

# Tower Limited

## Consolidated interim financial statements

for the half year ended 31 March 2026

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# Consolidated interim financial statements

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## Interim Financial Statements

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## Consolidated statement of comprehensive income

For the Half Year Ended 31 March 2026

<i>\$ thousands</i>	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)
<b>Insurance service result</b>		<b>30,082</b>	<b>60,805</b>
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)
<b>Net insurance and investment result</b>		<b>34,776</b>	<b>69,743</b>
Other income		691	2,131
Other operating expenses		(2,910)	(1,309)
Finance costs		(311)	(397)
<b>Profit before taxation from continuing operations</b>		<b>32,246</b>	<b>70,168</b>
Tax expense		(9,391)	(20,428)
<b>Profit after taxation from continuing operations</b>		<b>22,855</b>	<b>49,740</b>
<b>Profit after taxation for the half year attributed to shareholders</b>		<b>22,855</b>	<b>49,740</b>
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		416	2,256
<b>Other comprehensive income net of tax</b>		<b>416</b>	<b>2,256</b>
<b>Total comprehensive profit for the half year attributed to shareholders</b>		<b>23,271</b>	<b>51,996</b>
<b>Earnings per share:</b>			
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

<i>\$ thousands</i>	Note	31-Mar-26	30-Sept-25
<b>Assets</b>			
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
<b>Total assets</b>		<b>567,347</b>	<b>612,933</b>
<b>Liabilities</b>			
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
<b>Total liabilities</b>		<b>249,279</b>	<b>262,268</b>
<b>Net assets</b>		<b>318,068</b>	<b>350,665</b>
<b>Equity</b>			
Contributed equity	5.1	417,898	417,224
Retained earnings		2,259	35,946
Reserves		(102,089)	(102,505)
<b>Total equity</b>		<b>318,068</b>	<b>350,665</b>

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

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

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

<i>\$ thousands</i>	Note	31-Mar-26	31-Mar-25
<b>Cash flows from operating activities</b>			
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)
<b>Net cash inflow from operating activities</b>		<b>32,996</b>	<b>57,672</b>
<b>Cash flows from investing activities</b>			
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)
<b>Net cash inflow from investing activities</b>		<b>50,546</b>	<b>817</b>
<b>Cash flows from financing activities</b>			
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)
<b>Net cash outflow from financing activities</b>		<b>(59,225)</b>	<b>(72,694)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>24,317</b>	<b>(14,205)</b>
Effect of foreign exchange rate changes		247	1,747
Cash and cash equivalents at the beginning of the half year		71,047	75,390
<b>Cash and cash equivalents at the end of the half year</b>		<b>95,611</b>	<b>62,932</b>
<b>Cash and cash equivalents at the end of the half year from continuing operations</b>	7.1	<b>95,611</b>	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

<i>\$ thousands</i>	New Zealand	Pacific Islands	Other	Total
<b>Half year ended 31 March 2026</b>				
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)
<b>Insurance service result</b>	<b>22,777</b>	<b>7,240</b>	<b>65</b>	<b>30,082</b>
Net investment income	4,880	237	-	5,117
Net insurance finance expense	(423)	-	-	(423)
<b>Net insurance and investment result</b>	<b>27,234</b>	<b>7,477</b>	<b>65</b>	<b>34,776</b>
Other income	689	2	-	691
Other operating expenses	(2,851)	(59)	-	(2,910)
Finance costs	(254)	(57)	-	(311)
<b>Profit before taxation</b>	<b>24,818</b>	<b>7,363</b>	<b>65</b>	<b>32,246</b>
Tax expense	(6,025)	(3,348)	(18)	(9,391)
<b>Profit after taxation</b>	<b>18,793</b>	<b>4,015</b>	<b>47</b>	<b>22,855</b>

## 1.4 Segmental reporting (continued)

### b. Financial performance (continued)

<i>\$ thousands</i>	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

<i>\$ thousands</i>	New Zealand	Pacific Islands	Other	Total
<b>Additions to non-current assets 31 March 2026</b>	<b>12,538</b>	<b>128</b>	<b>-</b>	<b>12,666</b>
Additions to non-current assets 30 September 2025	21,674	728	-	22,402
<b>Total assets 31 March 2026</b>	<b>502,899</b>	<b>65,026</b>	<b>(578)</b>	<b>567,347</b>
Total assets 30 September 2025	549,932	63,532	(531)	612,933
<b>Total liabilities 31 March 2026</b>	<b>218,509</b>	<b>31,705</b>	<b>(935)</b>	<b>249,279</b>
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					
<i>\$ thousands</i>	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	<b>165,929</b>
Total reinsurance contracts held	17,448	-	14,923	2,525	<b>17,448</b>

