



# Discovery Insure

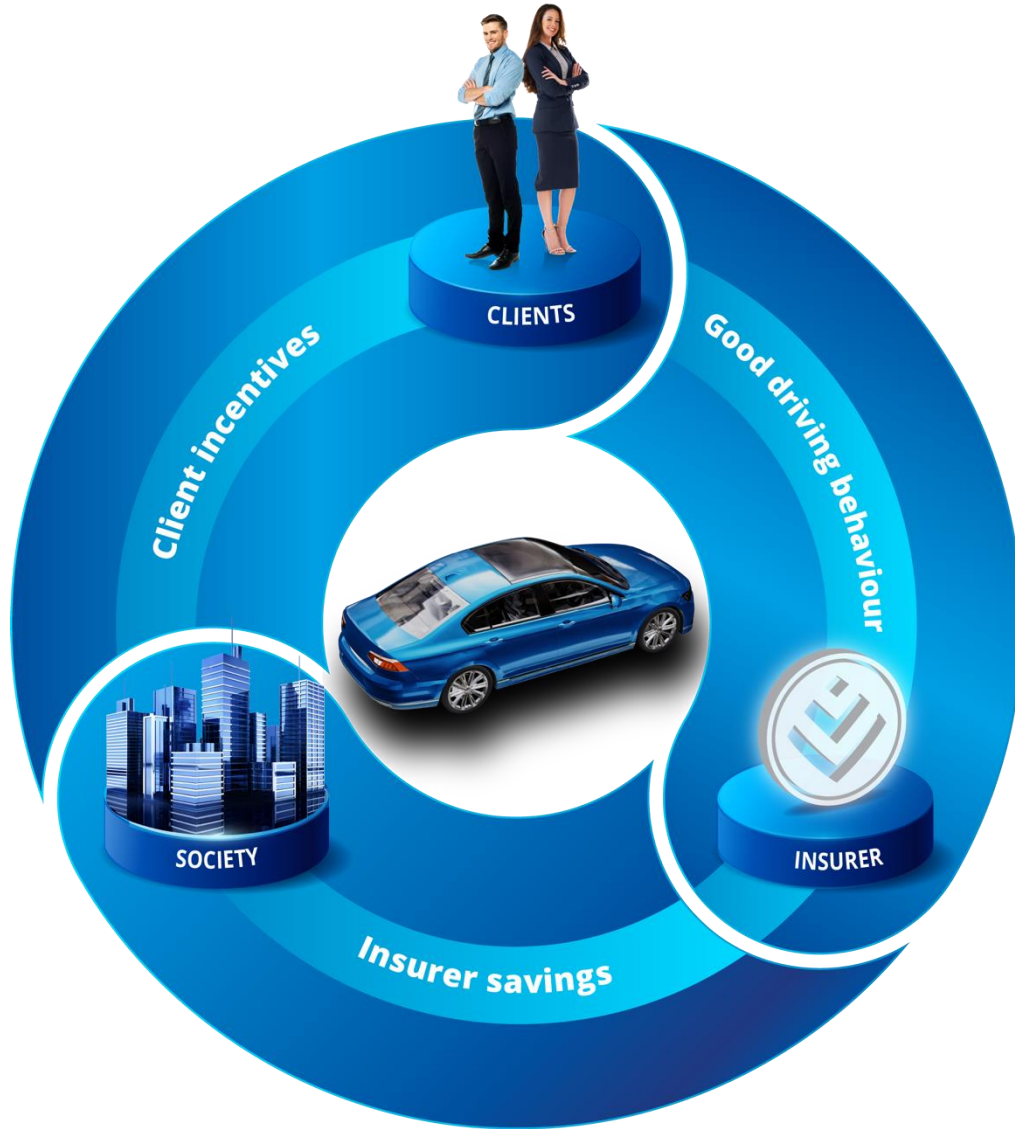
UBS South African Short-term Insurance Indaba |  
May 2026 | Robert Attwell



# AGENDA

- 01** Discovery Insure's core purpose
- 02** Key drivers of financial performance
- 03** Key focus areas
- 04** Vitality Drive International
- 05** A force for social good

