



# 2025 Annual Report

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# 2025 in review



# 2025 snapshot

## Performance

**\$107.2<sup>M</sup>**

Underlying profit after tax<sup>1</sup> vs. \$83.5m in FY24

**\$83.7<sup>M</sup>**

Reported profit after tax vs. \$74.3m in FY24

**\$600<sup>M</sup>**

Gross written premium (GWP)<sup>1</sup>, up 2%<sup>2</sup> from \$595m in FY24

**31.4%**

Management expense ratio (MER)<sup>1</sup> in line with FY24

**41%**

Business as usual (BAU) claims ratio<sup>1</sup> vs 48% in FY24

**74%**

Combined operating ratio<sup>1</sup> (COR) vs. 79% in FY24

## Shareholders

**24.5<sup>C</sup>**

Total FY25 dividends per share declared<sup>3</sup>

**\$45<sup>M</sup>**

Capital returned to shareholders

<sup>1</sup> Underlying Profit, GWP, MER, BAU claims ratio and COR are non-GAAP financial information. Consequently, they may not be comparable to similar measures presented by other reporting entities and are not subject to audit or independent review. GWP is a component of Insurance Service Revenue. MER is the ratio of underlying management expenses, including claims handling expenses, to underlying Insurance Service Revenue. BAU Claims Ratio is the ratio of underlying claims expense, excluding large events, to underlying Insurance Service Revenue. Underlying Profit includes large events but excludes certain large or non-recurring items. A reconciliation of these items to GAAP financial information can be found on page 89.

<sup>2</sup> Excluding divested portfolios.

<sup>3</sup> HY25 dividend 8c, FY25 dividend declared 16.5c.

## Customers

318,000

Customers vs.  
305,000 in FY24

59,582

Claims incurred across  
NZ and the Pacific vs.  
59,813 in FY24

## People

8.2

Employee engagement  
score<sup>1</sup> vs. 8.1 in FY24

31%

of Tower staff  
are members  
of an employee  
representative group

## Community

3,197

Volunteer hours in our  
communities in FY25  
vs. 2,300 in FY24

3

Tower Climate Change  
Scholarships Awarded  
to University of Waikato  
students

<sup>1</sup> As at 12 September 2025, based on Tower's latest staff engagement survey. Employee diversity and inclusion score in the top 10% of the global finance sector.

# Update from the Chair and CEO

In FY25, we continued to progress our strategy, strengthening our foundations and driving resilience and efficiency to position Tower for sustainable growth and profitability.

## Accelerating strategic transformation for sustainable growth

Our strategy – centred on digital innovation, operational excellence, and a culture of customer centricity – continued to guide our journey to become the leading direct personal lines and SME insurer in New Zealand and our chosen Pacific markets.

We grew the right risks using initiatives such as our risk-based pricing strategy and enhanced underwriting, while making strategic investments to boost efficiency, further strengthen the business, and provide good customer experiences: all of which underpin our long-term growth strategy.

Key milestones this financial year included launching our AI-enabled contact centre platform, continued progress in our claims transformation programme, and achieving our highest-ever employee engagement score of 8.2.

Importantly, we also expanded our customer base by 4% and were proud to be named Canstar's Home and Contents Insurer of the Year for the second consecutive year.

## Delivering a strong business performance

For the year to 30 September 2025, Tower delivered an underlying profit of \$107.2m (up from \$83.5m in FY24) and a reported profit of \$83.7m (up from \$74.3m in FY24). Gross written premium (GWP), excluding divested portfolios, increased by 2% year-on-year to \$600m.

The result was driven by relatively benign weather, with only two large events in FY25 and \$7.2m in large events costs, allowing us to return \$30.8m after tax of our large events allowance to underlying NPAT. Benign weather, together with lower motor claims and prior-year targeted underwriting actions – such as tightening our risk appetite for high-theft-risk vehicles – also contributed to a reduction in NZ business-as-usual (BAU) claims, from 57,783 in FY24 to 56,825 in FY25, while customers and policy count grew in the year. Our BAU claims ratio improved to 41% in FY25, down from 48% in FY24.



Policy growth of 6% in our core New Zealand portfolio was another key driver of Tower's very positive result. This occurred predominantly in the New Zealand house insurance portfolio, which saw 11% policy growth in the same period, reflecting Tower's strategic focus on the house insurance market.

Overall, we increased our customer base from 305,000 in FY24 to 318,000 in FY25.

While policy and customer volumes have continued to grow, average premiums have reduced. This is due to a higher proportion of lower-risk new policies, consistent with Tower's risk-based pricing approach, and more competitive pricing in the New Zealand market. These factors are delivering value for customers while supporting growth.

Our management expense ratio (MER) remained stable at 31.4% in FY25, reflecting lower GWP from reduced average premiums together with ongoing and necessary investment in technology and growth initiatives, including for customer acquisition.

Tower's reinsurance programme is designed to protect the business from the financial impact of large-scale events, and to ensure the continued strength of our solvency and capital positions. Tower's NZ parent solvency margin was \$89m at 30 September 2025, and its solvency ratio was 143%.

In accordance with Tower's ordinary dividend policy to pay 60-80% of adjusted earnings, where prudent to do so, the Board declared a final dividend of 16.5 cents per share, bringing total dividends for FY25 to 24.5 cents per share.

In considering this dividend, the Board wanted to distribute the benefit from lower large events costs to shareholders. The 16.5 cents per share dividend is made up of 7.5 cents per share from adjusted earnings excluding large events; and an additional 9 cents per share reflecting the under-utilisation of the \$50m large events allowance in FY25.

### Introducing sea surge and landslide risk-based pricing

We continued to strengthen our portfolio by leveraging data to inform and automate pricing and underwriting decisions for greater precision and efficiency.

As part of this, in August 2025, we expanded our risk-based pricing strategy to include landslide and sea surge risks, building on our existing earthquake and flood risk models.

The introduction of sea surge and landslide risk-based pricing enables more targeted premium calculations and aims to further reduce cross-subsidisation. Starting from October 2025, as policies renew over the year, 90% of existing customers will see a reduction in the natural hazards portion of their premium, averaging NZD \$70 per policy<sup>1</sup>, while increases for higher-risk properties will be phased in over up to four years to support affordability.

Tower remains a vocal advocate for nationally consistent, bipartisan adaptation planning and greater data transparency. Insurers play a vital role in New Zealand's climate adaptation response and expanding our risk-based pricing model is one way in which Tower is playing its part to achieve practical change.

We welcome the Government's recent commitment to introduce climate adaptation legislation under its Climate Adaptation Framework, requiring local authorities to develop adaptation plans in the highest-priority risk areas. This is a critical step toward long-term certainty for communities and the insurance sector. There is still a lot to be done, and we will continue to advocate for actions to protect communities as the Government's plans continue to develop.

### Partnering for growth

Tower's partnership model thrived in FY25, contributing \$115m in GWP.

We deepened our relationship and referral partnership with Kiwibank, as part of our retail and advisory referral partnerships model. Overall, partnerships' GWP increased 12% in FY25 compared to the year prior.

We were also pleased to announce a new partnership with Westpac NZ, under which Tower will underwrite and supply general insurance products for Westpac NZ's retail customers from July 2026. This model will integrate risk-based pricing and natural hazard data into Westpac NZ's digital banking experience. This long-term agreement aligns with our strategic focus on growing our home insurance portfolio and supports our future growth targets.

1 For policy renewals during the 12 months from 19 August 2025.

## Forward thinking, future ready

In FY25, we launched our new brand platform: forward thinking, future ready.

This evolution reflects our commitment to simplifying insurance and helping customers prepare for life's uncertainties. Our campaign, The Misses, introduced 'Miss Haps', 'Miss Takes', and 'Miss Fortune' to personify life's unexpected events. This creative campaign resonated strongly with Kiwi audiences and was recognised with Kantar's June 2025 Ad Impact Award.

## Enhancing the customer experience through efficiencies

Our claims transformation programme and digital service initiatives further simplified processes and delivered measurable improvements in FY25.

My Tower saw increased registrations and uptake with more customers checking their claims' status and accessing claims manager contact details online. In FY25, digital service task completion in New Zealand rose to 51% (up from 44% in FY24), while the proportion of claims lodged via My Tower, increased to 70% (from 63% in FY24).

This commitment to automation allowed us to transition one-third of our claims' lodgement staff into claims manager roles, thereby increasing the support available for complex claims and improving efficiency.

The programme is already delivering tangible results, directly supporting our strategic focus on growing our home insurance market share and enhancing our customers' experience. This year, 55% of house

claims were submitted digitally via My Tower, with 70% automatically referred to assessors or suppliers (up from 49% and 65%, respectively, in FY24).

## Planning for the future with AI

In FY25, we advanced our AI-enabled insurer journey by strengthening our data foundations, defining our AI strategy, and launching our first AI operating model. We also created the Tower AI Design Forum to ensure safe, responsible adoption of AI and prioritisation of AI-use cases.

Delivered in partnership with Deloitte and Amazon Web Services (AWS), in August 2025 we launched our AI-enabled contact centre platform. Built on Amazon Connect, the platform integrates customer data, call routing, real-time transcription, sentiment analysis, and summarisation to provide faster, more consistent service. It is a tangible and important example of how AI is enhancing both the customer and employee experience at Tower.

Further enhancements to the platform are planned for FY26, with new capabilities to be introduced progressively to unlock its full potential.

## Putting things right for our customers

Earlier in the year, Tower advised the market that despite investments in improvement to systems and processes, the complexity of accurately assessing multi-policy discounts (MPD) still presented a risk of error for some customers. As this fell short of Tower's commitment to high standards in customer experience and was unacceptable for meeting regulatory requirements, Tower discontinued the discount.

In 2024, Tower announced that the Financial Markets Authority had commenced proceedings in the High Court in relation to Tower's misapplication of MPDs. This followed Tower's self-reporting of the issue. Tower and the FMA have reached a settlement in relation to Tower's misapplication of its MPD and we are awaiting the final decision from the High Court.

We accept and regret the impact this has had on our customers and apologise unreservedly to those who were charged inaccurately.

To put things right for our customers, we have undertaken a comprehensive MPD remediation programme to compensate affected customers, which is now nearing completion. Once complete, Tower will have paid around \$12m to affected customers including interest.

Tower is focused on continuous improvement with the aim of preventing future errors.

## Our people

In May, we welcomed Naomi Ballantyne to the Tower Board. Naomi's experience is proving invaluable to Tower as we continue to focus on our strategy to be the best direct personal lines and SME insurer in our selected markets.

We also appointed Dr. Stephen Hastings as Chief Data and Analytics Officer, and Micheal Maclean joined Tower as Chief Digital and Technology Officer in November 2025. These appointments underscore our focus on digital and data capabilities as drivers of customer experience and business growth.

None of this year's achievements would be possible without our people. From New Zealand and across our Pacific markets, their dedication and hard work throughout the year has delivered good customer outcomes and a strong result for shareholders.

Our people truly live our value 'our people come first', exemplified in our latest staff engagement survey, with peer relationships scoring 9 – placing Tower in the top 5% of the global finance sector.

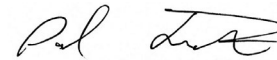
### Looking ahead

As we look to FY26, Tower remains focused on growth, efficiency, and delivering on our purpose: to inspire, shape, and protect the future for the good of our customers and communities.

With a clear strategic direction, passionate team, and ongoing investment in technology and innovation, Tower continues to be well-positioned to deliver sustainable premium growth and long-term value for shareholders.




