

DISCOVERY GROUP

20
26

Tax Transparency Report

for the year ended 30 June 2026



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Our reporting suite

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

THIS REPORT

PG Tax Transparency Report

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

IAR Integrated Annual Report

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

AFS Group Annual Financial Statements

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

SUS Sustainability Report

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

GOV Governance Report

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

REM Remuneration Report

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

CLI Climate Report

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

ESG ESG Databook

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

RES Annual financial results presentation and booklet

AGM Notice of Annual General Meeting (AGM)

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NAVIGATING OUR REPORTING SUITE

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This icon refers to more information in the relevant report

Read more

This icon refers to additional information available online.



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About this report

Our FY2026 Tax Transparency Report, prepared in line with GRI 207, sets out our approach to tax, our tax governance and risk management practices and our engagement with stakeholders on tax-related matters. These disclosures reflect our commitment to transparency and to operating as a force for economic and social good through our tax contributions. This report also includes financial information to illustrate the Group's tax-related activities in each jurisdiction in which we operate.

Reporting scope and boundary

This Tax Transparency Report provides a comprehensive view of Discovery Limited's (Discovery or the Group) tax-related activities from 1 July 2025 to 30 June 2026. It also includes financial and non-financial information relating to the performance of our market-specific composites: Discovery South Africa and Vitality. Furthermore, we report on all material events up to the date of approval by our Board of Directors (Board).

Frameworks applied

In preparing this report, we were guided by the:

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

Forward-looking statements

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

Combined assurance

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

In FY2026, our reporting suite was assured as follows:

- Joint external audit assurance of Financial Statements by KPMG and Deloitte
- Limited external assurance of selected sustainability information by Nexia SAB&T
- Limited assurance of selected factual and quantitative financial and non-financial information by Group Internal Audit
- Verification of greenhouse gas 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 FY2026.

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 is responsible for the integrity of this report, and confirms it materially complies with the requirements of the frameworks listed alongside. In reviewing this report, the Board believes it accurately and comprehensively explains Discovery's approach to tax, tax governance and risk management practices, tax-related stakeholder engagement and financial information of each tax jurisdiction in which the Group operates. The Board unanimously approved this report on 13 October 2026.

Sir Mark E Tucker
INDEPENDENT NON-EXECUTIVE
CHAIRPERSON

Adrian Gore
GROUP CHIEF EXECUTIVE

We welcome your feedback on our reporting suite.

To submit any comments email askthecfo@discovery.co.za.

Email us



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Deon Viljoen
GROUP CHIEF
FINANCIAL
OFFICER

**Taryn
Greenblatt**
HEAD OF
GROUP TAX

We are pleased to present our fifth Tax Transparency Report, for the year ended 30 June 2026. For Discovery, tax transparency is more than a reporting commitment – it reflects who we are as a purpose-led organisation and the contribution we make to the economies and societies in which we operate. This year, our global fiscal contribution exceeded R14.5 billion, with R9.9 billion in South Africa alone, reflecting the shared value we create across 52 subsidiaries and more than 15 200 employees worldwide.

The tax transparency landscape has evolved considerably since we published our first report in FY2022. What began as a voluntary practice is increasingly a defined expectation, shaped by the first wave of the Organisation for Economic Co-operation and Development (OECD) G20 Pillar Two disclosures, the expansion of public country-by-country reporting, and the growing weight investors place on frameworks such as GRI 207: Tax 2019. We have welcomed this evolution, and our reporting has matured in step. Our disclosures once again scored best in class in the MSCI ESG Rating assessment in August 2025.

The year under review was shaped by a complex global environment, with geopolitical tensions, fiscal pressures and elevated healthcare inflation weighing on growth while easing interest rates and green-shoots in South Africa's capital markets provided a more supportive backdrop – conditions that underscored the relevance of our Shared-value model and unique data assets. Against this backdrop, the Group delivered a strong performance, with normalised profit from operations growing to R17.7 billion (FY2025: R15.2 billion). The increase in our fiscal contribution is a direct consequence of this performance and the broadening of our global footprint.