# Core purpose enabled by shared-valued



## Core purpose

CREATING A NATION OF GREAT DRIVERS

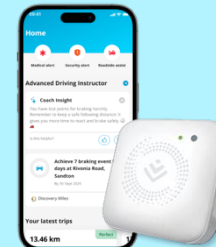


## Foundations of insurance

### The nature of risk is behavioural

**5** > **3** > **60%**  
Driving behaviours > Driving conditions > Fatal accidents

### Technology



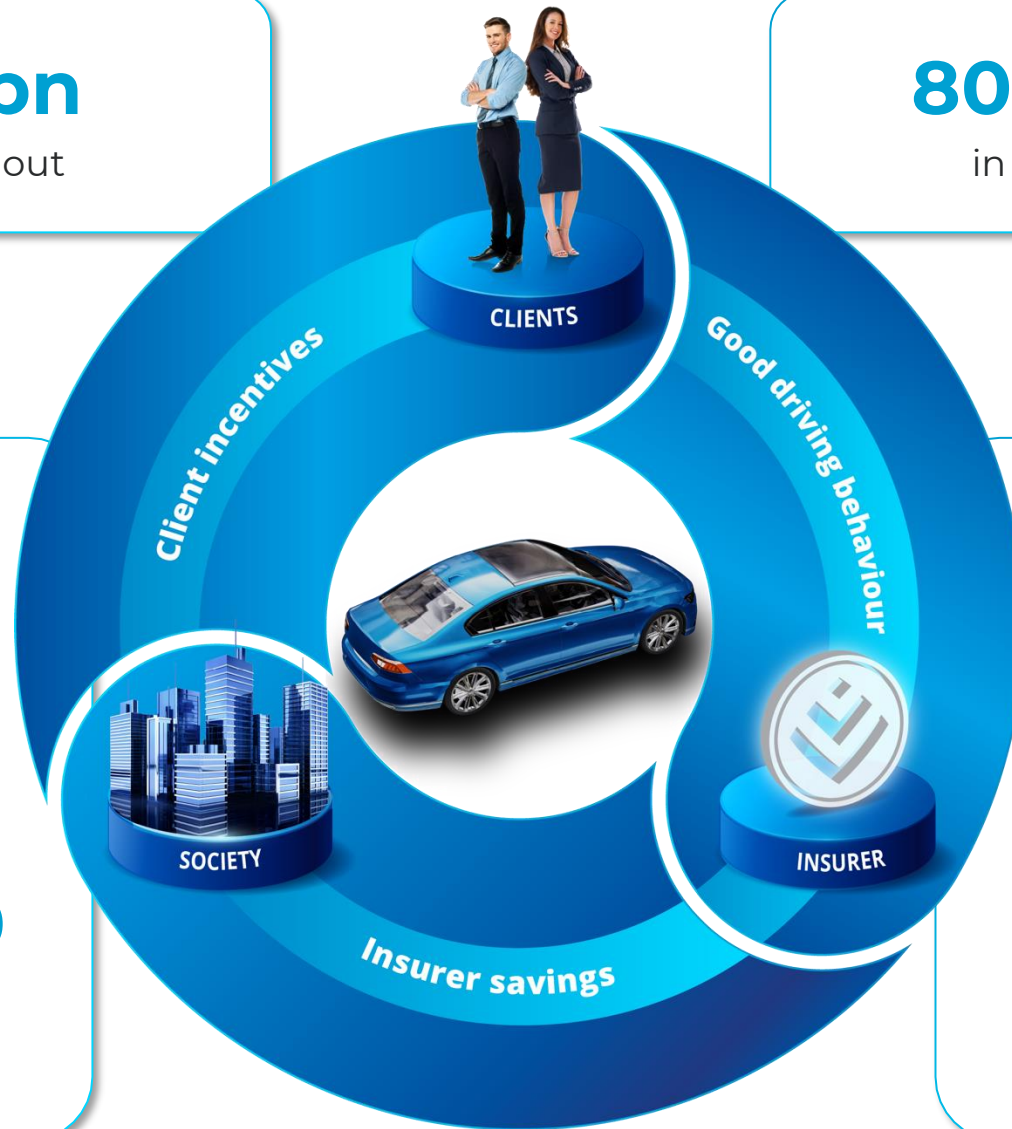
### Social responsibility

**Stakeholder needs are more widely defined:** businesses face pressure to create value for all stakeholders through their products, services and client journeys



**Over R2.2bn**  
in fuel rewards paid out

**80% reduction**  
in accident fatality rates



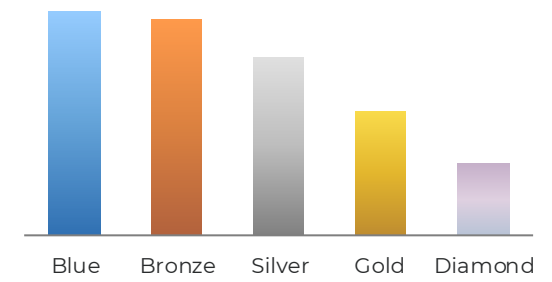
**>300 million**  
impressions over  
the campaign  
period



**330,000**  
potholes fixed

Stronger Actuarial Dynamics

**Loss ratio by Vitality Drive status**  
*Indexed to Blue*





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# H1 FY2026 Discovery Insure