**Michael Stiassny**  
Chair

**Paul Johnston**  
CEO

"On behalf of the Board, I would like to congratulate Paul on his appointment as CEO in June 2025. His extensive international, strategic, and operational experience - combined with a sharp focus on insurance profitability and proven ability to navigate complex market conditions as Tower's CFO since January 2022 - makes him the ideal leader to drive Tower's continued success."

- Michael Stiassny.

"Tower has a fantastic culture and team in place, who truly believe in the role we play in supporting Kiwi and Pacific communities. I am very proud to be a part of Tower, a company that inspired my return to New Zealand after many years offshore. I'm committed to further elevating Tower's performance through a focused approach on insurance fundamentals and delivering sustainable, profitable growth."

- Paul Johnston.

# Delivering on our strategy



## Our purpose

To inspire, shape and protect the future for the good of our customers and communities.

## Our vision

Ta tātou kaupapa

To deliver beautifully simple and rewarding experiences that our people and our customers rave about.

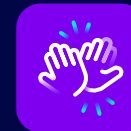
## Our strategy

To be the best direct personal lines and SME insurer in our selected markets differentiated through digital and data, fair and transparent, and with customer care in everything we do.

## Our values



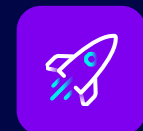
We do what's right



Our people come first



Our customers are our compass



Progress boldly

## Our strategic pillars

LEADING  
CUSTOMER  
EXPERIENCE

Customer centricity with a focus on fairness and transparency

INNOVATIVE &  
OPERATIONALLY  
EXCELLENT

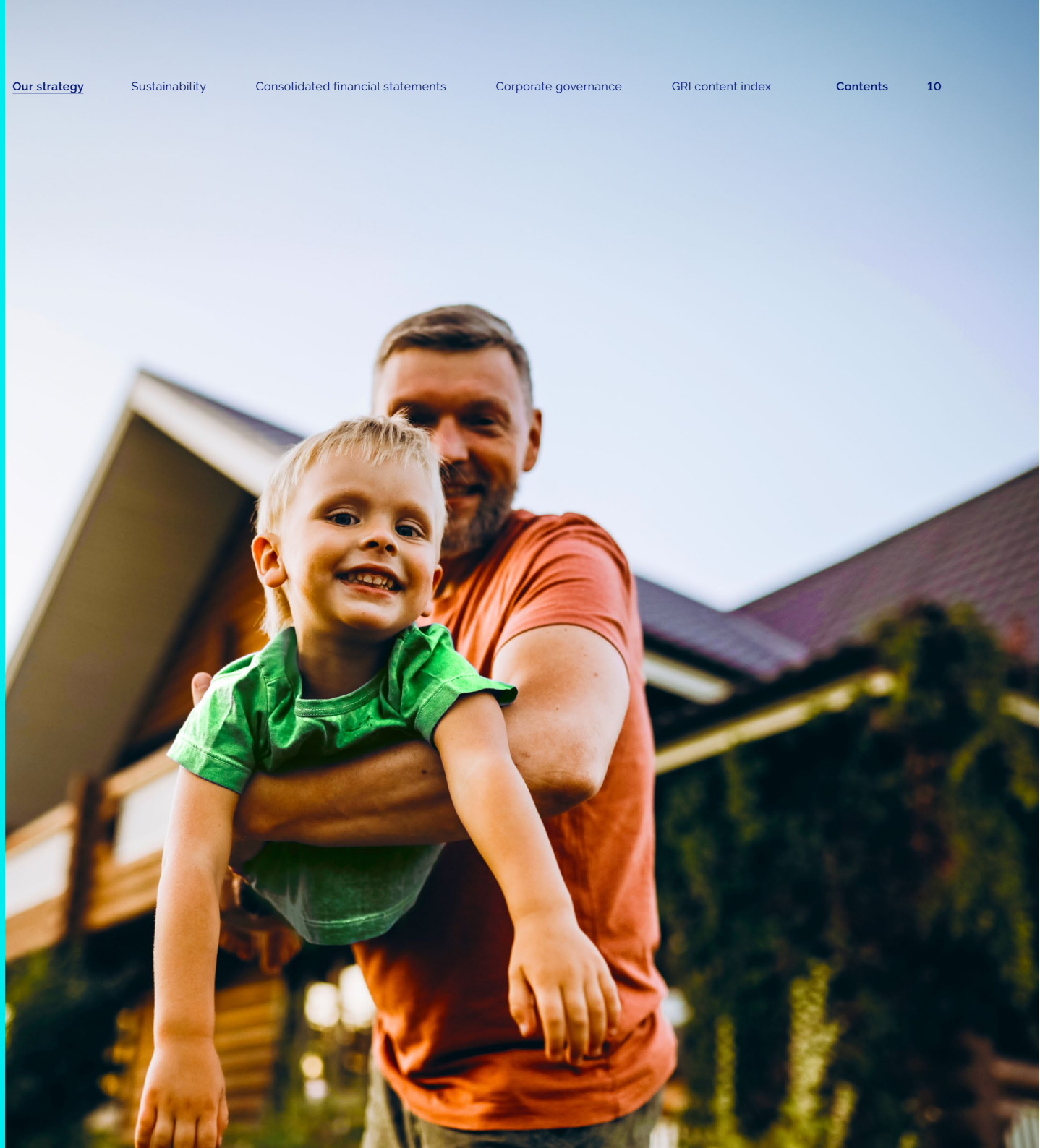
Empowering innovation and decision-making through use of technology, data, and digital capability

SUSTAINABLE  
GROWTH

Growing a more resilient Tower through targeted pricing, risk selection and improved customer retention, underpinned by risk management

EFFECTIVE & DISTINCTIVE CULTURE

# Leading customer experience



# Transforming the claims process

Tower's claims transformation programme is simplifying processes for customers, improving the claims experience, and driving operational efficiency. Launched in FY23, the initiative seeks to leverage data and technology to enable seamless, end-to-end claims and repair experiences.

In FY25 customers increasingly turned to our self-service digital platform, My Tower, to lodge and manage their claims during the last financial year. Throughout the year 79,000 customers checked their claim status and 7,378 customers accessed their claims manager's details through the platform.

In FY25 we further improved our motor and house claims journeys. We increased specialist internal assessing resources, reduced reliance on third-party assessors, and delivered a more efficient customer experience.

## 41%

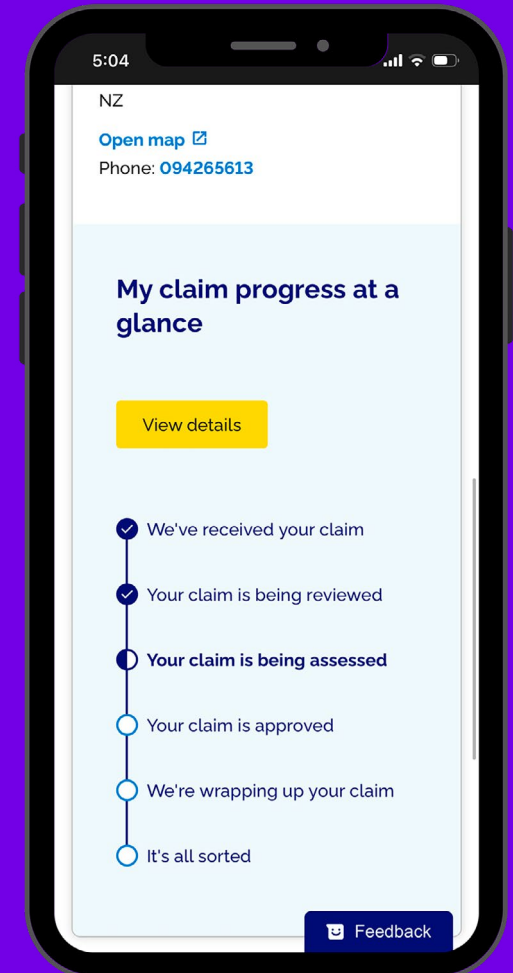
BAU claims ratio  
vs. 48% in FY24

## 70%

Claims now lodged  
via My Tower vs. 63%  
in FY24

## +44

Customer Net Promoter  
Score (NPS) up from +38  
in FY24<sup>1</sup>



<sup>1</sup> Three-month averages as at 30 September 2025 and 2024.

## Straight-through-repair motor journey now complete

This year, we finalised our claims transformation motor workstream by adding reserving<sup>1</sup> and payments to complement the existing automated claims lodgement, assessing, repairer referrals and repairs process.

Overall, 70% of motor claims were lodged via My Tower<sup>2</sup> in FY25.

Tower further advanced its claims process by completing the integration of the Hello Claims assessing and repair management platform into our online systems. As a result, in New Zealand, 89% of motor claims lodged via My Tower with our Tower Repair Partner Network were automatically referred to a repairer or assessor – eliminating the need for manual review.

In the year, Hello Claims integrated with PanelQuote, a repairer management platform. Now, Tower Repair Partners who use PanelQuote can complete quotes, invoices, and file notes in the platform, then seamlessly upload them to Hello Claims. This significantly reduces the amount of administration required by repairers. Once submitted, the integration also automates the invoicing process between repairers and Tower to enable faster, more accurate payments.

By focusing on automation and operational efficiency, we were able to transition one third of our claims lodgement staff into claims manager positions. This shift has increased support for customers with complex claims and needs, sped up the claims process, and created efficiencies for both Tower and our repair partners.

**70%** of motor claims were lodged via My Tower<sup>2</sup>

**89%** of motor claims lodged via My Tower<sup>2</sup> with our Tower Repair Partner Network were automatically referred to a repairer or assessor, without the need for manual overview



<sup>1</sup> Claims reserving is the process insurers use to estimate and set aside funds for future payments on claims that have been lodged but are not yet settled.

<sup>2</sup> All My Tower data refers to NZ business only.

## Driving scalability for house insurance customers continuity through automation

Tower further streamlined the claims experience in FY25 by improving our straight-through-repair journey for house claims, which delivered faster customer service.

Tower customers lodged 13,534 house insurance claims in FY25 55% were submitted via My Tower, up from 49% last year.

Of the house claims submitted via My Tower, 70% were automatically referred directly to either an assessor or supplier without the need for manual review, up from 65% in FY24.

Pleasingly, My Tower lodgement of weather claims<sup>1</sup> rose from 58% in FY24 to 71% in FY25.

We bolstered online uptake by sending targeted text messages that encouraged customers to claim online using My Tower during weather events. This helped keep our phone lines free for customers with more complex needs and funnelled additional claims through our straight-through-repair process. Over 75% of weather claims<sup>1</sup> lodged via My Tower were automatically accepted.

Customers requiring urgent repairs, such as for broken windows or water damage, benefit from Tower's automated referrals to glazier and drying suppliers.

We also improved the experience for suppliers by introducing automated payments.

During the year, Tower appointed Sedgwick, a global loss adjuster to help ensure continuity of service for Tower customers during periods of high claims volumes in New Zealand and across the Pacific.

**70%** of house claims submitted via My Tower were automatically referred directly to an assessor or supplier, without the need for manual review, up from 65% in FY24

**175,005** NZ My Tower users, up 11.5% in FY25

<sup>1</sup> All weather-related claims including large weather events.

All My Tower data refers to NZ business only.



# Expanding our risk-based pricing model to include sea surge and landslide risks

In FY25, Tower expanded our address-level risk-based pricing model and risk ratings to include sea surge and landslide risks across New Zealand<sup>1</sup>.