FY2026 marked a pivotal point for the global tax landscape. The OECD/G20 Inclusive Framework's Two-Pillar solution, which introduces a 15% global minimum tax for large multinational enterprises, moved into its first full reporting cycle. With the framework now effective across most of our jurisdictions, FY2026 was our first full year of application. These rules confirmed that the Group already bears tax at or above the 15% minimum across most of the jurisdictions in which we operate, and accordingly gave rise to no material additional tax this year. We continue to monitor and prepare for the associated compliance and disclosure requirements as the rules evolve.

In a dynamic regulatory context, it is critical that we remain well informed, especially in areas related to financing and cross-border transactions, to ensure our strategies remain compliant and efficient. Our ability to navigate this environment is 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. We also engage with industry bodies where we operate, encouraging open dialogue and contributing technical expertise – a collaborative and principled approach consistent with leading peer tax transparency reports.

During FY2026, we continued to advance our automation journey for key tax processes. These improvements strengthened data accuracy, efficiency and timeliness. Automation is a key tool in enhancing our governance framework and supporting real-time, informed decision-making at a strategic level. By driving collaboration across our finance and tax teams and investing in talent development, we are building a resilient, strategically focused Tax function.

Looking ahead, we remain deeply committed to transparency in our tax practices and to 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.



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Who we are

Discovery is a proudly South African-founded, global integrated financial services organisation that uses a pioneering Shared-value model across businesses in our markets.

Primary markets

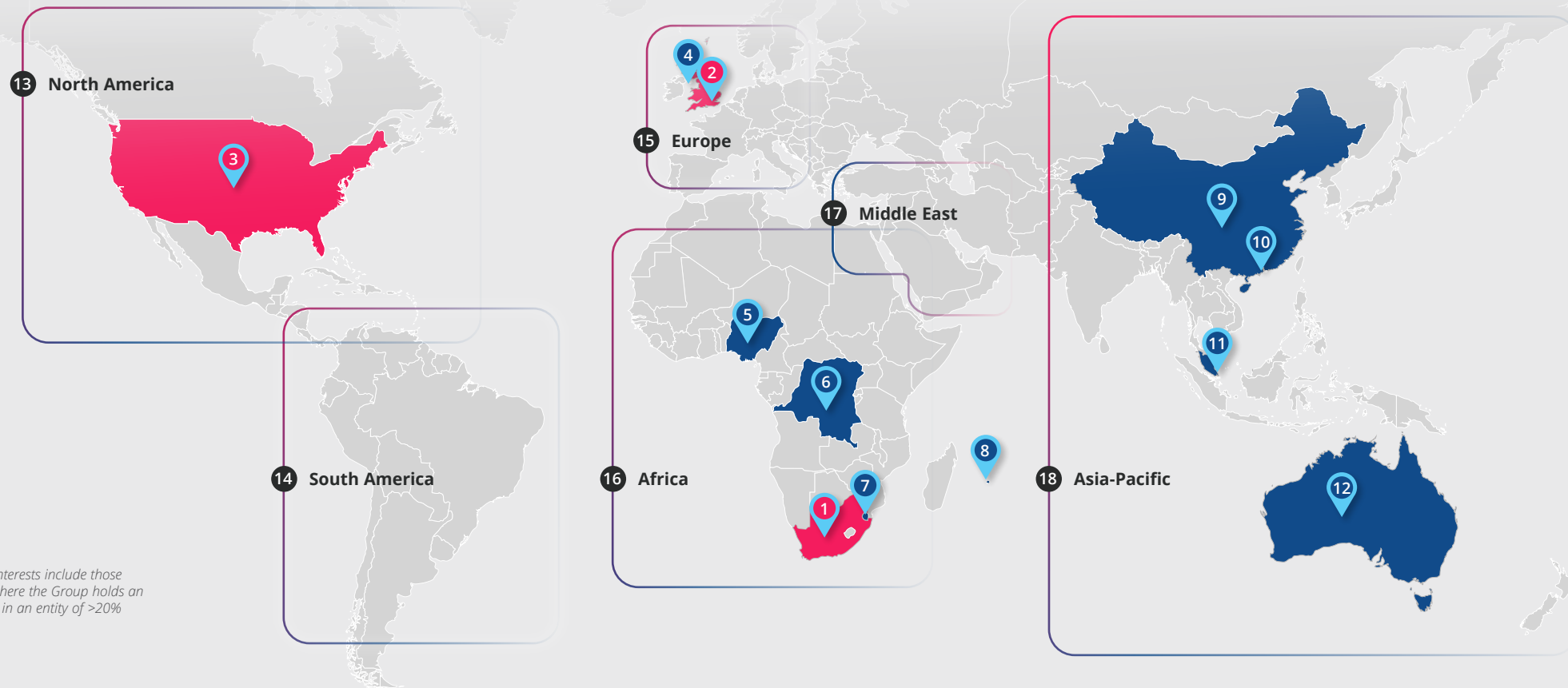
- 1 South Africa
- 2 United Kingdom
- 3 United States of America

