



Tax Transparency Report

for the year ended 30 June 2025



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Our reporting suite

Our Tax Transparency Report is supported by a comprehensive reporting suite that provides our stakeholders with a holistic overview of the Group, its prospects and performance during the 2025 financial year (FY2025). These reports are available on our website.

 Group Annual Financial Statements

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

 Sustainability Report

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

 Climate Report

Details Discovery's approach to climate change and climate-related disclosures regarding governance, strategy, risk management, and metrics and targets.

 Governance Report

Outlines the Group's governance philosophy, leadership and compliance with the King Report on Corporate Governance™ for South Africa, 2016 (King IV™)*.

 Remuneration Report

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

 Integrated Annual Report

Details how we created, preserved or eroded value during the year. This is our primary report to our shareholders and providers of financial capital. This report also includes information relevant to our other key stakeholders.

THIS REPORT

 Tax Transparency Report

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

 ESG Databook

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

 Notice of Annual General Meeting (AGM)

 Annual financial results presentation and booklet

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NAVIGATING OUR REPORTING SUITE

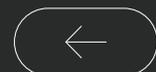
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Our reporting suite is best viewed in Adobe Acrobat for desktop, mobile or tablet. Click to download or update to the latest Adobe Acrobat Reader

 This icon refers to more information in this report

 This icon refers to additional information available on www.discovery.co.za

About this report

Our FY2025 Tax Transparency Report, prepared in line with GRI 207, provides disclosures related to our approach to tax, our tax governance and risk management practices and tax-related stakeholder engagement. These disclosures demonstrate our commitment to tax transparency and operating as a force for economic and social good through tax contributions. Our report includes financial information illustrating the Group's tax-related activities in each jurisdiction within which we operate.

Reporting scope and boundary

This Tax Transparency Report provides a comprehensive view of Discovery Limited's tax-related activities (hereafter referred to as Discovery or the Group) from 1 July 2024 to 30 June 2025. It also includes all material events up to the date of Board approval. Furthermore, this report includes financial and non-financial information relating to the performance of our composites: Discovery South Africa (SA) and Vitality (United Kingdom (UK) and Vitality Global).

Frameworks applied

In preparing this report, we were guided by:

- Companies Act, No. 71 of 2008, as amended (Companies Act)
- JSE Limited (JSE) Listings Requirements and Debt and Specialist Securities Listings Requirements
- Global Reporting Initiative's Standard on Tax (GRI 207)
- King IV™
- International Financial Reporting Standards (IFRS)

Forward-looking statements

This report may include certain forward-looking statements regarding the Group's future performance and prospects. These statements cannot be considered guarantees of future performance or outcomes as they may be influenced by emerging risks, future events, changing circumstances and other important factors that cannot be predicted and are beyond Discovery's control. These events may cause actual results to differ materially from our current expectations as disclosed in this report.

Combined assurance

Discovery is committed to disclosing accurate information that supports stakeholders in their decision-making. Our Combined Assurance model integrates the efforts of our management and internal and external assurance providers to assure the integrity of this report.

In FY2025, our reporting suite was assured as follows:

- Joint external audit assurance of Financial Statements by KPMG and Deloitte
- Limited external assurance of selected sustainability information by Nexia SAB&T
- Limited assurance of selected factual and quantitative financial and non-financial information by Group Internal Audit
- Verification of greenhouse gas (GHG) emissions inventory by Verify CO₂
- Verification of B-BBEE rating by Honeycomb BEE Ratings

Based on these engagements, Group Internal Audit believes the quantitative and qualitative information in this report accurately reflects the Group's performance for FY2025.

This report is the culmination of a Group-wide process led by the Group Tax function, with the oversight of the Group Executive. Our Group Audit Committee reviews this process in detail and recommends the report to our Board for approval.

Board approval

Discovery's Board of Directors is responsible for the integrity of this report, and confirms it materially complies with the requirements of the frameworks listed above. After reviewing this report, the Board believes it accurately and comprehensively explains Discovery's approach to tax, its tax governance and risk management practices, tax-related stakeholder engagement and financial information of each tax jurisdiction in which it operates

The Board unanimously approved this report on 16 October 2025.

Sir Mark E Tucker
Independent Non-executive Chairperson

Adrian Gore
Group Chief Executive



We welcome your feedback on our reporting suite. To submit any comments, email askthecfo@discovery.co.za.

Message from our **Group CFO and Head of Group Tax**



DEON VILJOEN AND TARYN GREENBLATT

We are proud that our tax transparency disclosures once again scored in the 100th percentile (best in class) in the MSCI ESG Rating assessment in August 2025. ”

We are pleased to present our Tax Transparency Report for the year ended 30 June 2025. As a purpose-led organisation, we believe tax transparency is a vital part of being a responsible corporate citizen – it is a strategic imperative that builds trust, contributes economically and creates long-term shared-value for society. In FY2025, our global fiscal contribution in excess of R11.7 billion demonstrated the value we create across the jurisdictions in which we operate.

The Group remains committed to transparent and high-quality tax reporting, and we are proud that our tax transparency disclosures once again scored in the 100th percentile (best in class) in the MSCI ESG Rating assessment in August 2025. Since publishing our first Tax Transparency Report in FY2022, we remained consistent in our approach, providing quality disclosures and embedding transparency into our broader governance and stakeholder engagement efforts. We are also pleased to be highly commended by the PwC Building Public Trust through Tax Reporting judging panel for our consistent delivery of value-added, high-quality tax disclosures in 2024, as assessed against the PwC Tax Transparency Framework.

In recent years, the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework's Two Pillar Solution has emerged as a globally coordinated effort to introduce a minimum corporate tax rate of 15% to ensure large, multinational enterprises pay a fair and consistent level of tax in every jurisdiction they operate. Given the nature of our footprint, and as part of our ongoing commitment to sound tax governance practices and aligning with global best practice, we continue to monitor and prepare for the associated compliance and disclosure requirements.