Tower was the first New Zealand insurer to introduce risk-based pricing for earthquakes in 2018, followed by inland flooding in 2021. We expanded this model to include landslide and sea surge risks in August 2025, enabling more targeted premium calculations for natural hazard risks for Kiwi homes, and aiming to reduce cross-subsidisation.

Tower's risk-based pricing strategy aims to provide information to Kiwi about the extent to which Tower sees these four natural hazard risks impacting their house, and to show how these natural hazard risks are reflected in Tower's insurance premiums. The expansion also allows Tower to offer targeted pricing to lower risk homes in a competitive market, supporting long-term growth.

As a result of the introduction of landslide and sea surge risk-based pricing, over 90% of Tower's existing customers<sup>2</sup> will receive a reduction in the natural hazards portion of their premium at renewal over the year starting from October 2025, when the first customers will renew following launch – with average savings of approximately NZD \$70 per policy.

Fewer than 10% of properties – those with higher risks – will see increases to the natural hazards portion of their premiums. For some customers, Tower will smooth increases over up to four years to support affordability and customer retention.

Tower has engaged with globally recognised risk modelling firms to develop our risk-based pricing models: Moody's for flood and earthquake, Haskoning for sea surge, and Swiss Re for landslide.

Risk ratings are publicly accessible via Tower's online quote tool<sup>1</sup>. For Tower customers, risk ratings can also be found in My Tower, either at policy purchase or renewal for existing customers<sup>2</sup>.

Since launch, Tower has met with various central and local government officials to share insights from our landslide and sea surge risk-based pricing projects.

We look forward to continuing to do our part to support climate adaptation for Kiwi communities through these presentations and discussions.

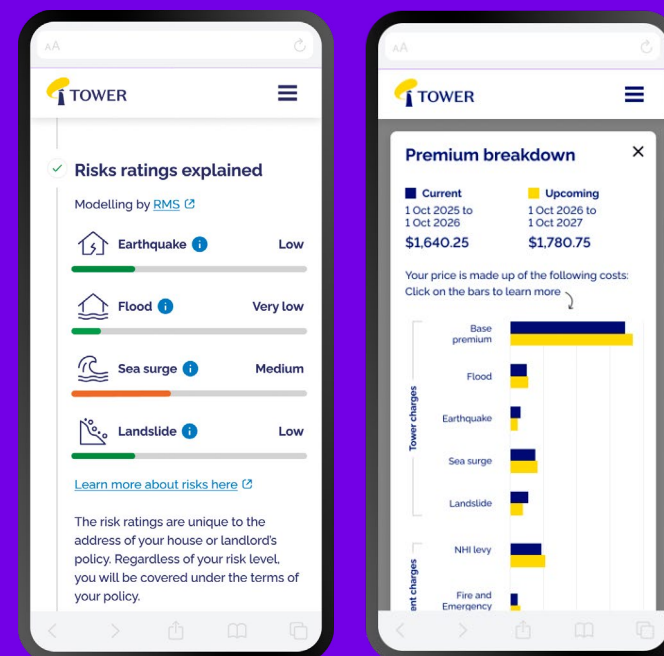
**90%** More than 90% of Tower customers receiving reductions in the natural hazards portion of their premium<sup>2</sup>

**\$70** Average savings in the natural hazards premium portion, per policy<sup>2</sup>

<sup>1</sup> Address-level risk-based pricing and risk ratings are available through Tower's online quote journey for New Zealand properties that meet our criteria for New Zealand house and landlord policies, excluding some addresses requiring referral to a Tower customer agent (which includes rural lifestyle block policies). For policies that require referral to a Tower customer agent, address-level risk-based pricing and risk ratings are available as part of a referral conversation.

If no risk data exists for one or more of the hazards at a specific address, community-level data is used to calculate the natural hazard portion of the policy premium instead and the risk rating will display 'unknown'. 'Community-level data' means aggregated risk insights within a specific geographic area or community.

<sup>2</sup> Over the year commencing October 2025.



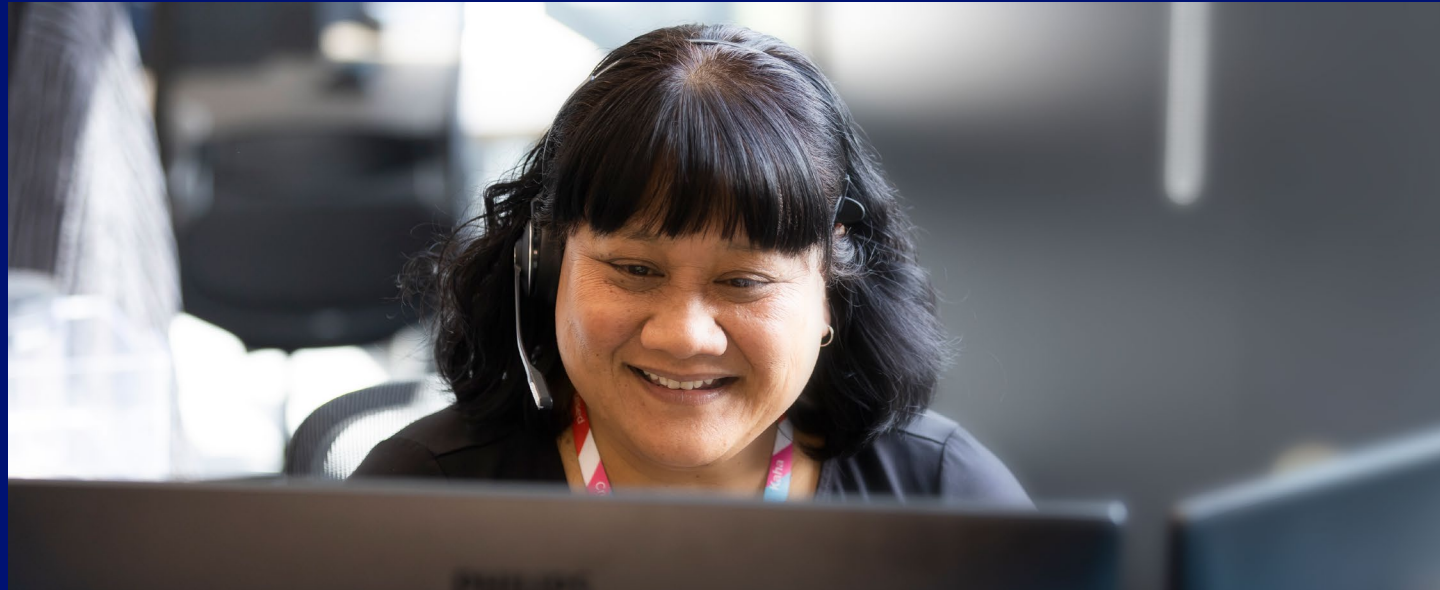
# Committed to improving our customer experience

Over the past few financial years, we've worked hard to put things right for customers who did not receive the discounts or benefits they were entitled to, or experienced other policy errors. Throughout FY25, we remained focused on delivering positive customer outcomes and experiences.

We have apologised to customers who have been affected by errors in applying our multi-policy discounts (MPD) and we have undertaken a comprehensive remediation programme to compensate affected customers.

During the year, Tower made the decision to discontinue MPD. Despite ongoing investment in system and process improvements, the complexity of accurately calculating MPD continued to pose a risk of error for some customers. This fell short of Tower's commitment to high standards in customer experience and was unacceptable for meeting regulatory requirements.

In 2024, Tower announced that the Financial Markets Authority had commenced proceedings in the High Court in relation to Tower's misapplication of MPD. This followed Tower's self-reporting of the issue. Tower and the FMA have reached a settlement in relation to Tower's misapplication of its MPD and we are awaiting the final decision from the High Court.



Tower's MPD remediation programme is nearing completion. Once finalised, Tower will have paid approximately \$12m to affected customers, including interest. Payments to customers for the MPD remediation have been in line with the amounts previously provided for.

As at the end of FY25, Tower had provisioned \$10.3 million for compliance and remediation activities, including the provision for the MPD penalty.

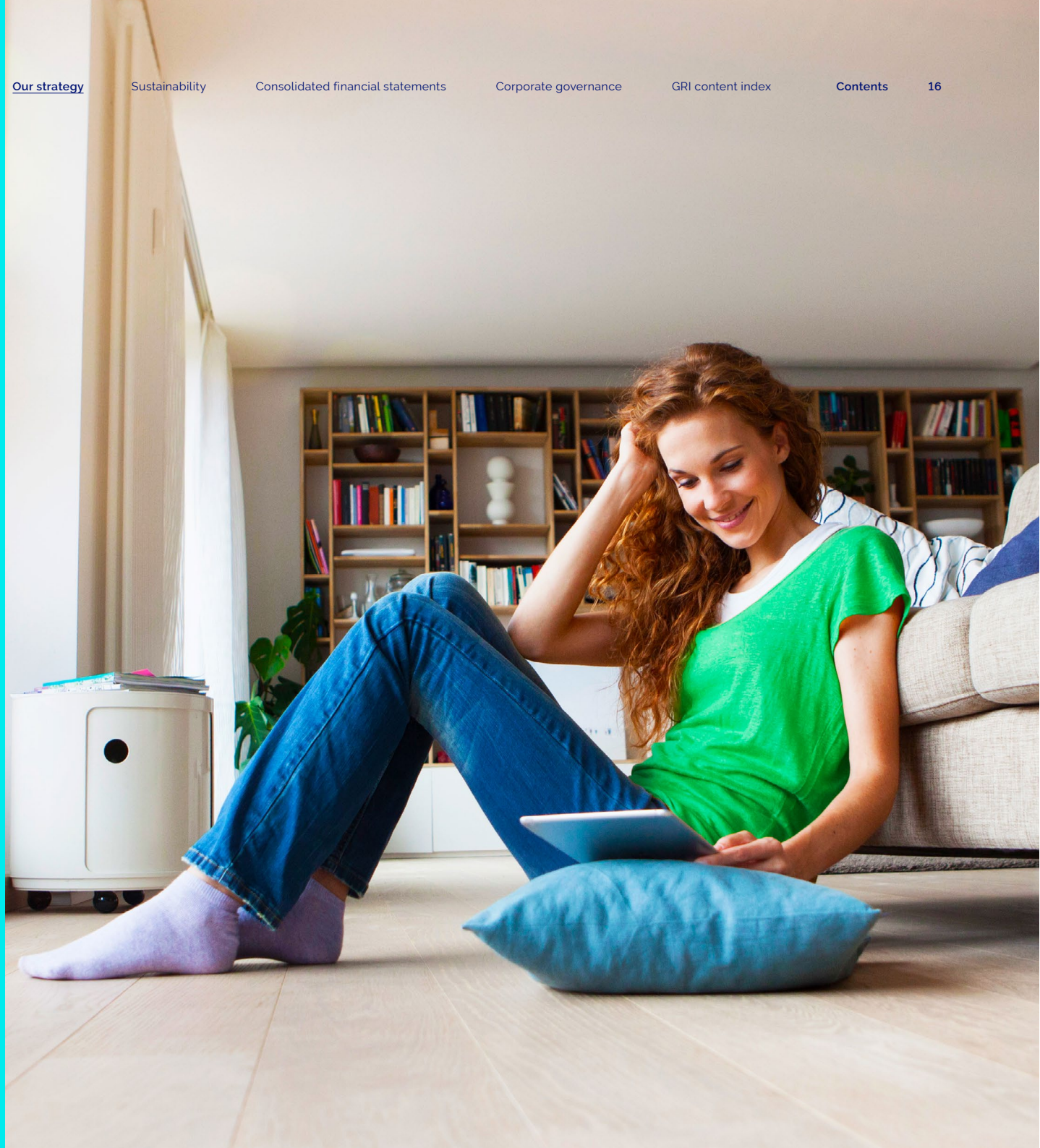
We accept and regret the impact these mistakes have had on our customers and apologise unreservedly to

those whose premiums were charged inaccurately or who have experienced other errors.

