Market Information
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New Zealand

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Australia

21 May 2026

Tower Limited

Half Year 2026 Results for Announcement to Market

In accordance with NZX Listing Rule 3.5.1 we enclose the following for release to the market in relation to Tower Limited's (NZX/ASX: TWR) Half Year 2026 Results:

1	Media Release
2	Results Announcement
3	Interim Financial Statements (including Independent Auditor's Review Report)
4	Results Announcement Presentation
5	Results Announcement Call Script
6	NZX Distribution Notice

Tower's Chair Naomi Ballantyne, Chief Executive Officer Paul Johnston and Interim Chief Financial Officer Simon Hoole will discuss the half year results at 10:00am New Zealand time today.

Tower's Board confirms for the purposes of ASX Listing Rule 1.15.3 that Tower continues to comply with the NZX Main Board Listing Rules.

ENDS

This announcement has been authorised by the Tower Board.

Paul Johnston
Chief Executive Officer
Tower Limited

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Auckland 1142, New Zealand
ARBN 645 941 028
Incorporated in New Zealand

21 May, 2026

Tower reports strong HY earnings

Kiwi and Pacific insurer Tower Limited (NZX/ASX: TWR) today announced a solid underlying profit performance for the half year ended 31 March 2026, delivering underlying net profit after tax (NPAT) of $36.8 million and a reported profit of $22.9 million. The Tower Board has declared a fully imputed interim dividend of 5c per share.

This positive HY26 result was delivered in a more challenging operating environment, marked by pricing pressure, elevated weather-related claims activity and global volatility. Tower does not expect these economic conditions to improve in the second half.

Against this backdrop, Tower has continued to grow its customer base and advanced its strategic initiatives to drive future value.

The result reflects Tower's positive long-term earnings trajectory, but compares against an exceptionally strong prior-year half, which benefited from unusually benign weather conditions and favourable claims experience. As previously communicated to the market at Tower's FY25 full-year results, earnings in FY26 are expected to be lower than the prior year.

Reported profit reflects adjustments for ongoing customer remediation costs, largely driven by a now-resolved historical discount error that primarily affected policies in a legacy system. Other costs include streamlining Tower's operational footprint and a software impairment.

HY26 key results:

- Underlying NPAT: $36.8m (HY25: $61.7m)
- Reported profit: $22.9m (HY25: $49.7m)
- Gross written premium (GWP): $301m, up 1%
- Customer numbers: 327,000, up 5% year-on-year
- BAU claims ratio: 44% (HY25: 38%)
- Management expense ratio (MER): 31% (HY25: 30%)
- Large event costs: $18.5m (HY25: $3m)
- Half year dividend: 5c per share

Tower CEO Paul Johnston says, "Over the 12 months to 31 March, we welcomed 15,000 new customers to Tower, with continued strong growth in house policies despite a subdued economic environment. Competitive pricing is supporting customer affordability and growth, while our expanded risk-based pricing is strengthening portfolio quality and reducing exposure to weather-related impacts.

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"Continued digital and operational initiatives, including our AI-enabled contact centre and claims process improvements, are improving efficiency and supporting sustainable profitability through the cycle."

Continued growth in home insurance portfolio

Tower's customer base increased 5% year-on-year to 327,000, driven primarily by growth in New Zealand home insurance policies, which grew 9%, reinforcing the company's strategic focus on the house portfolio.

GWP growth of 1% was constrained by lower average premiums, driven by growth in low risk properties which attract lower pricing, and increased competition. This was partially offset by increased policy volumes. Over 90% of new house policies sold during the half were assessed by Tower as Low or Very Low risk for flood, sea-surge and landslide - reflecting the expansion of Tower's risk-based pricing in 2025.

Two key growth initiatives will commence in the second half of FY26: a partnership with Westpac to offer general insurance products to its retail customers, and a back-book referral arrangement enabling Tower to offer insurance products to a group of Kiwibank customers.

Claims and operational performance

The BAU claims ratio increased to 44% from the unusually low 38% reported in the prior comparable period, reflecting targeted rate decreases and increased storm activity. The ratio remains favourable relative to long-run averages of between 48% and 50%. Tower expects it to continue to trend upward through the remainder of the financial year while remaining below long-term averages.

The MER increased to 31% compared to the prior comparable period, reflecting the soft premium cycle and continued investment in technology and growth initiatives.

Large event costs

Tower maintains a $45 million large event allowance for FY26 and recorded four large events in the first half, with an estimated combined cost of $18.5 million.

The Wellington flooding event in April 2026 will be recorded as a large event in the second half of the year, with an estimated cost of $5 million.

Approximately $21.5 million of the large event allowance remains available for the balance of FY26. Any unused portion at year-end (after tax) will contribute to underlying NPAT.

Updated FY26 GWP guidance

GWP is now expected to grow by low-single digits, down from 5%-10%, due to lower average premiums, and subdued market conditions. Tower continues to expect underlying NPAT to be in the range of $55 million to $65 million, assuming full utilisation of the $45 million large event allowance. While benefits from digitisation and efficiency initiatives are expected to continue to emerge, ongoing investment in growth, technology and customer experience is anticipated to keep the MER between 31% and 32%.

Ends

This announcement has been authorised by Tower Limited Board Chair, Naomi Ballantyne.

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Template
Results announcement
(for Equity Security issuer/Equity and Debt Security issuer)
Updated as at June 2023

Please do not amend or delete individual rows. As this template relates to prescribed content, changes to content should only be made where it is clearly indicated that this is permitted, otherwise, if an Issuer considers a particular element does not apply, mark the row as N/A, Any other changes to this prescribed form must first be approved by NZX as required under NZX Listing Rule 3.26.1.

Results for announcement to the market		
Name of issuer	Tower Limited	
Reporting Period	6 months to March 2026	
Previous Reporting Period	12 months to September 2025	
Currency	NZD	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$291,169	-2%
Total Revenue	$291,169	-2%
Net profit/(loss) from continuing operations	$22,855	-54%
Total net profit/(loss)	$22,855	-54%
Interim/Final Dividend		
Amount per Quoted Equity Security	$0.05000000	
Imputed amount per Quoted Equity Security	$0.01944444	
Record Date	11 June 2026	
Dividend Payment Date	25 June 2026	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security	$0.68	$0.76
A brief explanation of any of the figures above necessary to enable the figures to be understood	The decrease in revenue is due to customer remediation payments which are deducted from revenue, as well as lower average premiums in comparison to the comparative period. Underlying policy and customer growth was positive. The decrease in profit reflects a normalisation of both BAU claims and large event claim costs in comparison to the comparative period which experienced an unusually low level of claims caused by benign weather. Profit was also impacted by lower net investment income due to current economic factors as well as increased provision for customer remediation payments noted in revenue above.	

Authority for this announcement	
Name of person authorised to make this announcement	Tania Pearson, General Counsel & Company Secretary
Contact person for this announcement	Emily Davies, Head of Corporate Affairs and Sustainability
Contact phone number	+64 21 815 149
Contact email address	emily.davies@tower.co.nz
Date of release through MAP	21 May 2026

Tower Limited

Consolidated
interim financial statements

for the half year ended 31 March 2026

Consolidated interim financial statements

Interim Financial Statements

Notes to the interim financial statements

Consolidated statement of comprehensive income

For the Half Year Ended 31 March 2026

$ thousands	**Note**	**31-Mar-26**	31-Mar-25
Insurance revenue		291,169	295,820
Insurance service expense		(229,542)	(194,087)
Insurance service result before reinsurance contracts held		61,627	101,733
Net expense from reinsurance contracts held		(31,545)	(40,928)
Insurance service result		**30,082**	**60,805**
Investment income	**3.1**	5,337	10,129
Investment expense		(220)	(153)
Net investment income		5,117	9,976
Finance expense from insurance contracts issued		(474)	(1,430)
Finance income from reinsurance contracts held		51	392
Net insurance finance expense		(423)	(1,038)
Net insurance and investment result		**34,776**	**69,743**
Other income		691	2,131
Other operating expenses		(2,910)	(1,309)
Finance costs		(311)	(397)
Profit before taxation from continuing operations		**32,246**	**70,168**
Tax expense		(9,391)	(20,428)
Profit after taxation from continuing operations		22,855	49,740
Profit after taxation for the half year attributed to shareholders		**22,855**	**49,740**
Items that may be reclassified to profit or loss			
Currency translation differences		416	2,256
Other comprehensive income net of tax		**416**	**2,256**
Total comprehensive profit for the half year attributed to shareholders		**23,271**	**51,996**
Earnings per share:			
Basic earnings per share (cents) for profit attributable to shareholders	**5.2**	6.7	13.2
Diluted earnings per share (cents) for profit attributable to shareholders	**5.2**	6.6	13.0

The above statement should be read in conjunction with the accompanying notes.

Consolidated balance sheet

As at 31 March 2026

$ thousands	**Note**	**31-Mar-26**	30-Sept-25
Assets			
Cash and cash equivalents	**7.1**	95,611	71,047
Investments	**3.2**	325,896	389,225
Receivables		9,599	12,780
Current tax assets		2,933	1,031
Reinsurance contract assets	**2.1**	17,448	20,900
Deferred tax assets		857	1,367
Right-of-use assets		15,353	17,157
Property, plant and equipment		5,529	5,966
Intangible assets	**6.1**	94,121	93,460
Total assets		**567,347**	612,933
Liabilities			
Payables		29,189	27,005
Insurance contract liabilities	**2.1**	165,929	155,627
Current tax liabilities		114	20,605
Provisions	**6.2**	19,589	20,902
Lease liabilities		23,287	25,546
Deferred tax liabilities		11,171	12,583
Total liabilities		**249,279**	262,268
Net assets		**318,068**	350,665
Equity			
Contributed equity	**5.1**	417,898	417,224
Retained earnings		2,259	35,946
Reserves		(102,089)	(102,505)
Total equity		**318,068**	350,665

The above statement should be read in conjunction with the accompanying notes.

The financial statements were approved for issue by the Board on 21 May 2026.

Naomi Ballantyne
Chair

Mike Cutter
Director

Consolidated statement of changes in equity

For the Half Year Ended 31 March 2026

$ thousands	Note	Contributed equity (Attributed to Shareholders)	Retained earnings (Attributed to Shareholders)	Reserves (Attributed to Shareholders)	Total Equity
Half year ended 31 March 2026					
Balance as at 30 September 2025		417,224	35,946	(102,505)	**350,665**
Comprehensive income					
Profit for the half year		-	22,855	-	22,855
Currency translation differences		-	-	416	416
Total comprehensive income		**-**	**22,855**	**416**	**23,271**
Transactions with shareholders					
Dividends paid	**5.3**	-	(56,542)	**-**	(56,542)
Share rights issued under Tower Long-Term Incentive Plan	**5.1**	674	-	-	674
Total transactions with shareholders		**674**	**(56,542)**	**-**	**(55,868)**
At the end of the half year		**417,898**	**2,259**	**(102,089)**	**318,068**
Half year ended 31 March 2025					
Balance as at 30 September 2024		460,734	4,428	(105,006)	360,156
Comprehensive income					
Profit for the half year		-	49,740	-	49,740
Currency translation differences		-	-	2,256	2,256
Total comprehensive income		-	49,740	2,256	51,996
Transactions with shareholders					
Dividends paid		-	(24,682)	-	(24,682)
Share rights issued under Tower Long-Term Incentive Plan		1,449	-	-	1,449
Capital return		(45,493)	-	-	(45,493)
Total transactions with shareholders		(44,044)	(24,682)	-	(68,726)
At the end of the half year		416,690	29,486	(102,750)	343,426

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the Half Year Ended 31 March 2026

$ thousands	Note	**31-Mar-26**	31-Mar-25
Cash flows from operating activities			
Premiums received for insurance contracts issued		298,963	294,835
Insurance acquisition costs paid		(38,545)	(36,540)
Reinsurance paid		(31,902)	(67,464)
Interest received		6,043	9,564
Fee and other income received		861	2,578
Insurance claims paid and other insurance service expenses		(167,128)	(166,252)
Reinsurance recoveries received		3,952	21,617
Payment to Financial Markets Authority (FMA)	**6.2**	(7,000)	-
Other operating payments		(2,521)	(130)
Income tax paid		(29,727)	(536)
Net cash inflow from operating activities		**32,996**	**57,672**
Cash flows from investing activities			
Proceeds from sale of interest bearing investments		241,941	298,092
Payments for purchase of interest bearing investments		(179,899)	(287,408)
Payments for purchase of intangible assets		(10,825)	(9,148)
Payments for purchase of property, plant & equipment		(671)	(719)
Net cash inflow from investing activities		**50,546**	**817**
Cash flows from financing activities			
Dividends paid	**5.3**	(56,542)	(24,682)
Payments for capital return	**5.1**	-	(45,493)
Payments relating to lease liabilities		(2,683)	(2,519)
Net cash outflow from financing activities		**(59,225)**	**(72,694)**
Net increase/(decrease) in cash and cash equivalents		**24,317**	**(14,205)**
Effect of foreign exchange rate changes		247	1,747
Cash and cash equivalents at the beginning of the half year		71,047	75,390
Cash and cash equivalents at the end of the half year		**95,611**	**62,932**
Cash and cash equivalents at the end of the half year from continuing operations	**7.1**	**95,611**	62,932

The above statement should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

1 Overview

This section provides information that is helpful to an overall understanding of the interim financial statements and the areas of critical accounting judgements and estimates included in the interim financial statements. It also includes a summary of Tower's operating segments.

1.1 About this Report

a. Entities reporting

The interim financial statements presented are those of Tower Limited and its subsidiaries (the Group). The address of the Group's registered office is 136 Fanshawe Street, Auckland, New Zealand.

b. Statutory base

Tower Limited is a company incorporated in New Zealand under the Companies Act 1993 and listed on the NZX Main Board and the Australian Securities Exchange. The Company is a reporting entity under Part 7 of the Financial Markets Conduct Act 2013.

c. Basis of preparation

The interim financial statements of the Group have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), and for the purposes of NZ GAAP, the Group is a for-profit entity. They comply with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* and consequently include a lower level of disclosure than is required for annual financial statements.

The interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 September 2025, which have been prepared in accordance with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards) and New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The interim financial statements for the six months ended 31 March 2026 are unaudited.

d. Accounting policies

The principal accounting policies adopted in the preparation of the interim financial statements are consistent with those of the audited annual financial statements for the year ended 30 September 2025.

1.2 Critical accounting judgements and estimates

Preparation of these interim financial statements requires management to apply judgement and make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. These judgements and estimates are based on historical experience and other relevant factors and are reviewed on an ongoing basis. Actual results may differ from these estimates.

The significant areas of judgement and estimation uncertainty applied in these interim financial statements are consistent with those disclosed in the consolidated financial statements included in the Annual Report for the year ended 30 September 2025. These include, in particular:

- Insurance and reinsurance contracts, including Premium allocation approach eligibility, identification of groups of onerous contracts, measurement of incurred claims liabilities, reinsurance assets, risk adjustment and confidence levels applied.
- Compliance and remediation provisions, including assessment of expected commitments and timing of settlement.
- Intangible assets, including useful lives and recoverability assessments.
- Lease liabilities, including determination of the incremental borrowing rate.