In a dynamic regulatory context, it is critical that we remain well informed – especially in areas related to financing and cross-border transactions. To this end, we actively monitor developments to ensure our financing strategies remain

compliant and efficient. Our ability to navigate an increasingly complex global tax environment is further underpinned by strong corporate governance – which is not merely a compliance mechanism, but rather a strategic enabler of value creation and preservation.

Our tax approach is grounded in ethical leadership, accountability and sound risk management, and we engage with tax authorities in a timely and accurate manner, whether through audits, information requests or other regulatory processes. We also engage with industry bodies in the regions where we operate, encouraging open dialogue and contributing technical expertise to support fair and effective tax outcomes. This collaborative and principled approach ensures our tax governance continues to evolve in line with global best practices and stakeholder expectations.

During FY2025, we made notable progress internally by advancing our automation journey for key tax processes. These improvements strengthened data accuracy, efficiency and timeliness, and we are building on this progress to further integrate technology into our operations. Automation is a key tool in enhancing our governance framework, as well as supporting real-time, informed decision-making at a strategic level. Furthermore, by driving collaboration across our finance and tax teams, we will maintain consistency and alignment in our reporting. We also believe that investing in talent development and strengthening global collaboration are essential to our long-term success as we remain focused on building a resilient, strategically focused Tax function.

Looking ahead, we remain deeply committed to transparency in our tax practices and building trusted relationships with our stakeholders through consistent, high-quality disclosure. We anticipate that our strategic growth initiatives will continue to expand our global fiscal footprint and strengthen our contribution to the economies and societies in which we operate.

Message from our
Group CFO and Head
of Group Tax

Who we are

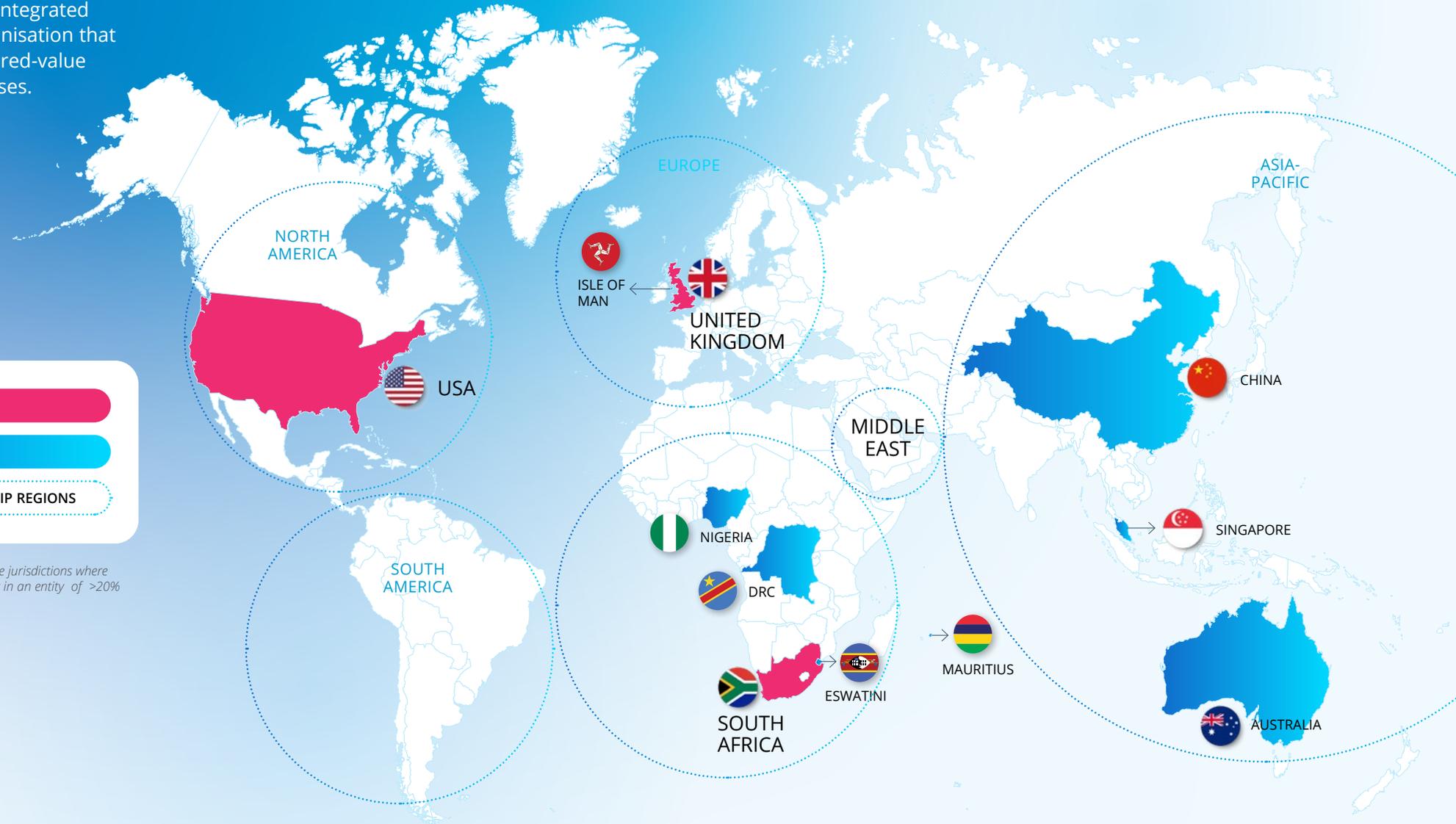
Discovery is a global, integrated financial services organisation that uses a pioneering Shared-value model across businesses.

