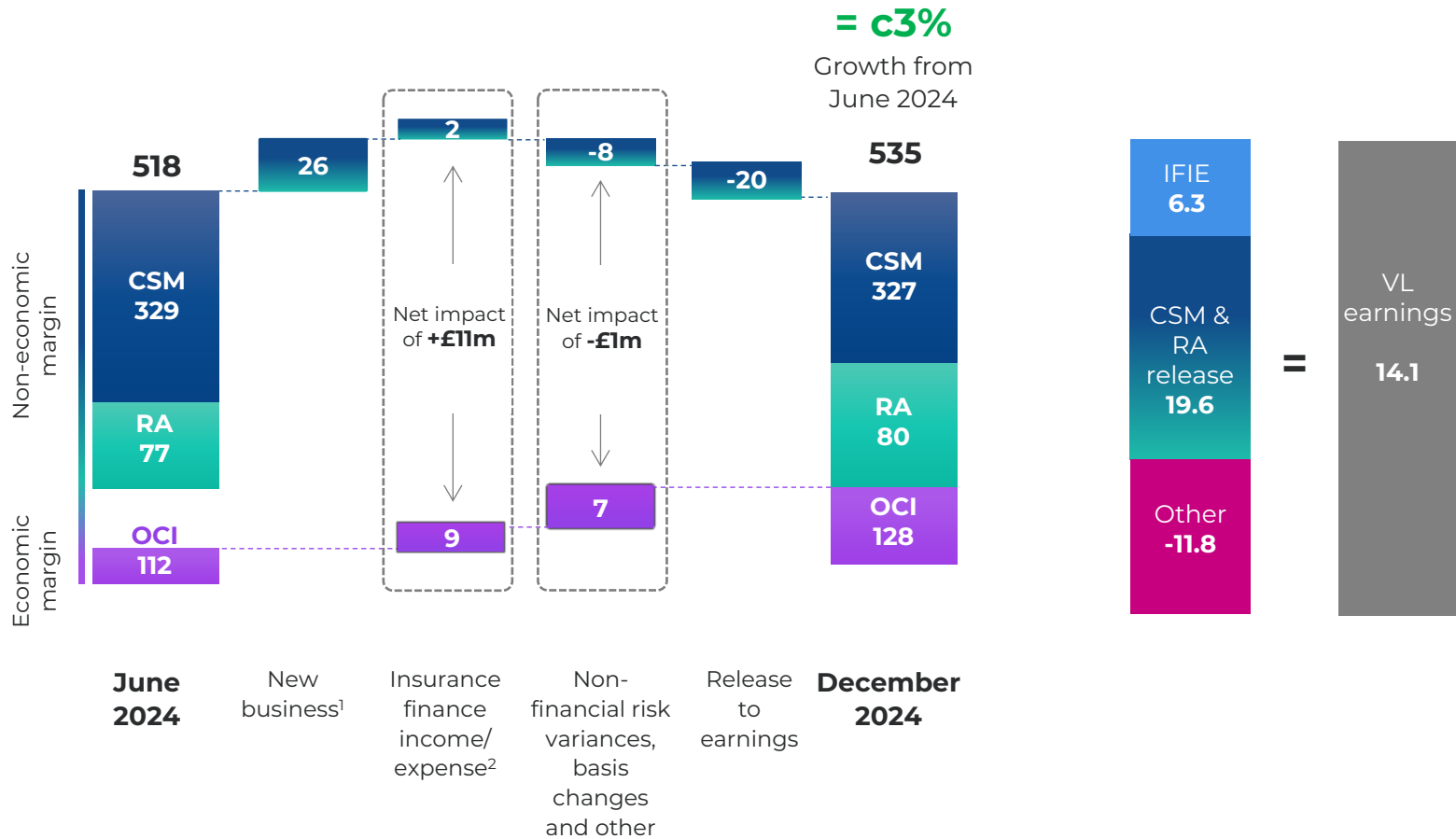


Store of value absorbs variances and plays out as earnings during the period

GBPm

IFRS 17 **stored value** absorbs variances and basis changes

Components of **VitalityLife earnings**



- 1** Total margins increased by c3% from £518m at June 24 to £535m at December 24
- 2** Non-economic margins increased slightly from June 24 to December 24. This is an important feature for future earnings
- 3** Strong levels of margins generated on new business more than offset release of CSM & RA to earnings
- 4** Non attributable costs, in period cashflow variances and impact of onerous business (after establishing a risk margin) marginally offset CSM & RA release and positive IFIE in earnings

1 New business net value excludes the impact of new reinsurance contracts attaching to the in-force book in the period. The total CSM and RA on new contracts incepted in the period was £16m. The difference is included in 'Non-financial risk, variance, basis changes and other'; 2 Includes changes to assumptions related to financial risk

Strategic vision for Vitality UK



Focused ambition



Transforming the **UK health and life insurance markets** through shared value powered by Vitality AI

Underpinned by clear objectives



Top 3 UK health and life insurer



Highest brand recognition in the market



Renowned for market-leading customer service

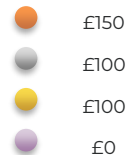


Changing behaviour through hyper-personalisation

Enabled by powerful shared value differentiators

Shared-value product features manage risk over time

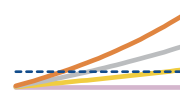
Status-linked excess



ABC pricing



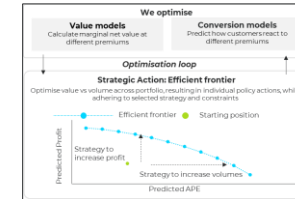
Optimiser



Employer cashback



Advanced price optimisation drives growth in profitable segments



Supported by an aspirational brand

Bold messaging that emphasises insurance as a tool for living a richer, longer life