Other equity interests*

- 4 Isle of Man
- 5 Nigeria
- 6 DRC
- 7 Eswatini
- 8 Mauritius
- 9 China
- 10 Hong Kong
- 11 Singapore
- 12 Australia

Contractual partnership regions

- 13 North America
- 14 South America
- 15 Europe
- 16 Africa
- 17 Middle East
- 18 Asia-Pacific



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



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Our business model

We manage the creation, preservation and erosion of value through resources and relationships that enable us to provide products and services through our composites. Understanding our business begins with understanding our WHY, HOW and WHAT.

WHY WE ARE IN BUSINESS

Our core purpose
To make people healthier and enhance and protect their lives.

HOW WE OPERATE

What sets us apart
Our core purpose is realised through our pioneering and bespoke Shared-value model applied across our Discovery SA and Vitality composites. The Shared-value model is underpinned by our leading Vitality behaviour-change platform and supported by our unique foundation and operating model. The use of AI, through Personal Health Pathways and Vitality AI, is now the next evolution of our shared-value approach, scaling personalised healthcare with greater precision, granularity and impact.

Our values

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

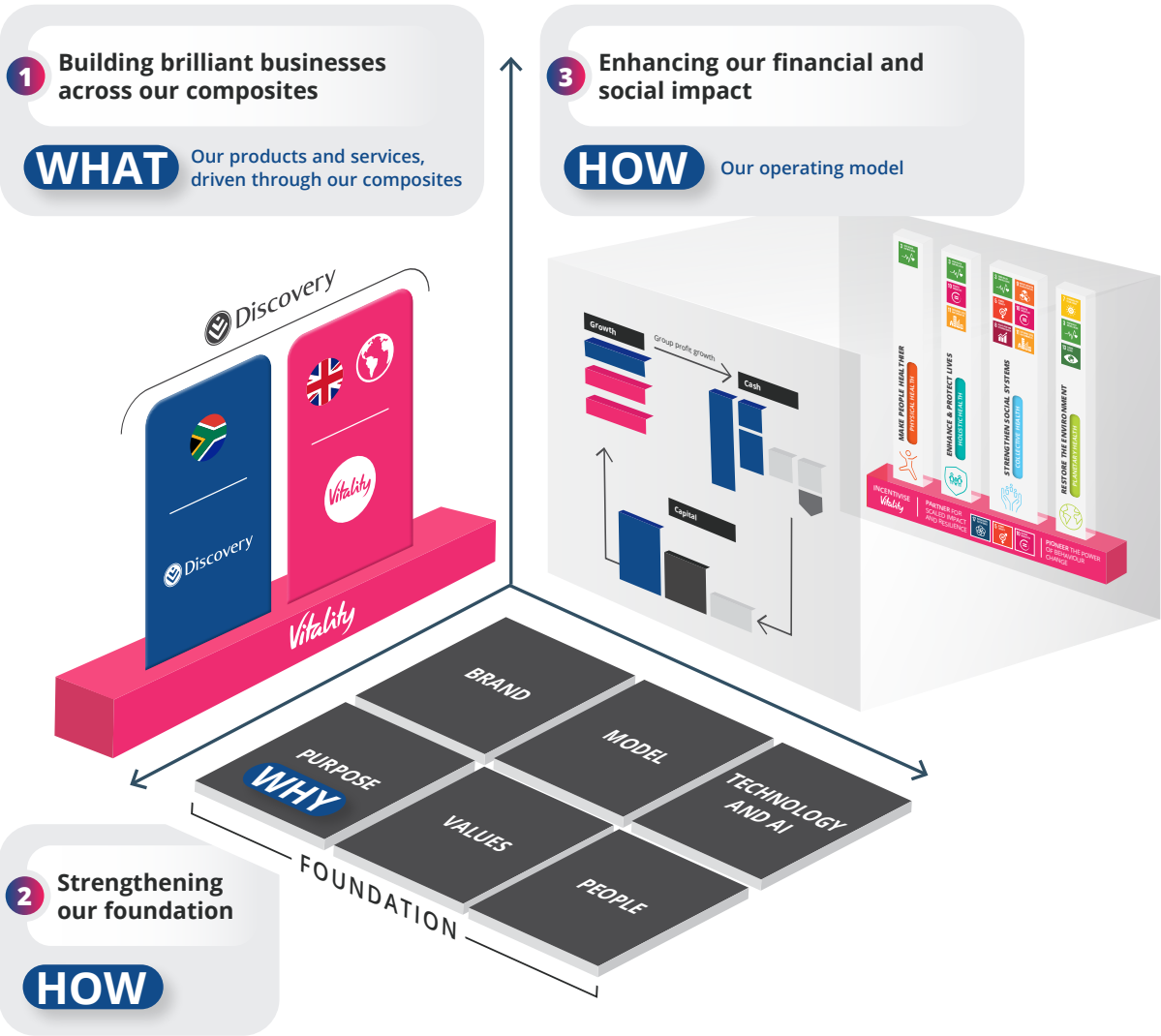
- Great people
- Liberate the best in people
- Intellectual leadership
- Drive, tenacity and urgency
- Innovation and optimism
- Business astuteness and prudence
- Customer, customer, customer
- Integrity, honesty and fairness
- Force for good

Our strategic objectives

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

- 1 Building brilliant businesses across our composites**
- 2 Strengthening our foundation through key business enablers**
- 3 Enhancing our financial and social impact**

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



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Our tax contribution at a glance

Number of subsidiaries in the Group

52

(FY2025: 48)

Normalised profit from operations

R17 750

MILLION