No new significant judgements or estimation methods have been introduced during the interim period.

1.3 Impact of new accounting standards

Issued and not yet effective

There are amendments and interpretations which have been issued but are not yet effective.
NZ IFRS 18 *Presentation and Disclosure in Financial Statements* is effective for periods commencing after 1 January 2027 and will supersede the current NZ IAS 1 *Presentation of Financial Statements* . The purpose of NZ IFRS 18 is to improve the comparability and transparency in the presentation of the financial statements. Some key new requirements include further guidance on when disaggregation is required to provide users of the financial statements with useful level of information, disclosure of management-defined performance measures that provide management's view of an aspect of the entity's financial performance as a whole and a new structure for the income statement that requires the presentation of profit and loss items by operating, investing and financing activities.

The Group will adopt the standard in the period it becomes effective. It is expected that the adoption of this standard will have a material impact on the presentation of the primary financial statements and disclosures in notes to the financial statements. However, it will not impact the recognition and measurement of items disclosed.

1.4 Segmental reporting

a. Operating segments

Information is provided by operating segment to assist an understanding of the Group's performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the Chief Executive Officer) who reviews the operating results on a regular basis and makes decisions on resource allocation and assessing performance.

Tower operates in two geographical segments, New Zealand and the Pacific region. New Zealand comprises the general insurance business underwritten in New Zealand. Pacific Islands comprises the general insurance business underwritten in the Pacific by Tower subsidiaries and branch operations. Other contains balances relating to Tower Services Limited and group diversification benefits.

The Group does not derive revenue from any individual or entity that represents 10% or more of the Group's total revenue.

Intercompany transactions with the disposal group are eliminated within continuing operations.

b. Financial performance

$ thousands	New Zealand	Pacific Islands	Other	Total
Half year ended 31 March 2026				
Insurance revenue	269,910	21,259	-	291,169
Insurance service (expense)/income	(218,332)	(11,323)	113	(229,542)
Net expense from reinsurance contracts held	(28,801)	(2,696)	(48)	(31,545)
Insurance service result	**22,777**	**7,240**	**65**	**30,082**
Net investment income	4,880	237	-	5,117
Net insurance finance expense	(423)	-	-	(423)
Net insurance and investment result	**27,234**	**7,477**	**65**	**34,776**
Other income	689	2	-	691
Other operating expenses	(2,851)	(59)	-	(2,910)
Finance costs	(254)	(57)	-	(311)
Profit before taxation	**24,818**	**7,363**	**65**	**32,246**
Tax expense	(6,025)	(3,348)	(18)	(9,391)
Profit after taxation	**18,793**	**4,015**	**47**	**22,855**

1.4 Segmental reporting (continued)

b. Financial performance (continued)

$ thousands	New Zealand	Pacific Islands	Other	Total
Half year ended 31 March 2025				
Insurance revenue	274,340	21,480	-	295,820
Insurance service expense	(176,573)	(17,619)	105	(194,087)
Net (expense)/income from reinsurance contracts held	(38,469)	(2,527)	68	(40,928)
Insurance service result	59,298	1,334	173	60,805
Net investment income	9,670	306	-	9,976
Net insurance finance expense	(1,038)	-	-	(1,038)
Net insurance and investment result	67,930	1,640	173	69,743
Other income	1,772	359	-	2,131
Other operating expenses	(1,254)	(55)	-	(1,309)
Finance costs	(300)	(97)	-	(397)
Profit before taxation from continuing operations	68,148	1,847	173	70,168
Tax expense	(19,658)	(644)	(126)	(20,428)
Profit before taxation from continuing operations	48,490	1,203	47	49,740

c. Financial position

$ thousands	New Zealand	Pacific Islands	Other	Total
Additions to non-current assets 31 March 2026	**12,538**	**128**	**-**	**12,666**
Additions to non-current assets 30 September 2025	21,674	728	-	22,402
Total assets 31 March 2026	**502,899**	**65,026**	**(578)**	**567,347**
Total assets 30 September 2025	549,932	63,532	(531)	612,933
Total liabilities 31 March 2026	**218,509**	**31,705**	**(935)**	**249,279**
Total liabilities 30 September 2025	231,269	31,840	(841)	262,268

Additions to non-current assets include additions to property, plant and equipment, right-of-use assets and intangible assets.

2 Insurance and reinsurance contracts

This section provides information on Tower's underwriting activities.

Tower collects premiums from customers in exchange for providing insurance coverage. These premiums are recognised as insurance revenue when they are earned by Tower, with an insurance contract liability recognised on the consolidated balance sheet for unearned amounts.

When customers suffer a loss that is covered by their policy, Tower will make payments to customers or suppliers, which it recognises as insurance expenses. To ensure that Tower's obligations to customers are properly recorded within the financial statements, Tower recognises a liability for incurred claims on the consolidated balance sheet.

To manage Tower's risk and optimise its returns, Tower reinsures some of its exposure with reinsurance companies. Net expense from reinsurance contracts is measured as an allocation of reinsurance premiums paid plus any other directly attributable expenses, less amounts recovered from reinsurers and any change in risk from reinsurer non-performance.

2.1 Insurance and reinsurance contracts

	As at 31 March 2026				
$ thousands	**Assets**	**Liabilities**	**Current portion**	**Non-current portion**	**Total**
Liability for remaining coverage	-	36,955	36,955	-	36,955
Liability for incurred claims	-	128,974	104,394	24,580	128,974
Total insurance contracts issued	-	165,929	141,349	24,580	**165,929**
Total reinsurance contracts held	17,448	-	14,923	2,525	**17,448**

	As at 30 September 2025				
$ thousands	Assets	Liabilities	Current portion	Non-current portion	Total
Liability for remaining coverage	-	37,254	37,254	-	37,254
Liability for incurred claims	-	118,373	94,774	23,599	118,373
Total insurance contracts issued	-	155,627	132,028	23,599	155,627
Total reinsurance contracts held	20,900	-	17,694	3,206	20,900

2.2 Reconciliation of insurance assets and liabilities

As at 31 March 2026	**Liabilities for remaining coverage**		**Liabilities for incurred claims**		**Total**
$ thousands	**Excluding loss component**	**Loss component**	**Estimates of the present value of future cash flows**	**Risk adjustment**	
Opening insurance contract liabilities	36,696	558	102,926	15,447	155,627
Insurance revenue	(291,169)	-	-	-	(291,169)
Insurance service expense:					
*Incurred claims and other insurance service expenses**	-	-	182,235	3,698	185,933
Amortisation of insurance acquisition cash flows	37,601	-	-	-	37,601
Changes relating to past service	-	-	(3,523)	(3,214)	(6,737)
Losses on onerous contracts	-	(184)	-	-	(184)
Finance expense from insurance contracts issued	-	-	474	-	474
Effect of movements in exchange rates	62	9	243	-	314
Amounts included in comprehensive income	**(253,506)**	**(175)**	**179,429**	**484**	**(73,768)**
Cash flows:					
Premiums received	298,963	-	-	-	298,963
Claims and other insurance service expenses paid	-	-	(168,186)	-	(168,186)
Insurance acquisition cash flows	(38,545)	-	-	-	(38,545)
Amounts included in statement of cash flow	**260,418**	**-**	**(168,186)**	**-**	**92,232**
Pre-recognition cash flows derecognised and other changes	(7,036)	-	(1,126)	-	(8,162)
Insurance contract liabilities at 31 March 2026	**36,572**	**383**	**113,043**	**15,931**	**165,929**

* Excludes $12.9m of insurance service expenses for depreciation and amortisation, which do not form part of insurance contract liabilities on the consolidated balance sheet.

Certain cash flows presented above may be on a deemed basis in respect of movements through the insurance contract liabilities, and certain amounts may be recognised in other receivable, payable and provision balances, so they may differ from the actual cash flow amounts reported in the consolidated statement of cash flows.

2.2 Reconciliation of insurance assets and liabilities (continued)

As at 30 September 2025	Liabilities for remaining coverage		Liabilities for incurred claims		Total
$ thousands	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Opening insurance contract liabilities	41,658	384	122,348	13,179	177,569
Insurance revenue	(594,348)	-	-	-	(594,348)
Insurance service expense:					
*Incurred claims and other insurance service expenses**	-	-	323,792	4,818	328,610
Amortisation of insurance acquisition cash flows	71,617	-	-	-	71,617
Changes relating to past service	-	-	(11,532)	(2,550)	(14,082)
Reversals on onerous contracts	-	148	-	-	148
Finance expense from insurance contracts issued	-	-	2,158	-	2,158
Effect of movements in exchange rates	327	26	845	-	1,198
Amounts included in comprehensive income	**(522,404)**	**174**	**315,263**	**2,268**	**(204,699)**
Cash flows:					
Premiums received	593,413	-	-	-	593,413
Claims and other insurance service expenses paid	-	-	(334,685)	-	(334,685)
Insurance acquisition cash flows	(75,292)	-	-	-	(75,292)
Amounts included in statement of cash flow	**518,121**	**-**	**(334,685)**	**-**	**183,436**
Pre-recognition cash flows derecognised and other changes	(679)	-	-	-	(679)
Insurance contract liabilities at 30 September 2025	**36,696**	**558**	**102,926**	**15,447**	**155,627**

* Excludes $25m of insurance service expenses for depreciation and amortisation, which do not form part of insurance contract liabilities on the consolidated balance sheet.

Certain cash flows presented above may be on a deemed basis in respect of movements through the insurance contract liabilities, and certain amounts may be recognised in other receivable, payable and provision balances, so they may differ from the actual cash flow amounts reported in the consolidated statement of cash flows.

2.3 Reconciliation of reinsurance assets and liabilities

Reinsurance continues to play a key role in the Group's risk management strategy, mitigating exposure to large and volatile claims events. The net expense from reinsurance contracts held reflects the cost of reinsurance protection during the period, offset by recoveries recognised in respect of incurred claims.
Reinsurance recoveries recognised during the half year were broadly in line with expectations and contributed to reducing volatility in the Group's insurance service result.

	Assets for remaining coverage		Asset for incurred claims		Total
$ thousands	**Excluding loss recovery component**	**Loss recovery component**	**Estimates of the present value of future cash flows**	**Risk adjustment**	
Half year ended 31 March 2026					
Opening reinsurance contract assets	(1,093)	-	20,808	1,185	20,900
Reinsurance premiums	(31,228)	-	-	-	(31,228)
Amounts recoverable from reinsurers:					
Amounts recoverable for incurred claims	-	-	3,179	(772)	2,407
Changes relating to past service	-	-	(2,419)	(305)	(2,724)
Finance income from reinsurance contracts held	-	-	51	-	51
Effect of movements in exchange rates	-	-	92	-	92
Amounts included in comprehensive income	**(31,228)**	**-**	**903**	**(1,077)**	**(31,402)**
Cash flows:					
Premiums paid net of ceding commissions	31,902	-	-	-	31,902
Reinsurance recoveries (net of profit share commissions)	-	-	(3,952)	-	(3,952)
Amounts included in statement of cash flow	**31,902**	**-**	**(3,952)**	**-**	**27,950**
Reinsurance contract assets at 31 March 2026	**(419)**	**-**	**17,759**	**108**	**17,448**
Year ended 30 September 2025					
Opening reinsurance contract assets	(11,690)	-	44,547	2,646	35,503
Reinsurance premiums	(77,188)	-	-	-	(77,188)
Amounts recoverable from reinsurers:					
Amounts recoverable for incurred claims	-	-	11,477	(790)	10,687
Changes relating to past service	-	-	(10,333)	(671)	(11,004)
Finance income from reinsurance contracts held	-	-	571	-	571
Effect of movements in exchange rates	(204)	-	(257)	-	(461)
Amounts included in comprehensive income	**(77,392)**	**-**	**1,458**	**(1,461)**	**(77,395)**
Cash flows:					
Premiums paid net of ceding commissions	87,989	-	-	-	87,989
Reinsurance recoveries (net of profit share commissions)	-	-	(25,197)	-	(25,197)
Amounts included in statement of cash flow	**87,989**	**-**	**(25,197)**	**-**	**62,792**
Reinsurance contract assets at 30 September 2025	**(1,093)**	**-**	**20,808**	**1,185**	**20,900**

Certain cash flows presented above may be on a deemed basis in respect of movements through the reinsurance contract assets, and certain amounts may be recognised in other receivable, and payable balances, so they may differ from the actual cash flow amounts reported in the consolidated statement of cash flows.

3 Investments

Tower invests funds collected as premiums and provided by shareholders to ensure it can meet its obligations to pay claims and expenses and to generate a return to support its profitability. Tower has a low appetite for investment related risks and therefore the majority of its investments are in investment grade supranational and government bonds, and term deposits.

3.1 Investment income

$ thousands	**31-Mar-26**	31-Mar-25
Interest income	6,589	9,224
Net realised gain	1,522	1,452
Net unrealised loss	(2,774)	(547)
Investment income	**5,337**	10,129

3.2 Investments

Tower designates its investments at fair value through profit or loss in accordance with its Treasury policy. It categorises its investments into three levels based on the inputs available to measure fair value:

Level 1 Fair value is calculated using quoted prices in active markets. Tower currently does not have any Level 1 investments.

Level 2 Investment valuations are based on direct or indirect observable data other than quoted prices included in Level 1. Level 2 inputs include: (1) quoted prices for similar assets or liabilities; (2) quoted prices for assets or liabilities that are not traded in an active market; or (3) other observable market data that can be used for valuation purposes. Tower investments included in this category include government and corporate debt, where the market is considered to be lacking sufficient depth to be considered active, and part ownership of a property that is rented out to staff.

Level 3 Investment valuation is based on unobservable market data. Tower currently does not have any Level 3 investments.

$ thousands	**Level 1**	**Level 2**	**Level 3**	**Total**
As at 31 March 2026				
Fixed interest investments	-	325,862	-	325,862
Property investment	-	34	-	34
Investments	**-**	**325,896**	**-**	**325,896**
As at 30 September 2025				
Fixed interest investments	-	389,191	-	389,191
Property investment	-	34	-	34
Investments	-	389,225	-	389,225

There have been no transfers between levels of the fair value hierarchy during the current period (2025: nil).

4 Risk Management

Tower is exposed to multiple risks as it works to set things right for its customers and their communities whilst maximising returns for its shareholders. Everyone across the organisation is responsible for ensuring that Tower's risks are managed and controlled on a day-to-day basis.

4.1 Capital management risk

Regulatory solvency capital

Tower Limited's Group and Parent solvency margin are illustrated in the table below.