Vitality helps members live up to **5 years longer**

Externally validated



Partnered with leading brands



Brought to life across the UK

Ambassadors



Sponsorship portfolio

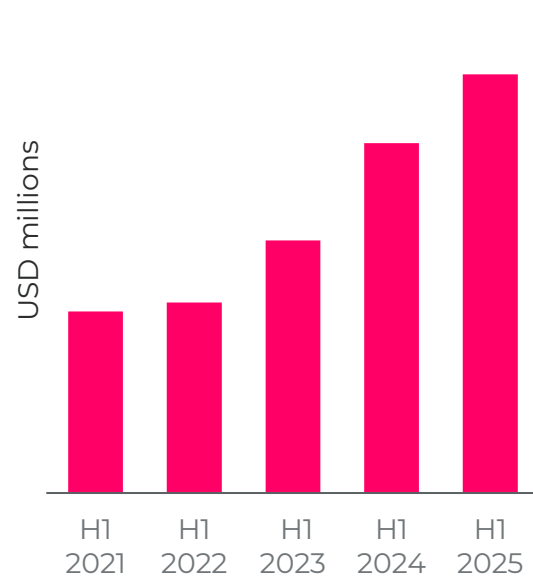


A large red circular logo with the word "Vitality" in white script font, followed by the word "Network" in a bold, black, sans-serif font. The logo is centered on the page.

Vitality Network

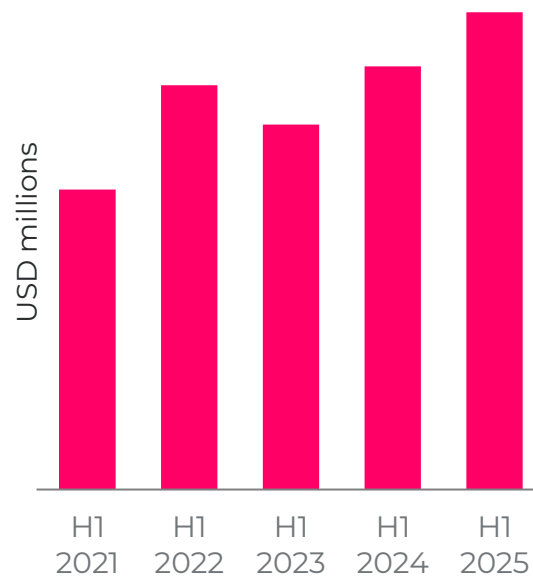
Normalised profit

+20% to \$18.9m
+15% to R339m



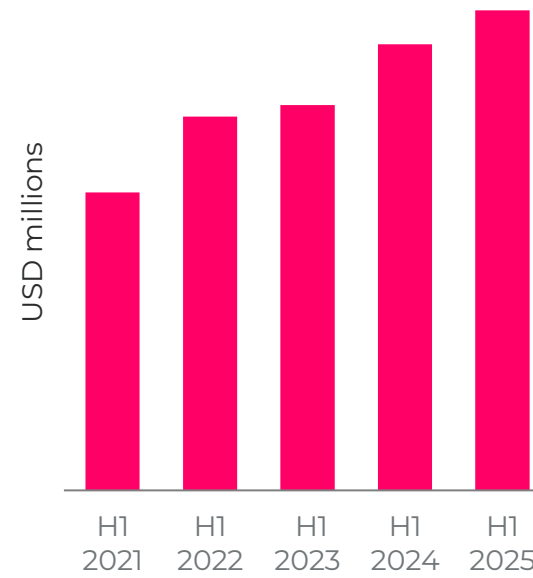
Integrated API by insurance partners

+13% to \$909m
+8% to R16.3bn



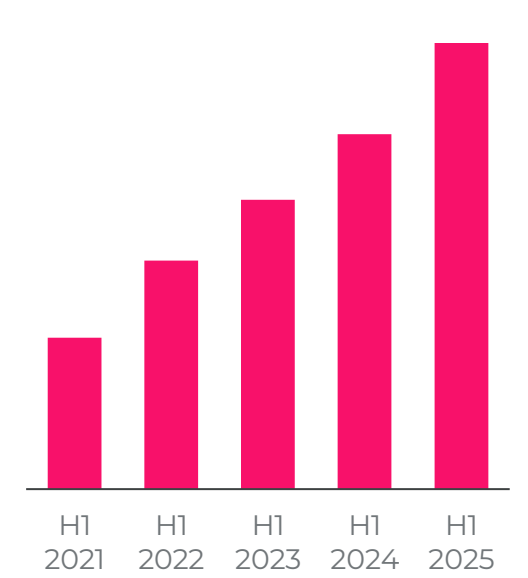
Revenue

+8% to \$54.1m
+3% to R970m



Insurance partners membership

+26% to 6.2m



Vitality Network's key strategic focus areas



1

Revenue growth through deepening of existing partnerships and pursuit of new opportunities