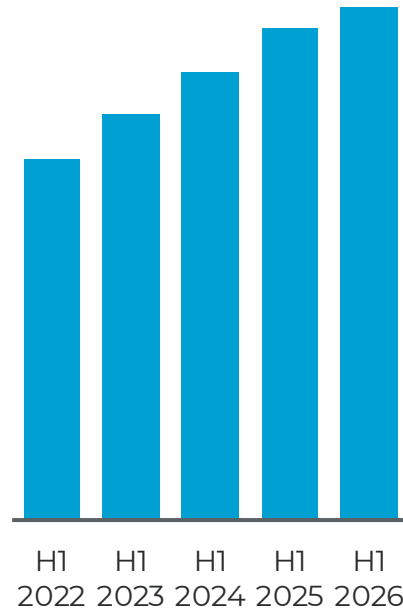
## Normalised profit

**+34%**  
to R546m



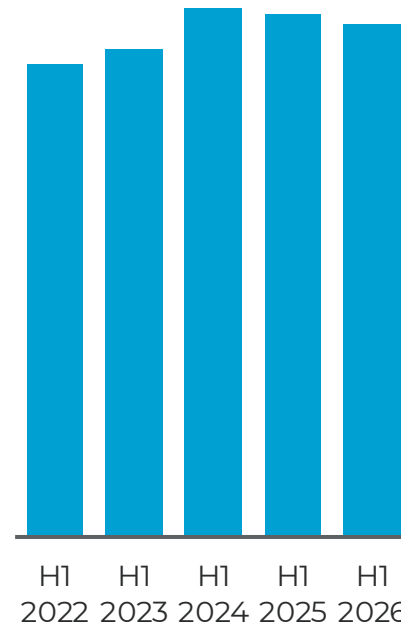
## Insurance revenue

**+4%**  
to R3 207m



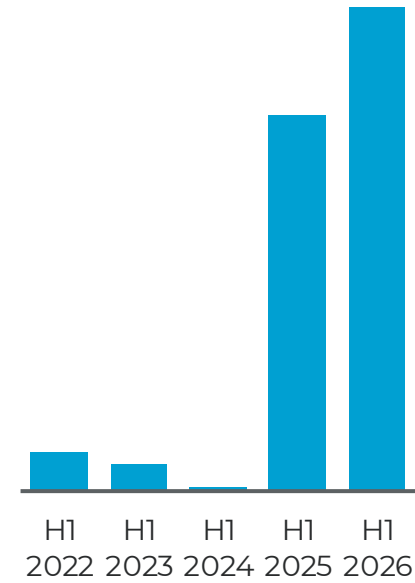
## Gross new business

**-2%**  
to R646m



## Operating margin

**+24%**  
to 15.2%

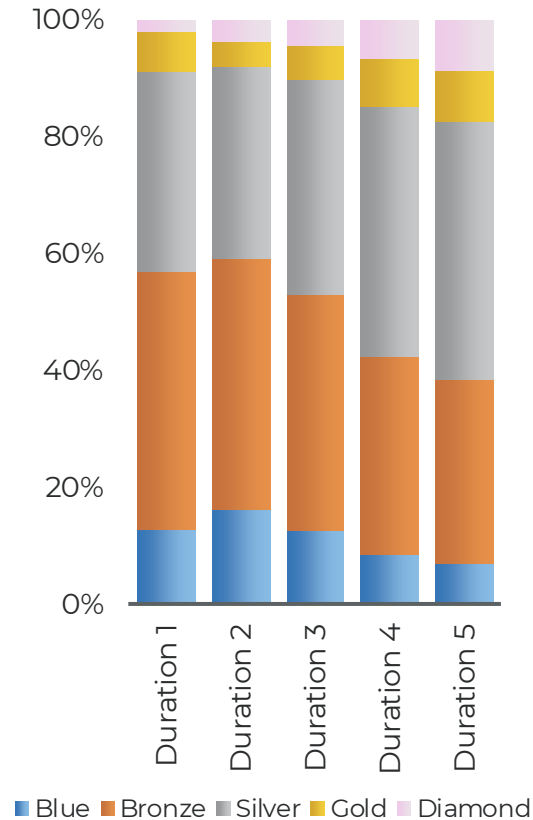


# Vitality model compounds duration-driven outperformance



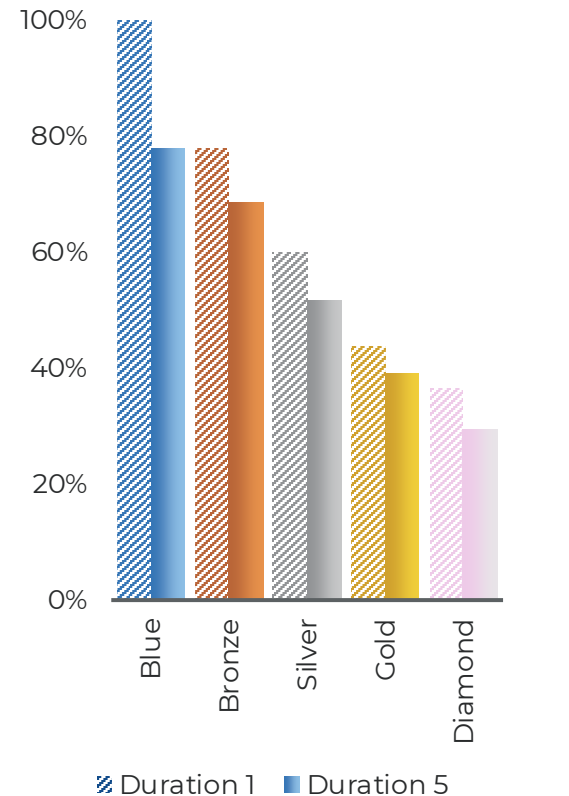
## Client quality improves by duration

Status distribution by duration



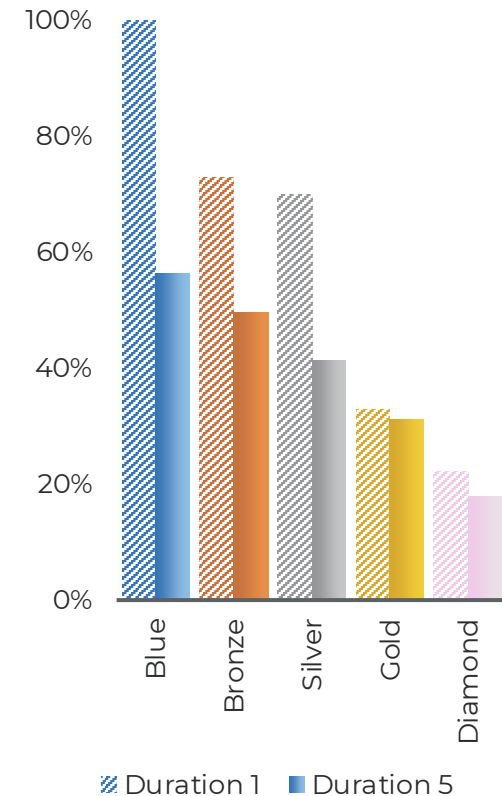
## Lower accident frequency by status and duration

Relative accident frequency by status and duration



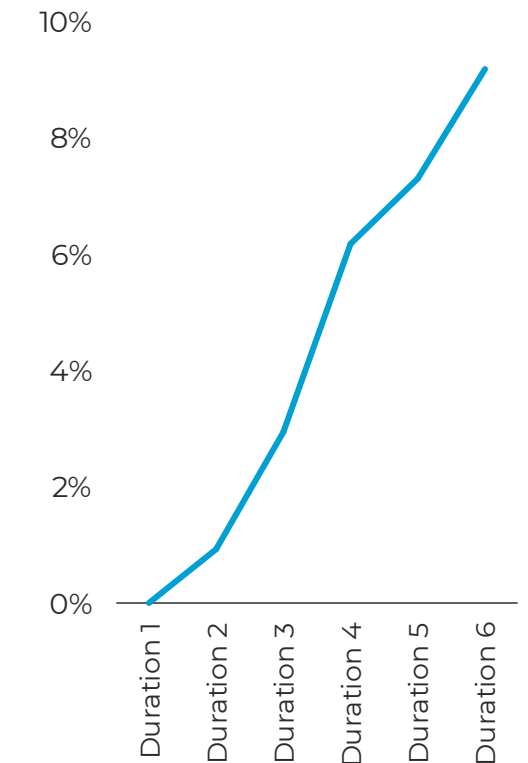
## Lapses improve by both status and duration

Relative lapse rate by status and duration



## Loss ratio outperformance increases by duration

Actual loss ratio outperformance vs theoretical loss ratio by duration

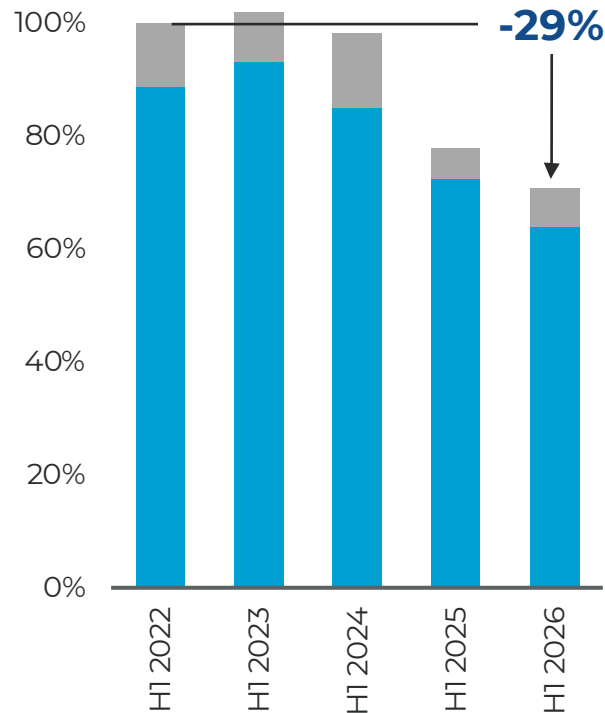


# Management initiatives and Vitality model drive loss ratio improvements



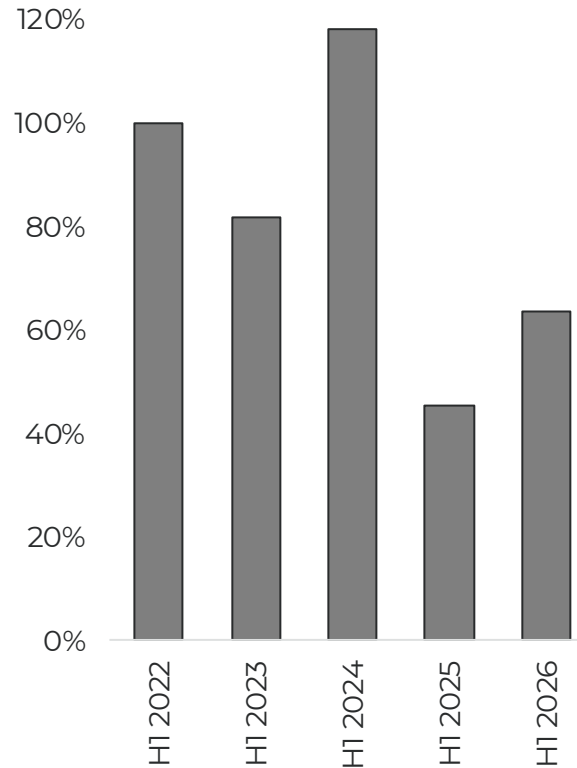
## Loss ratio shows sustained improvement

