

2026 Half Year Results

1 October 2025 to 31 March 2026

21 May 2026



AGENDA



Chair's update
Naomi Ballantyne,
Chair



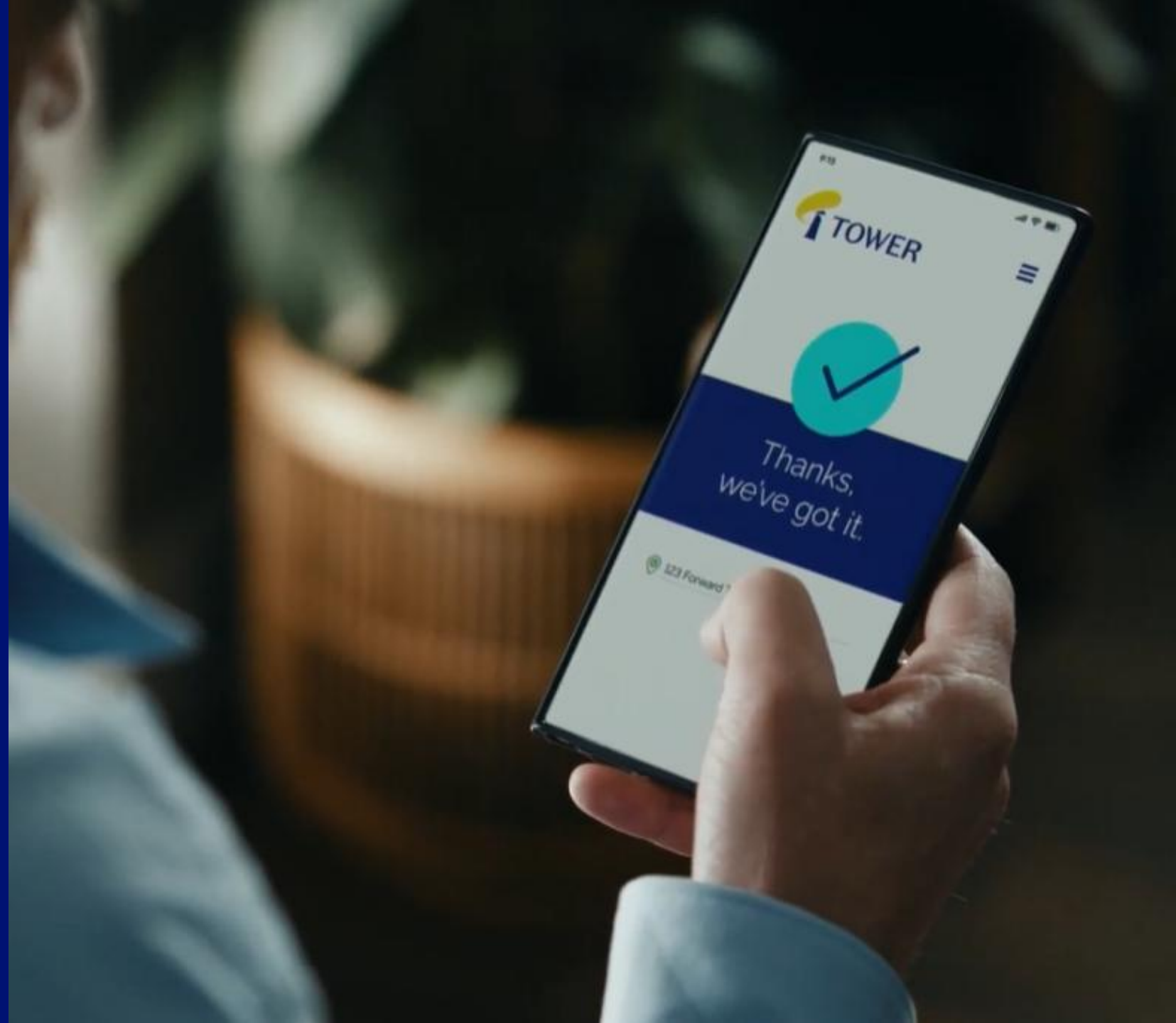
Business update
Paul Johnston,
Chief Executive Officer



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

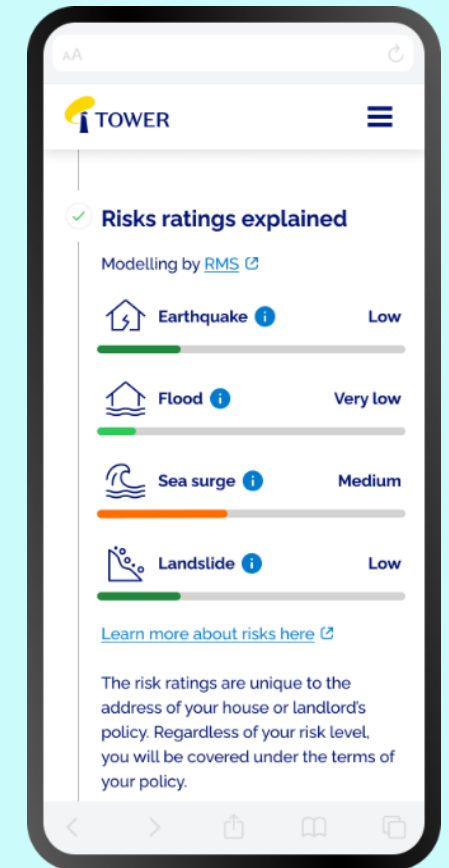
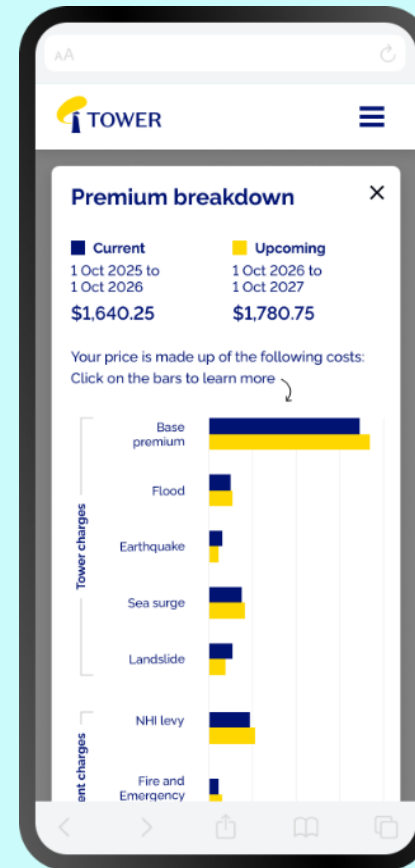
Kiwi-owned, uniquely advantaged