$ thousands	**As at 31 March 2026**		As at 30 September 2025	
	Parent	**Group**	Parent	Group
Solvency capital	298,864	320,764	296,427	314,579
Adjusted prescribed capital requirement	208,715	206,588	207,410	205,487
Adjusted solvency margin	**90,149**	**114,176**	89,017	109,092
Adjusted solvency ratio	**143%**	**155%**	143%	153%

The Group's solvency position remained strong throughout the half year, with the Group solvency ratio remaining well above the regulatory minimum. Movements in solvency during the period primarily reflect operating earnings and capital management actions undertaken in the ordinary course of business.

The Group continues to manage its capital position to ensure it maintains appropriate buffers above regulatory requirements while supporting business growth and returns to shareholders.

5 Capital Structure

This section provides information about how Tower finances its operations through equity. Tower's capital position provides financial security to its customers, employees and other stakeholders whilst operating within the capital requirements set by regulators.

5.1 Contributed equity

$ thousands	**31-Mar-26**	30-Sept-25
Opening balance	417,224	460,734
Capital return (including costs of the capital return)	-	(45,548)
Share rights issued under Tower Long-Term Incentive Plan	674	2,038
Total contributed equity	**417,898**	417,224
Represented by:		
Opening balance (number of shares)	342,552,063	379,483,987
Issue of new shares under Tower Long-Term Incentive Plan	859,288	1,128,138
Cancellation of shares on capital return	-	(38,060,062)
Total shares on issue	**343,411,351**	342,552,063

Ordinary shares issued by the Company are classified as equity and are recognised at fair value less direct issue costs. All shares rank equally with one vote attached to each share. There is no par value for each share.

5.2 Earnings per share

	31-Mar-26	31-Mar-25
Profit from continuing operations attributable to shareholders ($ thousands)	**22,855**	49,740
Total profit attributable to shareholders ($ thousands)	**22,855**	49,740
Weighted average number of ordinary shares for basic earnings per share	**342,841,657**	377,266,075
Weighted average number of dilutive potential ordinary shares issued under the Tower Long-Term Incentive Plan	**3,626,012**	4,357,428
Weighted average number of ordinary shares for diluted earnings per share	**346,467,669**	381,623,503
Basic earnings per share (cents)	6.7	13.2
Diluted earnings per share (cents)	6.6	13.0

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of fully paid shares.

Diluted earnings per share includes shares that would be issued if unvested share rights were exercised. The weighted average number of shares is adjusted by the number of outstanding rights to executive shares that are assessed to be vested at their future vesting dates.

5.3 Dividends

On 29 January 2026, Tower paid a final dividend of 16.5 cents per share in respect of the 2025 financial year, totalling $56.5m. On 21 May 2026, the Board approved an interim dividend of 5.0 cents per share, with the dividend being payable on 25 June 2026 for approximately $17.2m.

6 Other balance sheet items

This section provides information about assets and liabilities not included elsewhere.

6.1 Intangible assets

As at 31 March 2026

$ thousands	Goodwill	Software and work in progress	Customer relationships	Total
Composition:				
Cost	17,744	134,052	38,572	190,368
Accumulated amortisation	-	(69,797)	(26,450)	(96,247)
Intangible assets	**17,744**	**64,255**	**12,122**	**94,121**
Reconciliation:				
Opening balance	17,744	61,839	13,877	93,460
Amortisation	-	(8,409)	(1,755)	(10,164)
Additions*	-	11,831	-	11,831
Impairment	-	(1,006)	-	(1,006)
Closing Balance	**17,744**	**64,255**	**12,122**	**94,121**

*Additions during the six months to 31 March 2026 primarily relate to ongoing investment in Tower's core insurance platform and supporting business systems. This includes costs associated with establishing the Westpac New Zealand partnership and continued rollout of the Claims Transformation programme. These projects are expected to support revenue growth, improve customer experience, and deliver operational efficiencies.

During the year, an impairment loss was recognised on work-in-progress assets within the Tower New Zealand segment. The recoverable amount of these assets was assessed in accordance with IAS 36 Impairment of Assets and the carrying amount has been updated accordingly.

As at 30 September 2025

Composition:				
Cost	17,744	123,227	40,674	181,645
Accumulated amortisation	-	(61,388)	(26,797)	(88,185)
Intangible assets	17,744	61,839	13,877	93,460
Reconciliation:				
Opening balance	17,744	60,855	18,022	96,621
Amortisation	-	(15,367)	(4,145)	(19,512)
Additions	-	21,188	-	21,188
Impairment	-	(4,545)	-	(4,545)
Transfers to property, plant and equipment	-	(292)	-	(292)
Closing Balance	17,744	61,839	13,877	93,460

6.2 Provisions

Composition

$ thousands	**31-Mar-26**	30-Sept-25
Annual leave and other employee benefits	5,877	10,573
Compliance and remediation	13,712	10,329
Provisions	**19,589**	20,902

A compliance and remediation provision has been recognised and is reassessed at each reporting period to determine management's best estimate of the settlement amount at the end of the reporting period. A range of possible outcomes is considered, and the re-assessment has resulted in an additional $11.2m being recognised in the current period, which has been offset by payments made during the period. It is possible that the final settlement could be below or above the provision, if the actual outcome differs to the assumptions used in estimating the provision or additional matters are identified. Estimates may change over time as new facts emerge, and such changes may result in a change to the final provision and amounts paid.

During the half year period, the Group paid a $7.0m penalty following the conclusion of the FMA's regulatory action regarding the misapplication of multi policy discounts. The penalty, which was jointly recommended to the Court by both Tower and the FMA, was fully provided for in the Group's past financial results and will therefore have no impact on the Group's FY26 results.

7 Other information

This section includes additional required disclosures.

7.1 Notes to the consolidated statement of cash flows

Composition

$ thousands	**31-Mar-26**	30-Sept-25	31-Mar-25
Cash at bank	59,409	71,047	35,913
Deposits at call*	36,202	-	27,019
Cash and cash equivalents	**95,611**	71,047	62,932

*The average interest rate at 31 March 2026 for deposits at call is 1.99% (31 March 2025: 3.36%).

Tower operates in countries in the Pacific Islands that are subject to foreign exchange restrictions, which may restrict the ability for immediate use of cash by the parent or other subsidiaries. As at 31 March 2026, this included NZD 4.4m held in Papua New Guinea (30 September 2025: NZD 3.7m) and NZD 0.4m held in the Solomon Islands (30 September 2025: NZD 3.8m) following the sale of the disposal groups. This cash is not currently available for use outside of these countries.

7.2 Contingent liabilities

The Group is occasionally subject to claims, disputes and customer remediation as a commercial outcome of conducting insurance business. Provisions are recorded for these claims or disputes when it is probable that an outflow of resources will be required to settle any obligations. Best estimates are included within claims reserves for any litigation that has arisen in the usual course of business.

The Group has no other contingent liabilities.

7.3 Capital commitments

As at 31 March 2026, Tower has nil capital commitments (2025: nil).

7.4 Subsequent events

On 21 May 2026, the Board approved an interim dividend of 5.0 cents per share, with the dividend being payable on 25 June 2026 for approximately $17.2m.

Subsequent to balance date, a large weather event impacted parts of New Zealand, giving rise to estimated gross claims of approximately $5.0m. This event has been assessed as a non-adjusting subsequent event and accordingly, has not been recognised in these financial statements.
There were no other subsequent events

Independent auditor's review report

To the shareholders of Tower Limited

Report on the consolidated interim financial statements

Our conclusion

We have reviewed the consolidated interim financial statements of Tower Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 March 2026, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six month period ended on that date, and notes, comprising material accounting policy information and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 March 2026, and its financial performance and cash flows for the six month period then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the consolidated interim financial statements* section of our report.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board (PES 1), as applicable to audits and reviews of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with PES 1.

In our capacity as auditor and assurance practitioner, our firm also provides other assurance services. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business. The firm has no other relationship with, or interests in, the Group.

PricewaterhouseCoopers, PwC Tower, 15 Customs Street West,
Private Bag 92162, Auckland 1142, New Zealand
+64 9 355 8000

Responsibilities of the Directors for the consolidated interim financial statements

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of these consolidated interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibilities for the review of the consolidated interim financial statements

Our responsibility is to express a conclusion on the consolidated interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of consolidated interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

Who we report to

This report is made solely to the Company’s shareholders, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s shareholders, as a body, for our review procedures, for this report or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor’s review report is Lisa Crooke.

For and on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers — Auckland

21 May 2026

2026 Half Year Results

1 October 2025 to 31 March 2026

21 May 2026

TOWER Forward thinking Future ready

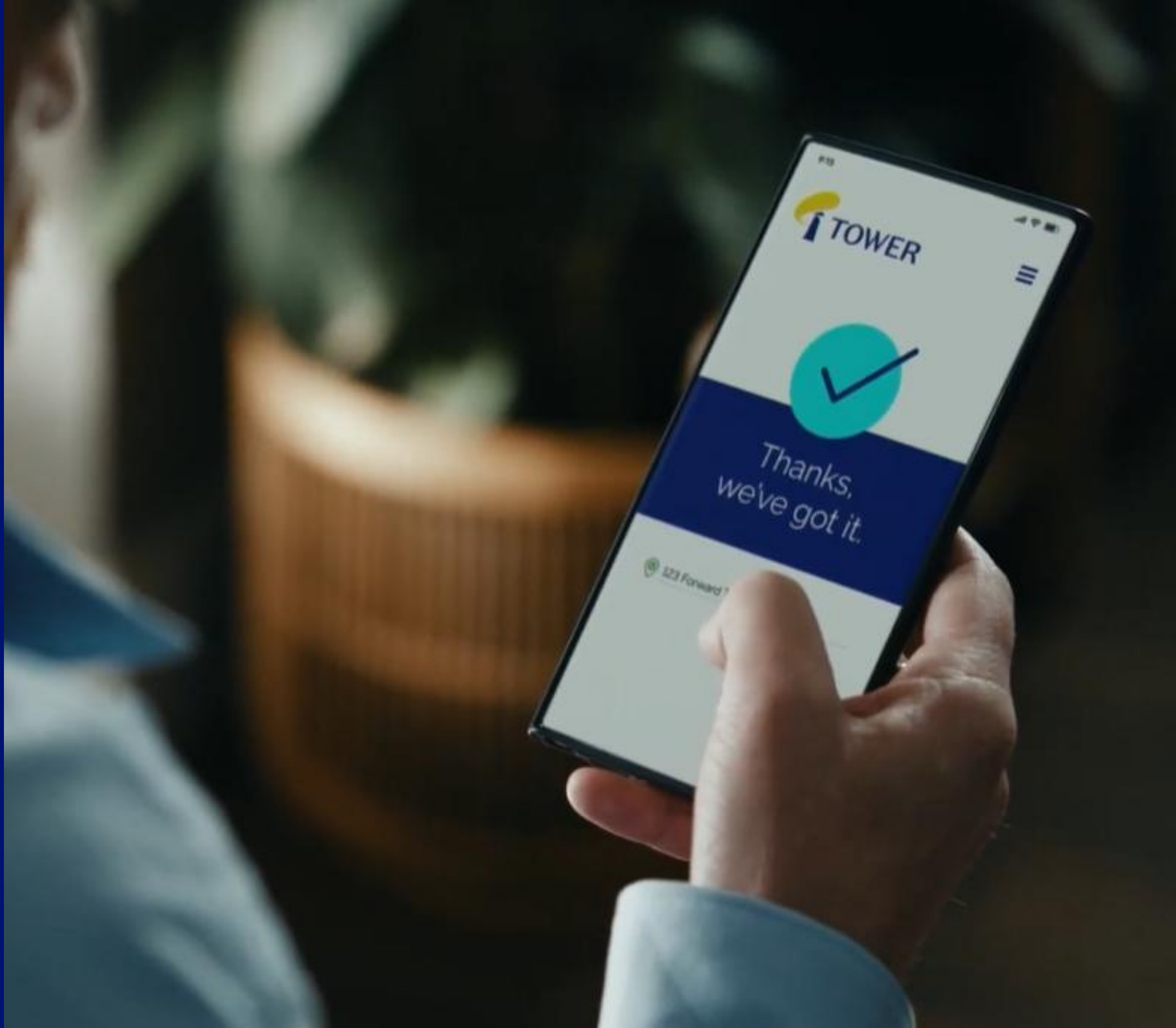
AGENDA

Chair's update
Naomi Ballantyne,
Chair

Business update
Paul Johnston,
Chief Executive Officer

Financial performance
Simon Hoole,
Interim Chief Financial Officer

Looking forward
Paul Johnston,
Chief Executive Officer



Chair's update

Tower delivers strong performance through the cycle

Resilient business delivering shareholder value

- Interim dividend declared 5 cents per share
- Shareholder returns supported by earnings
- Strong capital and solvency

Positioned for sustainable earnings growth

- Delivering policy growth against market headwinds
- Secured pipeline of revenue growth
- Strategic investment delivering efficiencies

Delivering on our customer promise

- Customer remediation ongoing – committed to making things right

Business update

Paul Johnston,

Chief Executive Officer

Overview

Strong HY26 earnings

- Strong policy growth while soft rating cycle lowers GWP
- BAU claims ratio trending upwards towards historical average
- Four large events with a cost of $18.5m
- Reported profit impacted by customer remediation

Actions taken to strengthen performance and resilience

- Decisive actions on cost, pricing, and digital efficiency to navigate external headwinds and maintain position for growth

Second half priorities

- Launch Westpac partnership
- Technology investments in AI and customer data
- Customer remediation and regulatory change

What makes Tower different

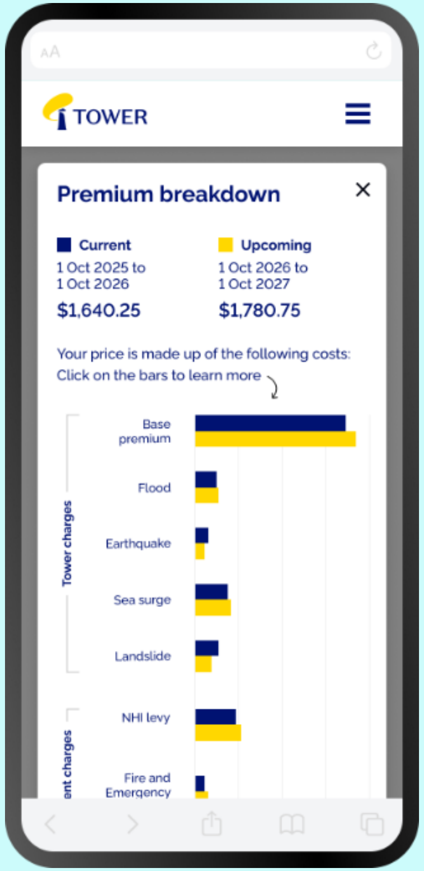
Kiwi-owned, uniquely advantaged

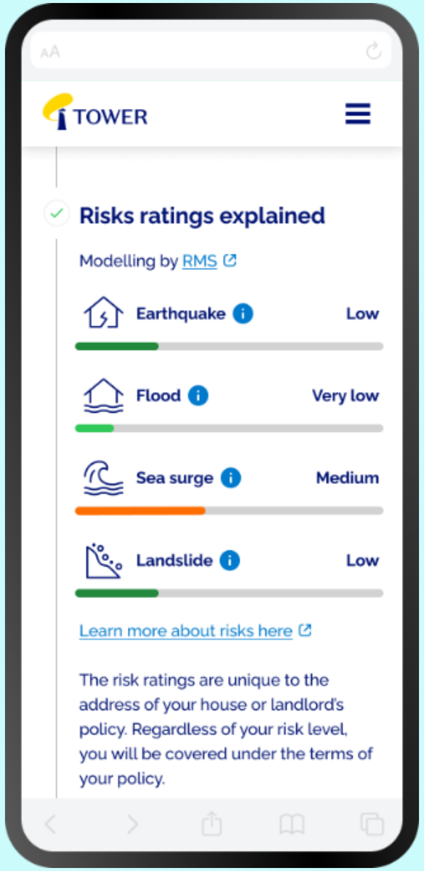
Customer experience & technology

- Transparency to customers
- Streamlined platform and product set
- High digital capability; My Tower and partnerships
- AI enabled contact centre