John Hancock | Vitality

Strong performance from John Hancock with 29% increase in performance fees



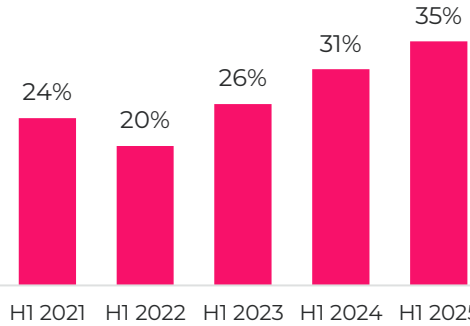
SUMITOMO LIFE Vitality

Substantial growth from SLI with 2 million Vitality policies sold

2

Unlock geared profits through operational efficiencies generated from scaling

Profit margin

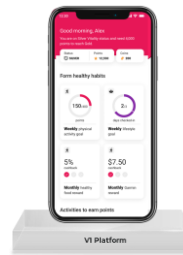


35% Profit margin for H1FY2025

+4% Increase in profit margin from H1FY2024-H1FY2025

3

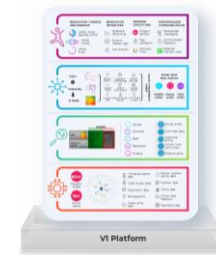
Evolving Vitality products through hyper-personalisation and Vitality AI



New mobile experience successfully launched across 3 markets – Pakistan, Netherlands and Ecuador



Rebuild of mobile app to enable greater hyper-personalisation and member engagement



Leveraging Vitality AI to drive engagement

Positive impact of shared value observed across markets



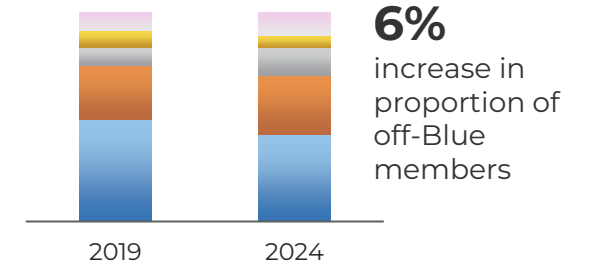
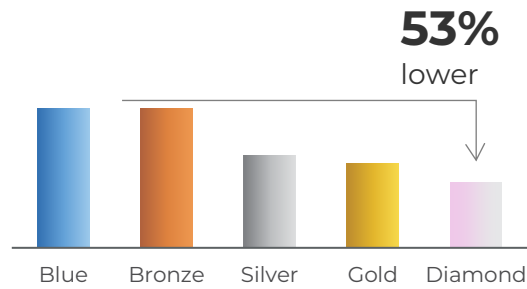
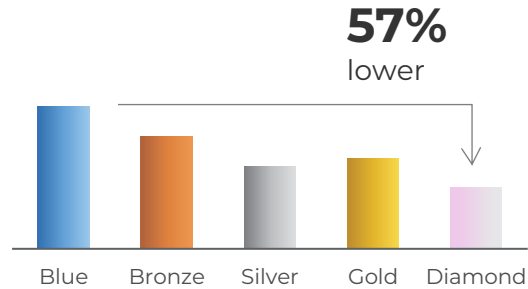
Claims correlations

Lapse correlations

Member engagement

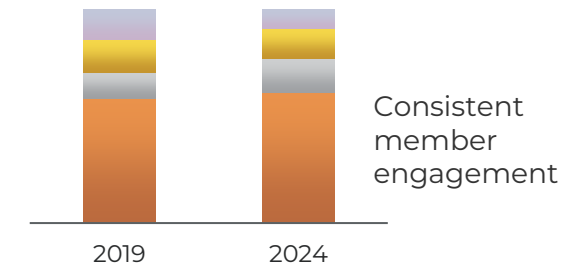
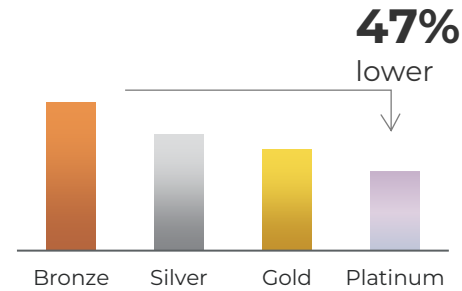
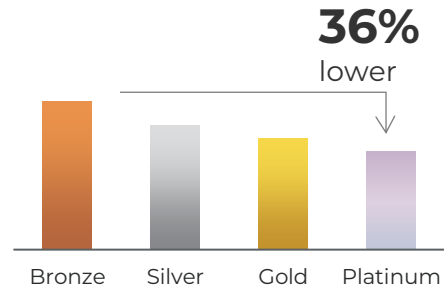


Discovery Life
27% market share



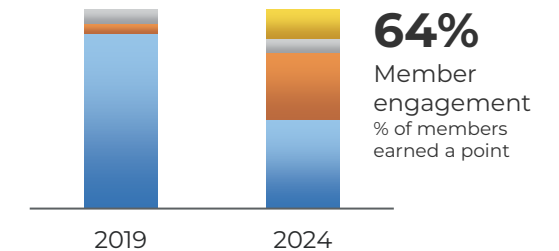
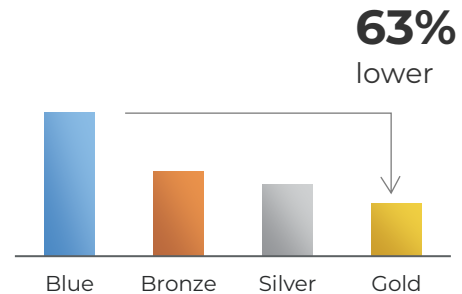
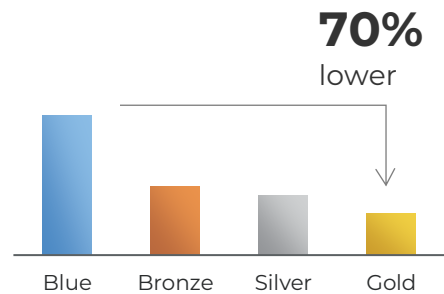
4th largest life insurance market