PRIMARY MARKETS

OTHER EQUITY INTERESTS*

CONTRACTUAL PARTNERSHIP REGIONS

* Other equity interests include those jurisdictions where the Group holds an equity interest in an entity of >20%



Who we are

Our business model

We manage the creation, preservation and erosion of value through resources and relationships available or established to provide products and services through our composites. To understand our business is to understand our **WHY, HOW** and **WHAT**.

WHY we are in business

OUR CORE PURPOSE to make people healthier and enhance and protect their lives.

HOW we operate

WHAT SETS US APART

Our core purpose manifests through our pioneering and bespoke Shared-value model across our Discovery SA and Vitality (Vitality UK and Vitality Global) composites – underpinned by our leading Vitality behaviour-change platform and supported by our unique foundation and operating model.

OUR VALUES

Our core purpose and values underpin every decision we make, ensuring we manage value creation, preservation and erosion in a balanced way.

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

OUR STRATEGIC OBJECTIVES

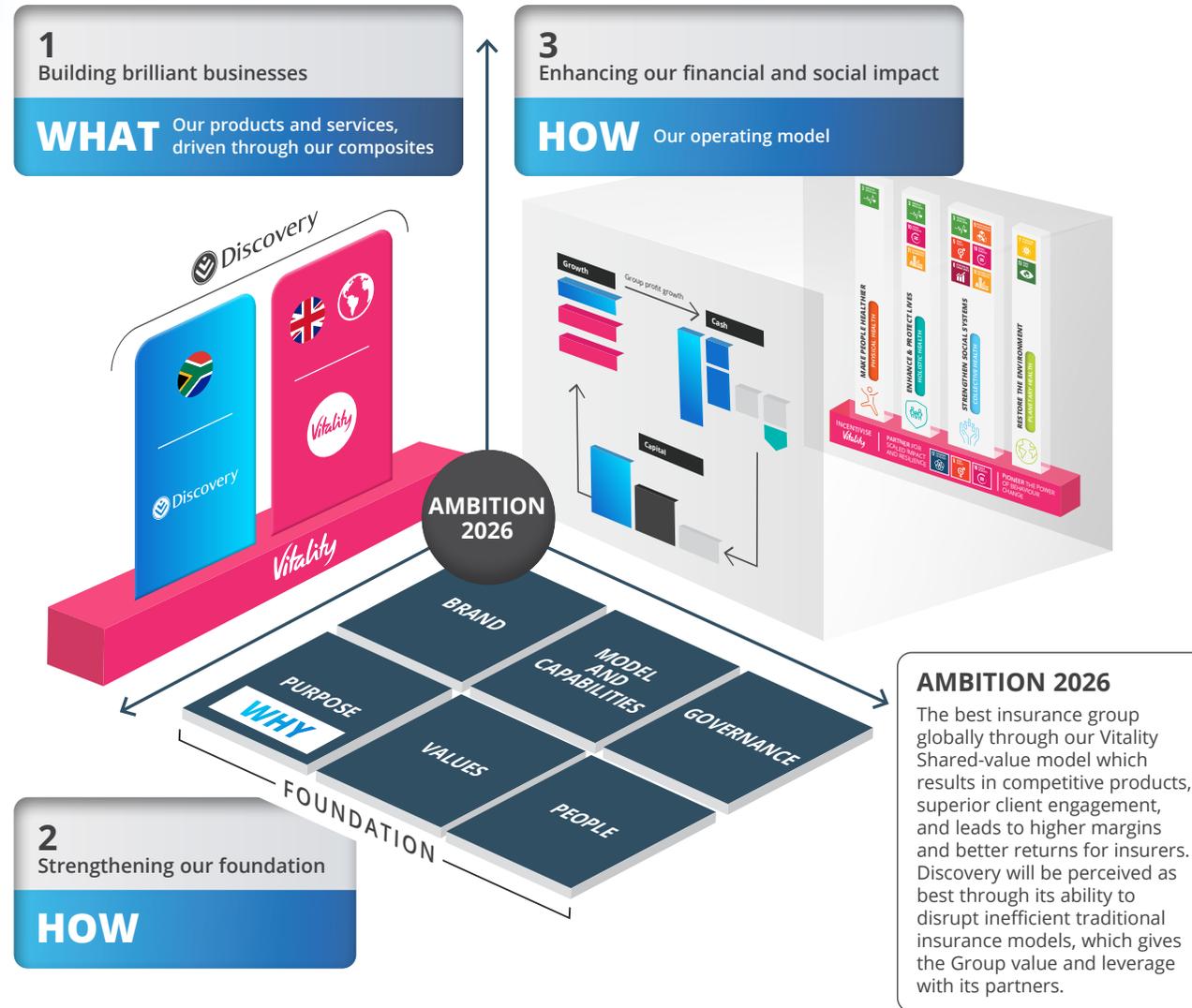
To deliver on our core purpose and strategy, we focus on three strategic objectives:

1 Building brilliant businesses across our composites

2 Strengthening our foundation through key business enablers

3 Enhancing our financial and social impact

Our **WHY, HOW** and **WHAT** are informed by integrated thinking and are fundamentally linked to the resources and relationships we rely on to create and preserve value for our stakeholders.



Who we are

Our tax contribution at a glance

NUMBER OF SUBSIDIARIES IN THE GROUP

48

(FY2024: 48)

EMPLOYEES

>15 000

(FY2024: >14 800) (including non-permanent employees)

GROUP INCOME STATEMENT PROFIT BEFORE TAX

R13 647 MILLION

(FY2024: R10 264 million)**

GROUP INCOME STATEMENT TAX EXPENSE

R4 089 MILLION*

(FY2024: R2 715 million)**

NORMALISED PROFIT FROM OPERATIONS

R15 210 MILLION

(FY2024: R11 761 million)**

* The portion relating to current tax expense (excluding deferred tax expense) is R2 187 million. The corporate income tax contribution is R1 809 million. The difference of R378 million mainly comprises additional provisional tax top-up payments which have been accrued for in FY2025, but have not yet been paid, as well as withholding tax payments which are also included in current tax expense but disclosed as 'other taxes' in this report.