Underwriting and pricing

- Targeted risk selection and competitive pricing
- Address level risk-based pricing
- Higher share of lower risk properties





Our performance

Strong operational and business performance

GWP growth (Gross written premium)	Customer growth	BAU claims ratio (Business as usual)	MER (Management expense ratio)
1% | $301m	**5% | 327k**	**44%**	**31%**
vs $297m in HY25	**vs 312k at HY25**	**vs 38% in HY25**	**vs 30% in HY25**

Large event costs	Underlying profit[1]	Reported profit	Dividend per share interim dividend declared
$18.5m	**$36.8m**	**$22.9m**	**5 cents**
vs $3m in HY25	**vs $61.7m in HY25**	**vs $49.7m in HY25**	**vs 8 cents in HY25**

Note 1: Definition of underlying profit and a reconciliation to reported profit is included in the appendices

Factors influencing HY26 result

Strong customer and policy growth

- 5% growth in NZ policies year on year primarily driven by partnership channel

Average premiums

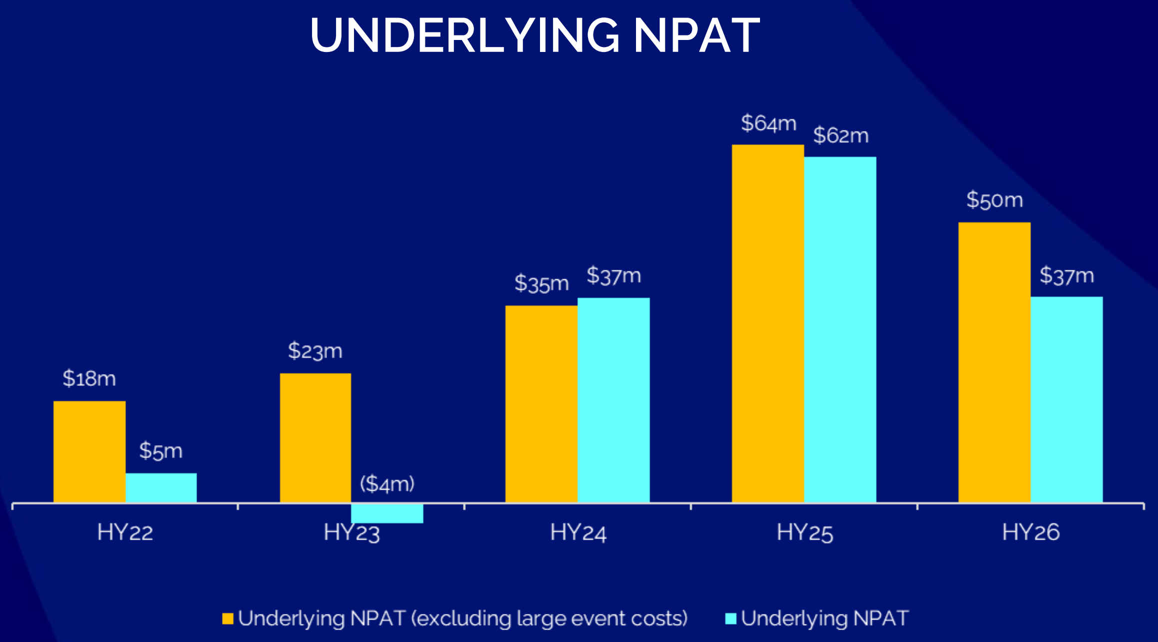
- Reduction in higher risk properties contributed to a reduction in average house premiums
- Market conditions suppressing average premiums

Increased weather events

- Higher frequency of weather events increased BAU claims costs
- Large event claims costs of $18.5m (HY25 $3m) with full year allowance of $45m

Economic factors

- Investment income impacted by lower interest rates and global market volatility



Actively managing economic headwinds

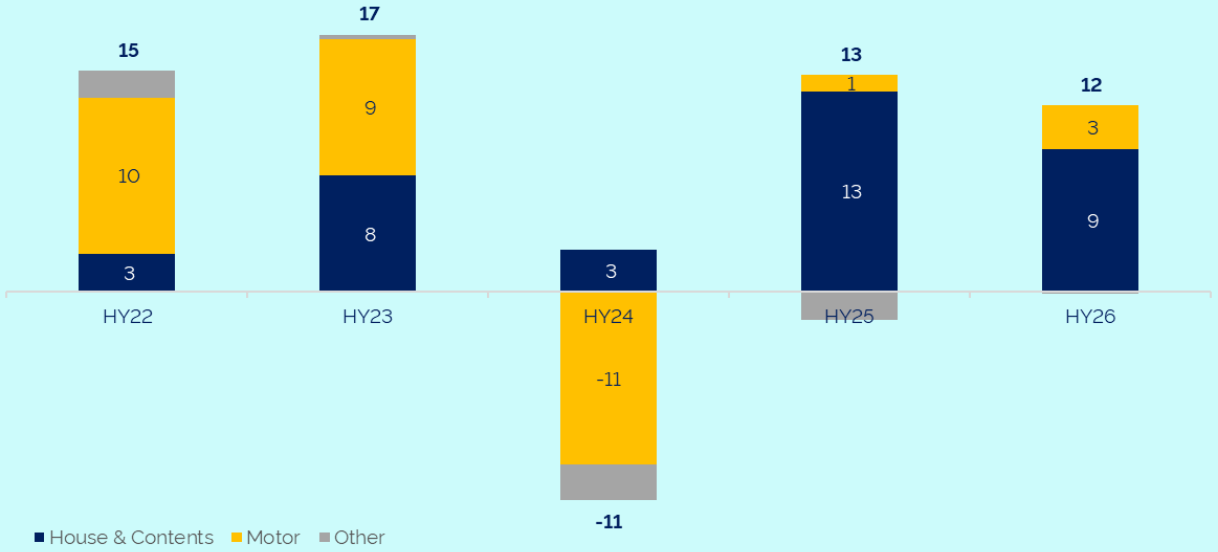
Decisive actions are positioning Tower for stronger outcomes

External factors	Tower's response
Economic slowdown	• Passing cost and underwriting savings to customers driving strong policy growth • Activating switching market through increased brand and marketing spend • New partnerships secure growth pipeline • Policy growth through the cycle demonstrates the customer proposition
Weather events	• Address-level risk-based pricing mitigates impact of weather volatility • Prudent FY26 large event allowance of $45m
Supply chain	• Digital & tech investments driving efficiencies (incl. Rotorua office closure) • Reinsurance savings strengthening margins • Monitoring inflation and impacts on supply chain; agile pricing capability
Financial markets volatility	• Conservative investment portfolio minimises volatility; positioned for economic rate cycle upturn

Policy growth in a competitive market

- +15k new customers to 327k
- 5% growth in NZ policies year on year (house 9%, motor 3%, contents 5%)
- Improved risk quality - Tower's total expected average annual loss from perils reduced by:
    - 27% Sea surge
    - 10% Landslide
    - 10% Flood
    - 2% Earthquake
- > 90% of new business policies sold were assessed by Tower as Low or Very- Low for flood, sea surge and landslide

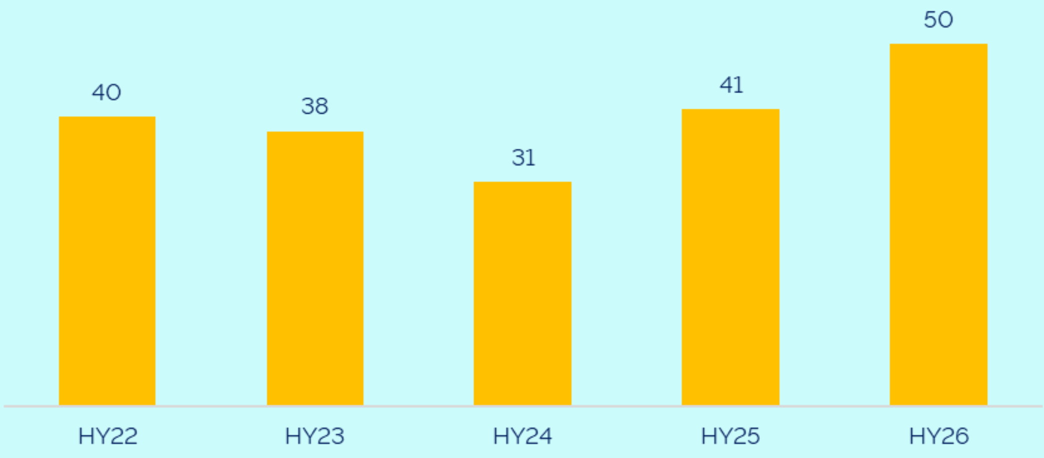
TOTAL MOVEMENT IN NZ RISK COUNTS (000's)



Improvements in customer experience and efficiency

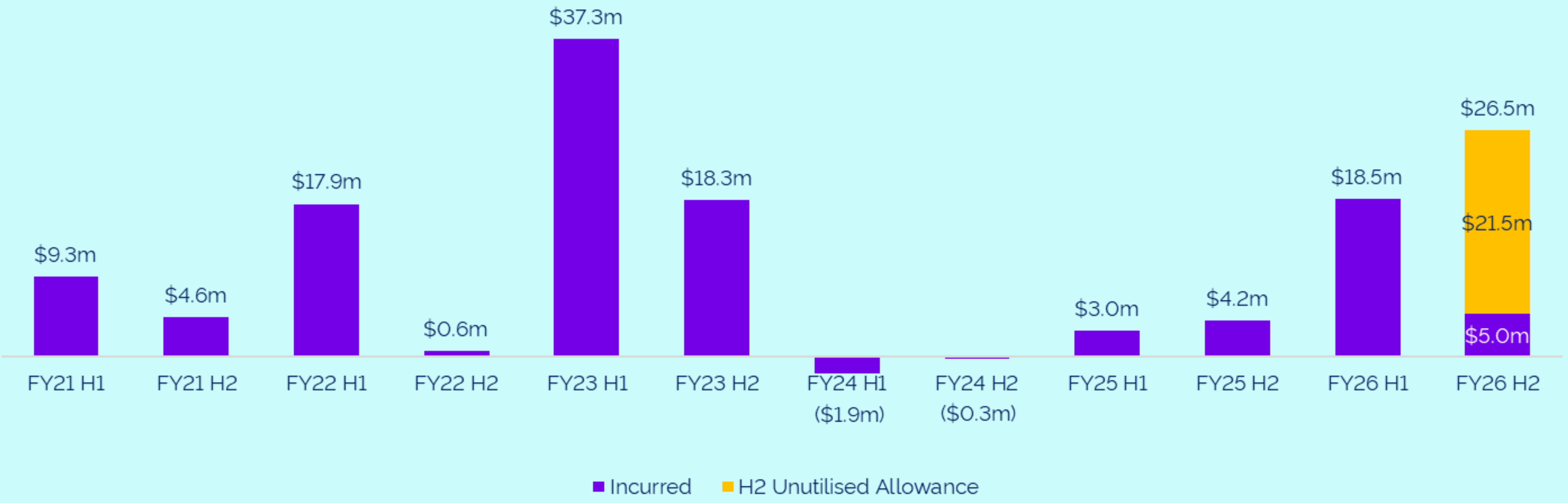
- Net promoter score improved to +50 (HY25: +41)
- New Zealand tasks[1] completed digitally
  - 60% sales (no change)
  - 54% service (+7%)
  - 70% claims lodgement (+3%)
- AI enabled contact centre reducing average call handling time; down by 2 minutes
- 1% of NZ motor claims in month of March resolved end to end without Tower human intervention
- Streamlined geographical operations

NET PROMOTER SCORE



Note 1: Sales tasks are all New Zealand new business policies sold online (previously reported as Tower Direct only). Service tasks are either digital (actioned by the customer through the My Tower portal online) or assisted (through Tower's call centre). In prior years, multiple tasks completed on the same call were reported as one assisted transaction - these are now reported individually. Digital claims tasks refer to claim lodgement only.