Vitality Life insurance
~12% market share



3rd largest life insurance market

SUMITOMO LIFE Vitality



平安健康保險

PING AN HEALTH INSURANCE

Ping An Health Insurance



PAHI's operating results pre-tax

+62% **+57%**
 to RMB906m (RMB226m DSY's share)
 to R2.3bn (R565m DSY's share)

Discovery's operating result after tax

+27% **+23%**
 to RMB170m to R424m

PAHI licence earned premium¹

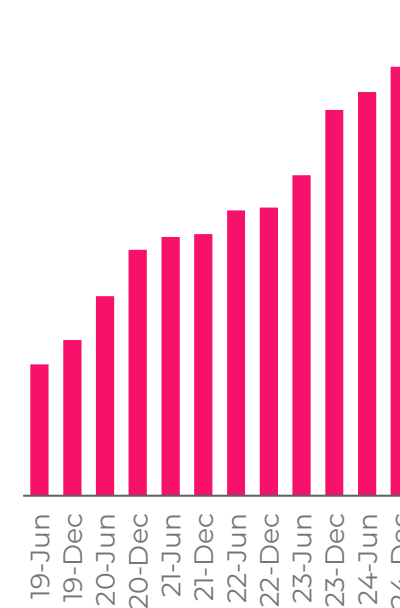
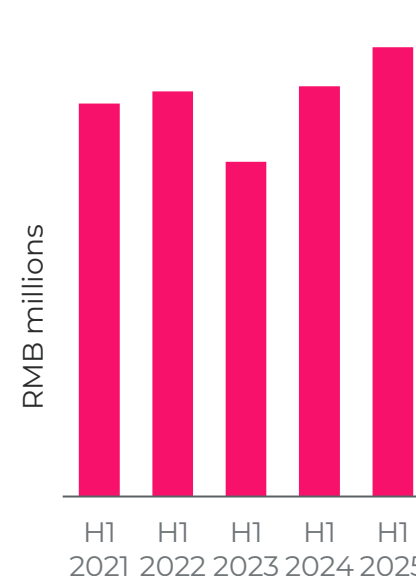
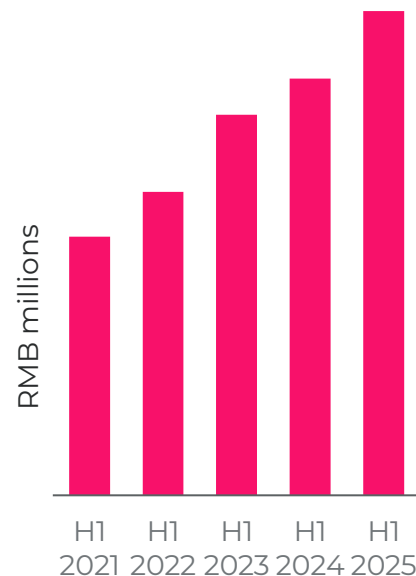
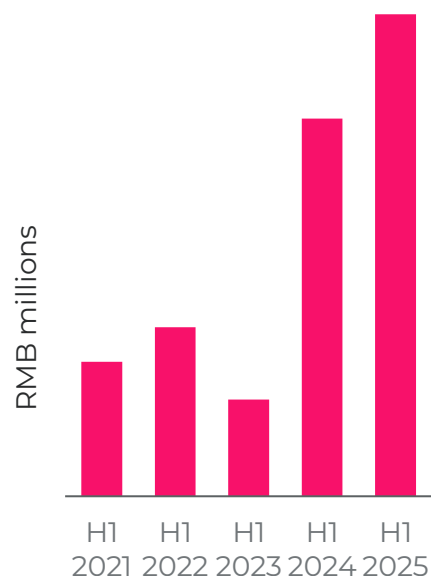
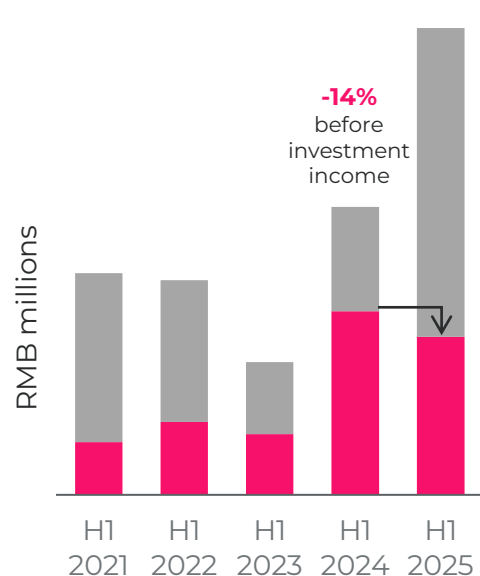
+16% **+13%**
 to RMB8.3bn to R20.7bn