Significant investment has already been made in systems and processes – embedding Conduct of Financial Institutions (CoFI) principles, mapping clear processes, and strengthening decision-making across the business.

Looking ahead, we'll continue to review our pricing to remain competitive, as well as focusing on continuous improvement, with the aim of preventing future errors and ensuring all customers receive the benefits they are entitled to.

**Innovative &  
operationally  
excellent**



# Building the foundations for an AI-enabled future

In FY25, Tower took steps towards becoming an AI-enabled insurer by further strengthening our data foundations, incorporating AI into our strategy, and creating Tower's first AI operating model.

By incorporating AI into our strategy, we aim to unlock greater business and customer value through technologies such as agentic AI and generative AI, and increased use of machine learning.

Key opportunities include continued claims transformation, enhancing the customer experience, service optimisation, enabling more granular risk-based pricing, and improving data quality, governance and management.

A key example of this future-focused work is Tower's AI-enabled contact centre. More information can be found on [page 18](#).

This financial year, we appointed our first Chief Data and Analytics Officer, and announced the appointment of our new Chief Digital and Technology Officer, who joined Tower in November 2025.

We also launched the Tower AI Design Forum. The forum's role is to ensure safe, responsible adoption of AI, while overseeing the evaluation and prioritisation of AI-use cases across the business.

FY25 marked an important year in laying a solid foundation for the responsible and effective use of AI in FY26 and beyond.



# Enhancing the contact centre experience with AI

In FY25, Tower launched an AI-enabled contact centre platform, marking a key milestone in our digital transformation and reinforcing our commitment to innovation and operational efficiency.

We partnered with Deloitte and Amazon Web Services (AWS), to modernise our contact centre to better support customers, particularly during periods of increased demand.

We ran a small pilot project in FY24, collaborating with Deloitte New Zealand's AI Institute and using Amazon Bedrock to explore how emerging AI technologies could enhance customer service. Following this, we worked with Deloitte and AWS to launch a new AI-driven contact centre platform on 14 August 2025, built on Amazon Connect. The platform brings together customer data, improved call routing, real-time transcription, sentiment analysis, and summarisation, enabling agents to deliver faster, more consistent service across channels.

While the AI-driven contact centre platform is in the early stages of implementation, operational efficiencies are already allowing customers to receive quicker, more tailored support.

We expect the new platform to embed and realise its full potential throughout FY26, with additional features rolled out across the year.



# Elevating customer experience through digitisation and more efficient operations

Throughout FY25, Tower continued its investment in self-service digitisation as part of our ongoing digital transformation. By combining these advancements with our ability to leverage our Suva hub, we improved efficiency, effectiveness, and customer experience – strengthening our resilience during peak claims periods and supporting our sustainable growth.

**63%** NZ sales online, in line with FY24

**7%** NZ sales and service abandonment rate, improved from 8% in FY24

**317,300** Sales and service calls in FY25, down from 329,000 in FY24.

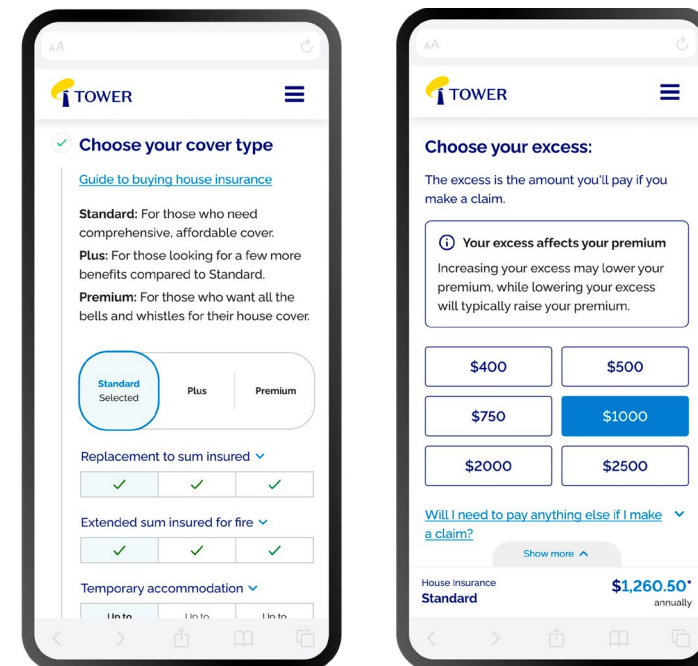
**79%** of Tower's NZ service experience now digitally enabled, up from 73% in FY24

**51%** of NZ service tasks completed in digital self-service channels, vs. 44% in FY24<sup>1</sup>

**83%** of NZ sales and service calls answered by Suva hub vs. 55% in FY24

**59%** of NZ customers now registered for My Tower, up from 53% in FY24

**+42** Customer NPS for My Tower, up from +36 in FY24



<sup>1</sup> Digital service tasks are any policy, payment, or account related tasks made through the My Tower portal divided by the total number of policy adjustments made across all channels.

# Changing the way we operate

In April 2024, we launched Foundations First, a strategic programme focused on strengthening our business fundamentals.

Key workstreams included:

- Carrying out all customer remediations
- Investigating root causes of various incidents with a view to developing strategies to address those root causes
- Enhancing delivery and project execution
- Improving end-to-end customer data management at Tower.

Each workstream has delivered principles which are now being embedded across Tower – to achieve more robust consideration and analysis, bigger picture thinking, and improved collaboration.

Work undertaken as part of this programme also culminated in a decision to cease offering a multi-policy discount.

An update on Tower's remediation programme can be found on [page 15](#). An overview of work in the year to further uplift our risk culture can be found on [page 31](#).

As we continue to strengthen our foundations, we are incorporating new ways of working into our everyday operations, to build a culture of process excellence.



# Sustainable growth



# Building a stronger, more resilient portfolio to deliver sustainable growth

Tower is focused on achieving sustainable, profitable growth through ongoing portfolio improvements. This includes targeting lower-risk properties and using data to automate and inform pricing and underwriting decisions.

## Managing volatility and responding to change for shareholders and customers

A range of factors influenced premium increases over recent years including reinsurance costs, crime rates, inflation, supply chain pressures, and weather events.

In FY25, particularly the 2025 calendar year, pressure from these factors began to subside and we continued to reduce premiums.

Our agile pricing and underwriting capabilities allow us to adjust pricing quickly in response to macroeconomic conditions. This enables us to remain competitive, while delivering shareholder value through sustainable growth.

For example, we continuously monitor the pricing and performance of vehicles at a make and model level. Throughout FY25, these reviews delivered pricing reductions for 96 of the 100 most common makes and models in Tower's motor portfolio, at an average premium decrease of approximately 5%. This included

targeting some of the most popular lower-risk vehicles in New Zealand, such as the Toyota RAV4 and Mitsubishi Outlander, with premium reductions higher than the 5% average.

In total, we made 42 pricing and underwriting adjustments across FY25, down from 68 in FY24. We continue to manage market volatility and claims costs by enhancing operational efficiency through risk-based pricing, advancing our claims transformation initiatives, and automating our underwriting processes.

## House policy growth driven by strategic focus on high-quality risk selection

In FY25, Tower achieved strong growth in house insurance policies, growing the portfolio by 11%, compared to 5% net policy growth in FY24. Our customer base grew by 4% to 318,000.

This growth was reflective of our strategic focus on the house insurance market, targeted at attracting and retaining customers with high-quality, lower-risk properties.



As shared with the market in the year, customer numbers continued to grow, while average premiums reduced. This is due to a higher proportion of lower-risk new policies, consistent with Tower's risk-based pricing approach, and more competitive pricing in the New Zealand market.

In line with our strategy, expected average annual loss from flooding reduced by 21% on a per-policy basis, and 16% overall, compared to the previous year, improving portfolio resilience and sustainability.

Alongside our commitment to risk-based pricing and a sharpened focus on lower-risk property segments, our forward-thinking, future-ready brand platform resonated with New Zealanders and aims to attract new customers.

Through these initiatives, we've aimed to deliver value for customers and further assist Tower to remain well-positioned for sustainable growth.

### Streamlining our commercial offering in the Pacific

Following comprehensive reviews of commercial accounts across Samoa, American Samoa, Tonga, the Cook Islands, and Fiji throughout FY24 and FY25, Tower has streamlined its commercial property policies and products in the Pacific. This aligns with our strategy to tighten our risk appetite in-region and focus on personal lines and SMEs. This aligns with our strategy to tighten our risk appetite in the region and focus on personal lines and SMEs.

1 Adjusted to exclude FY24 divested portfolios which include the Solomon Islands business and Vanuatu subsidiary.

2 Adjusted to exclude the New Zealand commercial rural portfolio, divested in FY24.

This shift has contributed to flat underlying<sup>1</sup> Pacific GWP at \$42m in FY25. By strengthening our Pacific portfolio and focusing on our core personal lines and SME offering, we aim to increase Tower's resilience to large weather events in the region while creating a more consistent customer experience across countries.

**11%**

House policy growth in FY25

**\$443<sup>M</sup>**

Tower Direct GWP flat<sup>2</sup> with FY24, 22% increase in policies sold in FY25



## Our strategic partners

Tower's retail and advisory referral partnerships continued to drive growth in FY25.

In FY25, we were pleased to see partnerships' GWP increase by 12% compared to the year prior.

We continued to work with our partners, including Trade Me Insurance, and referral partners such as New Zealand Financial Services Group, Kiwi Adviser Network, New Zealand Home Loans, and the New Zealand Defence Force, all of which continue to introduce new customers to Tower.

In the year, we further digitised our customer experience, introducing online quote completion for customers referred to Tower through our advisor model. Since 14 August 2025, customers who are unable to finish a quote during the initial referral call have received a unique link, with pre-populated details, to complete their quote and purchase a policy online – rather than needing to call back to progress their insurance. This streamlined experience is aligned with our Tower Direct online journey.

We also built on the success of our bank partnerships model, which delivers tailored support to Kiwibank and TSB home loan customers, announcing a new partnership with Westpac NZ in September 2025, to provide general insurance products to the bank's retail customers from July 2026.

Under this agreement, we will underwrite and supply house, contents, motor, and landlord insurance products, which Westpac NZ will offer under its own brand. We will

also establish a referral arrangement for Tower's broader suite of insurance offerings.

Through this partnership, we'll deliver data-driven insurance experiences integrated into Westpac NZ digital banking. This includes the ability for customers to purchase, manage, and claim on policies online, as well as access Tower's risk-based pricing and natural hazard risk information about their homes, all within their Westpac NZ online banking experience.

The partnership supports Tower's strategic focus on growing our home insurance portfolio and will contribute to our future growth targets.

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**18%**

Increase in total partnerships' policies vs. FY24

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**\$115M**

Partnerships' GWP, up 12% from FY24



# Forward thinking, future ready

In FY25, Tower launched our new brand platform and tagline: forward thinking, future ready.

This evolution reflects our commitment to making insurance simple and accessible, while helping Kiwi prepare for whatever life brings. It also marks our shift from traditional insurance to a progressive, digitally-led approach.