** For details of the restatement to the prior period, refer to note 7.5 of the Group Annual Financial Statements.

Total tax contributed for the year ended 30 June 2025

By type¹

CORPORATE INCOME TAX

15%

R1 809 MILLION

(FY2024: R1 446 million)

VAT AND GST⁴

22%

R2 596 MILLION

(FY2024: R2 402 million)

INSURANCE PREMIUM TAX²

12%

R1 463 MILLION

(FY2024: R2 029 million)

OTHER TAXES⁵

4%

R437 MILLION

(FY2024: R332 million)

EMPLOYMENT TAXES³

47%

R5 431 MILLION

(FY2024: R4 899 million)

TOTAL CONTRIBUTION

R11 736 MILLION

(FY2024: R11 108 million)

By region



SOUTH AFRICA

73%

R8 559 MILLION

(FY2024: R7 218 million)



UNITED STATES

3%

R300 MILLION

(FY2024: R301 million)



UNITED KINGDOM

24%

R2 838 MILLION

(FY2024: R3 557 million)



OTHER*

<1%

R39 MILLION

(FY2024: R32 million)

* Other regions include Australia, China, Singapore, Isle of Man, Nigeria, Eswatini, Democratic Republic of Congo and Mauritius

¹ Tax contribution includes both those taxes borne by the Group as well as those collected on behalf of the revenue authorities

² In FY2025, Vitality Health in the UK changed schemes and now accounts for IPT on a cashflow basis (as premiums are paid) rather than at the inception of the policy

³ Includes employment taxes collected and paid over on behalf of policyholders

⁴ Includes VAT expensed and not recovered

⁵ Other taxes include franchise taxes, withholding taxes, dividend withholding taxes (excluding amounts withheld by other regulated intermediaries but including an approximation of amounts relating to the Discovery Limited ordinary share dividend declaration) customs duties and carbon taxes

Alignment to Discovery's sustainable development commitments

Our tax contributions support the following Sustainable Development Goals (SDGs):



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Our approach to tax

Our core purpose has manifested in a globally relevant Shared-value model which creates value for our businesses, clients and society.

Discovery's tax strategy is captured in our Tax Policy Principles, which are aligned to our purpose and business model, and supports the contribution of a variety of local and international taxes that arise in the normal course of business, including corporate income taxes, as well as other direct and indirect taxes.

Discovery's Tax Policy Principles, which provides strategic guidance, have been reviewed and approved by the Group Audit Committee, Group Risk and Compliance Committee and the Board of Directors. Group Tax and the Finance Executive Committee considers the tax strategy annually and updates tax policies, including the transfer pricing policy, as required. The Board has delegated responsibility for the oversight of tax matters and the review of the tax strategy to the Group Chief Financial Officer (CFO).

Our tax principles

Five tax principles guide Discovery's approach to tax.

01

COMMITMENT TO COMPLIANCE

02

RESPONSIBLE ATTITUDE TO ARRANGING TAX AFFAIRS

03

CONSTRUCTIVE APPROACH TO ENGAGING WITH TAX AUTHORITIES

04

TAX REPORTING PROCEDURES AND PROVISION

05

MONITORING, CONTROL AND TAX RISK MANAGEMENT

OUR APPROACH TO REGULATORY COMPLIANCE

Discovery is committed to operating in a sustainable manner and complying with all statutory tax obligations in the regions in which we operate. Our focus extends beyond basic compliance to ensure that our approach to tax management creates value for our stakeholder groups. We achieve this by giving due consideration to the tax-related legislation of the countries where we operate and embedding a Tax Risk Management Framework and Transfer Pricing Policy across the Group. In addition to this, our Annual Financial Statements are prepared in accordance with IFRS, and specifically IAS 12 Income Taxes, which requires the accurate reflection of all taxes incurred and owing.

Discovery is committed to complying with the spirit and letter of the tax laws and regulations in the countries in which we operate. This includes paying taxes according to where the value is created.

As highlighted in our Tax Policy Principles, our approach to compliance includes:

- Filing accurate, timely tax returns and settling any tax obligations in the correct reporting period
- Disclosing relevant facts and circumstances to tax authorities when required
- Claiming tax reliefs and incentives where these are available and appropriate.

Incorporating tax consideration into business and sustainable development strategies

By operating as a responsible tax payer and engaging constructively with tax authorities, we are able to support sustainable development in the jurisdictions in which we operate, which aligns with our objective to be a force for good.

Our tax strategy aligns with the wider Group strategy and the Group Tax function is an active strategic business partner, understanding the tax implications and ensuring that business strategies are executed in the most tax efficient and responsible manner.

The Group Tax function is involved in the planning, implementation and documentation for material business combinations, changes in corporate structure, cross-border financing and trading arrangements, funding transactions and significant new processes or products affecting tax compliance.

RESPONSIBLE ARRANGEMENT OF TAX AFFAIRS

Commercial activities are structured to maximise value sustainably for shareholders and all other stakeholders. Tax planning is undertaken within this context:

- Economic substance and commercial rationale for transactions undertaken are paramount. All transactions are required to have a business purpose. Therefore, no artificial arrangements may be implemented, particularly in order to transfer value to low-tax jurisdictions.
- So-called tax havens are not used as a means to avoid taxes on business activities that would in the normal course of events take place elsewhere.
- Due consideration is given to the tax laws of the countries in which Discovery operates and double taxation is eliminated where possible.
- Cross-border intragroup transactions are undertaken on an arm's length basis in accordance with the OECD transfer pricing principles.

Our approach to tax

Tax governance and tax risk management

Governance

The Discovery Board, as the highest governing body within the Group, together with the Group Audit Committee and Group Risk and Compliance Committee, oversees the Group's tax practices and affairs.