(FY2025: R15 210 million)

Group income statement tax expense

R5 239

MILLION*

(FY2025: R4 089 million)

Group income statement profit before tax

R18 457

MILLION

(FY2025: R13 647 million)

Employees

>15 200

(FY2025: >15 000)

* The portion relating to current tax expense (excluding deferred tax expense) is R3 116 million. The corporate income tax contribution is R2 766 million. The difference of R350 million mainly comprises provision for additional top-up payments which have been accrued for in FY2026, 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

Total tax contributed in FY2026

R14 536

MILLION

(FY2025: R11 736 million)

Share of total tax contribution by tax type

Employment taxes¹

42%

R6 156 million

(FY2025: R5 431 million)

Corporate income tax

19%

R2 766 million

(FY2025: R1 809 million)

VAT and GST²

18%

R2 631 million

(FY2025: R2 596 million)

Insurance premium tax

17%

R2 447 million

(FY2025: R1 463 million)³

Other taxes⁴

4%

R536 million

(FY2025: R437 million)

Share of total tax contribution by region

South Africa

68%

R9 943 million

(FY2025: R8 559 million)

United States of America

2%

R320 million

(FY2025: R300 million)

United Kingdom

29%

R4 232 million

(FY2025: R2 838 million)

Other*

<1%

R41 million

(FY2025: R39 million)

Alignment with Discovery's sustainable development commitments

Our tax contributions support the following United Nations Sustainable Development Goals:



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

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

¹ Includes employment taxes collected and paid over on behalf of policyholders

² Includes VAT expensed and not recovered

³ In FY2025, Vitality Health in the United Kingdom changed schemes and now accounts for Insurance Premium Tax on a cash-flow basis (as premiums are paid) rather than at the inception of the policy. The full impact of which was seen in FY2026

⁴ 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

SUS

For more information on the Group's alignment to the United Nations Sustainable Development Goals, refer to our Sustainability Report.