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)

1% | \$301m

vs \$297m in HY25

Customer growth

5% | 327k

vs 312k at HY25

BAU claims ratio
(Business as usual)

44%

vs 38% in HY25

MER
(Management expense ratio)

31%

vs 30% in HY25

Large event costs

\$18.5m

vs \$3m in HY25

Underlying profit¹

\$36.8m

vs \$61.7m in HY25

Reported profit

\$22.9m

vs \$49.7m in HY25

Dividend per share
interim dividend declared

5 cents

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

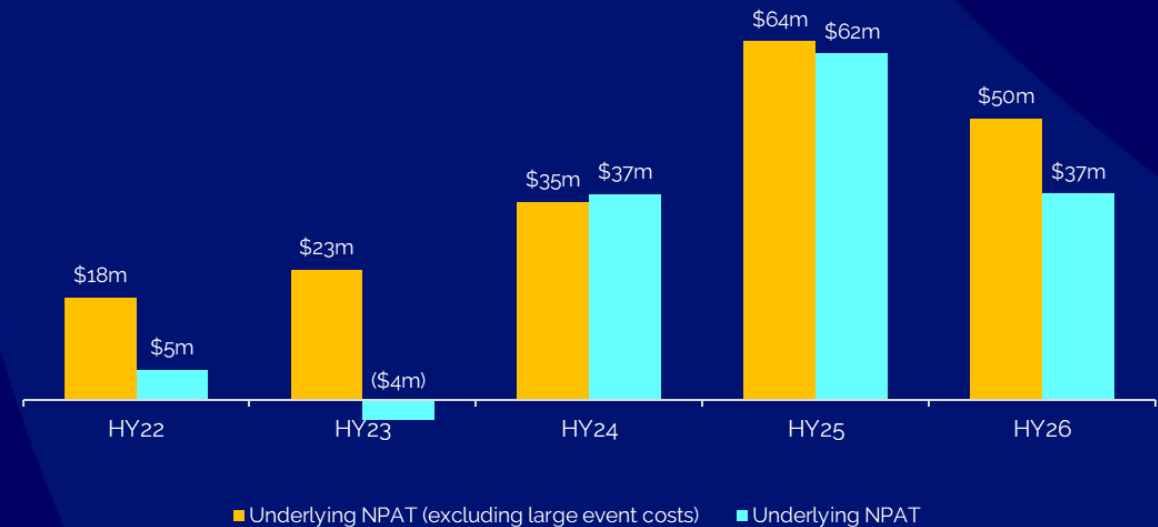
Increased weather events

- 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

UNDERLYING NPAT



Actively managing economic headwinds

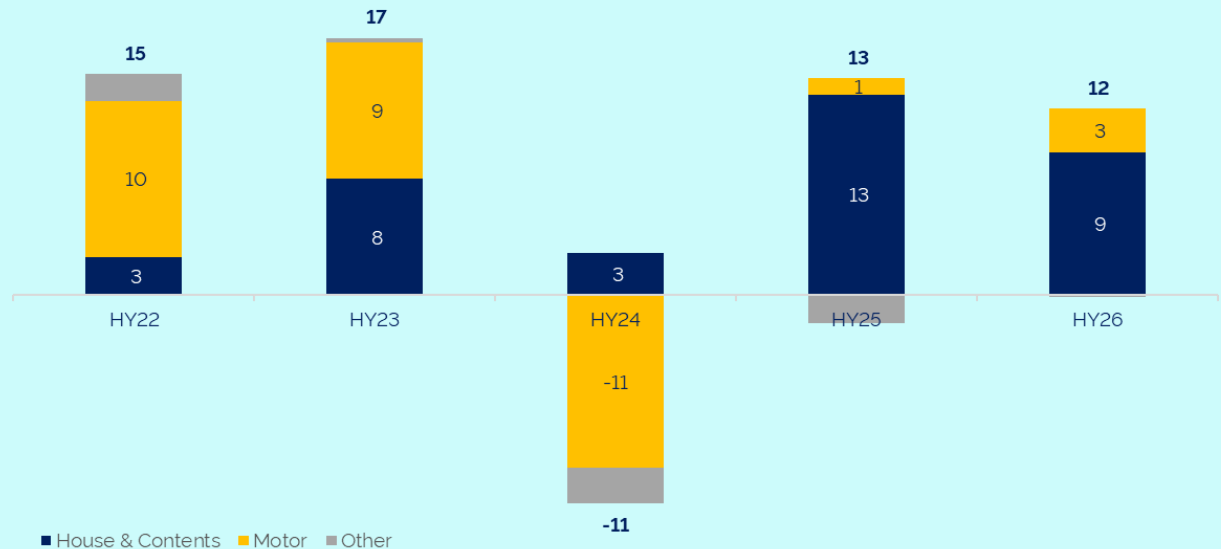
Decisive actions are positioning Tower for stronger outcomes

External factors	Tower's response
Economic slowdown	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Address-level risk-based pricing mitigates impact of weather volatility• Prudent FY26 large event allowance of \$45m
Supply chain	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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