Full book loss ratio (Relative to H1 2022)



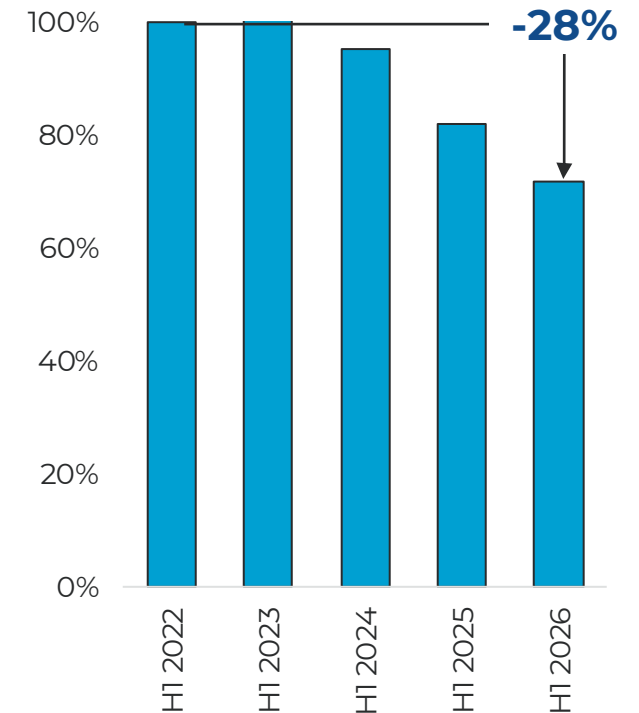
## Weather experience has begun to normalise

Full book weather loss ratio (Relative to H1 2022)



## Management initiatives and Vitality drive out-performance

Full book non-weather loss ratio (Relative to H1 2022)



# Recent weather events had minimal impact on overall loss ratio due to continued non-weather improvements



## Recent weather events

### Western Cape Wildfires (Dec 2025 – Jan 2026):

- Worst fire season in a decade
- 132,000+ hectares burned

### Gauteng Rain and Flooding - (Dec 2025):

- Above-normal rainfall and severe storms
- Localised flooding, hail damage

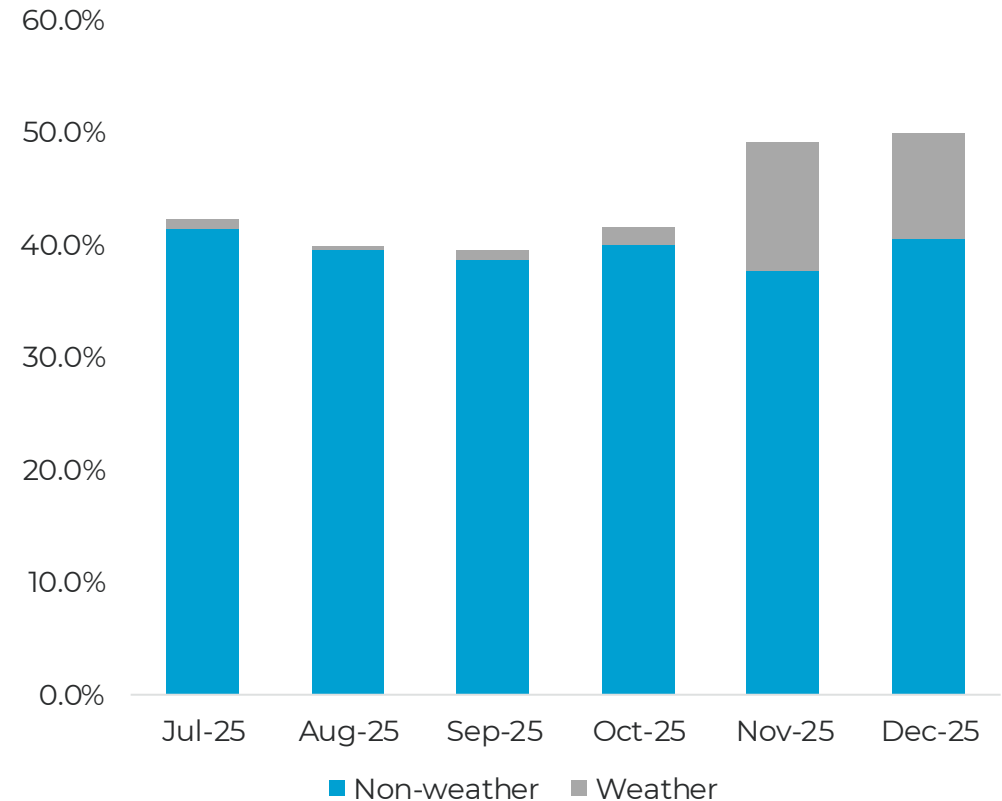
### KwaZulu-Natal & Eastern Cape Flooding (Dec 2025):

- Heavy rainfall led to flooding and storm-related damage

### Limpopo & Mpumalanga Floods (10–18 Jan 2026):

- Severe, prolonged rainfall resulted in a National State of Disaster
- Widespread infrastructure damage
- rainfall totals equal to six months of normal levels in some areas.