To support this refreshed direction, we launched The Misses in June 2025. Inspired by customer insights, the campaign introduced 'Miss Haps', 'Miss Takes', and 'Miss Fortune' - playful characters that personify life's mishaps. Through humour and reassurance, we aim to show customers Tower is here to help when things go wrong.

We were proud to receive Kantar's June 2025 Ad Impact Award, recognising the campaign's creativity and resonance with Kiwi audiences.

For Tower, forward thinking, future ready is more than a tagline. As a Kiwi company, it reflects our commitment to innovation and customer-centricity. From simplifying products and digitising experiences to offering competitive pricing and upholding our values, every initiative supports our brand vision: we do the forward thinking, so our customers can be future ready.



# Reinsurance programme underpins growth ambitions and supports strong solvency

Tower's reinsurance arrangements help us to maintain competitive pricing for customers while protecting the business from the financial impact of large events.

We renewed our reinsurance programme for FY26 with comprehensive reinsurance cover at competitive rates for home, motor, boat, and commercial portfolios across New Zealand and our Pacific markets.

Overall, reinsurance premiums for FY26 are expected to be lower compared to FY25, due to more attractive rates and a structural change in protection for large individual property risks, from proportional to excess of loss cover<sup>1</sup>.

Tower's FY26 reinsurance programme includes:

- Increased catastrophe upper limit of \$915m for the first two events, up from \$800m in FY25
- Cover for a third catastrophe event up to \$85m, unchanged from FY25
- Reinsurance excess of \$20m for the first two events, up from \$18.75m in FY25, due to the expiry of multi-year arrangements
- \$20m excess for a third event, unchanged from FY25.

<sup>1</sup> Proportional reinsurance means the insurer and reinsurer share premiums and claims in agreed proportions. Excess of loss reinsurance means Tower retains responsibility for claims up to a certain threshold, with the reinsurer covering losses above that amount.

Tower's risk-based pricing strategy, our ability to dynamically adjust rates and a more competitive reinsurance market enabled us to secure favourable terms for FY26.

We continued to strengthen partnerships with global reinsurers, with several committing to new multi-year agreements. These arrangements offer greater certainty around future reinsurance costs and catastrophe excesses, supporting our resilience.

**\$915<sup>M</sup>**

Cover in place for first two catastrophe losses in FY26

**\$85<sup>M</sup>**

Cover in place for a third catastrophe event in FY26



# Effective & distinctive culture



# Empowering our people to achieve great things

## Our people come first

One of our core values is 'our people come first'. We live up to this value by creating a workplace where our team members can bring their whole selves to work.

On top of fostering career progression and opportunities for growth at Tower, we offer a range of benefits. To help ensure we continue to attract and retain top talent, in FY25 we increased our parental leave benefit in New Zealand from 16 weeks to 26 weeks full pay for primary care givers. In the Pacific, we continue to offer 16 weeks full pay parental leave for primary caregivers and across all countries, four weeks full pay for partners. Tower also has seven employee representative groups (ERGs), which reflect the makeup of our people and work to enhance the employee experience for our teams – 31% of Tower staff are members of an ERG.

In FY25, our ERGs led important events such as: Te Wiki o te Reo Māori, Matariki, Lunar New Year, Diwali, World Inclusion Day, Hoods Up for Autism Acceptance Month, Te Maeva Nui 2025 – the 60th anniversary of self-governance in the Cook Islands and Fiji Day, the Auckland Pride Parade, and Sweat with Pride.

In our latest engagement survey in September 2025, we were proud to record our highest ever employee engagement score, at 8.2, up from 8.1 at the end of FY24.

Additionally, our overall diversity and inclusion score was 8.7, and our wellbeing score was 8.4 – both scores rank in the top 25% of the global finance sector.

We were delighted that our score for peer relationships was 9, placing Tower in the top 5% of the global finance sector.

## Driving a high-performance culture

In the year, our Talent & Culture Group (TCG), comprised of diverse senior leaders, including our executive leadership team (ELT), worked with the business to define 11 cultural levers.

These levers include collaboration and connection, empowerment and growth, innovation and growth mindset, and wellbeing and balance.

Our cultural levers will be assessed against business priorities and projects and dialled up or down to assist with delivery. Overall, they will be used alongside our strategy and values to help drive a high-performance culture.

# 8.2

Employee engagement score<sup>1</sup>

# 5%

Top 5% for peer relationships in the global finance sector, with an employee score of 9<sup>1</sup>



<sup>1</sup> As at 12 September 2025, based on Tower's latest staff engagement survey.

## Our people come first



New Zealand's 'Mind the Gap' register tracks and publishes pay gap data for participating businesses. Tower was among the first 50 companies to join the register in 2022, publicly reporting our pay gap data. To the right is our FY25 pay equity data.



**16.5%**

#### Gender pay gap

When we take the total salary for all women employed by Tower, and divide that by the number of women, and the total salary of all men employed by Tower and divide that by the number of men, we have a gap of 16.5% for our workforce in New Zealand. For our workforce in Fiji we have a gap of 11.9%. For the most part, this is because we have a larger proportion of women in frontline roles in both New Zealand and Fiji.

**0.3%**

#### Gender pay equity gap

When we compare like-for-like roles for women and men, our pay equity gap is 0.3% for our workforce in New Zealand, and 0.8% for our workforce in Fiji (men are paid 0.3% more than women for the same role in New Zealand and 0.8% more in Fiji).

**-3.9%**

#### Leadership gender pay gap

Comparing our senior leadership population and the average pay gap between men and women, our New Zealand leadership pay gap is -3.9% (women are paid 3.9% more than men. This is because there is a higher proportion of men in lower-level senior leadership roles, which impacts the overall weighted average).

**4.0%**

#### Leadership gender pay equity gap

When we compare like-for-like roles for our leadership population at Tower in New Zealand, our leadership pay equity gap is 4.0% (men are paid 4.0% more than women for the same role).

# Continuously advancing our risk culture

Having a strong risk culture is key to Tower's resilience and vital for customers. Core to this is 'tone from the top' from Tower's Board of Directors and Executive Leadership team, underpinned by Tower's enterprise-wide Risk Management Framework (RMF).

During the year, we advanced our Three Lines of Defence Model<sup>1</sup> to uplift risk capabilities across business units, including at our Suva Hub and across major strategic initiatives. This extension bolsters risk identification and assessment, control testing and quality assurance outcomes.

Tower's CoFI fair conduct programme strengthened the focus on fair customer outcomes in line with Tower's drive to be more customer-centric. Implementing CoFI was a whole-organisation effort, with significant emphasis on product governance, communication, complaints, and vulnerable customers.

Work continues to find and fix root causes of incidents reported by the business. This work is enabled by a speak-up culture actively encouraged from the top down.

To help ensure we get things right for our customers, we continued to address historical root cause factors through our ways of working project and process excellence practice, as part of the Foundations First programme. More information can be found on [page 20](#). We also expanded leadership training and development, and instituted 'the Tower way' to address incidents of root causes linked to people and culture.

Tower was pleased to once again see a positive risk culture score in FY25 as a result of our continued efforts<sup>2</sup>.

## 8.3

Risk Culture employee score, consistent with FY24<sup>2</sup>



<sup>1</sup> The Three Lines of Defence (3LOD) model is a framework for managing risk within an organisation. It is a widely used model across many industries and worldwide.

<sup>2</sup> Employee engagement surveys are run twice yearly, in March and September, scores are compared from our September 2024 survey and our latest survey, completed September 12 2025.

# Environmental, social and governance performance



# Looking after our business, communities, and environment

## Our FY20-FY25 sustainability strategy

Tower's FY20-FY25 sustainability strategy outlined our most material sustainability impacts and priorities for the 2020 to 2025 financial years.

Developed in 2021, the strategy supported Tower's purpose: to inspire, shape and protect the future for our customers and communities. Its core pillars were:

- Diverse and inclusive to the core
- Thinking ahead for our planet
- People's go-to trusted insurance partner
- Helping communities navigate climate change

## Our FY20-FY25 material impacts

We're pleased to report strong progress across all key areas of our environmental, social, and governance (ESG) performance during the FY20-FY25 period.

Key achievements in the five-year period include:

- Introduction of risk-based pricing in New Zealand for inland flooding, sea surge, and landslide risks
- Launch of Cyclone Response Cover, our first parametric product, in Fiji, Samoa, and Tonga
- Exceeding our science aligned five-year greenhouse gas (GHG) emissions reduction target by 3%, achieving a total reduction of 24%
- Transition of our New Zealand vehicle fleet to hybrid vehicles

- Introduction of employee volunteer leave
- Strengthening of diversity and inclusion initiatives
- Improvements in employee engagement scores and introduction of employee representative groups to celebrate and support diversity and inclusion at Tower.

Materiality is an assessment of how the activities of a business impact society, the environment, specific stakeholders and the business itself. That business may have caused these impacts, contributed to them or have links to the impacts.

Our 12 most material impacts during FY20-FY25 are detailed in the FY25 Material Impacts Table, available in the sustainability section of our website, which includes progress against each material impact target.

## Introducing our FY26-FY30 material impacts

Ahead of introducing our new Sustainability Strategy for FY26-FY30, Tower undertook a comprehensive review of our material topics in FY25. This updated Materiality Assessment was guided by the Global Reporting Initiative (GRI) Standard 3 and incorporates the principle of double materiality – considering both Tower's impact on environmental and social conditions, and how these conditions affect our operations.

We tested material topics, impacts, and priorities through workshops with Tower senior leaders and staff, as well as interviews with external stakeholders and industry representatives, shareholders, and government relations experts.

Input from our internal customer relations teams enabled us to consider customer priorities, as well as publicly available market research, including the Kantar Better Futures Report 2025. We also reviewed our existing sustainability commitments and affiliations, and memberships with the Sustainable Business Council, Climate Leaders Coalition, and Toitū Tahua: Centre for Sustainable Finance.

Each identified material topic was assessed using a structured impact scoring methodology, allowing us to prioritise topics based on their significance to stakeholders and the scale of their impact on our business and society.

For the FY26-FY30 strategy period, our 11 most material impacts are below:

- Climate change resilience
- Affordable, accessible insurance
- Transparent and fair insurance services
- Customer experience
- Data protection
- Greenhouse gas emissions
- Environment & Nature
- Te Ao Māori
- Employee wellbeing
- Employee development
- Corporate community citizenship

## Introducing our FY26-FY30 sustainability strategy

After identifying our most material topics, we developed a refreshed Sustainability Strategy for FY26 – FY30. This strategy is designed to support the delivery of Tower's broader business strategy, outlined on [page 9](#).

In FY26, we will finalise our associated Sustainability Strategy Action Plan, including targeted initiatives, performance metrics, and measurable goals to ensure we effectively implement and track progress against our sustainability objectives.



### Our Business

- Providing no-surprises, easy to understand insurance that is accessible and affordable.
- Provide an efficient claims process to support recovery after a large event.
- Actively collaborate on issues affecting customers, the insurance industry and communities we serve.



### Our Environment

- Focus on supporting a climate resilient future for New Zealand and the Pacific.
- Support initiatives that benefit nature and the environment.
- Mitigate the carbon footprint of our business including our supply chain.



### Our People

- Focus on leadership development to foster a culture of good business ethics and develop talent to support our customers and partners.
- Foster the mental and physical wellbeing of all employees including continued improvement in DEI metrics.