Responsibility for compliance with the Group's tax strategy lies with the Board. The Board delegates the day-to-day responsibility for tax risk management to the respective CFOs and finance teams of the various business areas, who are supported by the Group Tax function and the in-country Group tax specialists, where applicable. Together, the business CFOs, Group Tax and in-country tax specialists are responsible for monitoring the Group's overall tax compliance, monitoring changes in tax legislation while proactively managing the impacts thereof, and ensuring that appropriate financial controls are in place in terms of King IV™.

GROUP BOARD

Provides oversight of the Group's tax practices and affairs and is responsible for compliance with the Group's tax strategy

AC Group Audit Committee

Provides oversight of the Group's tax practices and affairs. Reviews detailed tax updates twice a year per tax jurisdiction.

Bi-annual tax update report by the Head of Group Tax to the Group Audit Committee include (per tax jurisdiction):

- Status update of in-country tax return submissions and outstanding queries from revenue authorities
- Any material pending legislative changes and the relevant impact
- An update on indirect taxes
- An update on material items in terms of IAS 12: *Income Taxes*, for example, deferred tax assets recognised
- An update on compliance with the Group Transfer Pricing Policy
- Details of material tax opinions sought
- Any other relevant matters impacting the tax control environment and tax risk management status.

RCC Group Risk and Compliance Committee

Provides oversight of the Group's tax practices and affairs as it relates to tax risks and the management thereof.

GROUP CFO

Supported by the Head of Group Tax and the Finance Executive Committee. Provides oversight of tax matters and the review of the Group tax strategy.

GROUP TAX FUNCTION AND IN-COUNTRY TAX SPECIALISTS

Provide advisory support and guidance to CFOs and finance teams including implementation of tax policies and monitoring of the control environment.
Provide tax updates per jurisdiction to the Head of Group Tax for the bi-annual Group Audit Committee submission.

CFOs AND FINANCE TEAMS

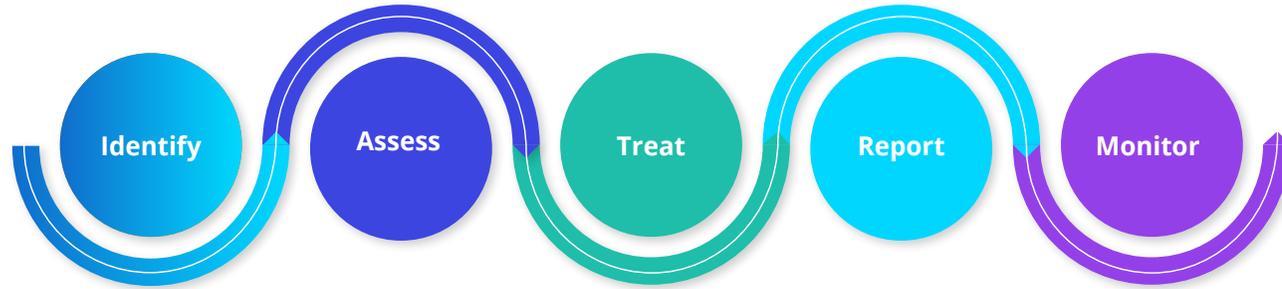
Responsible for day-to-day tax risk management within the various business areas.



Tax governance and tax risk management

Tax risk management

Tax risk management forms part of the Group's wider Enterprise Risk Management Framework. The framework has a clearly defined risk taxonomy, which includes a risk-rating matrix that assesses the likelihood of certain risks and the magnitude of their impact. Our risk appetite and limits are set at business entity and Group level, with clear accountability and reporting requirements. Tax risk is further managed through Discovery's three lines of defence model to monitor risk and provide assurance.



ONGOING TAX RISK IDENTIFICATION AND ASSESSMENT

Potential tax risks are monitored on an ongoing basis by finance and tax teams across the business. Where business identifies transactions where the tax treatment is uncertain, the treatment is escalated to the Group Tax and/or in-country tax specialist who analyses the transaction and using their professional skills and judgement, advises on the appropriate route in order to achieve tax compliance and efficiency. When making tax decisions, consideration is given to the materiality of any item, the financial impacts and any perceived reputational risk that may arise. If the Group Tax specialist identifies that there is uncertainty of interpretation or complexity in relation to a particular matter, external advice is sought as needed.

Typical transactions or events that require external advice include transactions, issues or risks that are significant to Discovery and/or where the impact on Discovery is material but the legislation is unclear. An event, transaction or risk is significant if it would markedly affect Discovery's compliance, operational, financial or strategic outcomes or processes. For example, if it results in a tax outcome that varies from industry patterns or past performance of Discovery, or results in a considerable variation between economic and tax performance. Where relevant, a formal opinion of support for a transaction would be obtained or a ruling may be sought from the tax authorities as appropriate.

Our group tax specialists

A team of in-house tax specialists with a combination of commerce, chartered accountancy and taxation qualifications. The teams' specialist areas include direct and indirect tax compliance, international tax considerations, transfer pricing and IFRS tax reporting in the insurance and financial services industry.

Our in-country tax specialists

Tax specialists across our countries of operation, who have the requisite knowledge and expertise to support the CFOs on country-specific tax issues.

External advisers

An expert selected based on their particular area of industry and subject matter expertise, who is engaged to provide advice as required.

Tax risks are assessed as low, medium or high by considering the key components of tax risk and understanding the particular events that could trigger them, the chance of these events occurring and their associated impact. Tax risks considered include transactional, operational, compliance, financial accounting, tax management and reputational.

ADDITIONAL MECHANISM TO ASSESS TAX RISKS

- Group Internal Audit reviews the Group Tax function as part of the annual financial control review
- External audit reviews compliance with IFRS reporting requirements and aspects of the Income Tax Act as a part of the annual reporting audit process
- External advisers review significant transactions including internal restructures for tax purposes
- External advisers review annual transfer pricing documentation in line with OECD requirements

TAX RISK MANAGEMENT

Tax risks arising from changes in legislation are actively managed through participation in industry workgroups and appropriate government engagement (for example through National Treasury workshops).