## FY2026 H1 monthly loss ratio show stability of non-weather loss ratio through weather volatility

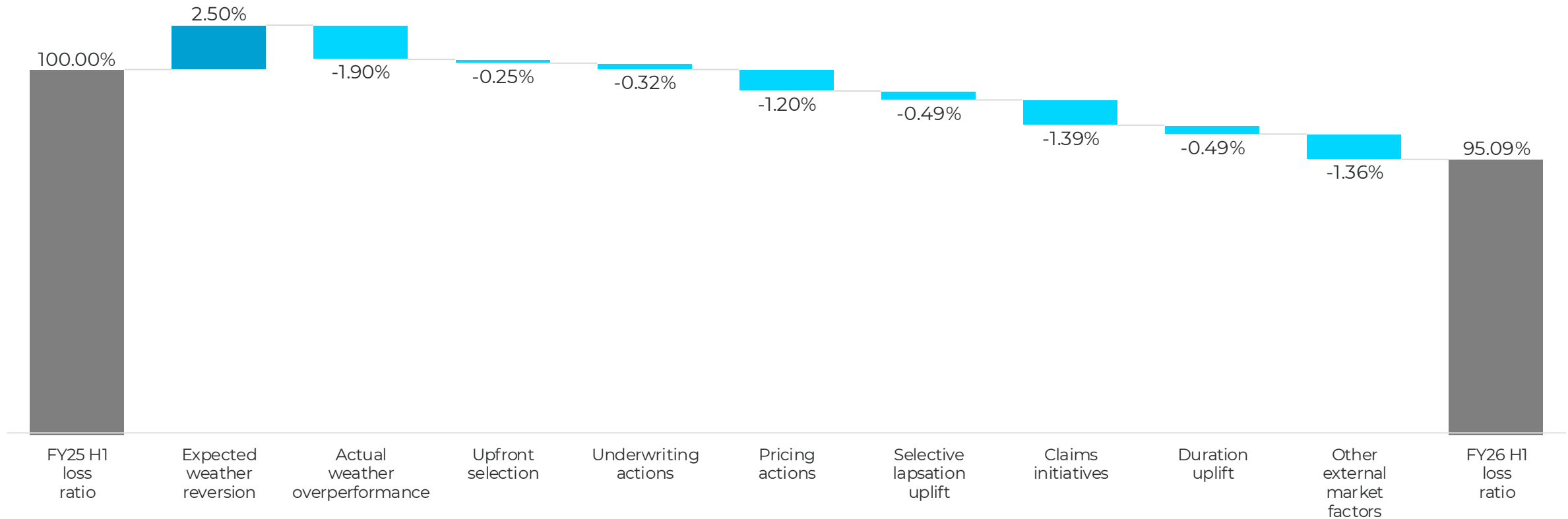


# Margin driven by deliberate structural and sustainable improvements



## Improved loss ratio from management actions across the value chain

Loss ratio change from FY25 H1 to FY26 H1

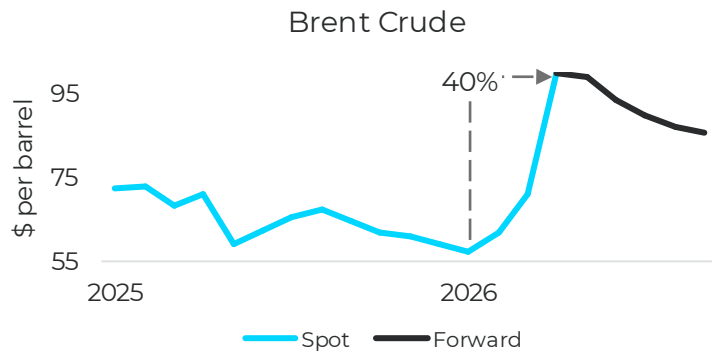


# Well insulated but cautious of inflationary pressures

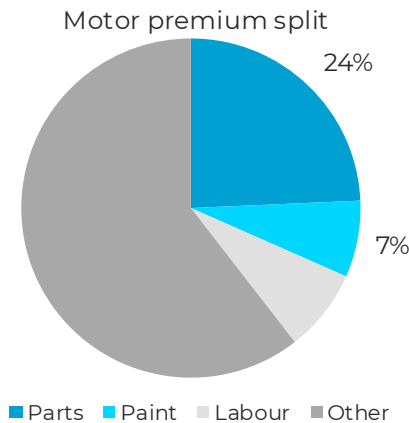


## Uncertainty on persistence of macro inflationary pressures

### Elevated oil prices expected to persist



## 32% of motor claims basket impacted by import prices



## Lower exposure is a natural hedge against claims inflation



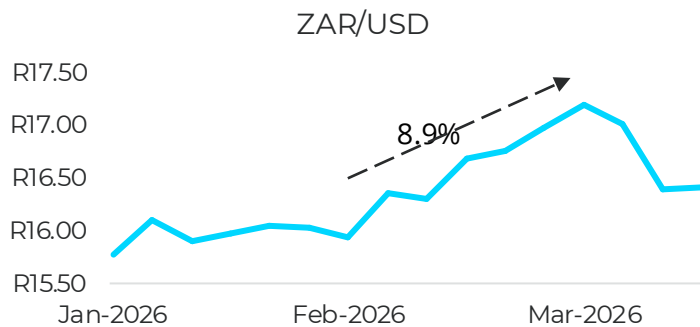
**13%** decrease in trips



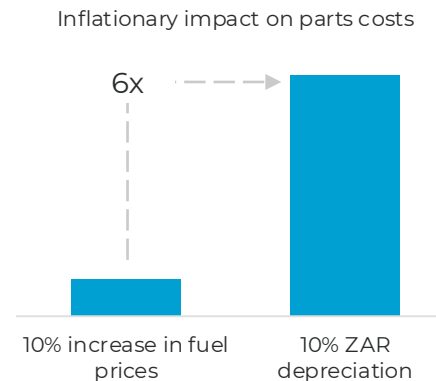
**12%** decrease in distance travelled

since the April 2026 fuel price hike

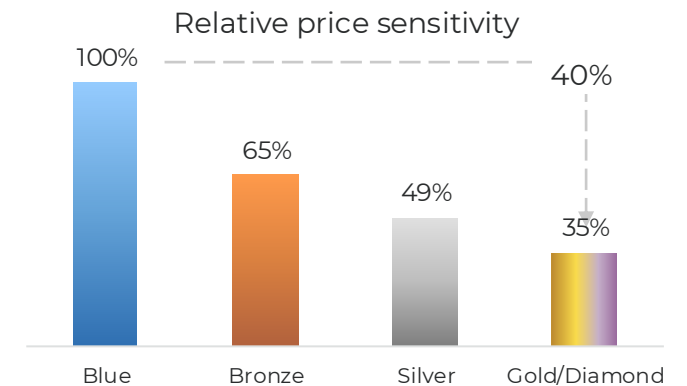
## Recent Rand strength helps offset inflationary impact