### Our Customers & Community

- Contribute to collective advocacy on climate change, resilience and data resources.
- Demonstrate good corporate citizenship through our sponsorship and volunteering programmes.
- Education on risks and preparedness.

## FY25 Climate Statement

In FY24, Tower published our first Climate Statement in response to the NZ Aotearoa Climate Standards. In our second year of disclosure, we have provided an update on our climate-related risks, opportunities and governance, and introduced the transition planning aspects of our strategy.

Tower's FY25 Climate Statement, which includes detailed information about our governance of climate change and ESG issues, can be accessed in the sustainability section of our website.

## GHG emissions performance

FY25 marks the final year of our first greenhouse gas (GHG) emissions reduction target period. Our absolute, science-aligned target for Scope 1 and 2 emissions, set against a 2020 baseline, aimed for a 21% reduction by 2025.

A comprehensive review of our 2020 emissions inventory and the completion of our first year of limited assurance confirmed that we have achieved a total emissions reduction of 24%, exceeding our target by 10 tCO<sub>2</sub>e. This reduction was primarily driven by our move to a 6 Green Star-rated head office in Auckland and the transition of our New Zealand fleet to hybrid vehicles.

The review also identified restatements to previous years' reporting as well as opportunities to improve our data collection and calculation methodologies, which we implemented during the financial year.

Our FY25 Climate Statement details our GHG emissions target for the FY26-FY35 period for Scope 1 & 2 emissions. We will develop a detailed reduction plan in FY26 to establish a clear pathway to achieving this target.

## ESG governance

Tower's Board supports the development of Tower's ESG practices, monitoring progress and performance via periodic updates from management. We formalise

ESG governance through an executive-level steering committee, chaired by our Interim CFO, which oversees progress on our initiatives and monitors environmental and social risks.

Our Head of Corporate Affairs and Sustainability coordinates our ESG performance, supported by our Sustainability Manager.



# Partnering with communities in New Zealand and the Pacific to help inspire, shape and protect the future

Tower was proud to partner with our communities across New Zealand and the Pacific in FY25.

## Tower New Zealand Local Hero of the Year Award Te Pou Toko o te Tau

In FY25, Tower became the sponsor of the New Zealand Local Hero of the Year Award Te Pou Toko o te Tau. The award is part of the Kiwibank New Zealander of the Year Awards Ngā Tohu Pou Kōhure o Aotearoa.

The Tower New Zealand Local Hero of the Year Award recognises 100 local heroes across the country. We're pleased to have deepened our relationship with Kiwibank via this new flagship sponsorship, which presents a unique opportunity to strengthen our ties to our communities.

The first New Zealander of the Year Awards with Tower as a key sponsor will take place in March 2026.

"The Tower New Zealand Local Hero of the Year Award celebrates the quiet champions who uplift our people and places every day. It's a treasured category in the Kiwibank New Zealander of the Year Awards and we're so pleased to welcome Tower as the new kaitiaki of this award – helping us continue to honour the everyday heroes shaping their corner of Aotearoa for the better."

– Miriama Kamo, Te Koruru Patron of the Kiwibank New Zealander of the Year Awards.



## Supporting future climate leaders and everyday Kiwi

In the year, Tower also reached four years of supporting Coastguard New Zealand to help bring Kiwi home safe and five years of the Tower Climate Change Scholarship.

The scholarship supports up to three students annually with \$5,000 towards their Bachelor of Climate Change degree studies at the University of Waikato. This year, three students were awarded scholarships.

## Bolstering insurance uptake and awareness in the Pacific with parametric insurance

In the Pacific, we continued to increase insurance awareness and accessibility, with 52 villages visited across Fiji's islands in partnership with the InsuResilience Investment Fund, during roadshows for Cyclone Response Cover, Tower's parametric product.

In the year, Tower also took part in the 53rd Pacific Islands Forum Leaders Meeting in Tonga, the 2024 Commonwealth Heads of Government Meeting Business Forum (CHOGM) in Samoa and the Climate Finance Dialogue for a Resilient Asia-Pacific in Thailand. Tower staff presented and participated in roundtable and panel discussions at these global events, speaking about Tower's Cyclone Response Cover journey and the power of parametric insurance to reach underserved communities.

Cyclone Response Cover is available in Fiji, Samoa, and Tonga. It's a lower-cost insurance product designed to help customers recover from a high wind-speed event. Tower launched its second parametric product,



Rainfall Response Cover, in Fiji in mid-November 2025. More information can be found in the 'news' section of [tower.co.nz](https://tower.co.nz).

## 3,197 hours of volunteering across New Zealand and the Pacific

All permanent, full-time Tower employees receive one annual volunteer leave day to support a cause they are passionate about.

In FY24, our teams recorded 2,300 volunteer hours across New Zealand, Fiji, Tonga, Samoa, American Samoa, and the Cook Islands – exceeding our target of 1,000 hours.

Building on this effort, we set a target of 2,500 volunteer hours for FY25. We are proud to share that we reported 3,197 hours for the year.



# Board of Directors

**Michael Stiassny**

LLB, BCom, CFInstD  
Chairman  
Non-Executive Director

Director from:  
12 October 2012

Michael holds both a Commerce and Law degree from the University of Auckland and is a Chartered Fellow and past President of the Institute of Directors. Michael has enjoyed a high-profile governance career and is currently Chairman of 2 Cheap Cars Group Limited, and director of Tegel Group Holdings Limited, and New Talisman Gold Mines Limited.

Michael resides in Auckland – New Zealand.

**Geraldine McBride**

BSc  
Non-Executive Director

Director from:  
1 October 2022

Geraldine has extensive governance and technology industry experience, having performed Board and senior leadership roles both in New Zealand and internationally, with Sky Network Television Limited, SAP, Dell, IBM, National Australia Bank and Fisher & Paykel Healthcare. Geraldine is the founder and CEO of MyWave. Geraldine holds a Bachelor of Science from Victoria University and is a Chartered Member of the NZIOD.

Geraldine resides in Christchurch – New Zealand.

**Marcus Nagel**

MBA (International Management),  
MBA (Banking and Finance)  
Non-Executive Director

Director from:  
14 January 2019

Marcus has significant insurance industry experience. For a decade he has performed senior leadership roles for Zurich in Europe and globally. In his last role at Zurich, he served as the Chief Executive Officer of Zurich Germany managing both life insurance and general insurance businesses.

Marcus holds a Master's Degree in Banking and Finance from Goethe University in Frankfurt, Germany and Master of International Management from the Arizona State University Thunderbird School of Global Management in Arizona, United States of America. Marcus was initially nominated by Bain Capital Credit LP in 2019 (Bain Capital) to represent Bain Capital's stake in Tower (Bain Capital held 20.00% of Tower's ordinary shares at the time of his appointment, which was supported by the Tower Board). However, following the sale of Bain's stake in Tower in FY25, the Board determined that Marcus is independent pursuant to the NZX Listing Rules and Corporate Governance Code.

Marcus resides in Schindellegi – Switzerland.



### Mike Cutter

BSc (Hons) GAICD  
Non Executive Director

Director from:  
17 November 2023

Mike has significant experience in a range of financial services businesses in Australia, New Zealand, Asia and Europe. He is the Chair of PF Bid Co. and Fairway Group Limited, and a Non-Executive Director of Pepper Money and Revolut Payments Australia Pty Ltd. He is the co-founder of Kadre, a credit risk management consultancy.

Mike has recently served as interim Managing Director for Bambora Aus and was previously the Group Managing Director for Equifax ANZ. Before this he held various senior roles with GE, ANZ, Wesfarmers/OAMPS Insurance Brokers, Halifax/BankOne and NAB.

Mike is a Senior Fellow of Financial Services Institute of Australia and Graduate of the Australian Institute of Company Directors. He has served on the Boards of the Women's Cancer Foundation, Ovarian Cancer Institute, the Australian Finance Congress, the National Insurance Brokers Association and the Australian Retail Credit Association.

Mike resides in Melbourne – Australia.



### Naomi Ballantyne

PGDipBUS  
Non-Executive Director

Director from:  
21 May 2025

Naomi Ballantyne brings a wealth of experience and expertise in the financial services sector, particularly in the New Zealand insurance industry. In 2023, Ms Ballantyne sold Partners Life Limited, the highly successful insurance company she founded in 2010.

An entrepreneur with both executive and governance skills, Ms Ballantyne is currently the Managing Director of KNK Consulting Limited, Chair of insurance distribution group TAP Group Limited, and a Director of Dai-ichi Life Asia Pacific Limited - the regional office of International Life Insurance Corporation.

Prior to this, Ms Ballantyne founded and was the Managing Director of Unique Solutions and Advice Limited and ING Life (NZ) (now Chubb) and served as Chief Operating Officer of Sovereign Limited (now AIA) for 12 years. Her previous directorships include Accuro Health Insurance, Newpark Financial Services Limited, Club Life Limited, and New Zealand Superannuation Services Limited.

Naomi is a graduate of the London Business School and holds a Post Graduate Diploma in General Management from the University of Auckland.

Naomi was appointed by the Board to fill a casual vacancy. She will retire at the Annual Shareholders Meeting in February 2026 and is eligible for re-election.

Naomi resides in Whangārei – New Zealand.

# Consolidated financial statements



## Financial Statements

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# Consolidated statement of comprehensive income

FOR THE YEAR ENDED 30 SEPTEMBER 2025

|                                                            | NOTE | 2025<br>\$'000 | 2024<br>\$'000 |
|------------------------------------------------------------|------|----------------|----------------|
| Insurance revenue                                          |      | 594,348        | 555,818        |
| Insurance service expense                                  | 2.2  | (411,648)      | (381,608)      |
| Insurance service result before reinsurance contracts held |      | 182,700        | 174,210        |
| Net expense from reinsurance contracts held                |      | (77,505)       | (91,364)       |
| <b>Insurance service result</b>                            |      | <b>105,195</b> | 82,846         |
| Investment income                                          | 3.1  | 19,769         | 21,800         |
| Investment expense                                         |      | (548)          | (250)          |
| Net investment income                                      |      | 19,221         | 21,550         |
| Finance expense from insurance contracts issued            | 2.3  | (2,158)        | (5,592)        |
| Finance income from reinsurance contracts held             | 2.3  | 571            | 3,020          |
| Net insurance finance expense                              |      | (1,587)        | (2,572)        |
| <b>Net insurance and investment result</b>                 |      | <b>122,829</b> | 101,824        |
| Other income                                               | 3.3  | 4,444          | 4,064          |
| Other operating expenses                                   | 2.2  | (8,782)        | (2,348)        |
| Finance costs                                              |      | (744)          | (882)          |
| <b>Profit before taxation from continuing operations</b>   |      | <b>117,747</b> | 102,658        |
| Tax expense from continuing operations                     | 7.1  | (34,074)       | (31,774)       |
| <b>Profit after taxation from continuing operations</b>    |      | <b>83,673</b>  | 70,884         |
| Profit after taxation from discontinued operations         | 8.4  | –              | 3,401          |
| <b>Profit after taxation for the year</b>                  |      | <b>83,673</b>  | 74,285         |

|                                                                            | NOTE | 2025<br>\$'000 | 2024<br>\$'000 |
|----------------------------------------------------------------------------|------|----------------|----------------|
| <i>Items that may be reclassified to profit or loss</i>                    |      |                |                |
| Currency translation differences                                           |      | 2,501          | (1,308)        |
| Reclassification of the foreign currency translation reserve               |      | –              | 410            |
| <b>Other comprehensive profit/(loss) net of taxation</b>                   |      | <b>2,501</b>   | (898)          |
| <b>Total comprehensive profit for the year</b>                             |      | <b>86,174</b>  | 73,387         |
| <b>Earnings per share:</b>                                                 |      |                |                |
| Basic earnings per share (cents) for continuing operations                 | 5.4  | 23.3           | 18.7           |
| Diluted earnings per share (cents) for continuing operations               | 5.4  | 23.0           | 18.6           |
| Basic earnings per share (cents) for profit attributable to shareholders   | 5.4  | 23.3           | 19.6           |
| Diluted earnings per share (cents) for profit attributable to shareholders | 5.4  | 23.0           | 19.5           |