Our approach to tax

Our core purpose is realised through our pioneering and bespoke Shared-value model applied across our Discovery SA and Vitality composites.

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

Our Tax Policy principles provide strategic guidance and have been reviewed and approved by the Group Audit Committee, the Group Risk and Compliance Committee and the Board of Directors. Group Tax and the Finance Executive Committee review the tax strategy annually and update 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.

Our tax principles

Discovery's approach to tax is guided by five principles.

01 Commitment to compliance

02 Responsible attitude to arranging tax affairs

03 Constructive approach to engaging with tax authorities

04 Tax reporting procedures and provisions

05 Monitoring, control and tax risk management

The Group's Tax Policy principles can be accessed on our website.

Our approach to regulatory compliance

Discovery is committed to operating sustainably and complying with all statutory tax obligations in the regions where 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 by embedding a Tax Risk Management Framework and Transfer Pricing Policy across the Group. In addition, our Annual Financial Statements are prepared in accordance with IFRS – 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 where we operate. This includes paying taxes where 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 considerations into business and sustainable development strategies

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

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

The Group Tax function is involved in planning, implementing and documenting 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 sustainably maximise value for shareholders and other stakeholders. Tax planning is undertaken within this context:

- Economic substance and commercial rationale for transactions undertaken are paramount. All transactions must have a business purpose. Therefore, no artificial arrangements may be implemented, particularly to transfer value to low-tax jurisdictions
- So-called tax havens are not used 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, with double taxation eliminated where possible
- Cross-border intragroup transactions are undertaken on an arm's length basis in accordance with the OECD transfer pricing principles



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Tax governance and tax risk management

Governance

As the Group's highest governing body, our Board oversees the Group's tax practices and affairs, supported by the Group's Audit Committee and Risk and Compliance Committee.

Responsibility for compliance with the Group's tax strategy rests with the Board. The Board delegates 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, where applicable, the in-country Group tax specialists. Together, the business CFOs, Group Tax and in-country tax specialists are responsible for monitoring the Group's overall tax compliance, tracking changes in tax legislation while proactively managing the impacts thereof, and ensuring appropriate financial controls are in place in terms of King V™.

Responsibility for compliance with the Group's tax strategy rests with the Board.



GOV For details on Discovery's governance structures, see our Governance Report.



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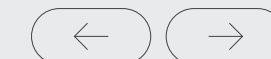
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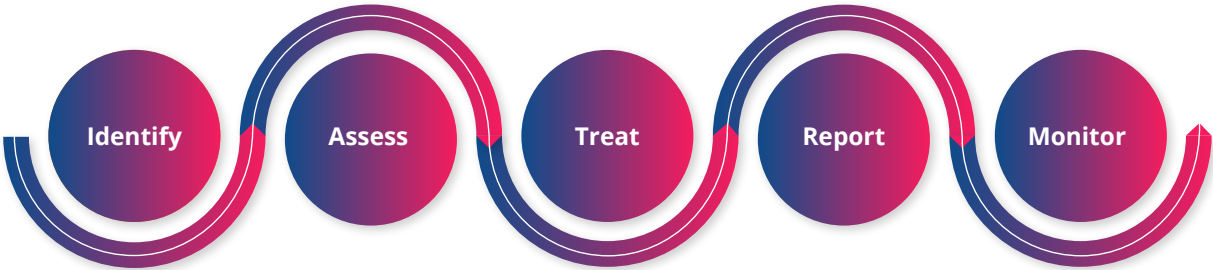
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Tax risk management

Tax risk management forms part of the Group's wider Enterprise Risk Management Framework. The framework has a clearly defined risk taxonomy, including a risk-rating matrix that assesses the likelihood and impact of specific risks. 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, which monitors risk and provides assurance.



GOV Refer to our Governance Report for more details on Discovery's three lines of defence model.