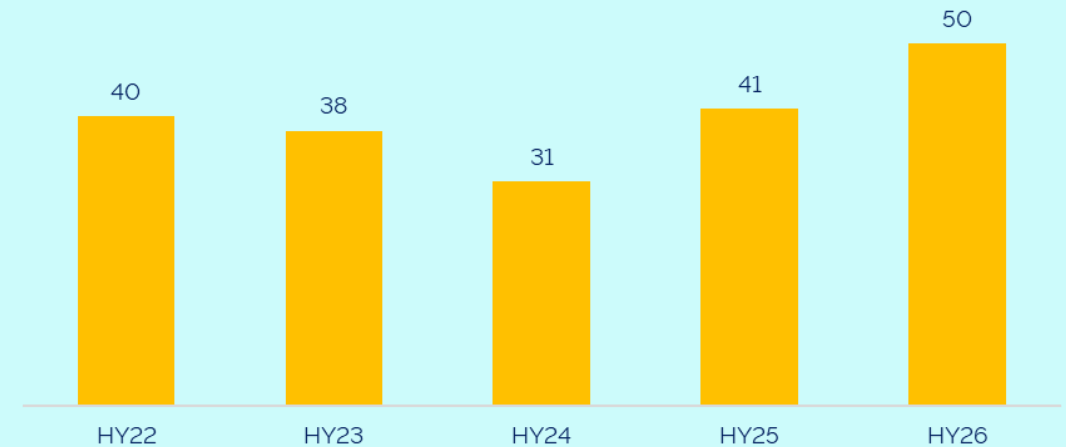
TOTAL MOVEMENT IN NZ RISK COUNTS (000's)



Improvements in customer experience and efficiency

- Net promoter score improved to +50 (HY25: +41)
- New Zealand tasks¹ 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

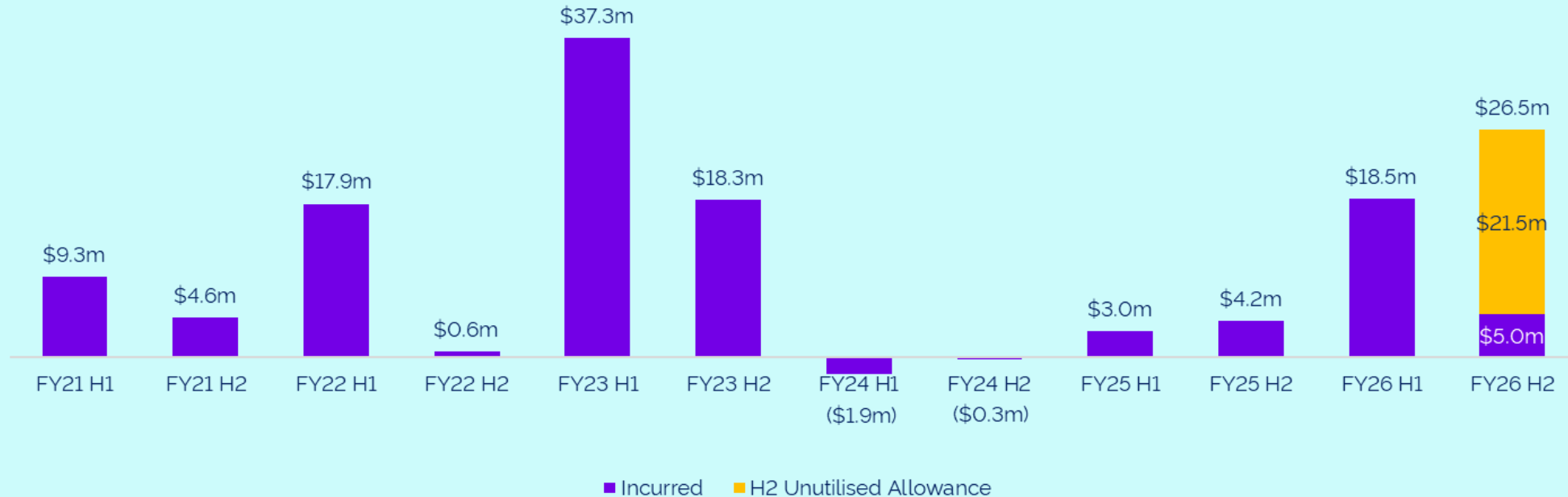
NET PROMOTER SCORE



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 events¹ 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

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

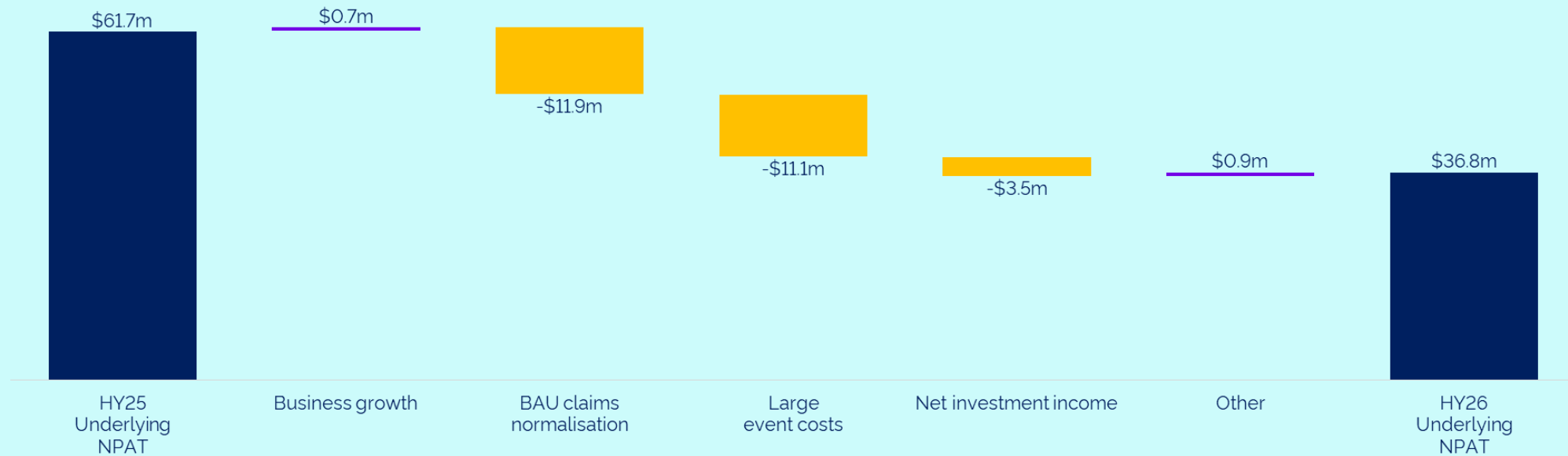
- Gross written premium growth of 1%
- BAU claims ratio increased to 44% due to targeted rate decreases, and higher frequency of weather events
- Large event costs of \$18.5m
- Management expense ratio of 31% increased but in line with full year target
- Underlying NPAT¹ including large events of \$36.8m
- 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)