Large event claims



- Four events[1] in FY26 H1 with estimated cost of $18.5m
- One large event has occurred since 31 March 2026; Wellington flooding event in April 2026 with an estimated cost of just under $5m
- $45m large event allowance for FY26; $21.5m available for remainder of FY26

Note 1: Large events are defined as having a cost to Tower of $2m or more, with lodged claims from two or more policyholders. The cost of large events is the net cost to Tower after reinsurance recovered where applicable

Customer remediation programme

Customer remediation programme

- HY26 charge of $10.9m after tax, predominantly related to one remediation and the complexity in calculating refunds associated with a legacy policy system
- Includes further provision for remediation payments to customers, plus programme costs incurred
- Root causes largely linked to past migration, system and process errors, with core issues resolved through strengthened controls
- Provision reflects identified issues; programme remains ongoing as assessments for other application of policy discounts are completed

Other non-underlying items

- Rotorua office closure costs of $1.8m after tax charge to P&L for staff and property exit costs
- Canterbury earthquakes (CEQ): $0.3m after tax release to P&L
- Other costs for regulatory change and intangible assets written off

Financial performance

Simon Hoole,

Interim Chief Financial Officer

Group underlying performance

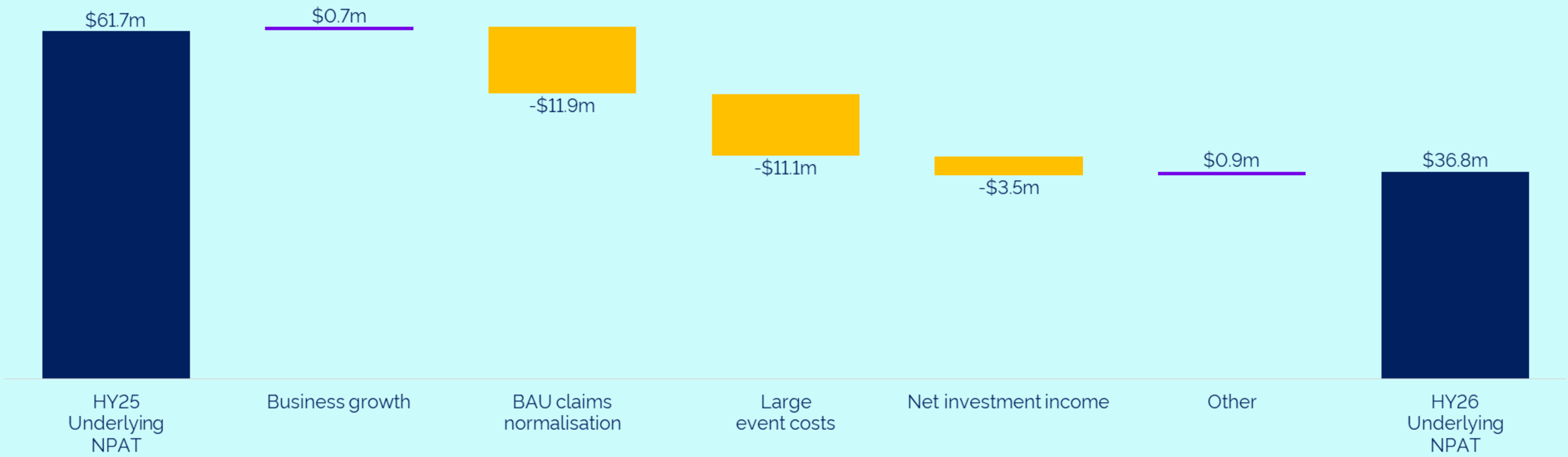
- Gross written premium growth of 1%
- BAU claims ratio increased to 44% due to targeted rate decreases, and higher frequency of weather events
- Large event costs of $18.5m
- Management expense ratio of 31% increased but in line with full year target
- Underlying NPAT[1] including large events of $36.8m
- Reported profit of $22.9m impacted by costs of customer remediations and Rotorua office closure

Key ratios (% of Net insurance revenue)	HY26	HY25	Change
Claims ratio excluding large events	44.3%	38.1%	6.2%
Large event costs ratio	6.9%	1.2%	5.7%
Management expense ratio	31.4%	30.4%	1.0%
Combined ratio	**82.6%**	69.7%	12.9%

$ million	HY26	HY25	Change
Gross written premium	300.8	297.0	3.8
Insurance revenue	**300.3**	**296.6**	**3.7**
Reinsurance	(31.3)	(39.1)	7.8
Net insurance revenue	**269.0**	**257.5**	**11.5**
BAU claims expense	(119.1)	(98.2)	(20.9)
Large event claims expense	(18.5)	(3.0)	(15.4)
Management expenses	(77.4)	(73.5)	(3.8)
Net commission expense	(7.0)	(4.7)	(2.3)
Insurance service expense	**(221.9)**	**(179.5)**	**(42.4)**
Insurance service result	**47.1**	**78.0**	**(31.0)**
Net investment income	5.1	10.0	(4.9)
Net insurance finance expense	(0.4)	(1.0)	0.6
Other income and expenses	(0.7)	(0.2)	(0.5)
Underlying profit before tax	**51.1**	**86.8**	**(35.7)**
Income tax expense	(14.3)	(25.1)	10.8
Underlying profit after tax	**36.8**	**61.7**	**(24.9)**
Non-underlying items	(13.9)	(12.0)	(2.0)
Reported profit/(loss) after tax	**22.9**	**49.7**	**(26.9)**

Note 1: Definition of underlying profit and a reconciliation to reported profit is included in the appendices

Movement in underlying NPAT



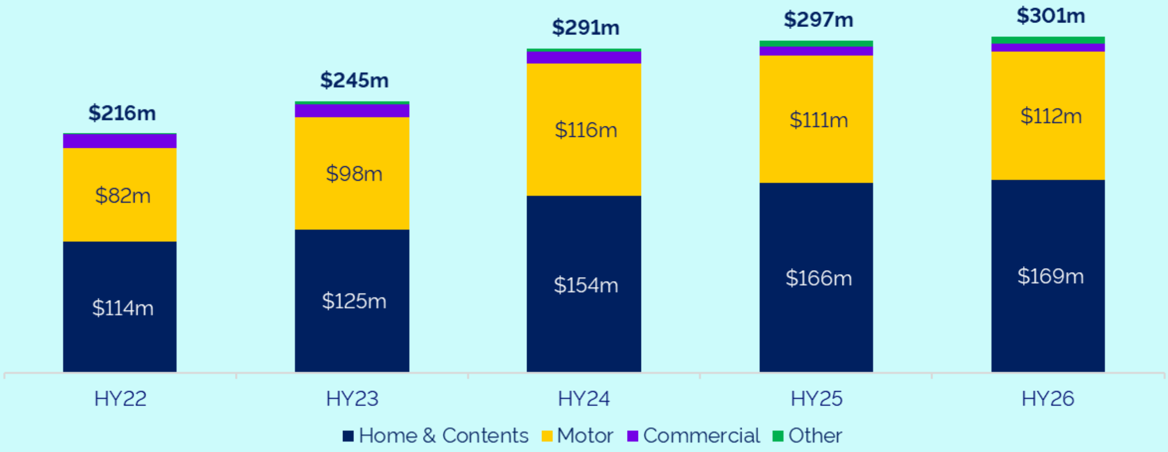
- Underlying NPAT[1] of $36.8m vs $61.7m in HY25
- Business growth reflects higher net insurance revenue less the associated growth in claims and management expenses
- BAU claims ratio increased from prior year from rating actions earning through and return to more normalised weather frequency
- Large event costs in HY26 of $18.5m before tax versus $3m before tax in HY25
- Investment income impacted by lower yield and mark to market losses from global market volatility

Note 1: Definition of underlying profit and a reconciliation to reported profit is included in the appendices

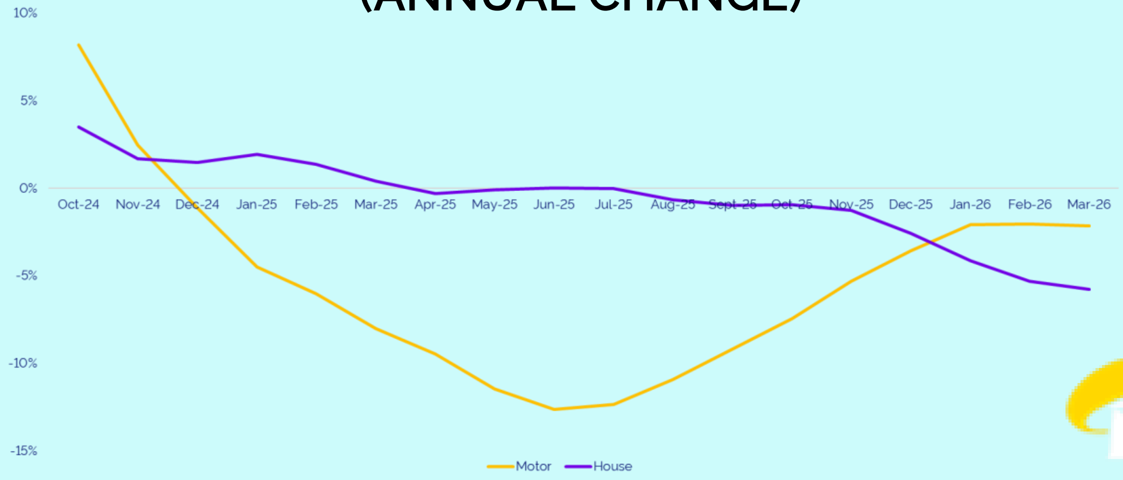
Rating pressure impacts GWP growth

- 1% premium growth reflects softer rating environment
- NZ House GWP growth 2%; 9% policy growth
- NZ Motor GWP growth 0%; 3% policy growth
- Partnerships GWP growth of 8%
- NZ retention rate of 79% (HY25: 78%)

GROSS WRITTEN PREMIUM



TOWER EFFECTIVE[1] AVERAGE PREMIUM (ANNUAL CHANGE)

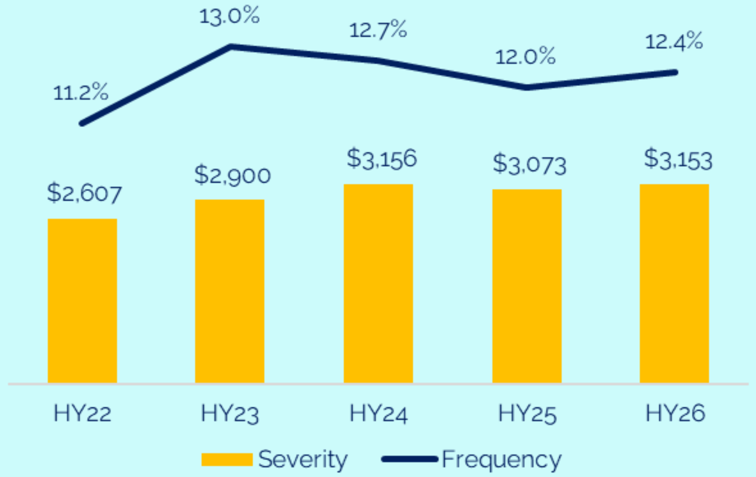


Note 1: Effective average premium highlights impact of change in technical premium, excesses, and sum insured on GWP

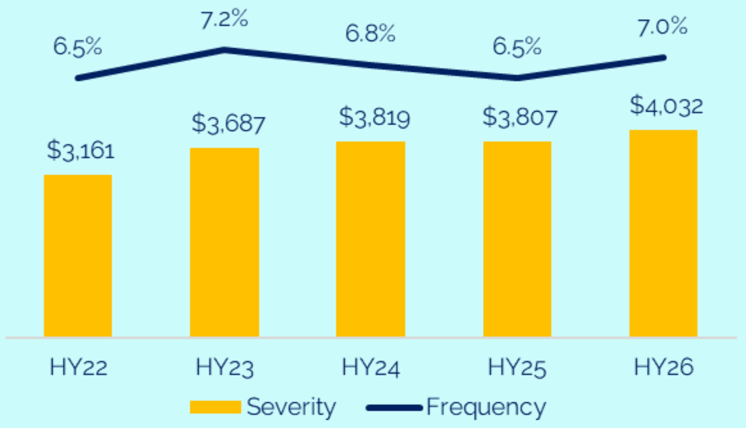
Higher frequency and severity of claims

- BAU claims ratio of 44% (HY25: 38%)
- BAU claims ratio will continue to increase towards historical average as rating changes earn through
- Increased number of weather events has lifted frequency and severity for both house and motor
- Four large events in HY26 with an estimated cost of $18.5m
- One large event has occurred since 31 March and is not included in HY26 results - Wellington flooding event in April 2026 with an estimated cost of just under $5m

NZ MOTOR SEVERITY[1] & FREQUENCY[2]



NZ HOUSE SEVERITY & FREQUENCY

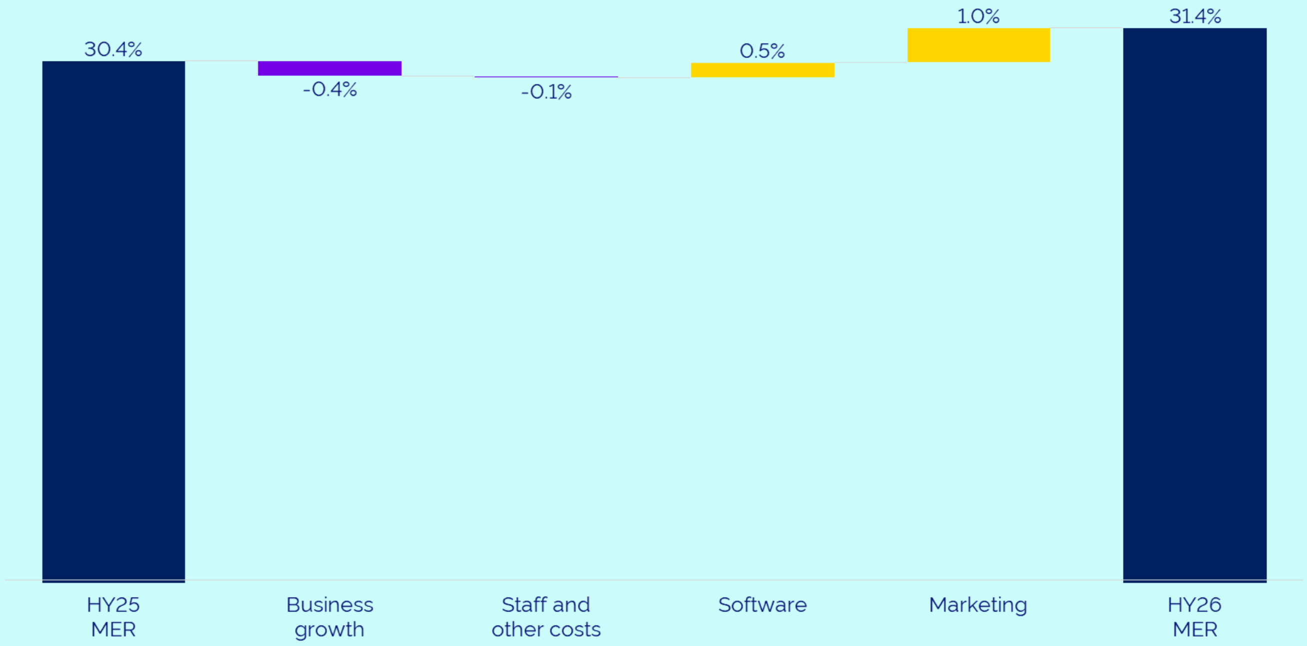


Note 1: Severity is defined as the cost of claims (excluding large events, large house, windscreen) divided by the count of claims
Note 2: Frequency is defined as the number of claims (same exclusions as above) divided by risks in force
The historical severity and frequency numbers are current estimates as at 31 March 2026 reflecting development of prior year claims in their respective incurred periods