PAHI licence new business¹

+10% **+6%**
 to RMB1.7bn to R4.4bn

Lives

+11%
 to 29.1m PAHI licence lives

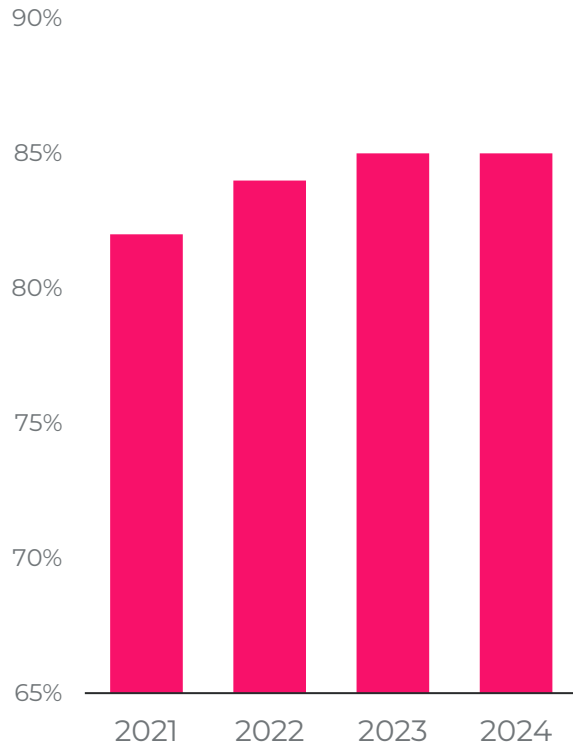


■ Investment income and gains
 ■ Profit before investment income and gains

Superior operational performance and growth

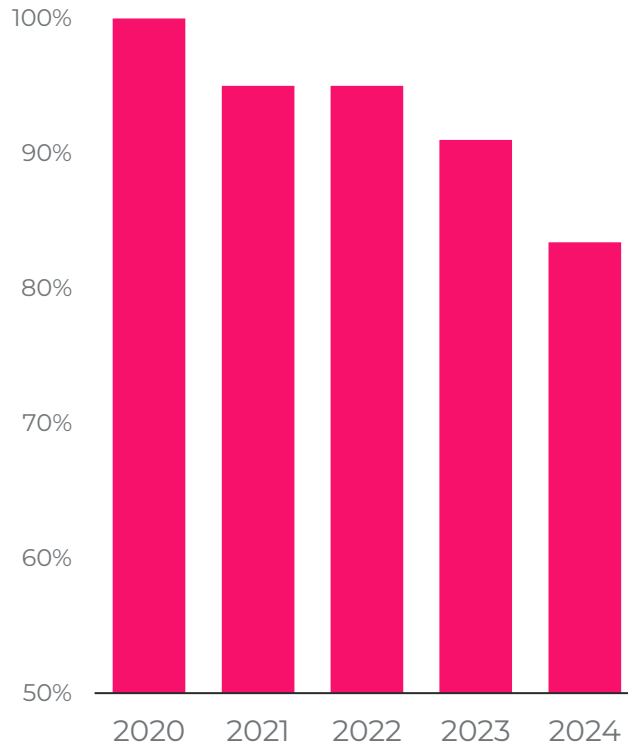
Strong persistency

Reapplication rates (%)



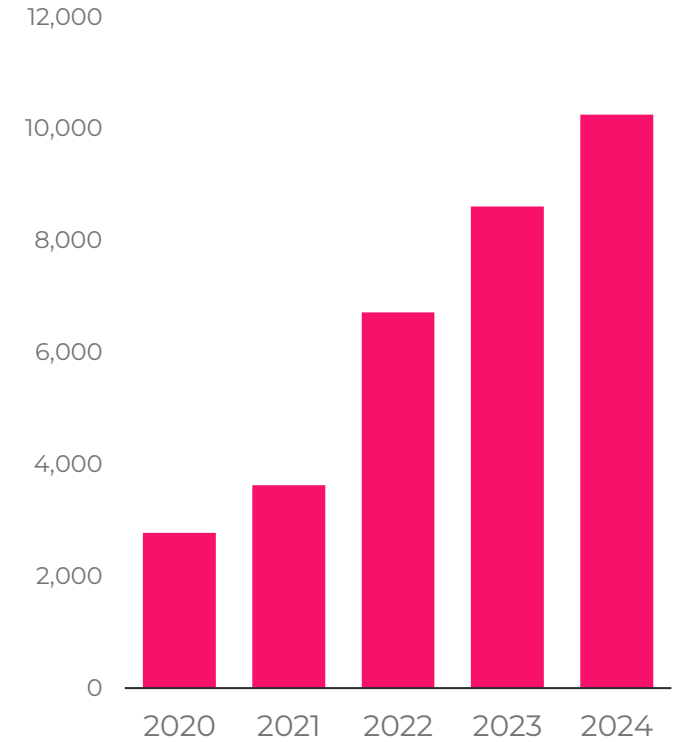
Improving operating performance

Combined ratio (%)



Significant balance sheet growth

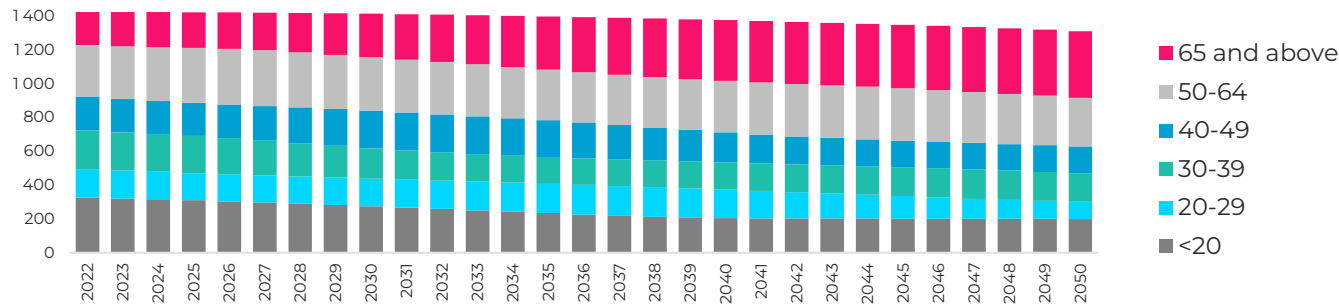
Net asset value (RMB millions)