Movement in underlying NPAT



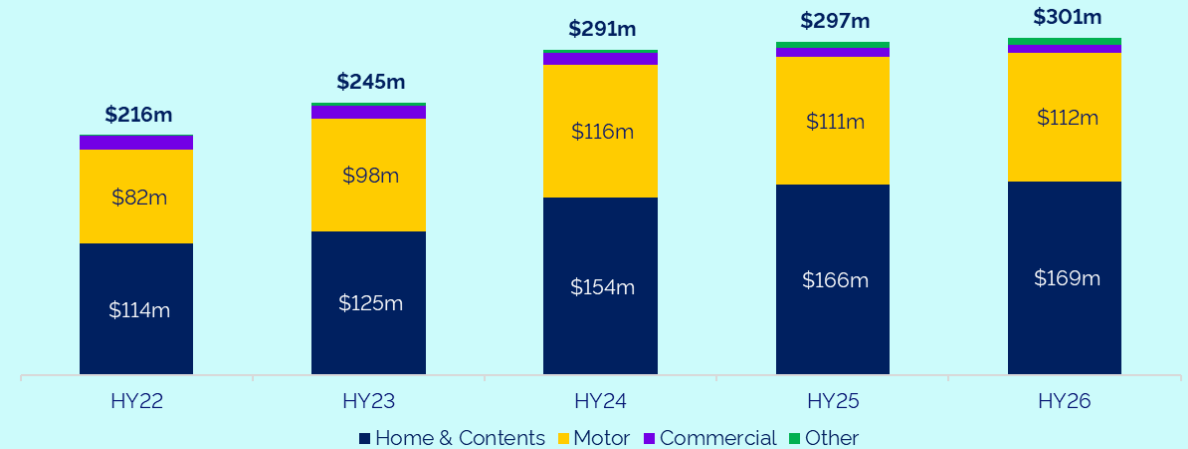
- Underlying NPAT¹ of \$36.8m vs \$61.7m in HY25
- Business growth reflects higher net insurance revenue less the associated growth in claims and management expenses
- BAU claims ratio increased from prior year from rating actions earning through and return to more normalised weather frequency
- Large 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



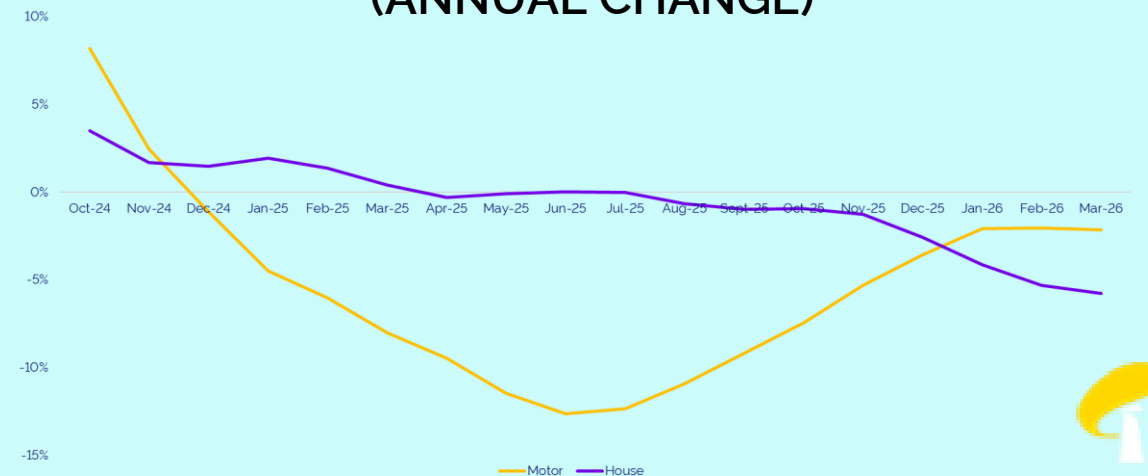
Rating pressure impacts GWP growth

- 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



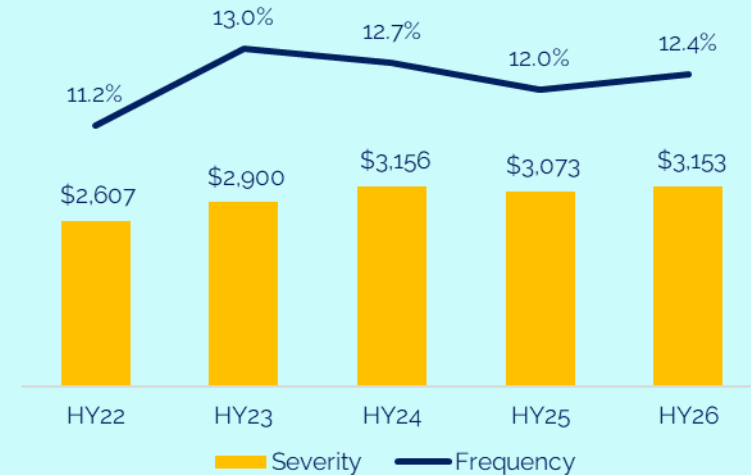
TOWER EFFECTIVE¹ AVERAGE PREMIUM (ANNUAL CHANGE)