## Higher sensitivity to currency than to oil



## Optimised price increases





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# Key focus areas



## Growth



## Expanding the value proposition



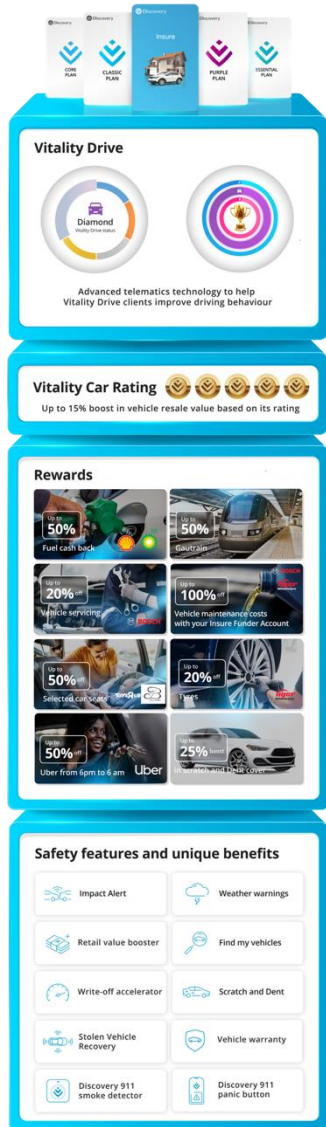
## AI investment



## CMT update



# Unmatched value proposition



Comprehensive Product range

Shared-value insurance model

Extensive partner network enabling consumer rewards

Intelligent technology keeping you safe

1 We offer a comprehensive range of products from the core plan, for the price sensitive consumers, to the purple plan, for high-net-worth individuals

2 This is underpinned by our extensive partner network and reward offering which appeals to a wide range of consumers

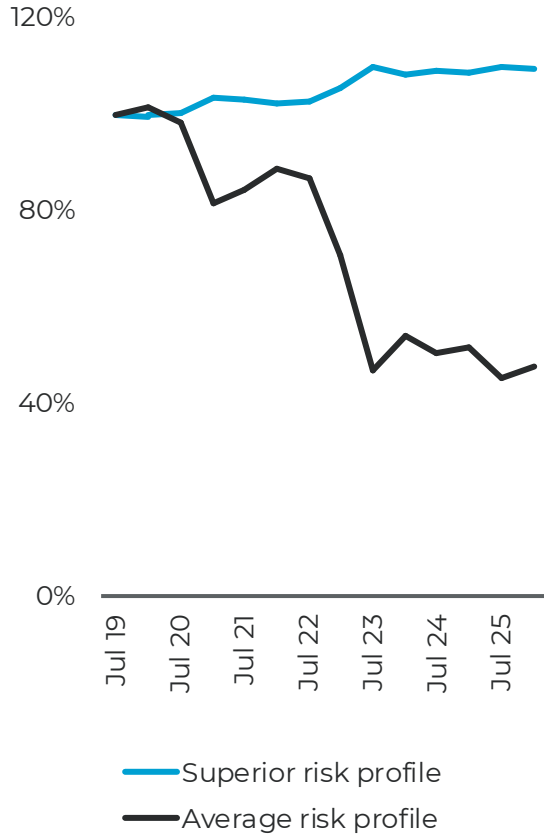
3 Enabling Discovery Insure to have a competitive advantage through its differentiated value proposition

# Disciplined underwriting and Vitality continue to improve quality



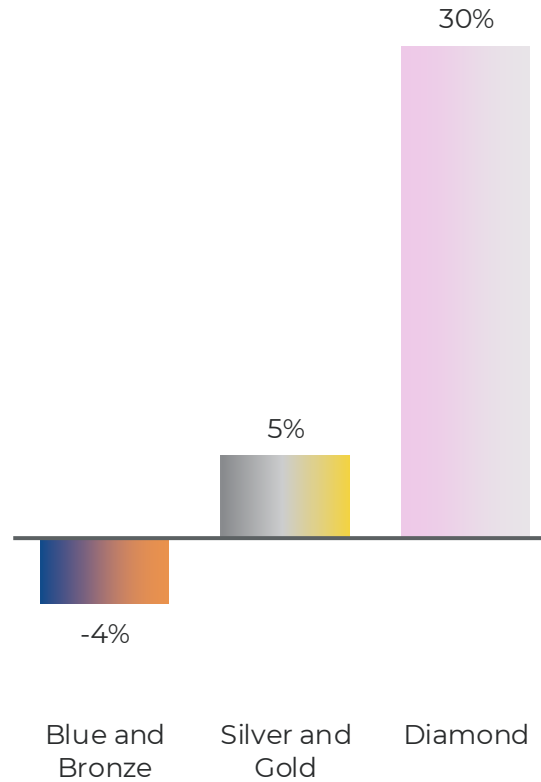
## Quality of the new business book has strengthened

New business book based on insurance risk exposure



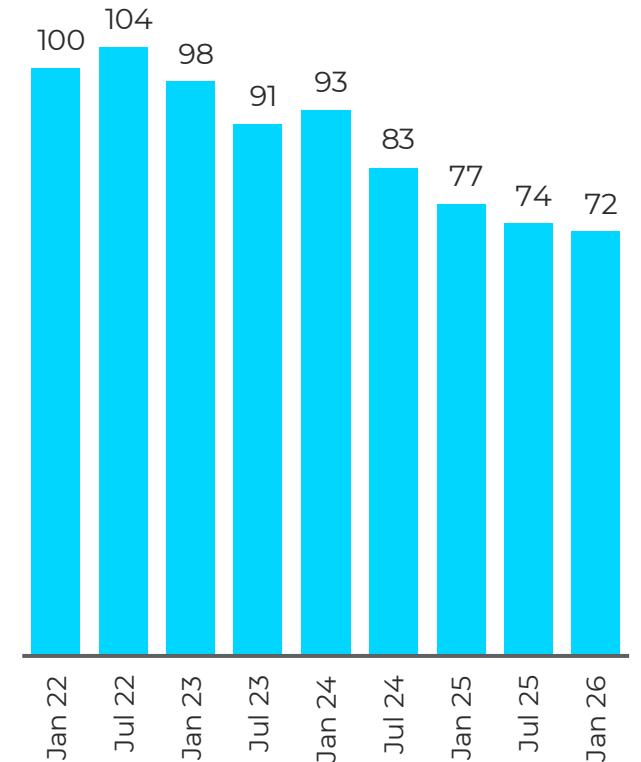
## New business's engagement with Vitality has increased

Increase in proportion of new business exposure by status (relative to 2024)



## Loss ratio of new business continues to improve

New business<sup>1</sup> loss ratio (rebased)



<sup>1</sup> New Business based on policies with duration of less than 12 months during the period