Increasing demand for private healthcare drives growth in Commercial Health Insurance

China's aging population calls for a high-quality, multi-levelled, Commercial Health Insurance system

China's population by age band¹ (m)



Evolving factors drive further private healthcare demand

Macroeconomic factors

Renewed fiscal and monetary stimuli to counter past macroeconomic headwinds, unleashing the health sector's underlying growth⁴

Micro-sectoral factors

Expected expansion of tax incentives for Commercial Health Insurance⁵

Rising demand for original medicine drives health insurance demand⁶

Fiscal constraints shift healthcare spending pressure towards households⁷

Rising volumes of health risks put pressure on the Social Health Insurance

From 2015 to 2021, China has seen...

+20% Rise in diabetes & kidney diseases disability adjusted life years (DALYs)²

+13% Rise in neoplasms DALYs²

+12% Rise in cardiovascular disease DALYs²

+3.6%

Increase in Commercial Health Insurance spending as a share of China's total healthcare expenditure³

-1.8%

Decrease in Social Health Insurance spending as a share of China's total healthcare expenditure³

PAHI continues to grow in a competitive market

Health insurance premiums written by specialised health insurers
RMB71.1bn (9%)

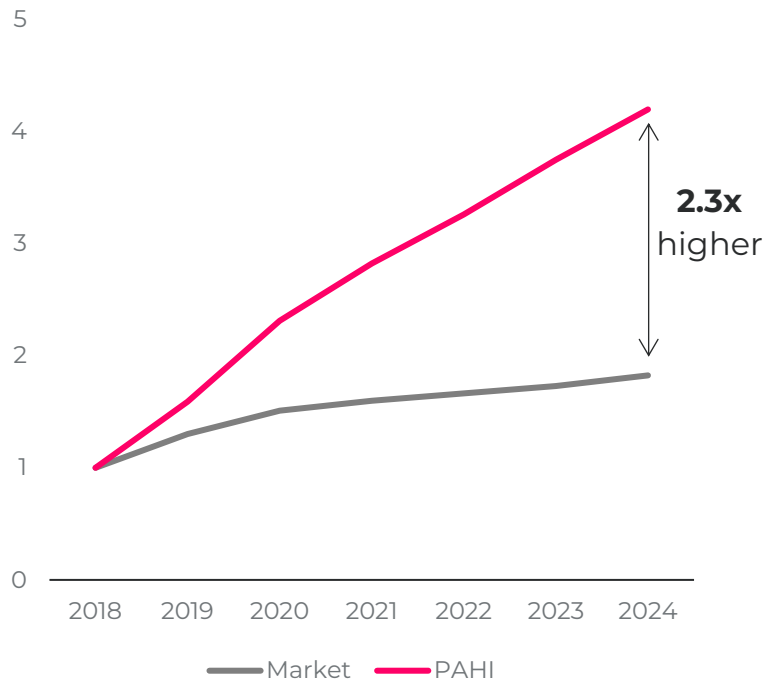
Total health insurance premiums written by all financial institutions in China
RMB822.5bn (100%)

Profit margin rank	Market share rank		Scale Q1 – Q3 2024	
1	2	 平安健康保险 PING AN HEALTH INSURANCE	RMB15.6bn	PAHI leads health & wellness service-driven specialised health insurance. Through its health ecosystem of “ insurance + health services + health management ”, PAHI ensures that policyholders are not only insured against disease but also actively manage and improve their health. It leverages the shared-value model of insurance to retain customers and control risk
2	1	 PICC	RMB44.0bn	An early entrant in the specialised health insurance, PICC Health is a state-owned entity that leverages government resources and holds competitive position in “ policy-backed health insurance ” market (e.g., major illness insurance). Its business is integrated with the SHI, reaching a large population in third- and fourth- tier cities and rural areas
3	3	 太平洋保险 CPIC	RMB6.0bn	CPIC Health products lead towards standardisation . Its strengths lie in its cooperative network with public hospitals and group supplementary medical insurance for corporate employees
4	4	 FOSUN HEALTH 复星联合健康保险	RMB4.3bn	Fosun Health has the advantageous access to Fosun Pharma's pharmaceutical and medical products and innovation. Fosun Health focuses on the integration between medicine and insurance and is known for covering innovative drugs and cutting-edge treatment
5	5	 瑞华保险	RMB1.2bn	Ruihua Health Assurance' products are tailored to four clearly defined market segments: special care (for chronic conditions), urgent care (for high end customers), long-term care (for elderly), and affordable solutions . Ruihua focuses on digitalisation, technology integration, and customer service, making it popular amongst the digitally-savvy customers