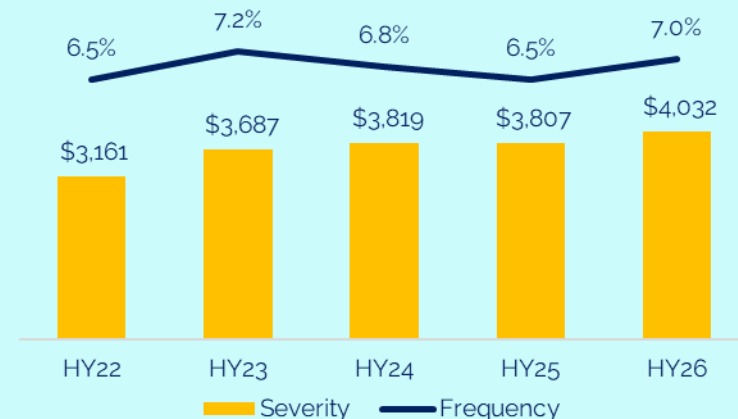
Higher frequency and severity of claims

- 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 SEVERITY¹ & FREQUENCY²



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

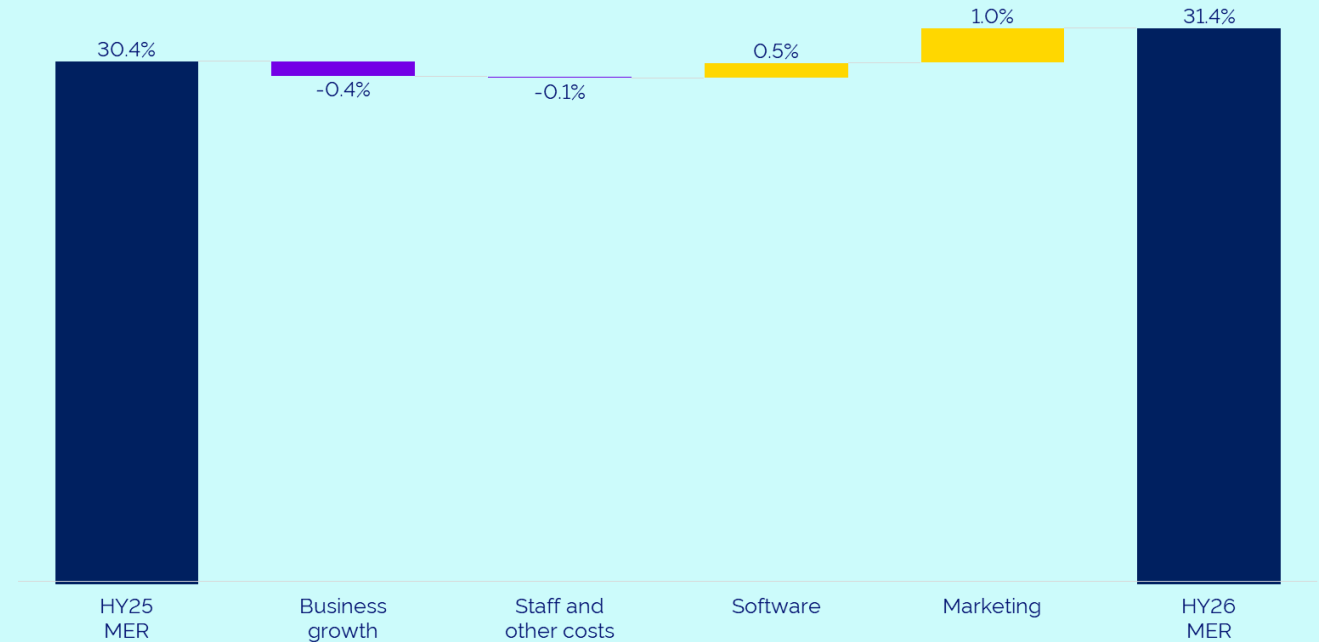
The historical severity and frequency numbers are current estimates as at 31 March 2026 reflecting development of prior year claims in their respective incurred periods



Stable management expense ratio

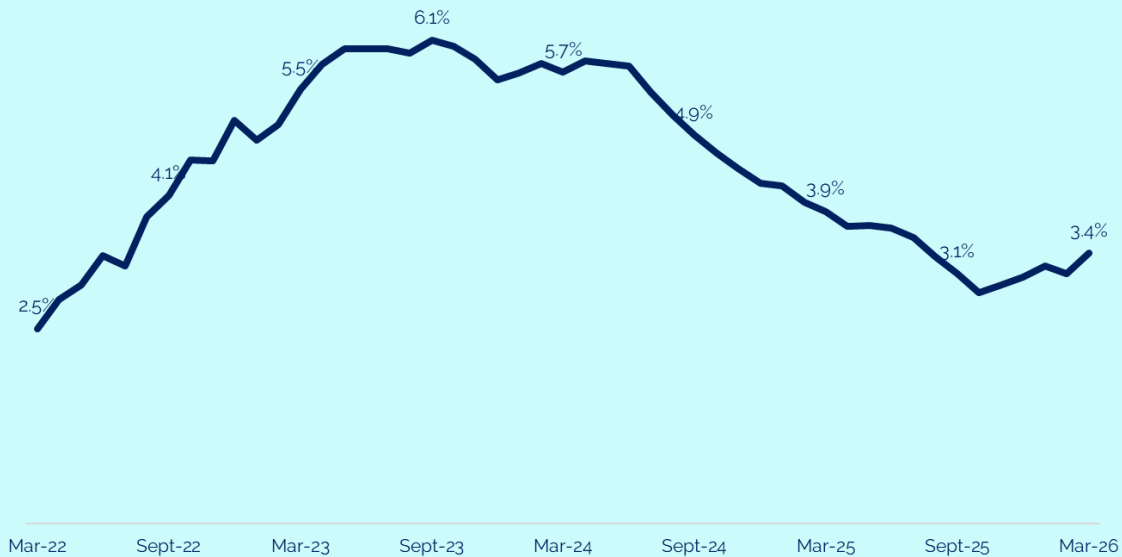
- MER increased by 1% to 31.4%
- Scale efficiencies from business growth contributes 0.4% reduction in MER
- Increased marketing to support revenue growth
- Software costs increase to improve customer experience and processes