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 with uncertain tax treatment, the treatment is escalated to Group Tax and/or the in-country tax specialist, who analyses the transaction and, using their professional skills and judgement, advises on the appropriate route to achieve tax compliance and maintain efficiency. When making tax decisions, consideration is also given to the materiality of any item, the financial impacts and any perceived reputational risk that may arise. If the Group Tax specialist identifies 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 deviates from industry patterns or Discovery's past performance, or in a considerable gap 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

We have a team of in-house tax specialists with a combination of commerce, chartered accountancy and taxation qualifications. 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

We have 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

We select external experts based on their area of industry and subject matter expertise. These advisers are engaged to provide advice as required.

Tax risks are assessed as low, medium or high after considering the key components of tax risk and understanding the specific 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, No 58 of 1962 (Income Tax Act) as a part of the annual reporting audit process
- External advisers review significant transactions, including internal restructures
- External advisers review annual transfer pricing documentation in line with OECD requirements

Tax risk management

Tax risks arising from legislative changes are actively managed by participating in industry workgroups and through 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 mechanism for reporting tax-related concerns about unethical or unlawful behaviour.

SUS Refer to our Sustainability Report for more details on Discovery's whistleblowing hotline.



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Assurance of tax disclosures

Our respective finance teams, which are led by their CFOs, are responsible for ensuring tax risk management and transfer pricing policies are appropriately adopted and applied to business operations. In addition, these teams oversee the implementation of effective tax reporting compliance 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 can identify 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 required returns and payments to the relevant tax authorities have been made within the applicable time limits
- Confirmation that, in managing the tax affairs of the company, they have considered 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 conducts annual assessments on the internal tax 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 to Discovery's Group Risk Management team, who evaluates and monitors the ongoing risks as part of the Group's wider Enterprise Risk Management Framework.

Uncertain tax positions

Uncertain tax positions arise when there is remaining uncertainty as to whether a tax authority will accept the interpretation adopted by the Group.

While all effort is made to ensure the relevant interpretation is correctly applied, 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.

* International Financial Reporting Interpretations Committee



We are pleased that our tax transparency disclosures once again scored best in class in the MSCI ESG Rating assessment in August 2025.



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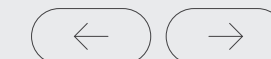
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Our engagement with tax authorities

In line with our tax principles, engagements with tax authorities are conducted ethically, courteously and promptly. The Group endeavours to build sustainable, transparent relationships with tax authorities. If unintended errors arise, these are corrected as soon as practicable after identification. The Group seeks to resolve any matters with tax authorities through active and transparent discussion. However, if there are disagreements with a ruling or decision thereafter, and if the Group strongly believes that its interpretation of the law is correct, the Group will pursue the formal dispute resolution mechanisms available.

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), the South African Insurance Association (SAIA), the Banking Association of South Africa (BASA) and the tax committees of the Institute of Retirement Funds Africa (IRFA). Through these memberships, we advocate for tax reforms relevant to our stakeholders. In the United Kingdom and United States of America, we engage in advocacy through external tax advisers who are actively represented on tax working groups. These advisers provide technical input and feedback on proposed legislation and administrative processes, ensuring that Discovery's views are considered in regulatory developments.

Recent focus areas, particularly in South Africa, include:

- Supporting an increase in the single discretionary allowance from R1 million to R2 million per year, easing cross-border flexibility for individuals
- Securing revised guidance from the South African Reserve Bank on payments from policies and funds to offshore beneficiaries, providing greater certainty for policyholders and administrators
- Contributing to various technical amendments to the tax legislation governing retirement funds
- Engaging on the tax amendments related to the Global Minimum Tax Act, No 46 of 2024, and the Global Minimum Tax Administration Act, No 47 of 2024

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 stakeholder engagement, with principles formalised in our Stakeholder Engagement Framework. The framework includes a stakeholder matrix that guides our levels of engagement with each stakeholder group. Engagement varies depending on our objectives, outcomes, timeframes and resources, as well as levels of influence or interest of stakeholders.