Strong performance relative to market

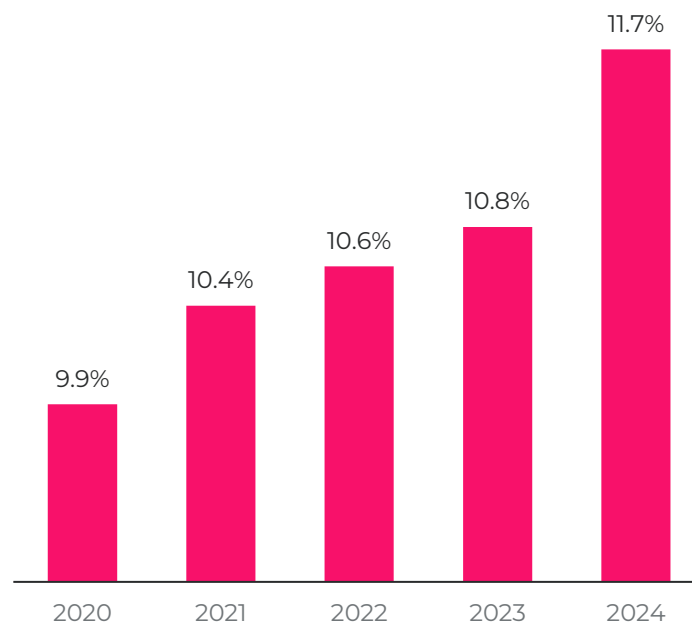
High growth relative to market

Revenue growth (rebased)



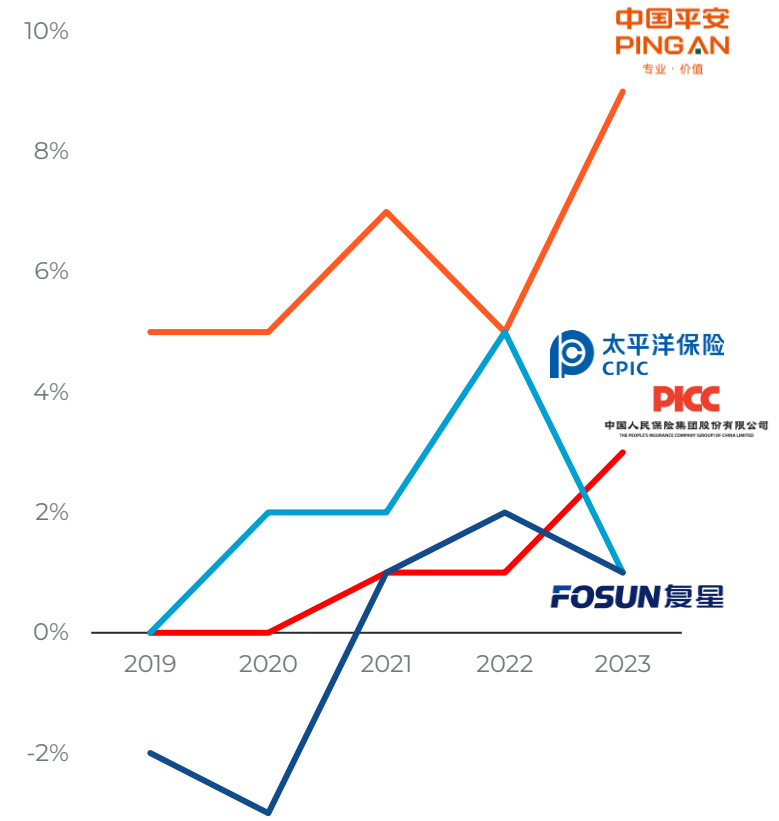
Growing market share

PAHI market share (%)¹



Superior operational performance

Net profit margin



Note: 1. PAHI's market share of accessible sectors of the market



Vitality Health International (Other)



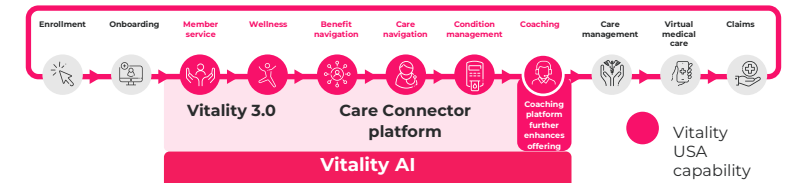
1 Acquisition of WellSpark, from EmblemHealth, a prominent New York health plan administrator



2 Continued progress in sales to US health plans, a key strategic segment, and expansion into significant Medicare Advantage market



3 Strong progress in product and technology implementation, particularly Vitality AI, and execution of cost efficiencies



1 Successful deployment of nine health tech solutions across six Asian markets¹



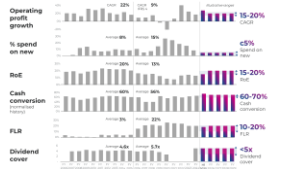
2 Integrated product stack now included in Amplify Health's overall proposition for deployment to AIA markets and external clients

Products (SaaS)	Digital Health Engagement Payment Integrity Claims Administration Business Intelligence Clinical Informatics	Business Solutions Advisory Managed Services
Healthtech Launchpad (PaaS)	Innovation Accelerator	
Data Platform (DaaS)	Data Commercialisation Enabler	



In summary

Key insights from H1 FY2025 performance



1 Growth

Profit growth	% spend on New	Cash conversion ratio	RoE	FLR	Interim dividend growth
27%	5%	75%	15%	18%	34%



2 Consistency

Normalised profit growth

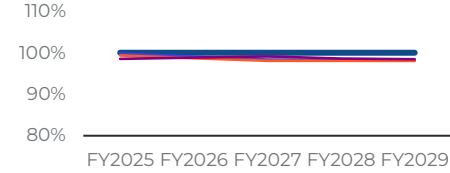
Health	Life	Invest	Insure	Bank	VH	VL	VN	PAHI
+8%	+15%	+46%	>100%	+57%	+14%	+8%	+15%	+23%