As at 30 September 2025					
<i>\$ thousands</i>	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
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
<i>\$ thousands</i>					
Opening insurance contract liabilities	36,696	558	102,926	15,447	155,627
Insurance revenue	(291,169)	-	-	-	(291,169)
Insurance service expense:					
<i>Incurred claims and other insurance service expenses*</i>	-	-	182,235	3,698	185,933
<i>Amortisation of insurance acquisition cash flows</i>	37,601	-	-	-	37,601
<i>Changes relating to past service</i>	-	-	(3,523)	(3,214)	(6,737)
<i>Losses on onerous contracts</i>	-	(184)	-	-	(184)
Finance expense from insurance contracts issued	-	-	474	-	474
Effect of movements in exchange rates	62	9	243	-	314
<b>Amounts included in comprehensive income</b>	<b>(253,506)</b>	<b>(175)</b>	<b>179,429</b>	<b>484</b>	<b>(73,768)</b>
Cash flows:					
<i>Premiums received</i>	298,963	-	-	-	298,963
<i>Claims and other insurance service expenses paid</i>	-	-	(168,186)	-	(168,186)
<i>Insurance acquisition cash flows</i>	(38,545)	-	-	-	(38,545)
<b>Amounts included in statement of cash flow</b>	<b>260,418</b>	<b>-</b>	<b>(168,186)</b>	<b>-</b>	<b>92,232</b>
Pre-recognition cash flows derecognised and other changes	(7,036)	-	(1,126)	-	(8,162)
<b>Insurance contract liabilities at 31 March 2026</b>	<b>36,572</b>	<b>383</b>	<b>113,043</b>	<b>15,931</b>	<b>165,929</b>

\* 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)**

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

\* 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.

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

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

<i>\$ thousands</i>	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)
<b>Investment income</b>	<b>5,337</b>	<b>10,129</b>

#### 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.

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

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.

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

<i>\$ thousands</i>	<b>31-Mar-26</b>	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
<b>Total contributed equity</b>	<b>417,898</b>	417,224
<i>Represented by:</i>		
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)
<b>Total shares on issue</b>	<b>343,411,351</b>	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

	<b>31-Mar-26</b>	31-Mar-25
Profit from continuing operations attributable to shareholders (\$ thousands)	<b>22,855</b>	49,740
Total profit attributable to shareholders (\$ thousands)	<b>22,855</b>	49,740
Weighted average number of ordinary shares for basic earnings per share	<b>342,841,657</b>	377,266,075
Weighted average number of dilutive potential ordinary shares issued under the Tower Long-Term Incentive Plan	<b>3,626,012</b>	4,357,428
Weighted average number of ordinary shares for diluted earnings per share	<b>346,467,669</b>	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

<i>\$ thousands</i>	Goodwill	Software and work in progress	Customer relationships	Total
<b>Composition:</b>				
Cost	17,744	134,052	38,572	190,368
Accumulated amortisation	-	(69,797)	(26,450)	(96,247)
<b>Intangible assets</b>	<b>17,744</b>	<b>64,255</b>	<b>12,122</b>	<b>94,121</b>
<b>Reconciliation:</b>				
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)
<b>Closing Balance</b>	<b>17,744</b>	<b>64,255</b>	<b>12,122</b>	<b>94,121</b>

\*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

<b>Composition:</b>				
Cost	17,744	123,227	40,674	181,645
Accumulated amortisation	-	(61,388)	(26,797)	(88,185)
<b>Intangible assets</b>	<b>17,744</b>	<b>61,839</b>	<b>13,877</b>	<b>93,460</b>
<b>Reconciliation:</b>				
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)
<b>Closing Balance</b>	<b>17,744</b>	<b>61,839</b>	<b>13,877</b>	<b>93,460</b>

## 6.2 Provisions

### Composition

<i>\$ thousands</i>	<b>31-Mar-26</b>	30-Sept-25
Annual leave and other employee benefits	5,877	10,573
Compliance and remediation	13,712	10,329
<b>Provisions</b>	<b>19,589</b>	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

<i>\$ thousands</i>	<b>31-Mar-26</b>	30-Sept-25	31-Mar-25
Cash at bank	59,409	71,047	35,913
Deposits at call*	36,202	-	27,019
<b>Cash and cash equivalents</b>	<b>95,611</b>	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.

## **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  
21 May 2026

Auckland