MANAGEMENT EXPENSE RATIO (MER)

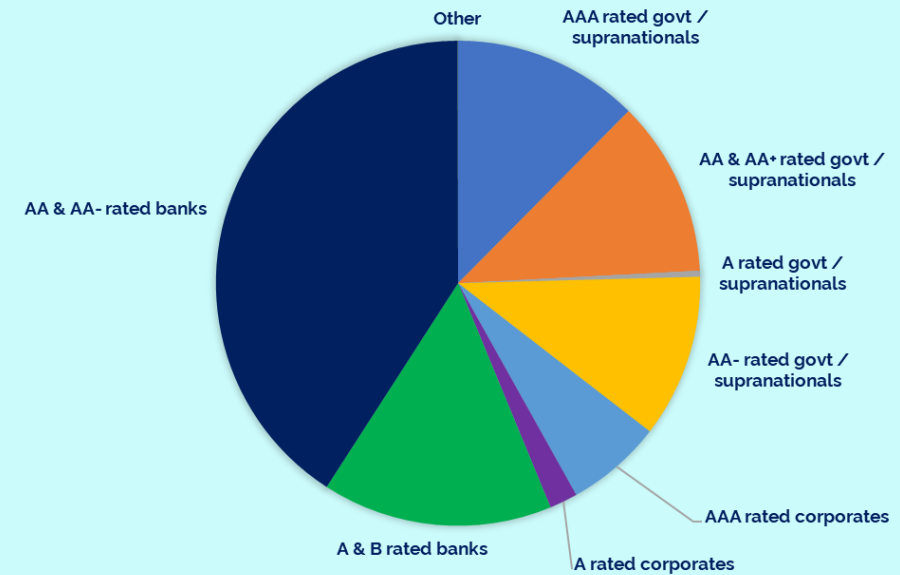


Conservative investment strategy

CORE INVESTMENT PORTFOLIO¹ YIELD



INVESTMENT ASSET PROFILE



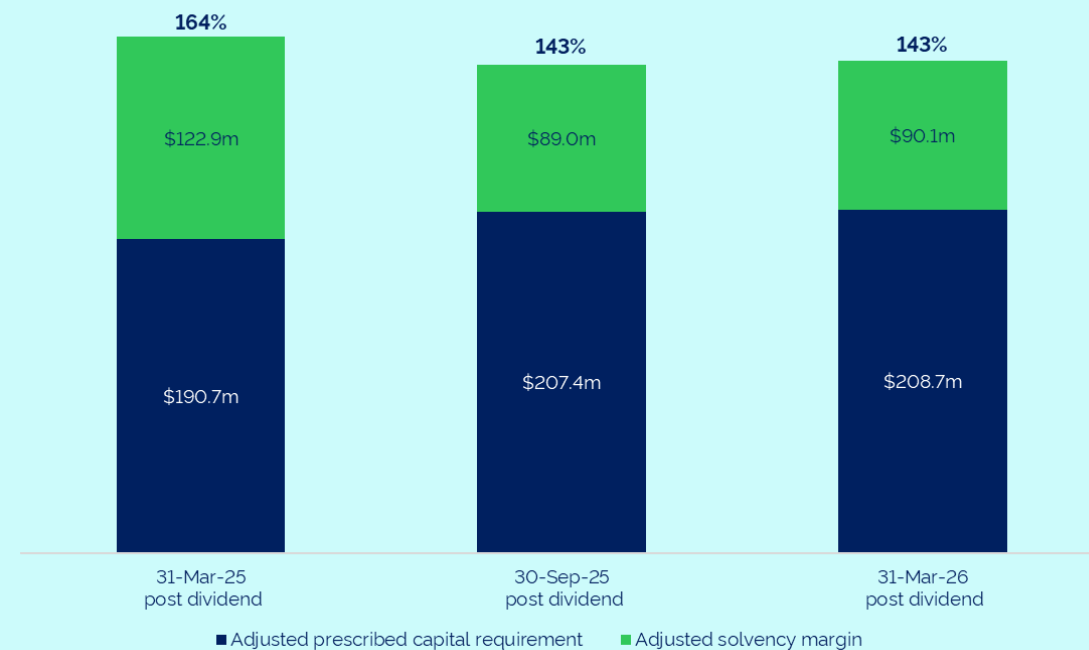
- Net investment income \$5.1m; \$4.9m lower than HY25 due to lower investment balances, yield, and mark to market losses from global market volatility
- Running yield on the core investment portfolio is 3.4% as at 31 March 2026
- Conservative investment strategy with low duration (target of 6 months)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



Capital and solvency position

- Solvency ratio¹ of 143%
- Adjusted solvency margin as at 31 March 2026 is \$90.1m - stated net of interim dividend of 5 cents per share²
- Tower has an internal target solvency margin of \$84.3m
- A- financial strength rating reaffirmed in April 2026 by AM Best