Stable management expense ratio

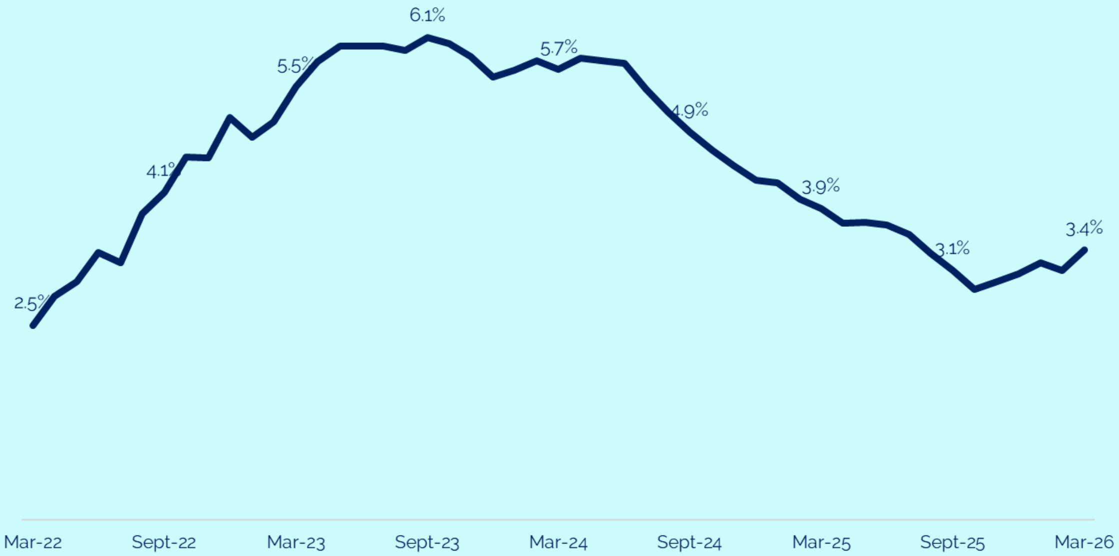
- MER increased by 1% to 31.4%
- Scale efficiencies from business growth contributes 0.4% reduction in MER
- Increased marketing to support revenue growth
- Software costs increase to improve customer experience and processes

MANAGEMENT EXPENSE RATIO (MER)

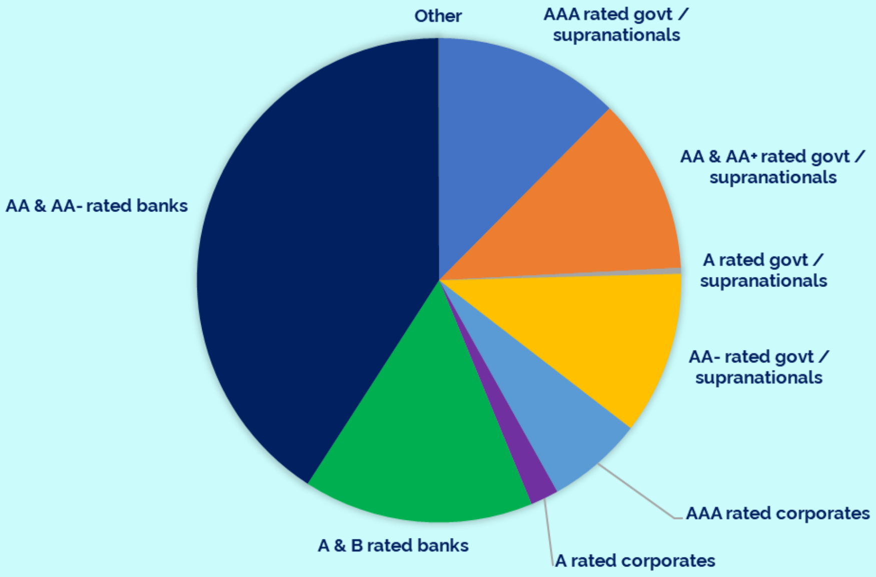


Conservative investment strategy

CORE INVESTMENT PORTFOLIO[1] YIELD



INVESTMENT ASSET PROFILE

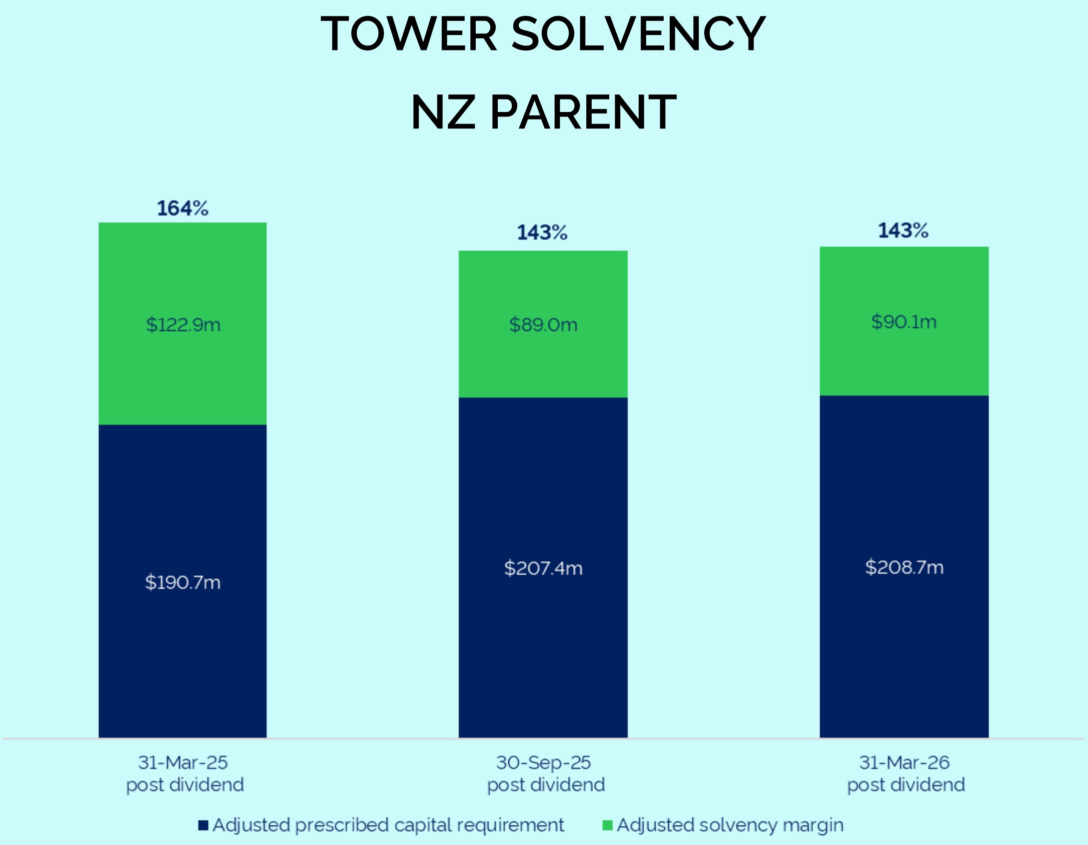


- Net investment income $5.1m; $4.9m lower than HY25 due to lower investment balances, yield, and mark to market losses from global market volatility
- Running yield on the core investment portfolio is 3.4% as at 31 March 2026
- Conservative investment strategy with low duration (target of 6 months)
- Yields expected to increase in line with OCR

Note 1: Core investment portfolio refers to Tower's fixed income investment portfolio in NZ. It excludes cash held for operational purposes in NZ and cash and short-term deposits held by Tower's Pacific subsidiaries. Subsidiaries of banking groups with a credit rating have been grouped under their parent bank's credit rating, even if unrated themselves

Capital and solvency position

- Solvency ratio[1] of 143%
- Adjusted solvency margin as at 31 March 2026 is $90.1m - stated net of interim dividend of 5 cents per share[2]
- Tower has an internal target solvency margin of $84.3m
- A- financial strength rating reaffirmed in April 2026 by AM Best

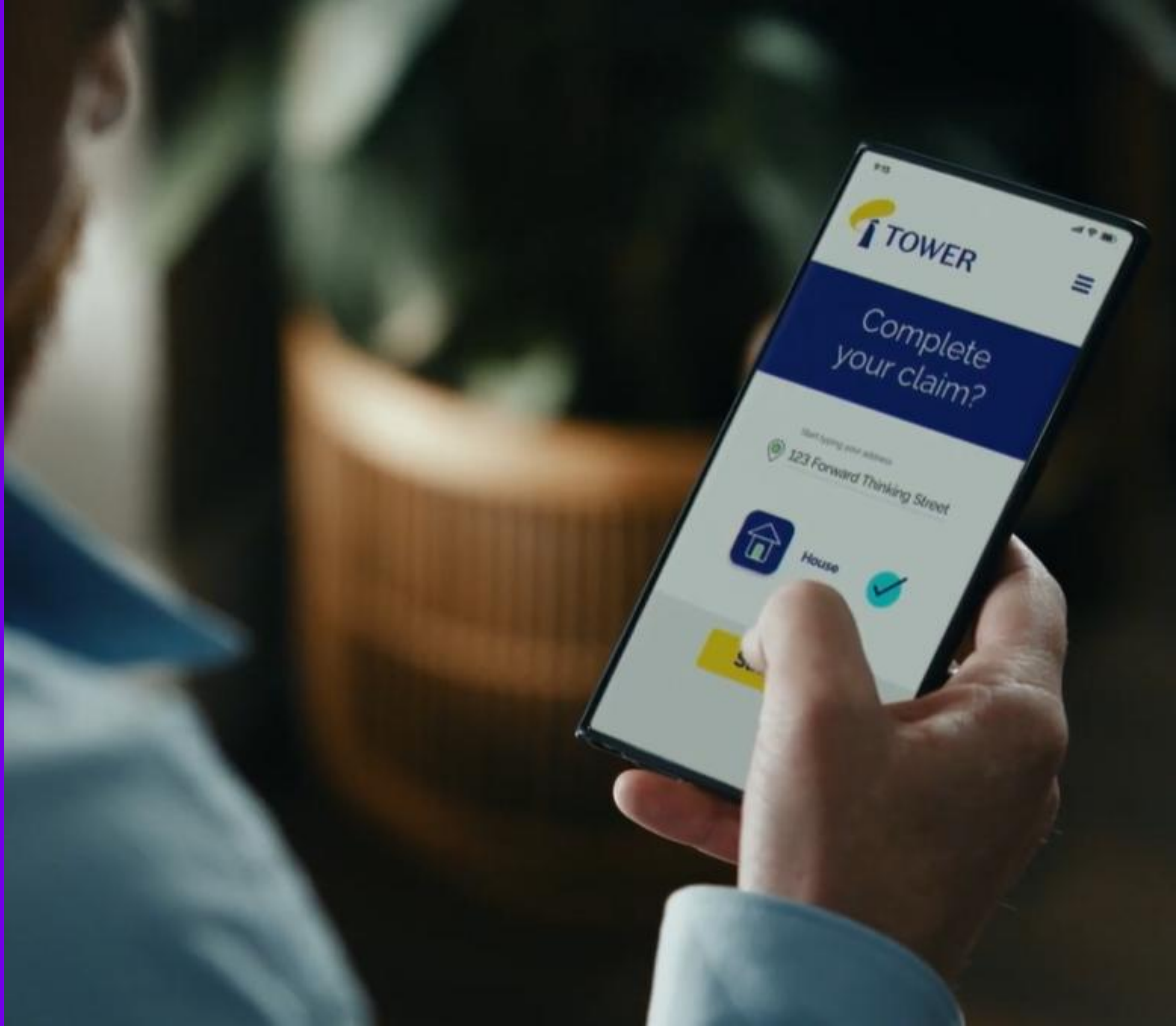


Note 1: SR = Solvency ratio – the ratio of solvency capital to adjusted prescribed capital
Note 2: Based on Tower's ordinary dividend policy to pay a sustainable annual dividend in the range of between 60-80% of adjusted earnings where prudent to do so

Looking forward

Paul Johnston,

Chief Executive Officer



Second half priorities

- Launching new partnership with Westpac
- Referral of Kiwibank back book
- Contact centre enhancements and digital adoption
- Progressing with AI implementation
- Building customer data foundations to unlock personalisation
- Customer remediation and implementing regulatory change

FY26 guidance and future targets

	HY26 Actual	FY26 Guidance	FY28 Target
GWP growth	1%	Low-single digit	>$750m (>7.5% CAGR)
Management expense ratio	31.4%	31% - 32%	28% - 30%
Underlying NPAT (excluding large events)	$50m	$87m - $97m	
Large events	$18.5m	$45m	
Combined operating ratio	82.6%	86% - 88%	85% - 87%
Underlying NPAT (assuming full utilisation of large events allowance in FY26)	$36.8m	$55m - $65m	

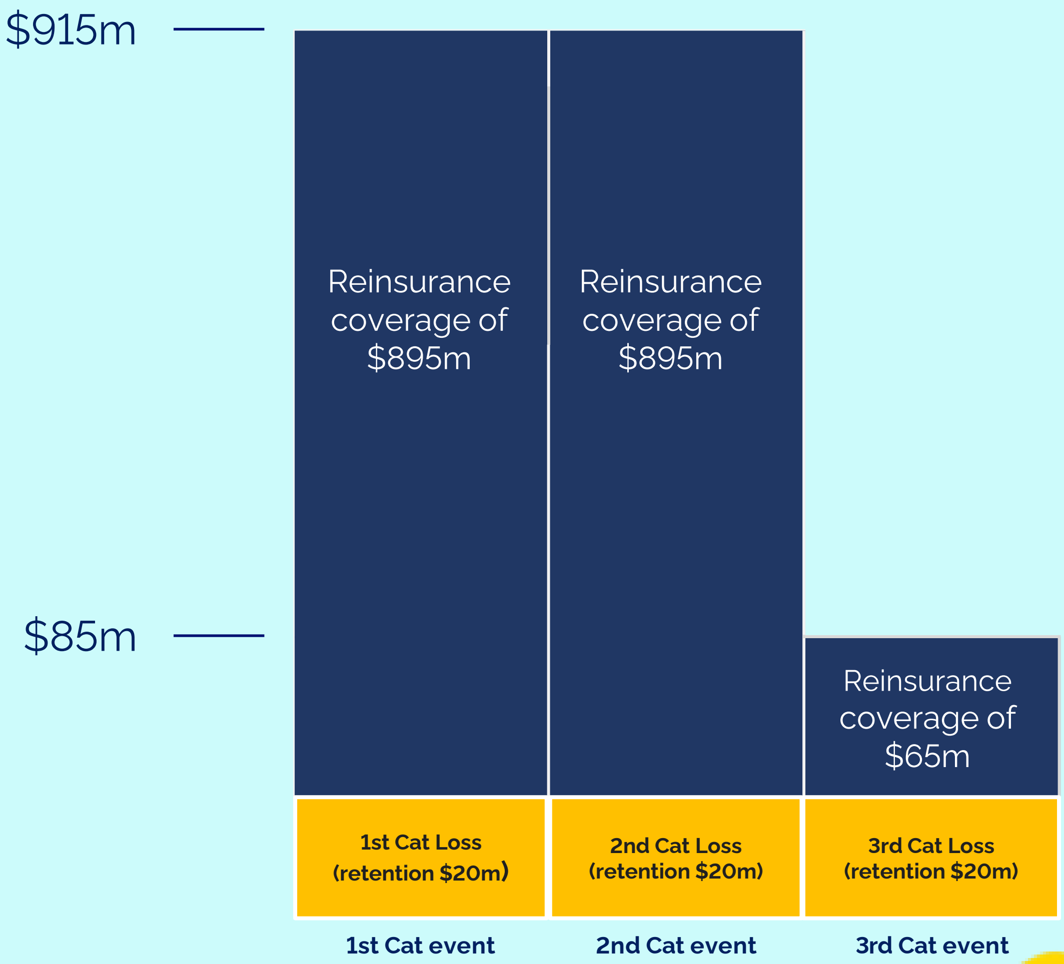
- Any unused portion of the large events allowance (after tax) at year end will increase underlying NPAT to improve the full year result. $18.5m incurred in HY26
- Reported NPAT will be impacted by non-underlying items for remediation activity and costs associated with regulatory change

Questions?