# Leveraging Discovery Group Assets



## Group Integration



**3.2 m**

Discovery lives with only **one** product

**907k**

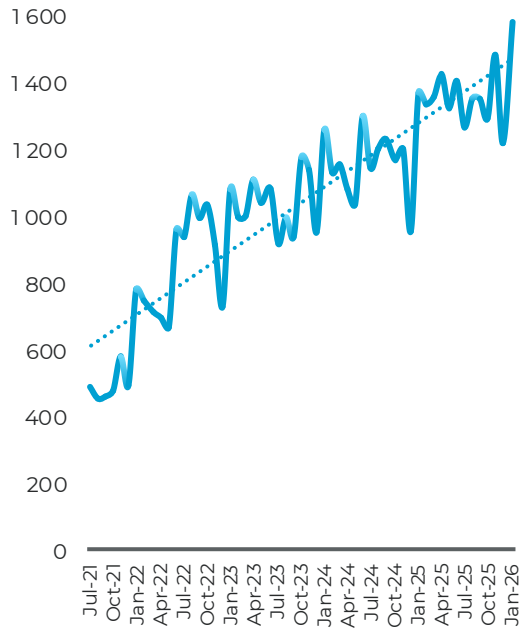
Bank clients without an Insure product

## Access to the Discovery Bank base

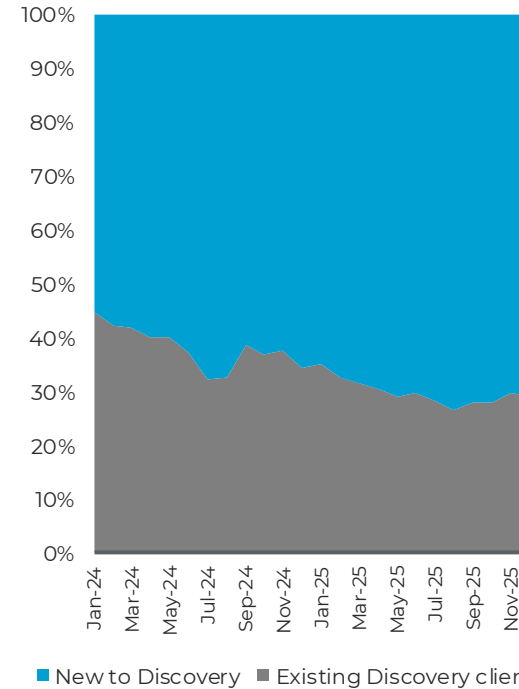
**1.4 million** clients

**R25.7 billion** deposits

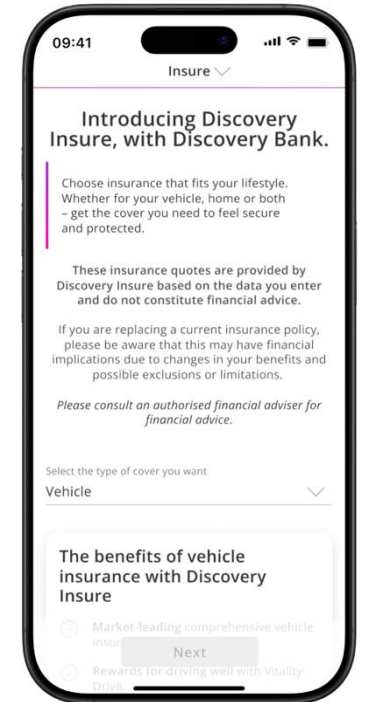
Daily sales  
Average sales per workday



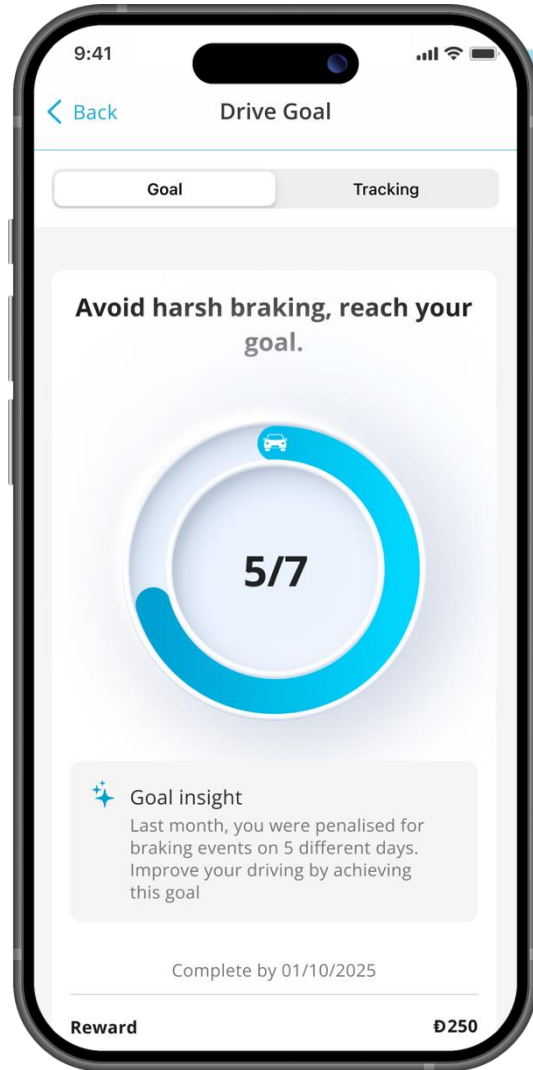
Sales mix  
New business by number of existing  
Discovery products



Get an Insure quote on the  
Discovery Bank app



# Advanced Driving Instructor | New goals more rewards



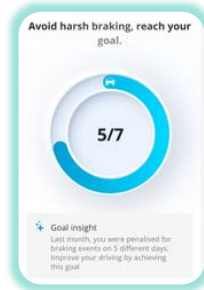
**Get assigned new personalised goals**

**Close your rings**

**Get rewarded**

### Personal driving ring

Encourages personalised behavioural improvements or next-best actions



Have fewer than 8 harsh braking events this month



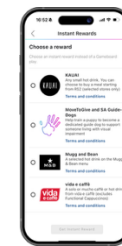
Discovery Miles

### Vitality active rewards ring

Regular weekly Vitality Active Rewards goals for driving well throughout the week



Earn 320 Vitality Drive points this week



Instant reward



Gameboard play

# Introducing | Vitality Drive sleep points



Up to **300 Vitality Drive** points per month for sleeping well!