TOWER SOLVENCY NZ PARENT



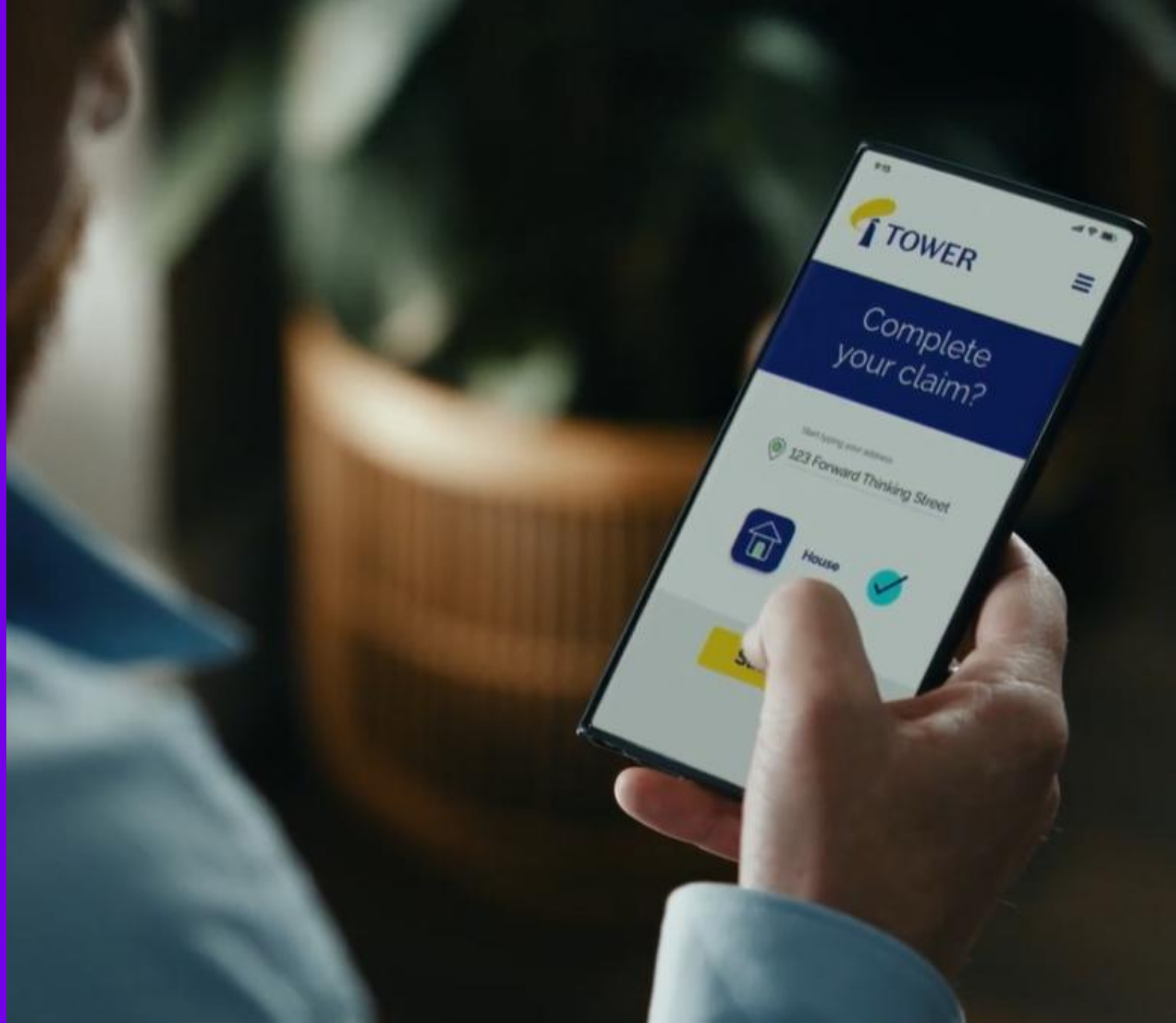
Note 1: SR - Solvency ratio – the ratio of solvency capital to adjusted prescribed capital

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



TOWER HY26 RESULTS

Questions?

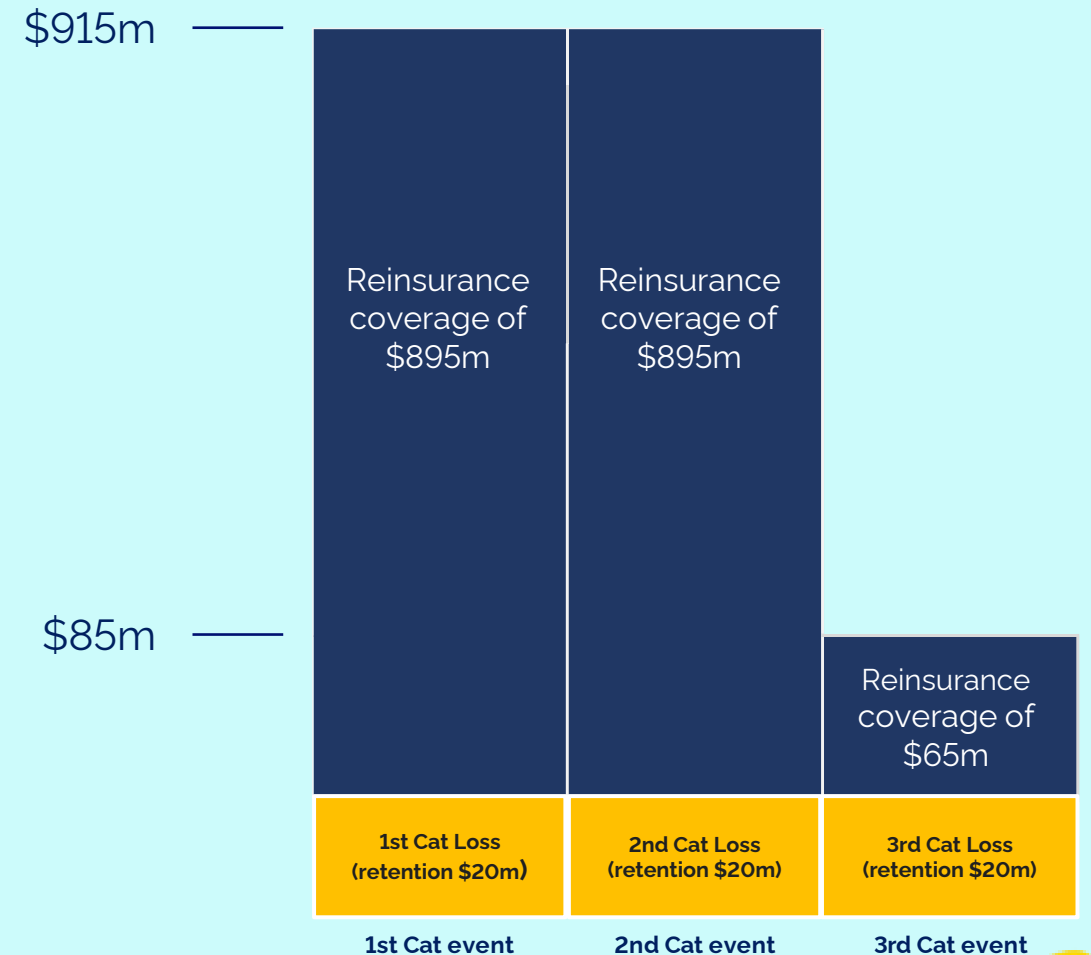


Appendices



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 loss¹ for large single property claims
 - General accident and marine cover