IAR Refer to our Integrated Annual Report for more information on our stakeholders.

As part of our engagements with government and regulators, we engage with tax authorities, who 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 all cross-border intercompany transactions are conducted in accordance with 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 other items, the revenue, profit before tax, and number of employees per jurisdiction. This report enables revenue authorities to assess transfer pricing and other potential base erosion and profit sharing-related risks for multinational groups operating in their countries. Discovery has filed the Master File, Local File and country-by-country reports based on financial reporting periods as required up to 30 June 2025 with the relevant tax authorities. The June 2026 information is required to be submitted by 30 June 2027.

In October 2021, over 135 countries, including South Africa and the United Kingdom, agreed to the OECD/G20 Inclusive Framework Two Pillar solution to address the tax challenges arising from the digitalisation of the economy. The OECD subsequently issued model rules intended to ensure that large multinational enterprises pay a minimum tax of 15% on income arising in each jurisdiction in which they operate. As jurisdictions implement these rules through domestic legislation, the Group will continue to work with its advisers to assess its exposure to Pillar Two top-up taxes and monitor evolving legislation and associated guidance. We do not foresee any material impacts to the Group in this regard.

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Our international tax landscape *continued*

- As the Group is a multinational enterprise with a turnover exceeding €750 million, it is subject to the following rules and legislation that were enacted or came into effect, from FY2025:**
- Global Minimum Tax Act and the Global Minimum Tax Administration Act in South Africa, effective for financial years commencing on or after 1 January 2024
 - Finance Act, No 2 of 2023, in the United Kingdom, which includes a multinational and domestic top-up tax, effective for financial years commencing on or after 31 December 2023
 - Global and Domestic Minimum Tax in Australia, effective for financial years commencing on or after 1 January 2024
 - Multinational Enterprise (Minimum Tax) Act and Multinational Enterprise (Minimum Tax) Regulations 2024 in Singapore, effective for financial years commencing on or after 1 January 2025
 - Global Minimum Tax (Pillar Two) Order 2024 in the Isle of Man, effective from 1 January 2025
 - Finance Act, No 18 of 2025, in Mauritius, which incorporates a domestic minimum top-up tax into the Income Tax Act 1995 and is effective for financial years ending on or after 1 January 2025
 - Income Tax (Approved International Agreements) (Implementation) (OECD Pillar Two GloBE Model Rules) Regulations 2024 in Guernsey, to transpose the OECD Model Rules (and accompanying guidance) into domestic regulations from 1 January 2025
 - Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 (the Amendment Ordinance) in Hong Kong, effective for financial years commencing on or after 1 January 2025

Discovery has no material current tax exposure for FY2026 regarding these legislations and has applied the exception to recognise and disclose information on 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 FY2026 based on the following considerations:

- Most 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 material top-up tax is accrued. 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 in those jurisdictions under Pillar Two principles

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

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 in a tax paying position, tax is provided at 27% (FY2025: 27%). Discovery uses the South African tax rate in its tax rate reconciliation, as Discovery is domiciled in South Africa and its 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 as at the reporting date.

Reconciliation of statutory rate to Group effective tax rate

	FY2026	FY2025
Statutory rate	27.00%	27.00%
Non-taxable income including equity-accounted profit or loss and dividend income	(2.41%)	(2.48%)
Non-deductible expenditure including items of a capital nature and non-deductible provisions	2.04%	1.91%
Current year subsidiary losses for which no deferred tax asset (DTA) was recognised, net of DTAs recognised on prior year losses	(1.51%)	1.34%
Insurance policyholder funds and related DTA recognitions/unwinds	3.39%	2.60%
Accounting gains and losses taxable at capital gains tax rates	(0.09%)	(0.08%)
Controlled foreign company imputations and withholding taxes not recovered	0.36%	0.20%
Additional tax allowances	(0.05%)	(0.06%)
Prior year under/over provision	0.11%	(0.14%)
Tax rate differences ¹	(0.44%)	0.34%
Effective taxation rate	28.39%	29.94%

■ Increase ■ Decrease

¹ Tax rate differences refer to the impact of lower statutory tax rates in jurisdictions outside of South Africa. For example, the United Kingdom at 25% and the United States of America using a rate of 22.3% for the period (federal tax of 21% + combined state tax of 1.3%)

The Group's effective tax rate decreased from 29.94% in FY2025 to 28.39% in FY2026. While insurance policyholder taxation remained the most significant upward driver, the recognition of deferred tax assets on prior period subsidiary losses contributed to the lower rate in FY2026.