Consecutive nights of good sleep*	Points
1 night	5
2 nights	10
3+ nights	<b>15</b>

\*a good night is achieving a Vitality Sleep Score above 75

Get rewarded while you sleep





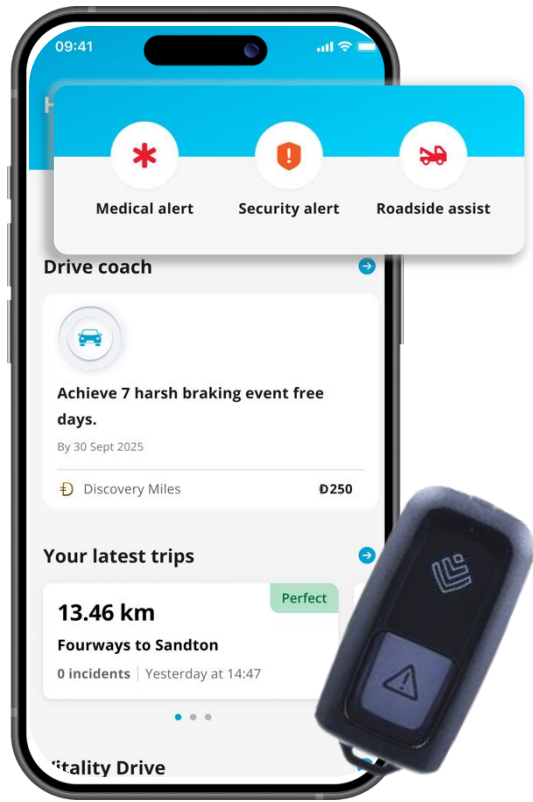

Discovery Miles    Fuel cashback    Insure Funder Account



# Introducing | Discovery 911



## Panic button



**Connected directly to Discovery Insure's 24/7 emergency response network, ensuring rapid dispatch of security or medical support when you need it most.**



>200 vehicles  
>1,300 paramedics



>2,500 vehicles  
>5,000 responders

## Smoke detector

Instant fire response, even when you're away



Backed by trusted partners

FireForce

SecureFire

nationwide coverage

### Unique safety features

**2-Year Battery**  
Operates continuously without charging or wiring

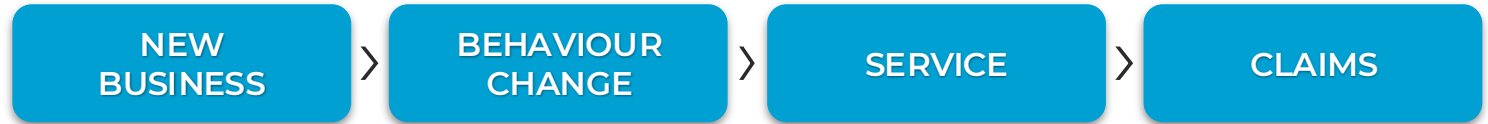
**Sigfox 0G Network**  
Works during load shedding

**Built-in Siren**  
Loud, local alarm alongside remote alert



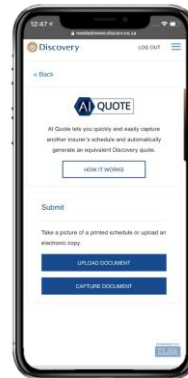
## AI across the business

AI is a strategic, business-wide capability with relevance across multiple parts of the organisation. The focus is on deliberate investment in AI to strengthen core capabilities and position the business for long-term value.



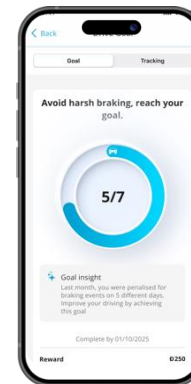
### AI Quote

World-leading technology that facilitates quotes in seconds with 85% of fields pre-populated



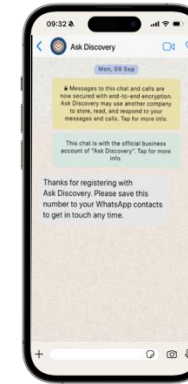
### Advanced driving instructor

Hyper-personalised AI-driven interventions to encourage safer driving behaviour.



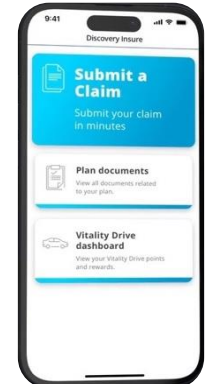
### Personalised experience

AI-enabled client servicing to improve efficiency and customer experience at scale.



### Procurement management

Automation to optimise supplier and claims cost management





## Transaction



**Partial disposal of 49.4%** of Discovery's interest in CMT by Vitality Group International (VGI)



**US\$49.5m** (~R831m) in gross cash proceeds



**Uncategorised transaction:** no related parties and no shareholder approval required (as per JSE requirements)

## Value & financial impact



Disposal **crystallised equity-accounted earnings** attributable to the portion sold



**US\$7.9m** (~R133m) additional net gain on partial disposal (net of costs and tax)



Gain will be **excluded from normalised operating profit, headline earnings and normalised headline earnings** (FY ending 30 June 2026)

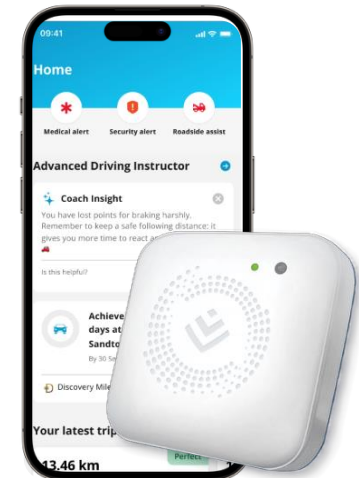
## Rights retained



Discovery continues to account for CMT as an associate due to contractual strategic rights and ongoing involvement.



Strategic partnership expected to be unaffected by the reduced shareholding.





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# New partners, expanding global reach



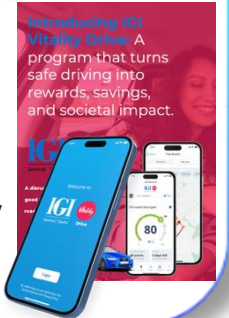
- Launched the LLC in Feb-25
- Product launched Jun-25
- >1200 vehicles on the program
- 13 markets
- 4 live pilots
- 4 paying customers
- 7 confirmed pilots to go live in next 6 – 8 weeks
- 9 app features to go live by end Feb.



- Launched 2021
- >300,000 programmes loaded
- Engagement strategy in progress
- NAJM proposal submitted



- Launched Dec-24
- Fleet
- >3000 active vehicles
- Launching phone only, end Q1.



- Launched Jan-25
- >30,000 programs loaded
- Drive Challenge 2026
- Engagement & Marketing strategy implementation post acquisition

## AVIS SAFE DRIVE



- Launched 2017
- 300 active rentals per day, on average
- Rental on platform



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# Social initiatives



## POTHOLE PATROL



**339,500**

Potholes repaired

**-26%**

Reduction in pothole claim frequency

Inseta-accredited **Pothole Patrol Academy Launch** -February 2024

## FIRE FORCE



**> 3,000**

Incidents

**< 10 min**

Ave response time

**2x**

Fire responses a day

**> 200,000 km**  
travelled

## CAP MZANSISAFE



**R159m**

Assets seized

**333**

Vehicles recovered

**148**

Firearms collected

**740**

Suspects arrested

## SAFE JOURNEYS TO SCHOOL



**24,510**

Children transported

**796**

Drivers

**Zero**

Road fatalities since inception

Operating in  
**Gauteng and Western Cape**