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

# Consolidated balance sheet

AS AT 30 SEPTEMBER 2025

|                                | NOTE | 30 SEPT 2025<br>\$'000 | 30 SEPT 2024<br>\$'000 |
|--------------------------------|------|------------------------|------------------------|
| <b>Assets</b>                  |      |                        |                        |
| Cash and cash equivalents      | 8.1  | 71,047                 | 75,390                 |
| Investments                    | 3.2  | 389,225                | 367,506                |
| Receivables                    | 2.5  | 12,780                 | 19,799                 |
| Current tax assets             | 7.2a | 1,031                  | 13,222                 |
| Reinsurance contract assets    | 2.4a | 20,900                 | 35,503                 |
| Deferred tax assets            | 7.3a | 1,367                  | 382                    |
| Right-of-use assets            | 6.3a | 17,157                 | 19,990                 |
| Property, plant and equipment  | 6.1  | 5,966                  | 6,735                  |
| Intangible assets              | 6.2  | 93,460                 | 96,621                 |
| <b>Total assets</b>            |      | <b>612,933</b>         | 635,148                |
| <b>Liabilities</b>             |      |                        |                        |
| Payables                       | 2.6  | 27,005                 | 32,287                 |
| Insurance contract liabilities | 2.4b | 155,627                | 177,569                |
| Current tax liabilities        | 7.2b | 20,605                 | 606                    |
| Provisions                     | 2.7  | 20,902                 | 21,959                 |
| Lease liabilities              | 6.3a | 25,546                 | 28,855                 |
| Deferred tax liabilities       | 7.3b | 12,583                 | 13,716                 |
| <b>Total liabilities</b>       |      | <b>262,268</b>         | 274,992                |
| <b>Net assets</b>              |      | <b>350,665</b>         | 360,156                |

|                     | NOTE | 30 SEPT 2025<br>\$'000 | 30 SEPT 2024<br>\$'000 |
|---------------------|------|------------------------|------------------------|
| <b>Equity</b>       |      |                        |                        |
| Contributed equity  | 5.1  | 417,224                | 460,734                |
| Retained earnings   |      | 35,946                 | 4,428                  |
| Reserves            | 5.2  | (102,505)              | (105,006)              |
| <b>Total equity</b> |      | <b>350,665</b>         | 360,156                |

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

The financial statements were approved for issue by the Board on 27 November 2025.



**Michael P Stiassny**  
Chairman



**Naomi Ballantyne**  
Director

# Consolidated statement of changes in equity

YEAR ENDED 30 SEPTEMBER 2025

|                                                                            |      | ATTRIBUTED TO SHAREHOLDERS     |                                            |                   |                       |
|----------------------------------------------------------------------------|------|--------------------------------|--------------------------------------------|-------------------|-----------------------|
|                                                                            | NOTE | CONTRIBUTED<br>EQUITY<br>\$000 | RETAINED<br>EARNINGS/<br>(LOSSES)<br>\$000 | RESERVES<br>\$000 | TOTAL EQUITY<br>\$000 |
| Year Ended 30 September 2025                                               |      |                                |                                            |                   |                       |
| Balance as at 30 September 2024                                            |      | 460,734                        | 4,428                                      | (105,006)         | 360,156               |
| Comprehensive income                                                       |      |                                |                                            |                   |                       |
| Profit for the year                                                        |      | –                              | 83,673                                     | –                 | 83,673                |
| Currency translation differences                                           |      | –                              | –                                          | 2,501             | 2,501                 |
| Total comprehensive income                                                 |      | –                              | 83,673                                     | 2,501             | 86,174                |
| Transactions with shareholders                                             |      |                                |                                            |                   |                       |
| Dividends paid                                                             | 5.5  | –                              | (52,155)                                   | –                 | (52,155)              |
| Share rights issued under Tower Long-Term Incentive Plan                   | 8.5  | 2,038                          | –                                          | –                 | 2,038                 |
| Capital return                                                             | 5.1  | (45,548)                       | –                                          | –                 | (45,548)              |
| Total transactions with shareholders                                       |      | (43,510)                       | (52,155)                                   | –                 | (95,665)              |
| At the end of the year                                                     |      | 417,224                        | 35,946                                     | (102,505)         | 350,665               |
| Year Ended 30 September 2024                                               |      |                                |                                            |                   |                       |
| Balance as at 30 September 2023                                            |      | 460,315                        | (58,473)                                   | (104,108)         | 297,734               |
| Comprehensive loss                                                         |      |                                |                                            |                   |                       |
| Profit for the year                                                        |      | –                              | 74,285                                     | –                 | 74,285                |
| Currency translation differences                                           |      | –                              | –                                          | (1,308)           | (1,308)               |
| Reclassification of foreign currency translation reserve to profit or loss | 8.4  | –                              | –                                          | 410               | 410                   |
| Total comprehensive income                                                 |      | –                              | 74,285                                     | (898)             | 73,387                |
| Transactions with shareholders                                             |      |                                |                                            |                   |                       |
| Dividends paid                                                             | 5.5  | –                              | (11,384)                                   | –                 | (11,384)              |
| Share rights issued under Tower Long-Term Incentive Plan                   | 8.5  | 419                            | –                                          | –                 | 419                   |
| Total transactions with shareholders                                       |      | 419                            | (11,384)                                   | –                 | (10,965)              |
| At the end of the year                                                     |      | 460,734                        | 4,428                                      | (105,006)         | 360,156               |

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

# Consolidated statement of cash flows

FOR THE YEAR ENDED 30 SEPTEMBER 2025

|                                                             | NOTE | 2025<br>\$'000  | 2024<br>\$'000 |
|-------------------------------------------------------------|------|-----------------|----------------|
| <b>Cash flows from operating activities</b>                 |      |                 |                |
| Premiums received for insurance contracts issued            |      | 593,413         | 560,514        |
| Insurance acquisition costs paid                            |      | (75,292)        | (68,119)       |
| Reinsurance paid                                            |      | (87,989)        | (72,944)       |
| Interest received                                           |      | 17,198          | 17,606         |
| Fee and other income received                               |      | 5,698           | 2,857          |
| Insurance claims paid and other insurance service expenses  |      | (331,406)       | (386,791)      |
| Reinsurance recoveries received                             |      | 25,197          | 91,551         |
| Other operating payments                                    |      | (1,764)         | (2,348)        |
| Income tax paid                                             |      | (1,293)         | (1,011)        |
| Operating activities cash flow from discontinued operations |      | –               | 3,872          |
| <b>Net cash inflow from operating activities</b>            | 8.1  | <b>143,762</b>  | 145,187        |
| <b>Cash flows from investing activities</b>                 |      |                 |                |
| Proceeds from sale of interest bearing investments          |      | 529,930         | 404,097        |
| Payments for purchase of interest bearing investments       |      | (554,892)       | (503,035)      |
| Payments for purchase of intangible assets                  |      | (20,896)        | (17,395)       |
| Proceeds from sale of property, plant & equipment           |      | 69              | 30             |
| Payments for purchase of property, plant & equipment        |      | (1,165)         | (2,360)        |
| Net proceeds from sale of discontinued operations           |      | –               | 2,019          |
| Investing activities cash flow from discontinued operations |      | –               | 76             |
| <b>Net cash outflow from investing activities</b>           |      | <b>(46,954)</b> | (116,568)      |

|                                                                                    | NOTE | 2025<br>\$'000   | 2024<br>\$'000 |
|------------------------------------------------------------------------------------|------|------------------|----------------|
| <b>Cash flows from financing activities</b>                                        |      |                  |                |
| Dividends paid                                                                     | 5.5  | (52,155)         | (11,384)       |
| Payments for capital return                                                        | 5.1  | (45,548)         | –              |
| Payments relating to lease liabilities                                             | 6.3c | (5,138)          | (5,064)        |
| Financing activities cash flow from discontinued operations                        |      | –                | (25)           |
| <b>Net cash outflow from financing activities</b>                                  |      | <b>(102,841)</b> | (16,473)       |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                        |      | <b>(6,033)</b>   | 12,146         |
| Effect of foreign exchange rate changes                                            |      | 1,690            | (2,067)        |
| Cash and cash equivalents at the beginning of the year                             |      | 75,390           | 65,311         |
| <b>Cash and cash equivalents at the end of the year</b>                            |      | <b>71,047</b>    | 75,390         |
| <b>Cash and cash equivalents at the end of the year from continuing operations</b> |      | <b>71,047</b>    | 75,390         |

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 financial statements and the areas of critical accounting judgements and estimates included in the financial statements. It also includes a summary of Tower's operating segments.

### 1.1 About this Report

#### a. Entities reporting

The financial statements presented are those of Tower Limited (the Company) and its subsidiaries. The Company and its subsidiaries together are referred to in these financial statements as Tower or the Group. The address of the Company's registered office is 136 Fanshawe Street, Auckland, New Zealand.

During the periods presented, the principal activity of the Group was the provision of general insurance. The Group predominantly operates in New Zealand with some of its operations based in the Pacific Islands region.

The financial statements were authorised for issue by the Board of Directors on 27 November 2025.

#### 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 Company is a for-profit entity and the financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards), New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards, as appropriate for Tier 1 for-profit entities.

The financial statements of the Group have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules.

They have been prepared in accordance with the historical cost basis except for certain financial instruments that are stated at their fair value.

### 1.2 Consolidation

#### a. Principles of consolidation

The Group financial statements incorporate the assets and liabilities of all subsidiaries of the Company at reporting date and the results of all subsidiaries for the year.

Subsidiaries are those entities over which the consolidated entity has control, being power over the investee; exposure, or rights to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns.

The results of any subsidiaries acquired during the year are consolidated from the date on which control was transferred to the consolidated entity and the results of any subsidiaries disposed of during the year are consolidated up to the date control ceased.

Intercompany transactions and balances between Group entities are eliminated on consolidation.

#### b. Foreign currency

##### (i) *Functional and presentation currencies*

The financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates. Tower Limited's functional and presentation currency is New Zealand dollars (NZD). All amounts in the financial statements are presented in New Zealand dollars and have been rounded to the nearest thousand dollars, unless otherwise indicated.

##### (ii) *Transactions and balances*

In preparing the financial statements of the individual entities, transactions denominated in foreign currencies are translated into the entities functional and reporting currency using the exchange rates in effect at the transaction dates. Monetary items receivable or payable in a foreign currency are translated at reporting date at the closing exchange rate.

Translation differences on non-monetary items such as financial assets held at fair value through profit or loss are reported as part of their fair value gain or loss.

Exchange differences arising on the settlement or retranslation of monetary items at year end exchange rates impact profit after tax in the consolidated statement of comprehensive income unless the items form part of a net investment in a foreign operation. In this case, exchange differences are taken to the foreign currency translation reserve (FCTR) and recognised (as part of comprehensive profit) in the consolidated statement of comprehensive income and the consolidated statement of changes in equity.