3 Resilience

1. Liability matching
2. Interest rates hedged
3. Currency matching
4. Appropriate liquidity buffers
5. Mitigate lapse risk
6. Monitor new initiatives

Set of defined risk principles



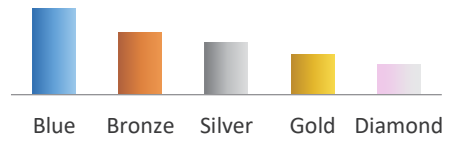
Resilient to stresses



4 Shared value

Health Insurance	<ul style="list-style-type: none"> Focus on public health Ageing population Increasing chronicity Scaling technology use 	Legal contract inflation
Life Insurance	<ul style="list-style-type: none"> Mature and emerging markets Capex to enhance with long product periods Commoditisation and digital distribution Consumer study and retaining customers loyalty 	Acceptable return on capital
Long-term savings	<ul style="list-style-type: none"> Transfer of risk moving from Defined Benefit to Defined Contribution 	Reduction in long-term savings
Short-term insurance	<ul style="list-style-type: none"> Stable when alternative asset COVID-19 Being more visible and transparent 	Strong presence in retail products
Banking	<ul style="list-style-type: none"> Shift to 'strong bank' - commoditised and low growth, with a focus on transaction banking and payment processing 	Multi-banked clients

Using shared-value model in response to industry trends

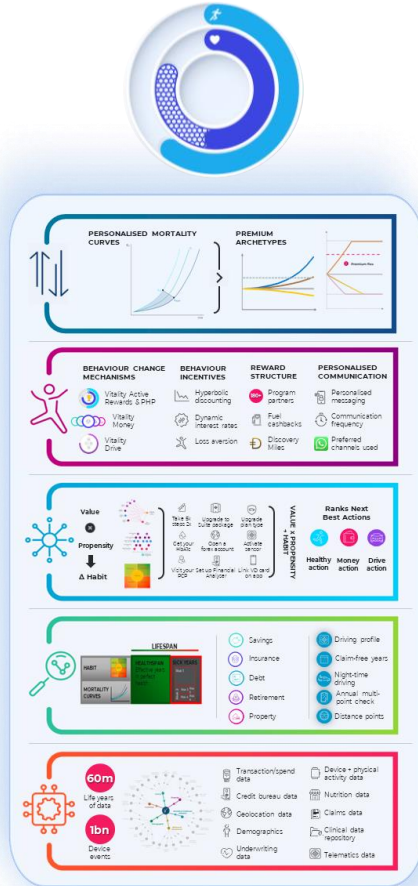


Significant status correlations

Strong prospects for growth in the Group's new lifecycle



Vitality AI next dimension of shared-value model



Strong growth from the composites

12.5% to 17.5%

average earnings growth p.a. (FY25-FY29)

20% to 30%

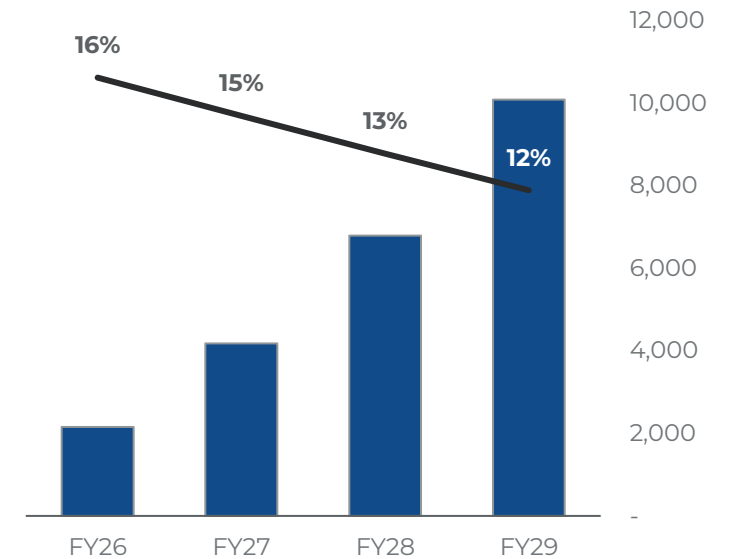
average earnings growth p.a. (FY25-FY29)



15-20% CAGR

Strong growth gives resilience and optionality

Illustrative Group leverage and accumulated excess cash at the centre*



Up to cR10bn excess cash generated over the next five years

Excess cash available to

- Repay debt and/or
- Invest in new initiatives and/or
- Increase dividend payout

*65% cash conversion ratio from target profit growth (assuming constant debt and 5.0x dividend cover) generates strong net cash flow and cash to centre (assuming 50% retained in business)
Forward looking information on this slide is for illustration and has not been reviewed or reported on by the auditors and reflects the average expected over the time frame

Presentation disclaimer



This presentation contains information extracted from the Discovery Group's unaudited condensed consolidated interim financial statements for the six months ended 31 December 2024. This results presentation and the unaudited condensed consolidated financial statements have not been reviewed or reported on by Discovery's independent joint auditors.

This presentation may contain forward looking statements with respect to certain of Discovery's plans and its current goals and expectations relating to its future performance and results. All forward looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Discovery's control. Accordingly, Discovery's actual future financial performance and results may differ. Any reference to future financial performance has not been reviewed or reported on by the Group's auditors.



Unaudited Interim Results

and cash dividend declaration for the six
months ended 31 December 2024