Financial assistance received from governments

Discovery is committed to collaborating with governments in the jurisdictions where we operate. Under the South African Income Tax Act, a section 11D research and development incentive was approved by the South African Department of Science, Technology and Innovation for the development of certain innovations related to Discovery Bank and Discovery Insure. The funds were used to develop novel technological advances for the financial industry. The independently verified amounts result in a tax saving of R7 million for FY2025 (FY2024: R4.2 million). The FY2026 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 R2.1 million for FY2026 (FY2025: R2.2 million).

The Inland Revenue Authority of Singapore provided corporate income tax rebates and cash grants of SGD42 000 (cR0.6 million) for FY2026 (FY2025: SGD42 000/cR0.6 million).

In the United Kingdom, a Research and Development Expenditure Credit (RDEC) of £0.10 million (cR2.27 million) was claimed for FY2026 (FY2025: £0.75 million). Research and Development Expenditure Credit 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.



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Economic contribution of taxes paid for FY2025

The disclosure is based on the most recent required submission to the South African tax authorities. It complies with the requirements of the OECD under the Base Erosion and Profit Shifting Action Plan 13, which requires all large multinational enterprises to submit a 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 2026 information is due to be submitted to the South African tax authorities by 30 June 2027.

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 all 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	✓	✓	✓	✓	77 971	9 458	2 011	89 441	11 105	1 892	2 002	43 688	46 032	11 757	2 644
United Kingdom	✓	✓	✓	✓	27 863	10 404	208	38 475	1 027	(87)	111	50 863	815	2 640	527
United States of America		✓		✓	3 693	161	83	3 937	331	58	104	8 424	(2 108)	229	159
Singapore				✓	2	1	101	104	2	2	2	283	(2)	2	–
Australia				✓	*	–	5	5	(4)	–	–	73	(125)	2	–
Isle of Man ⁷	✓	✓			159	–	13	173	12	–	–	192	(44)	1	–
DRC		✓			29	–	1	30	(2)	*	*	*	1	44	1
Nigeria		✓			*	–	1	1	*	*	*	*	(23)	1	*
Eswatini		✓			5	–	–	5	*	*	*	*	1	6	*
Mauritius		✓			84	56	–	140	41	1	1	1	18	–	–
Guernsey ⁸	✓				14	1	–	14	16	–	–	–	16	–	–
China		✓			*	–	26	26	*	*	*	4	(1)	4	1
Total					109 820	20 080	2 450	132 349	12 528⁹	1 867	2 220	103 527	44 579	14 686	3 333

¹ Includes, among others, holding, investment, financing and other service operations

² The income tax paid of R1 867 million aligns to the cash tax paid per the Discovery Annual Financial Statements.

³ Income tax accrued reflects the current tax accrued for the year and excludes deferred tax. Current income tax accrued per the Discovery Group Annual Financial Statements is R2 187 million. The difference of R33 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 funds managed in South Africa are consolidated into the Discovery Group Annual Financial Statements and have therefore been included in the country-by-country report. Total revenue includes an amount of R5 031 million pertaining to these funds. The revenues generated are for the policyholders and not for the Discovery Group

⁷ For FY2025, operations in the Isle of Man include the performance of client relationship management, sales/marketing to key group clients largely located in the United Kingdom and Europe, as well as reinsurance activities. The 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 Annual Financial Statements of R13 647 million relates to, among others, share of profits from equity-accounted investees, dividends and the arrangement with the Prudential Assurance Company

* Amount less than R500 000

Corporate tax rates as reported for FY2025 include: South Africa 27%, United Kingdom 25% and United States of America 22.3% (federal tax of 21% + combined state tax of 1.3%).



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