Appendices

Reinsurance programme

- Catastrophe reinsurance of up to $915m for two events and an additional prepaid third event cover up to $85m
- $20m retention for catastrophe events
- Reinsurance programme also includes:
  - Excess of loss[1] for large single property claims
  - General accident and marine cover



Note 1: Excess of loss reinsurance means Tower retains responsibility for claims up to a certain threshold, with the reinsurer covering losses above that amount.

Business unit distribution

TOWER DIRECT

- Policy growth offset by premium rate reductions
- In force risk growth in HY26 of 5,100 (HY25: +3,000)

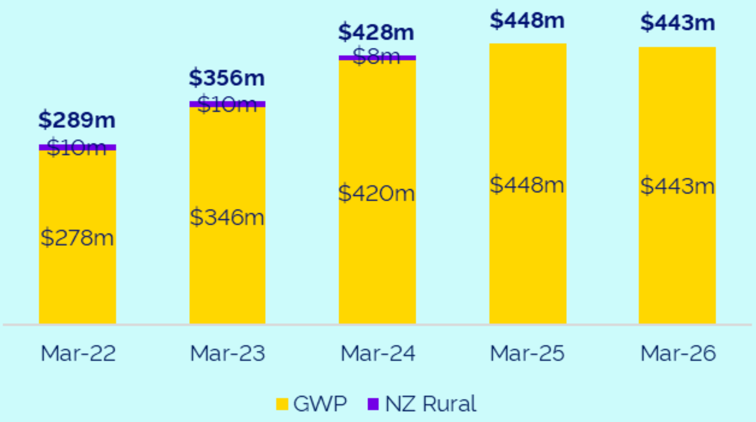
PARTNERSHIPS

- Underlying growth of 8%
- Total in force risks increased 15% to 136,000

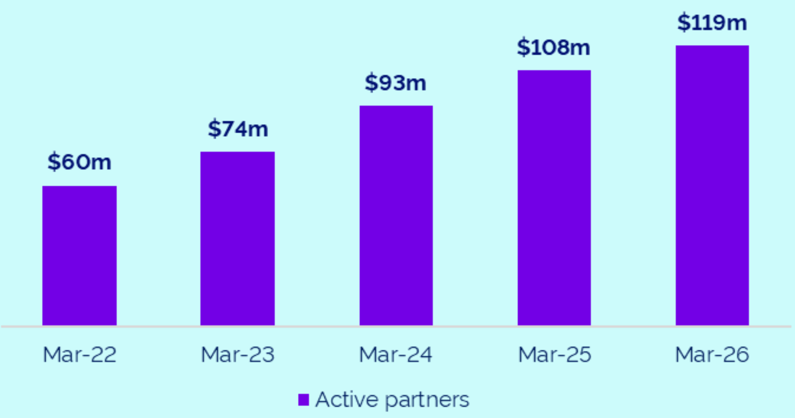
PACIFIC

- Underlying growth of 1%
- Continuation of risk review across Pacific countries impacted growth

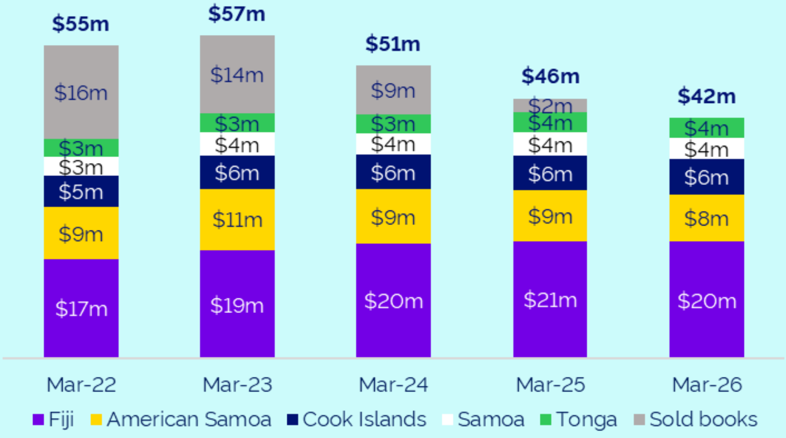
TOWER DIRECT GWP ROLLING 12 MONTHS



PARTNERSHIPS GWP ROLLING 12 MONTHS



PACIFIC GWP ROLLING 12 MONTHS



Reconciliation between underlying profit after tax and reported profit after tax

$ million	HY26 underlying profit	Non-underlying items (1)	Management expense reclasses (2)	Reclass of reinsurance expenses (3)	Reclass of reinsurance & other recovery revenues (4)	HY26 reported profit
Gross written premium	300.8					
Insurance revenue	**300.3**	(9.1)				**291.2**
Reinsurance expense	(31.3)			31.3		
Net insurance revenue	**269.0**	**(9.1)**	**0.0**	**31.3**	**0.0**	
BAU claims expense	(119.1)	(0.7)	(15.8)		0.2	
Large event claims expense	(18.5)					
Management expenses	(77.4)	(6.8)	15.5			
Net commission expense	(7.0)				(0.0)	
Insurance service expense	**(221.9)**	**(7.5)**	**(0.3)**	**0.0**	**0.2**	**(229.5)**
Net expense from reinsurance contracts held				(31.3)	(0.2)	(31.5)
Insurance service result	**47.1**	**(16.7)**	**(0.3)**	**0.0**	**0.0**	**30.1**
Net investment income	5.1					5.1
Net insurance finance expense	(0.4)					(0.4)
Other income and expenses	(0.7)	(2.2)	0.3			(2.5)
Underlying profit before tax	**51.1**					
Income tax expense	(14.3)	4.9				(9.4)
Underlying profit after tax	**36.8**					
Non-underlying costs	(13.9)	13.9				
Reported profit after tax	**22.9**	**0.0**	**0.0**	**0.0**	**0.0**	**22.9**

Underlying and reported profit:

- "Net insurance revenue", "net insurance service expense" and "underlying profit" do not have a standardised meaning under Generally Accepted Accounting Practice (GAAP). Consequently, they may not be comparable to similar measures presented by other reporting entities and are not subject to audit or independent review.
- Tower uses underlying profit as an internal reporting measure as management believes it provides a better measure of Tower's underlying performance than reported profit, as it excludes large or non-recurring items that may obscure trends in Tower's underlying performance, and is useful to investors as it makes it easier to compare Tower's financial performance between periods.
- Tower has applied a consistent approach to measuring which items are excluded from underlying profit in the current and comparative periods.
- "Reported profit after tax" is calculated and presented in accordance with GAAP

(1) Non-underlying items include net impact of customer remediation provision increase and related costs, Canterbury earthquake valuation update, software impairment, regulatory and compliance projects such as Financial Markets (Conduct of Institutions) Amendment Act
(2) Reclassification of claims handling expenses from management expenses to claims expense; and FX gains/losses from other income to management expenses
(3) Reclassification of reinsurance expenses to present as net income from reinsurance contracts held for statutory purposes
(4) Reclassification of reinsurance and other recoveries to present as net income from reinsurance contracts held for statutory purposes

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Tower HY26 Results Announcement Investor Presentation Script

Slide 1 – 2026 Half Year Results

Naomi Ballantyne

Good morning and thank you for making the time to join us for this investor call and presentation of our 2026 half year results. I am delighted to be speaking to you for the first time today as Chair of Tower.

Slide 2 - Agenda

With me in Auckland is our Chief Executive Officer, Paul Johnston, and Interim Chief Financial Officer, Simon Hoole, who will take you through the results and answer your questions.

Slide 3 – Chair's update

Tower's half-year results demonstrate the strength and resilience of our business. Despite a considerably more challenging operating environment – marked by higher weather-related claims, pricing pressure and economic uncertainty – we delivered solid underlying earnings, with an underlying net profit after tax of $36.8 million.

This performance underscores our ability to navigate headwinds while continuing to invest in sustainable growth.

The Board is pleased to declare an interim dividend of 5 cents per share, reflecting our commitment to delivering consistent shareholder returns, underpinned by robust earnings and a strong capital and solvency position.

We are continuing to make good progress on our strategy - growing our customer base, strengthening the quality of our portfolio through risk-based pricing, and building a clear pipeline for future revenue through partnerships with Trade Me, Kiwibank and from mid-year, Westpac – supported by our new brand campaign.

We are also investing in technology, innovation, and AI to support the next phase of Tower's growth - improving efficiency and customer experience.

These actions position Tower to continue delivering sustainable earnings growth over time, even in a demanding environment.

[pause]

We remain unwavering in our commitment to transparency and fairness and that means doing the right thing for our customers.

While it is disappointing to identify a further substantial remediation issue linked to a legacy pricing system, we have moved to correct it and remediation is now underway.

With my personal experience I understand how difficult - and at times disheartening - it can be for today's leaders, staff, shareholders and customers to deal with issues that have arisen over time – particularly those associated with older technology with its inherent lack of data insights, and ways of working.

Much of this work is necessarily focused on identifying and putting right historical issues. It is complex, time consuming and costly, and it does reduce the capacity to invest in new innovations that would improve experiences and outcomes for current and future customers.

That said, this is important work, and we are committed to doing it properly. I want to acknowledge the ongoing work of today's Tower team in working through its legacy systems and processes, to finish the job of finding and putting right those old wrongs as quickly as possible and to the satisfaction of our regulators.

While we are sharply focused on resolving these historic issues and reducing the risk of recurrence, it is also important to recognise that growing an innovative business may at times involve getting things wrong. Success is not defined by the absence of issues, but by how we respond to them – identifying issues, addressing them decisively, and learning from mistakes to prevent recurrence.

Paul will provide more detail on the remediation programme shortly.

[pause]

Before I hand over to Paul, I would like to touch briefly on the broader New Zealand Inc. context.

The government's review into insurance availability and affordability is a critical conversation for New Zealand. At Tower, we are leaning into that challenge – because we know that accessible, affordable insurance is essential for Kiwi households.

While external factors matter, there is a lot within our control as insurers and Tower is taking the lead in three key areas.

We have led the way with plain-English policies, giving customers more visibility into what drives their premiums and how they change over time. We are also helping them understand key risks - especially climate risk – so they can make informed choices.

We urge the broader industry to continue to lift standards in these areas for the benefit of all New Zealanders.

The second area that Tower has focused on is using technology to reduce costs and improve experience. Through digitisation, use of data and AI, we are simplifying processes, speeding up claims responses, and running a more efficient business. This helps keep premiums as low as possible, while our pricing approach ensures customers benefit where underlying risk is lower.

Thirdly, we are increasingly looking beyond traditional models to innovate for the future. Tower is developing parametric cover and exploring usage-based pricing, more flexible options and loss-prevention solutions – products that reflect how people live today and that make insurance simpler, more relevant and more proactive.

[pause]

While we focus on what we can control, systemic issues require collective action.

Government levies and taxes already account for nearly half of an insurance premium, and the cumulative impact of regulation – though well-intentioned – adds significant cost and complexity. Clear prioritisation and greater coordination across regulators and government would help manage these pressures more effectively.

[pause]

There is of course another key factor in the affordability challenge.

Long-term affordability and access to insurance ultimately depends on addressing the root causes of risk.

That means the Government and Councils investing in resilience — infrastructure, flood protection, stronger building standards, and more disciplined land-use planning.

Risk-based pricing also plays a vital role, sending clear signals about where risk is increasing and resilience investment is needed, helping customers, communities and government make better decisions.

We need to empower customers with information. Tower has made its assessment of hazard risk visible and accessible, because informed decisions are critical to building long-term resilience.

Our approach is working. Most of our customers are now benefiting from lower natural hazard premiums, while those with higher exposure receive clearer risk signals. At the same time, the overall quality of our portfolio is improving.

Ultimately, maintaining a strong and competitive insurance market depends on getting this balance right — investing in resilience, pricing risk appropriately, and directing effort where it will have the greatest impact.

That is what will support affordability, maintain access to insurance, and strengthen the resilience of our communities.

As a Kiwi and Pacific business, with decisions made here in New Zealand based on our deep and focussed knowledge of this market and a shared understanding of the daily lives of the communities we serve. We are closely connected to those communities, and our focus remains on building long-term value – for our customers, our shareholders, New Zealand and the Pacific.

I will now hand over to Paul and Simon, who will take you through the results and outlook before we open for questions.

Paul Johnston

Slide 4 – Business update

Kia ora, and good morning, everyone.

Thank you for joining us for our 2026 half year results.

Slide 5 – Overview

Here is an overview of our presentation today, which will include the key drivers behind our strong HY26 underlying result, as well as factors that have impacted reported profit.

We'll also provide an update on our second half priorities and how we plan to leverage what makes us different to further enable growth.

Slide 6 - What makes Tower different

Before moving to our priorities, let's take a moment to highlight what sets Tower apart.

We are a Kiwi-owned insurer, and our competitive advantages uniquely position us to meet the ever-evolving needs of our customers.

First, in customer experience and technology, we lead with transparency and simplicity.

Our streamlined platform and product set deliver clearer, more consistent outcomes for customers. For example, through My Tower, we provide premium breakdowns, year-on-year premium comparisons at renewal, and our assessment of natural hazard risks for their homes.

We continue to enhance our digital capabilities - both through My Tower and our partnerships - enabling more customers to interact with us seamlessly across channels.

At the same time, our AI-enabled contact centre is improving service quality and efficiency, ensuring faster, more personalised service for our customers who call us.

Our targeted approach to risk selection and address-level, risk-based pricing allow us to price more accurately, remain competitive, and improve the overall quality of our portfolio.

These capabilities underpin our strategy, giving us a strong platform to deliver sustainable growth and even better customer outcomes over time.

Slide 7 – Our performance - strong operational and business performance

Tower has seen strong operational and business performance in the half year.

We delivered a solid underlying result, alongside strong customer and policy growth, and a subdued loss ratio.

Reported profit reflects a number of non-underlying items, including customer remediation and other one-off costs, which I'll come to shortly.

On the back of this performance, the Board has declared a fully imputed interim dividend of 5 cents per share.

Simon will take you through the financials in more detail.

Slide 8 – Factors influencing HY26 result

The first half of FY26 unfolded in a more challenging external environment, marked by pricing pressure and continued global volatility.

Tower's performance was influenced by strong customer growth - particularly in lower risk segments which reduced average house premiums, as well as an increase in weather events following the relatively benign conditions of FY25.

Despite these challenges, our focus on delivering simple and rewarding customer experiences drove solid policy growth in the half, largely driven by our partnership channel. We continued to attract and retain quality risks in a competitive market.