TAX RISK REPORTING MECHANISMS

Employees are encouraged to report any unethical behaviour directly to the Ethics Office or to use the anonymous whistleblowing hotline. The whistleblowing hotline is the main mechanisms for reporting tax-related concerns about unethical or unlawful behaviour.

Tax governance and tax risk management

Assurance of tax disclosures

The respective finance teams led by their CFOs are responsible for ensuring that the tax risk management and transfer pricing policies are appropriately adopted and applied to business operations. In addition, they oversee the implementation of effective compliance relating to tax reporting as required by legislation.

Each CFO is required to provide an attestation on tax to support the tax disclosures in the Annual Financial Statements, which includes (among others):

- Confirmation of adherence to Discovery's Tax Policy and Risk Management framework.
- Confirmation of compliance with the relevant taxation requirements of all countries in which they have oversight and that we have brought to account all liabilities for taxation due to the relevant tax authorities, whether in respect of any corporation or other direct or indirect taxes.
- Confirmation that they are not aware of any non-compliance that would give rise to additional liabilities by way of penalty or interest; alternatively, if there has been an incident, confirmation that these values have been correctly provided and, where applicable, disclosed in the financial statements.
- Confirmation that the systems in place are capable of identifying all material tax liabilities and the appropriate documentation and record keeping as required under the law of each country has been maintained.
- Confirmation that all returns and payments that were required to be made, within the applicable time limits, to the relevant tax authorities have been made.
- Confirmation that in managing the tax affairs of the company, they have taken into account any special provisions such as transfer pricing and controlled foreign company legislation applied in different tax jurisdictions.
- Confirmation that deferred tax assets have been recognised for the carry-forward of unused tax losses and unused tax credits in accordance with the requirements of IAS 12 Income Taxes.

Evaluation of tax governance and tax risk management

Group Internal Audit performs annual assessments on the tax internal financial control environment.

Tax risks are monitored by finance teams, Group Tax and in-country tax specialists. Potential financial consequences associated with these risks are evaluated in terms of IFRS reporting requirements. Any material tax risks are reported through to Discovery's Group Risk Management team who evaluate and monitor the ongoing risk as part of the Group's wider Enterprise Risk Management Framework.

Uncertain tax positions and controversies

Uncertain tax positions arise when there is uncertainty over whether the relevant tax authority will accept the income tax treatment as submitted per the income tax return. For example, whether the tax authority would accept the treatment of an item as capital in nature or whether it will permit the deduction of certain expenditure.

Discovery considers IFRIC 23 Uncertainty over Income Tax Treatments to assess the disclosure, recognition, and measurement of "uncertain tax positions" in its Annual Financial Statements.



Tax risks are monitored by finance teams, group tax and in-country tax specialists.



Tax governance and tax risk management

Stakeholder engagement and tax landscape

Our engagement with tax authorities

In line with our tax principles, engagements with tax authorities are conducted in an honest, courteous, and timely manner. The Group endeavours to build sustainable transparent relationships with tax authorities. Should unintended errors arise, these will be corrected as soon as practicable after identification. The Discovery Group seeks to resolve any matters with the tax authorities through active and transparent discussion. However, should there be disagreement with a ruling or decision thereafter and the Group strongly believe that its interpretation of the law is correct, the Group is prepared to litigate.



Our contribution to industry tax advocacy

The Group is represented on various industry bodies and seeks to ensure that changes to legislation are robust and sustainable for both industry and the fiscus. In South Africa, Discovery is a member of the Association for Savings and Investments South Africa (ASISA), South African Insurance Association (SAIA), the Banking Association of South Africa (BASA) and the Institute of Retirement Funds Africa (IRFA) tax committees. Through these memberships we advocate for tax reforms pertinent to our stakeholders. In the United Kingdom and United States, we engage in advocacy through external tax advisors who are actively represented on tax working groups. These advisors provide technical input and feedback on proposed legislation and administrative processes, ensuring that Discovery's interests are considered in regulatory developments.

Recent focus areas particularly in South Africa include:

- Final technical corrections relating to the transition to IFRS 17 *Insurance Contracts* for insurance businesses.
- The tax amendments related to the Draft Global Minimum Tax Bill and the draft Global Minimum Tax Administration Bill.
- The withdrawal of the long-standing Practice Note 31 which has now been codified under Section 11G to address the treatment of certain interest-related deductions.

Engaging with our stakeholders on tax

Maintaining good relationships with key stakeholder groups is critical to creating and sustaining value across the Group. In support of this, our Board adopted a strategic approach to our stakeholder engagements, with principles formalised in our Stakeholder Engagement Framework. The framework includes a stakeholder matrix that guides our levels of engagement with each stakeholder group. This engagement varies depending on our objectives, outcomes, timeframes and resources, as well as levels of influence or interest of stakeholders.

As part of our engagements with government and regulators, we engage with tax authorities. Tax authorities expect Discovery to pay taxes timeously and communicate openly and transparently. Discovery believes it has a good relationship with this stakeholder group based on feedback from government and regulators, and in meeting our obligations and commitments.

Managing tax within a multinational tax environment

Discovery is a multinational enterprise operating across various tax jurisdictions. We keep abreast of the ever-changing tax landscape locally and internationally.

OUR INTERNATIONAL TAX LANDSCAPE

Discovery Group formally adopted a Transfer Pricing Policy to ensure that all cross-border intercompany transactions are conducted using the 'at arm's length principle'. Transfer pricing documentation is prepared in line with the OECD's initiative to address base erosion and profit shifting. The annual submission of the Discovery Master File includes a high-level overview of the Group's operations and Transfer Pricing Policies, while various subsidiary Local Files include detailed transfer pricing documentation on all material intercompany transactions specific to the entity's jurisdiction.