Business unit distribution

TOWER DIRECT

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

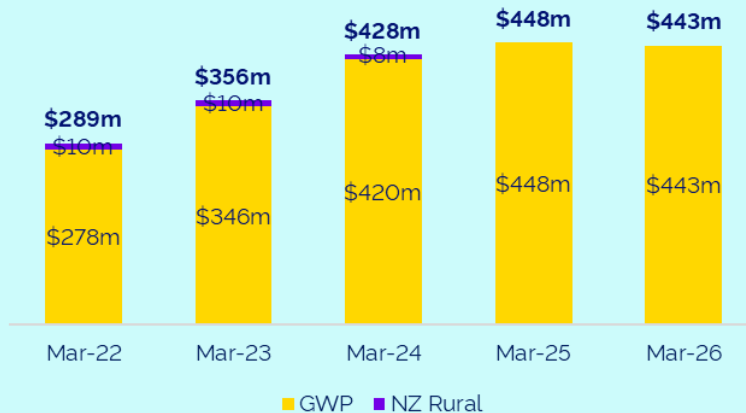
PARTNERSHIPS

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

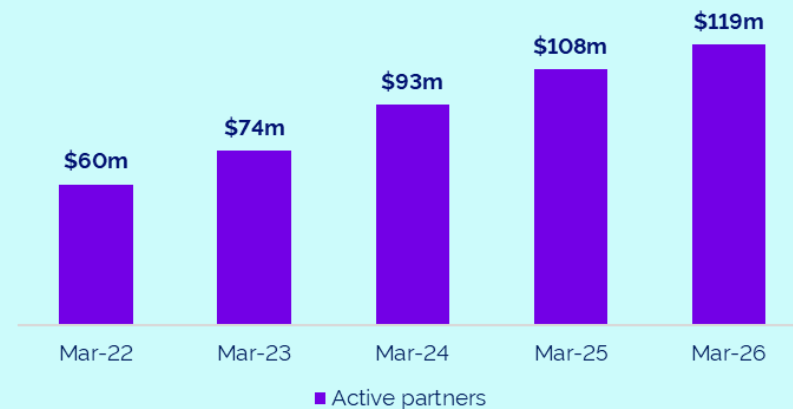
PACIFIC

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

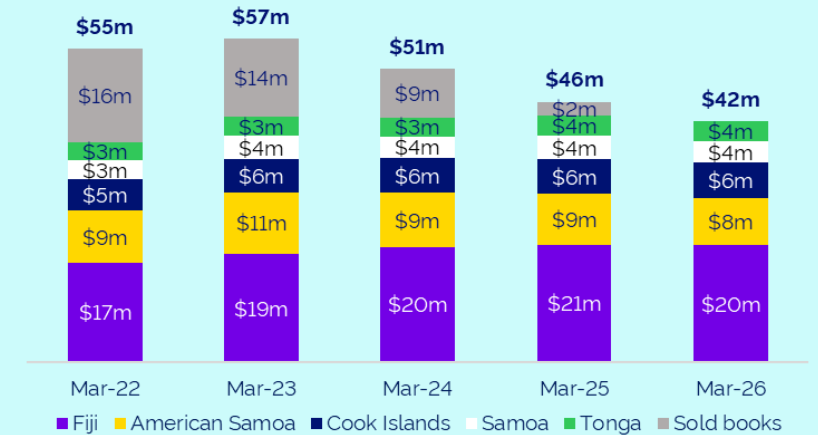
TOWER DIRECT GWP ROLLING 12 MONTHS



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



Disclaimer

This presentation has been prepared by Tower Limited to provide shareholders with information on Tower's business. This document is part of, and should be read in conjunction with an oral briefing to be given by Tower. A copy of this webcast of the briefing is available at <http://www.tower.co.nz/investor-centre/> It contains summary information about Tower as at 31 March 2026 which is general in nature, and does not purport to contain all information a prospective investor should consider when evaluating an investment. It is not an offer or invitation to buy Tower shares. Investors must rely on their own enquiries and seek appropriate professional advice in relation to the information and statements in relation to the proposed prospects, business and operations of Tower. The data contained in this document is for illustrative purposes only. Past performance is not a guarantee of future performance and must not be relied on as such. The information in this presentation does not constitute financial advice.

Forward looking statements

This document contains certain forward-looking statements. Such statements relate to events and depend on circumstances that will occur in the future and are subject to risks, uncertainties and assumptions. There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements, including, among others: the enactment of legislation or regulation that may impose costs or restrict activities; the re-negotiation of contracts; fluctuations in demand and pricing in the industry; fluctuations in exchange controls; changes in government policy and taxation; industrial disputes; and war and terrorism. These forward-looking statements speak only as at the date of this document.

Disclaimer

Neither Tower nor any of its advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents (other persons) makes any representation or warranty as to the currency, accuracy, reliability or completeness of information in this presentation. To the maximum extent permitted by law, Tower and the other persons expressly disclaim any liability incurred as a result of the information in this presentation being inaccurate or incomplete in any way. The statements made in this presentation are made only as at the date of this presentation. The accuracy of the information in this presentation remains subject to change without notice.