Weather activity increased compared to the prior period, driving higher BAU claims costs. In the half, New Zealand and the Pacific experienced several substantial storms, with Tower recording four of these as large events in New Zealand.

Overall, the result reflects a shift away from the unusually benign conditions of the prior period, with underlying performance supported by portfolio quality, growth, and continued execution of our strategy.

Slide 9 – Actively managing economic headwinds

We continue to take decisive action to position Tower for stronger outcomes and to deliver value to both our customers and shareholders.

This includes passing underwriting and cost efficiencies on to customers as premium savings, which is helping to support strong policy growth even through the economic slowdown.

We are also managing the impacts of weather events through our address-level pricing, supported by a large event allowance of $45 million for the full year.

Our digital and technology investments continue to drive efficiencies, while we optimise our reinsurance programme to strengthen margins.

Finally, we're maintaining a conservative investment portfolio to help reduce volatility.

These actions demonstrate our focus on active management through the cycle, while continuing to build a stronger, more resilient business.

Slide 10 - Policy growth in a competitive market

Despite a soft rating cycle, increased competition, and broader economic turbulence, Tower continued to deliver disciplined growth in the half – benefiting our customers along the way.

We welcomed 15,000 new customers, with growth particularly strong in house policies, alongside more moderate growth in motor and contents.

This performance aligns with our strategy to grow our home portfolio, where customers tend to hold multiple policies and demonstrate stronger retention over time.

Importantly, we are achieving this growth alongside continued improvements in risk quality. In the half, our expected average annual loss from four key perils reduced, and this is also reflected in our new business mix, with over 90% of new policies rated as low or very low risk for flood, sea surge and landslide.

This is driven by our deliberate strategy to grow where we see the strongest long-term value, while strengthening the resilience and quality of our portfolio.

Slide 11 - Improvements in customer experience and efficiency

In customer experience and efficiency, we are seeing clear benefits from our continued investment in technology, data and automation.

Customer outcomes continue to improve, reflected in a higher net promoter score, improved service delivery and a more seamless customer experience across all channels.

Digital adoption is also progressing strongly. Across New Zealand, a growing proportion of customer tasks are completed digitally, making it easier for customers to access and manage their insurance while also helping to reduce our cost to serve.

Efficiency gains from our AI-enabled contact centre, introduced in late FY25, continue, with average call handling times reduced by two minutes.

In claims, our motor assessing platform integration is delivering meaningful reductions in manual effort. During the half, we completed our first fully automated motor claim - from lodgement to approval and payment - with no manual intervention. We also expanded automation across the claims process.

Finally, we streamlined our geographical operations by closing our Rotorua office, improving efficiency and customer experience through centralised contact centres.

We're proud to see these efforts recognised through recent industry awards. Last week, the Kiwi Adviser Network named Tower the 2026 Outstanding Referral Partner. In April, Canstar awarded Tower Home and Contents Insurer of the Year for 2026 - the third consecutive year. Tower also received a 2026 Canstar Innovation Excellence Award for our launch of sea surge and landslide risk-based pricing.

Slide 12 - Large event claims

Weather activity increased in the half compared to the unusually low levels last year.

We experienced four large events in New Zealand during the period, and one large event early in the second half.

This marks a return to more typical conditions, and remains within the range we plan for through our large event allowance. Our reinsurance programme ensures we remain well positioned to respond to any further events.

Slide 13 – Customer remediation programme

Tower remains focused on putting things right for customers who did not receive the full discounts or benefits they were entitled to through our customer remediation programme.

The increase in the remediation provision predominantly related to a now-resolved, historical discount error, where a minimum premium embedded in pricing algorithms prevented eligible discounts from being fully applied. Most refunds owed to customers related to a legacy system which required complex analysis to complete.

Remediation actions are well advanced. Our focus is on proactively contacting affected customers, apologising, and progressing payments, while continuing to engage constructively with the regulator.

The root causes of remediations are largely linked to migration, system and process issues, and this programme also reflects our broader investment in strengthening systems and controls to prevent recurrence.

Beyond remediation, we have also recognised additional non-underlying items, including for the closure of our Rotorua office, partly offset by a small release related to Canterbury earthquake provisions, as well as other costs linked to regulatory change and intangible asset write-offs.

Slide 14 - Financial performance

I will now hand you over to our Interim Chief Financial Officer, Simon Hoole who will talk you through the details of our financial performance this year.

Slide 15 – Group underlying performance

Thank you, Paul.

GWP growth of 1% was challenged due to lower average premiums from growth in lower risk properties which attract lower pricing, and increased competition, partially offset by increased policy volumes.

The BAU claims ratio increased to 44% from the unusually low 38% reported in the prior comparable period, driven by targeted rate decreases and increased storm activity. The ratio remains favourable relative to long-run averages of between 48% and 50%. Tower expects it to continue to trend upward through the remainder of the financial year while remaining below long-term averages.

Large event costs for the half were $18.5m.

The MER increased to 31%, reflecting the soft premium cycle and continued investment in technology and growth initiatives. Tower's AI-enabled contact centre platform reduced the time customers spent interacting with the company by approximately 15% in the first seven months following launch.

Overall, we are reporting a solid underlying profit performance for the half year ended 31 March 2026, delivering underlying net profit after tax (NPAT) of $36.8 million and a reported profit of $22.9 million.

Reported profit includes strengthening of provisions for customer remediation costs, costs associated with the closure of our Rotorua office and software impairment.

Slide 16 – Movement in underlying NPAT

Underlying NPAT was $36.8 million in HY26, compared with $61.7 million in HY25.

Starting with business growth, we saw a modest positive contribution of $0.7 million, due to higher net insurance revenue, offset by the associated increase in claims and operating expenses.

BAU claims then reduced earnings by $11.9 million, as prior year rating reductions earned through HY26, alongside a return to more normalised weather patterns and claims frequency in the current period.

Large event costs also had a material impact, reducing earnings by $11.1 million year-on-year, with large event claims of $18.5 million before tax compared with $3 million in the prior period.

Investment income was a further headwind, decreasing by $3.5 million, reflecting lower yields and mark-to-market impacts during the half.

Overall, the year-on-year movement for the half is in line with the shift from unusually favourable conditions in HY25 to a more normalised operating environment in HY26, while still demonstrating the underlying resilience of the business.

Slide 17 – Rating pressure impacts GWP growth

Premium growth for the half was 1%, in line with the softer rating environment we are currently seeing across the market which is highlighted in the bottom chart.

This continues to provide some relief for customers following the premium increases experienced in recent years.

Importantly, this outcome needs to be viewed alongside strong policy growth. In New Zealand, house GWP increased by 2%, supported by 9% growth in house policies, as we continue to prioritise this segment.

In motor, GWP was broadly flat, despite 3% growth in policies, consistent with decisive rating actions, where we have reduced premiums to balance growth and competitiveness in a softer market.

Our Partnerships channel continues to perform well, delivering 8% GWP growth and contributing to overall portfolio expansion.

Retention has also improved, increasing to 79%, up from 78% in the prior period, in line with our focus on delivering customer value and service improvements.

On the right-hand side, you can see our GWP trend over time, with steady growth from $216 million in HY22 to $301 million in HY26.

Finally, the chart below highlights the shift in effective average premium, with downward pressure across both house and motor as market conditions have softened.

While rating pressure is moderating premium growth, we are continuing to grow volumes in a disciplined way, supporting long-term portfolio quality and customer outcomes.

Slide 18 - Higher frequency and severity of claims

The BAU claims ratio increased to 44% in HY26, compared with 38% in the prior period. This shows a return towards more normalised levels, as the benefit of prior pricing actions in HY25 begins to earn through.

Across both motor and house portfolios, we have seen an increase in claims frequency and severity. This has been driven primarily by a higher number of weather-related events in the half, reinforcing the importance of our ongoing focus on pricing discipline, portfolio quality and risk selection.

Looking first at motor, frequency has increased to closer to historical levels at 12.4%, while severity is at just over $3100 per claim.

In house, frequency has increased to around 7%, due to a higher incidence of smaller weather-related claims, while severity has also increased to just over $4,000 per claim.

In addition to BAU claims, we experienced four large events in the half, with an estimated cost of $18.5 million.

Slide 19 – Stable management expense ratio

MER increased by 1% to 31.4% in HY26, within our FY26 MER guidance of 31% to 32%.

As shown in the bridge, this reflects a number of offsetting movements.

Scale efficiencies from business growth reduced MER by 0.4%. This was offset by increases in marketing spend to support revenue growth and strengthen our brand in a competitive market, and software costs to improve the customer experience and streamline processes.

This modest increase in MER is consistent with our deliberate investment to support future growth, efficiency and resilience, while continuing to capture underlying scale benefits from the business.

Slide 20 – Conservative investment strategy

Net investment income for the half was $5.1 million, which is $4.9 million lower than HY25.

This is driven by a combination of lower investment balances, reduced yields, and mark-to-market losses from market volatility during the period.

Tower continues to maintain a conservative investment strategy, focused on high credit quality and liquidity. Our portfolio is predominantly invested in highly rated bank and government securities, and we maintain a relatively short duration, with a target of around six months.

This positioning helps manage risk and reduces exposure to market volatility, while providing flexibility as interest rate conditions evolve.

Looking at the chart on the left, core portfolio yields have declined from their peak in early FY24, although there has been a modest uptick more recently, with the running yield at 3.4% as at 31 March 2026.

Looking forward, we expect yields to move broadly in line with OCR settings, and for investment income to remain influenced by both rate movements and broader market conditions.

Slide 21 - Capital and solvency position

Tower's capital position remains strong, with a solvency ratio of 143% as at 31 March 2026.

Our adjusted solvency margin was $90.1 million at balance date, stated net of the interim dividend of 5 cents per share.

This remains comfortably above our internal target solvency margin of $84.3 million, providing a solid buffer to absorb volatility and support ongoing growth.

We were also pleased to have our A- financial strength rating reaffirmed by AM Best in April 2026, highlighting the resilience of the balance sheet.

Tower continues to maintain a strong capital position and financial flexibility, supporting both regulatory requirements and our ability to execute on our growth strategy.

Slide 22 – Looking forward

Thank you. I will now hand back to Paul who will provide an update on our guidance and second half priorities.

Paul Johnston

Thank you, Simon.

Slide 23 – Second half priorities

As we move further into the next phase of our strategy, we remain focused on delivering sustainable growth, while continuing to invest in digital technology and innovation to provide easier, faster and more personalised experiences for customers.

A key priority is launching our new partnership with Westpac, alongside the referral of the Kiwibank back book. Together, these initiatives are expected to support customer growth and broaden our distribution channels.

We are also enhancing our contact centre capability and driving further digital adoption to improve both efficiency and the overall customer experience.

We remain focused on progressing our use of AI, embedding it carefully in areas that deliver clear value - particularly in operational efficiency and service delivery.

Alongside this, we are building stronger customer data foundations to enable more personalised and targeted customer experiences over time.

Finally, we'll continue to progress customer remediation and implementation of regulatory changes, ensuring we meet our obligations and strengthen trust with customers and stakeholders.

Slide 24 – FY26 guidance and future targets

For FY26, we now expect GWP to grow by low-single digits, down from our previous guidance of 5%-10%, due to lower average premiums, and subdued market conditions.

While we expect benefits from digitisation and efficiency initiatives to emerge, our ongoing investment in growth, technology and customer experience is anticipated to keep the MER between 31% and 32%.

This supports underlying NPAT, excluding large events, of between $87 million and $97 million.

We have maintained our large event allowance at $45 million for the year. On a statutory basis, assuming full utilisation of that allowance, we expect underlying NPAT to be in the range of $55 million to $65 million.

Any unused portion of the large event allowance at year end would flow through to improve the full-year result.

Our combined operating ratio is expected to be between 86% and 88%, supporting strong underlying profitability.

Reported NPAT will continue to be impacted by non-underlying items, including customer remediation activity and costs associated with regulatory change.

Looking further ahead, we have set clear medium-term targets for FY28.

We are targeting GWP of more than $750 million, representing a compound annual growth rate of over 7.5%.

Over the same period, we expect further efficiency gains, with the management expense ratio improving to between 28% and 30%, and a combined operating ratio of between 85% and 87%.

Overall, these targets reflect our confidence in the strategy and the strong foundations we have built, positioning Tower to deliver sustainable growth and long-term value.

Thank you for your time this morning, I will now hand back to the operator to ask for questions.

TOWER

Distribution Notice

Section 1: Issuer information				
Name of issuer	Tower Limited			
Financial product name/description	Ordinary Shares			
NZX ticker code	TWR			
ISIN (If unknown, check on NZX website)	NZTWRE0011S2			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year		Quarterly	
	Half Year	X	Special	
	DRP applies			
Record date	11/06/2026			
Ex-Date (one business day before the Record Date)	10/06/2026			
Payment date (and allotment date for DRP)	25/06/2026			
Total monies associated with the distribution[1]	$17,170,568			
Source of distribution (for example, retained earnings)	Retained earnings			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution[2]	$0.06944444			
Gross taxable amount [3]	$0.06944444			
Total cash distribution[4]	$0.05000000			
Excluded amount (applicable to listed PIEs)	N/A			
Supplementary distribution amount	$0.00882353			
Section 3: Imputation credits and Resident Withholding Tax[5]				
Is the distribution imputed	Yes			

[1] Continuous issuers should indicate that this is based on the number of units on issue at the date of the form

[2] "Gross distribution" is the total cash distribution plus the amount of imputation credits, per financial product, before the deduction of Resident Withholding Tax (**RWT**).

[3] "Gross taxable amount" is the gross distribution minus any excluded income.

[4] "Total cash distribution" is the cash distribution excluding imputation credits, per financial product, before the deduction of RWT. This should *include* any excluded amounts, where applicable to listed PIEs.

[5] The imputation credits plus the RWT amount is 33% of the gross taxable amount for the purposes of this form. If the distribution is fully imputed the imputation credits will be 28% of the gross taxable amount with remaining 5% being RWT. This does not constitute advice as to whether or not RWT needs to be withheld.

If fully or partially imputed, please state imputation rate as % applied[6]	28%	
Imputation tax credits per financial product	$0.01944444	
Resident Withholding Tax per financial product	$0.00347222	
Section 4: Distribution re-investment plan (if applicable)		
DRP % discount (if any)		
Start date and end date for determining market price for DRP		
Date strike price to be announced (if not available at this time)		
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)		
DRP strike price per financial product		
Last date to submit a participation notice for this distribution in accordance with DRP participation terms		
Section 5: Authority for this announcement		
Name of person authorised to make this announcement	Paul Johnston	
Contact person for this announcement	Emily Davies	
Contact phone number	+64 21 815 149	
Contact email address	emily.davies@tower.co.nz	
Date of release through MAP	21/05/2026	

[6] Calculated as (imputation credits/gross taxable amount) x 100. Fully imputed dividends will be 28% as a % rate applied.