Discovery submits a country-by-country report on behalf of all subsidiaries which details, among others, the revenues, profit before tax and number of employees per jurisdiction. This report allows revenue authorities to assess transfer pricing and other base erosion and profit sharing-related risks with regards to the multinational groups operating in their countries. Discovery has filed Master File, Local File and country-by-country reports based on financial reporting periods as required up to 30 June 2024 with the relevant tax authorities. The June 2025 information is required to be submitted by 30 June 2026.

In October 2021, over 135 countries, including South Africa and the UK, agreed to the OECD/G20 Inclusive Framework Two-Pillar Solution to address the tax challenges arising from the digitalisation of the economy. The intention is to ensure large multinational enterprises pay a 15% minimum level of tax on the income arising in each jurisdiction where they operate. The OECD has issued model rules, setting out the framework, with the rules expected to be implemented across jurisdictions through their own domestic legislation.

As the Group is a multinational enterprise with a turnover of more than €750 million, it is subject to the rules from FY2025:

- South African legislation has been enacted under the Global Minimum Tax Act and the Global Minimum Tax Administration Act which took effect for financial years commencing on or after 1 January 2024.
- The UK has enacted the Finance (No.2) Act 2023 which includes a Multinational and Domestic top-up tax which took effect for financial years commencing on or after 31 December 2023.
- Australia has enacted a Global and Domestic Minimum Tax which took effect for financial years commencing on or after 1 January 2024.

Stakeholder engagement and tax landscape

Our international tax landscape *continued*

Discovery has no current tax exposure for FY2025 with regard to the aforementioned legislation and has applied the exception to recognise and disclose information about related deferred tax assets and liabilities, as provided in the amendments to IAS 12 Income Taxes issued in May 2023.

Discovery has been implementing new processes to ensure compliance with the regulations. The Group has concluded on its exposure for FY2025 based on the following considerations:

- The majority of Group entities and jointly controlled entities operate in jurisdictions that meet at least one of the three criteria outlined in the transitional Country-by-Country Reporting safe harbour. This means that, under the transitional rules, no additional tax liability arises in those jurisdictions.
- For entities that do not meet any of the safe harbour criteria, no top-up tax is accrued for. This is either because the effective tax rate in those jurisdictions exceeds the minimum threshold of 15%, or because no material taxable profits are generated there under Pillar Two principles.

Due to the complexities in applying the Pillar Two Model Rules and calculating the top-up tax payable, the Group will continue to work with its advisers to monitor any exposure to Pillar Two top-up taxes as the legislation and associated guidance evolve.

As a reporting financial institution, Discovery is required to provide client information and client data to the relevant regulatory authority in terms of the United States Foreign Account Taxation Compliance Act and the common reporting standards of the OECD.

The Group seeks to avoid double taxation as far as possible and utilises tax credits where these are available and appropriate.

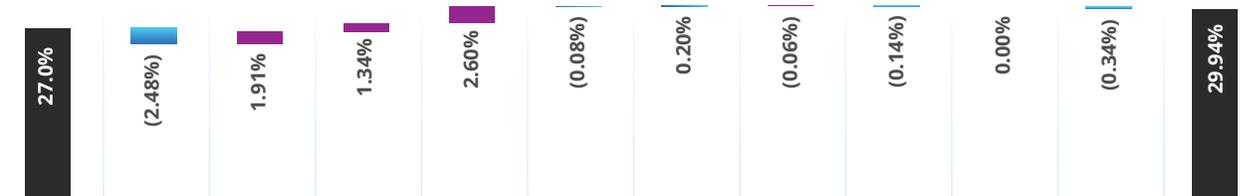
OUR LOCAL TAX LANDSCAPE

For South African entities that are in a tax paying position, tax has been provided at 27% (FY2024: 27%). Discovery uses the South African tax rate in respect of its tax rate reconciliation as Discovery is domiciled in South Africa and the most significant operations are in South Africa.

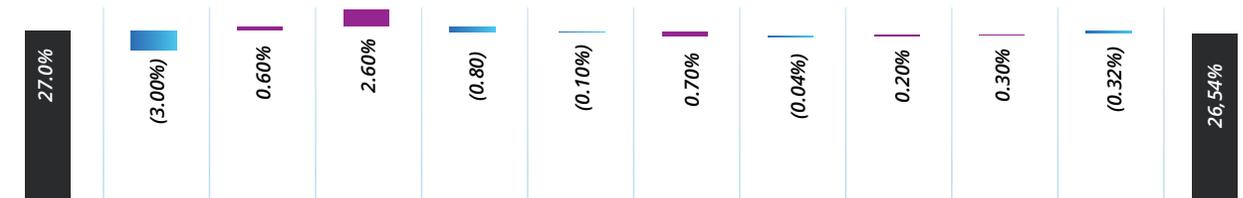
Taxation in respect of the South African life insurance operations is determined in accordance with the rates and basis applicable to section 29A of the Income Tax Act at the reporting date.

RECONCILIATION OF STATUTORY RATE TO GROUP EFFECTIVE TAX RATE

FY2025



FY2024



Category	Value
Statutory rate	27.0%
Non-taxable income including equity-accounted profit or loss and dividend income	(3.00%)
Non-deductible expenditure including items of a capital nature and non-deductible provisions	0.60%
Deferred Tax Assets (DTA) not recognised on subsidiary losses, net of DTAs recognised on prior period losses	2.60%
Insurance policyholder funds I-E taxes and related DTA recognitions	(0.80)
Accounting gains and losses taxable at capital gains tax (CGT) rates	(0.10%)
Controlled foreign company (CFC) imputations and withholding taxes not recovered	0.70%
Additional tax allowances	(0.04%)
Prior year under/ over provision	0.20%
Tax rate changes ¹	0.30%
Tax rate differences ²	(0.32%)
Effective taxation rate	26.54%

■ Increase
■ Decrease

¹ Tax rate changes refer to the impact arising from a change in statutory tax rate
² Tax rate differences refer to the impact of lower statutory tax rates in jurisdictions outside of SA, for example the UK at 25% and the US using a rate of 22.3% for the period (federal tax of 21% + combined state tax of 1.3%)

The higher Effective Tax Rate (ETR) for FY2025 is primarily due to insurance policyholder taxes which increased the ETR by 2.6% compared to a reduction of 0.8% for FY2024. This was largely driven by an increase in deferred Capital Gains Tax liabilities on unrealised gains of policyholder assets for FY2025, the movements of which in FY2024 were offset by policyholder fund Deferred Tax Asset recognitions.

FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENTS

Discovery is committed to collaborating with governments in the jurisdictions where we operate. In terms of the South African Income Tax Act, a section 11D research and development incentive was approved by the South African Department of Science and Technology for the development of certain innovations pertaining to Discovery Bank. The funds were used to develop novel technological advancements to the financial industry. The independently verified amounts result in a tax saving of R4.2 million for FY2024 (FY2023: R6 million). The FY2025 value will be verified in the coming months.

Learnership allowances claimed in terms of section 12H of the Income Tax Act resulted in a tax saving of R2.2 million for FY2025 (FY2024: R2 million).

The Inland Revenue Authority of Singapore provided corporate income tax rebates and cash grants of SGD42 000 (cR0.6 million) for FY2025.

In the United Kingdom a Research and Development Expenditure Credit (RDEC) of GBP0.75 million (cR17.6 million) was claimed for FY2025 (FY2024: GBP0.5 million). RDEC is a government incentive designed to support innovation by allowing companies to claim tax credits for qualifying activities that seek to achieve scientific or technological advancement.

Stakeholder engagement and tax landscape

Country-by-country report

Economic contribution of taxes paid for the year ended 30 June 2024

The disclosure is based on the most recent required submission to the SA tax authorities. It is based on the requirements of the OECD as part of the Base Erosion and Profit Shifting Action plan 13 in which all large multinational enterprises must submit the report for use by tax administrations in high level risk assessments. Note that values shown are aggregated and not eliminated based on consolidation methodology. The 30 June 2025 information is due to be submitted to the SA tax authorities by 30 June 2026.

Tax jurisdiction	Regulated financial services/ Insurance	Administration management and support services	Sales, marketing and distribution	Other ¹	Unrelated party revenue R million	Related party revenue – local R million	Related party revenue – foreign R million	Total revenue R million	Profit (loss) before income tax R million	Income tax paid (cash basis) including withholding taxes ² R million	Income tax accrued – current year ³ R million	Stated capital R million	Accumulated earnings R million	Number of employees ⁴	Tangible assets other than cash and cash equivalents ⁵ R million
South Africa ⁶	✓	✓	✓	✓	64 381	7 348	1 955	73 684	8 575	1 400	1 424	41 317	37 783	11 061	2 845
United Kingdom	✓	✓	✓	✓	23 884	9 590	372	33 845	102	41	(135)	50 643	164	2 600	568
United States of America		✓		✓	3 510	214	63	3 787	290	65	65	6 450	(1 842)	256	173
Singapore				✓	3	1	71	75	38	2	3	283	(2)	4	–
Australia				✓	*	–	5	5	(5)	–	–	73	(98)	2	–
Isle of Man ⁷	✓	✓			154	–	–	154	(25)	–	–	155	(55)	1	–
DRC		✓			20	–	–	20	1	*	*	*	3	31	*
Nigeria		✓			2	–	–	2	(6)	*	*	*	(23)	1	*
Eswatini		✓			4	–	–	4	*	*	*	*	*	6	*
Mauritius		✓			12	32	–	44	25	1	1	1	47	–	–
Guernsey ⁸	✓				279	–	–	279	80	–	–	–	1 112	–	–
China		✓			*	–	15	15	*	–	*	4	(1)	6	–
Total					92 250	17 184	2 480	111 915	9 075⁹	1 508	1 358	98 926	37 087	13 968	3 586

¹ Includes, among others, internal group finance, holding company, purchasing and procurement

² The income tax paid per the Discovery Group Annual Financial Statements (AFS) is R1 522 million. The difference of R14 million relates mainly to research and development credits received from HMRC in the UK.

³ Income tax accrued reflects the current tax accrued for the year and excludes deferred tax. Current income tax accrued per the Discovery Group AFS is R1 380 million. The difference of R22 million relates to IFRS adjustments on consolidation

⁴ The number of employees is defined as permanent employees with benefits

⁵ Consists of property, plant and equipment and inventory

⁶ The Discovery Collective Investment Schemes (CIS) funds managed in South Africa are consolidated into Discovery Group AFS and have therefore been included in the country-by-country report. Total revenue includes an amount of R3 567 million pertaining to these funds. The revenues generated are for the policyholders and not for the Discovery Group

⁷ For FY2024, operations in the Isle of Man include the performance of client relationship management, sales/marketing to key group clients largely located in the UK and Europe as well as reinsurance activities. Isle of Man has sound legislative and regulatory frameworks in this regard

⁸ Discovery Life Limited is a tax resident in South Africa and pays tax on its worldwide income, including those generated from its Guernsey branch. While there is no tax paid in Guernsey, all related income is included and taxed in South Africa in line with section 29A of the Income Tax Act

⁹ This is an aggregated value. The main difference to the reported number per the published Discovery Group AFS of R10 011 million relate to consolidation adjustments regarding, among others, the arrangement with Prudential Assurance Company (PAC)

* Amount less than R500 000

Corporate tax rates as reported for FY2024 include: SA 27%, UK 25% and US 22.3% (federal tax of 21% + combined state tax of 1.3%).

Discovery Limited | +27 11 529 2888 | askthecfo@discovery.co.za | www.discovery.co.za

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