## Notes to the consolidated financial statements (continued)

### 1.2 Consolidation (continued)

#### b. Foreign currency (continued)

##### (iii) Consolidation

For the purpose of preparing consolidated financial statements, the assets and liabilities of subsidiaries with a functional currency different to the Company are translated at the closing rate at the reporting date. Income and expense items for each subsidiary are translated at a weighted average of exchange rates over the period, as a surrogate for the spot rates at transaction dates. Foreign currency translation differences are taken to the FCTR and recognised in the consolidated statement of comprehensive income and the consolidated statement of changes in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate with movements recorded through the FCTR in the consolidated statement of changes in equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the consolidated statement of comprehensive income.

#### c. Subsidiaries

The table below lists Tower Limited's principal subsidiary companies and controlled entities. All entities have a reporting date of 30 September.

| NAME OF COMPANY                                     | INCORPORATION  | HOLDINGS |        |
|-----------------------------------------------------|----------------|----------|--------|
|                                                     |                | 2025     | 2024   |
| Parent Company                                      |                |          |        |
| New Zealand general insurance operations            |                |          |        |
| Tower Limited                                       | NZ             | Parent   | Parent |
| Subsidiaries                                        |                |          |        |
| Overseas general insurance operations               |                |          |        |
| Tower Insurance (Cook Islands) Limited              | Cook Islands   | 100%     | 100%   |
| Tower Insurance (Fiji) Limited                      | Fiji           | 100%     | 100%   |
| National Pacific Insurance Limited                  | Samoa          | 100%     | 100%   |
| National Pacific Insurance (Tonga) Limited          | Tonga          | 100%     | 100%   |
| National Pacific Insurance (American Samoa) Limited | American Samoa | 100%     | 100%   |
| Management service operations                       |                |          |        |
| Tower Services Limited                              | NZ             | 100%     | 100%   |
| Tower Group Services (Fiji) Pte Limited             | Fiji           | 100%     | 100%   |

## Notes to the consolidated financial statements (continued)

### 1.3 Critical accounting judgements and estimates

In preparing these financial statements management is required to make estimates and related assumptions about the future. The estimates and related assumptions are based on experience and other factors that are considered to be reasonable, and are reviewed on an ongoing basis. Revisions to the estimates are recognised in the period in which they are revised, or future periods if relevant. The key areas in which estimates and related assumptions are applied are as follows:

- Insurance and reinsurance contracts
  - Premium allocation approach (PAA) eligibility note 2.1b
  - Identification of groups of onerous contracts note 2.1d
  - Liability for incurred claims and reinsurance asset for incurred claims, including risk adjustment and the confidence level used note 2.4
- Compliance and remediation provision note 2.7
- Intangible assets note 6.2

### 1.4 Changes in accounting policies and disclosures

There have been no changes in accounting policies during the year ended 30 September 2025.

No new standards, amendments, or interpretations have been adopted during the year that have had a material impact on the Group's financial statements.

#### Future changes in accounting standards

NZ IFRS 18 is effective for periods commencing after 1 January 2027 and will supersede the current NZ IAS 1 Presentation of Financial Statements. The purpose of 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.

### 1.5 Segmental reporting

#### a. Operating segments

Information is provided by operating segment to assist an understanding of the Group's 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. 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.

The financial performance for the Pacific Islands operating segment excludes balances related to previously disposed operations. Intercompany transactions with those entities have been eliminated within continuing operations.

#### b. Financial performance of continuing operations

|                                                                 | NEW ZEALAND<br>\$000 | PACIFIC<br>ISLANDS<br>\$000 | OTHER<br>\$000 | TOTAL<br>\$000 |
|-----------------------------------------------------------------|----------------------|-----------------------------|----------------|----------------|
| <b>Year Ended 30 September 2025</b>                             |                      |                             |                |                |
| Insurance revenue                                               | 551,496              | 42,852                      | –              | 594,348        |
| Insurance service expense                                       | (379,643)            | (32,153)                    | 148            | (411,648)      |
| Net expense from reinsurance contracts held                     | (72,226)             | (5,159)                     | (120)          | (77,505)       |
| <b>Insurance service result</b>                                 | <b>99,627</b>        | <b>5,540</b>                | <b>28</b>      | <b>105,195</b> |
| Net investment income                                           | 18,645               | 576                         | –              | 19,221         |
| Net insurance finance expense                                   | (1,587)              | –                           | –              | (1,587)        |
| <b>Net insurance and investment result</b>                      | <b>116,685</b>       | <b>6,116</b>                | <b>28</b>      | <b>122,829</b> |
| Other income                                                    | 3,953                | 491                         | –              | 4,444          |
| Other operating expenses                                        | (8,677)              | (105)                       | –              | (8,782)        |
| Finance costs                                                   | (569)                | (175)                       | –              | (744)          |
| <b>Profit/(loss) before taxation from continuing operations</b> | <b>111,392</b>       | <b>6,327</b>                | <b>28</b>      | <b>117,747</b> |
| Tax (expense)/benefit                                           | (32,215)             | (1,831)                     | (28)           | (34,074)       |
| <b>Profit/(loss) after taxation from continuing operations</b>  | <b>79,177</b>        | <b>4,496</b>                | <b>–</b>       | <b>83,673</b>  |

## Notes to the consolidated financial statements (continued)

### 1.5 Segmental reporting (continued)

#### b. Financial performance of continuing operations (continued)

|                                                          | NEW ZEALAND<br>\$000 | PACIFIC ISLANDS<br>\$000 | OTHER<br>\$000 | TOTAL<br>\$000 |
|----------------------------------------------------------|----------------------|--------------------------|----------------|----------------|
| Year Ended 30 September 2024                             |                      |                          |                |                |
| Insurance revenue                                        | 513,566              | 42,252                   | –              | 555,818        |
| Insurance service expense                                | (356,693)            | (24,553)                 | (362)          | (381,608)      |
| Net (expense)/income from reinsurance contracts held     | (86,029)             | (5,398)                  | 63             | (91,364)       |
| Insurance service result                                 | 70,844               | 12,301                   | (299)          | 82,846         |
| Net investment income                                    | 20,666               | 884                      | –              | 21,550         |
| Net insurance finance expense                            | (2,572)              | –                        | –              | (2,572)        |
| Net insurance and investment result                      | 88,938               | 13,185                   | (299)          | 101,824        |
| Other income                                             | 3,873                | 191                      | –              | 4,064          |
| Other operating expenses                                 | (2,307)              | (41)                     | –              | (2,348)        |
| Finance costs                                            | (722)                | (160)                    | –              | (882)          |
| Profit/(loss) before taxation from continuing operations | 89,782               | 13,175                   | (299)          | 102,658        |
| Tax (expense)/benefit                                    | (25,716)             | (6,101)                  | 43             | (31,774)       |
| Profit/(loss) after taxation from continuing operations  | 64,066               | 7,074                    | (256)          | 70,884         |

#### c. Financial position of continuing operations

|                                                          | NEW ZEALAND<br>\$000 | PACIFIC ISLANDS<br>\$000 | OTHER<br>\$000 | TOTAL<br>\$000 |
|----------------------------------------------------------|----------------------|--------------------------|----------------|----------------|
| <b>Additions to non-current assets 30 September 2025</b> | <b>21,674</b>        | <b>728</b>               | <b>–</b>       | <b>22,402</b>  |
| Additions to non-current assets 30 September 2024        | 18,702               | 2,175                    | –              | 20,877         |
| <b>Total assets 30 September 2025</b>                    | <b>549,932</b>       | <b>63,532</b>            | <b>(531)</b>   | <b>612,933</b> |
| Total assets 30 September 2024                           | 579,079              | 56,580                   | (511)          | 635,148        |
| <b>Total liabilities 30 September 2025</b>               | <b>231,269</b>       | <b>31,840</b>            | <b>(841)</b>   | <b>262,268</b> |
| Total liabilities 30 September 2024                      | 250,337              | 25,478                   | (823)          | 274,992        |

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

#### Definition

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other operating segments. 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.

## Notes to the consolidated financial statements (continued)

### 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, reducing the liability for remaining coverage on the consolidated balance sheet.

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.

Tower also discloses the nature and extent of risks arising from insurance and reinsurance contracts, including sensitivity analyses and risk mitigation strategies.

#### 2.1 Insurance and reinsurance contracts accounting policies

##### a. Recognition

Tower recognises insurance contracts at the earlier of the commencement of the coverage period, or when the first premium for a group of insurance contracts is due. At inception of insurance contracts, Tower analyses and identifies any distinct contract components that may need to be accounted for under another NZ IFRS instead of NZ IFRS 17. Currently, Tower does not have any product groups that include distinct components that require separation.

Insurance revenue is recognised based on passage of time over the coverage period of the contract, resulting in a linear allocation of revenue for each contract across its coverage period. Revenue earned excludes taxes and levies collected on behalf of third parties.

Insurance service expenses arising from insurance contracts are generally recognised in profit or loss as they are incurred, except for insurance acquisition cash flows.

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of, and changes in, the time value of money and financial risk. Tower has elected to present all insurance finance income and expenses in profit or loss.

##### b. Measurement Model - Insurance Contracts

NZ IFRS 17 contains three measurement models:

- 1) The general measurement model (GMM) measures insurance contracts based on the fulfilment cash flows (the present value of estimated future cash flows with an explicit risk adjustment for non-financial risk) and the contractual service margin (the unearned profit that will be recognised as services are provided over the coverage period)
- 2) A modified version of the general model (the variable fee approach, or VFA) is applied to insurance contracts with direct participation features
- 3) A simplified measurement model (the PAA) is permitted in certain circumstances.

The majority of Tower's insurance portfolios have a coverage period of one year or less, which allows for application of the PAA. The coverage period, or contract boundary, is the period during which Tower has a substantive obligation to provide customers with insurance contract services. The substantive obligation ends when Tower can reprice insurance contracts to reflect reassessed risk.

For any insurance groups with coverage periods greater than one year, Tower has assessed that the resulting liability for remaining coverage as measured under the PAA would not differ materially from the result of applying the GMM. Therefore Tower has applied the PAA to all its insurance groups. Refer to note 2.1(i) for discussion around reinsurance PAA eligibility assessment.

Tower does not issue any insurance contracts that provide an investment return, or have direct participating contracts, therefore the VFA does not apply to Tower.

##### c. Level of aggregation

Tower manages insurance contracts issued by aggregating them into portfolios. Insurance contracts for product lines with similar risks that are within the same geographical area, and managed together, are considered to be in the same portfolio. The geographical areas for portfolio purposes are New Zealand and the Pacific, and within each geographical area there are a number of separate portfolios based on product type. Each portfolio will contain annual cohorts which contain contracts that are issued within a financial year. Annual cohorts can be further disaggregated into three groups at inception: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder.

##### d. Onerous contracts

The profitability of groups of contracts is assessed by actuarial valuation models. All insurance contracts are measured under the PAA, and therefore Tower assumes that no contracts in a group are onerous at initial recognition unless facts and circumstances indicate otherwise.

To determine which facts and circumstances are indicative of onerous contracts management considers future profitability for a group of contracts, as well as factors that may be internal to Tower (e.g., pricing decisions) or external (e.g., sudden and unexpected changes to the economic or regulatory environments). When facts and

## Notes to the consolidated financial statements (continued)

### 2.1 Insurance and reinsurance contracts accounting policies (continued)

#### d. Onerous contracts (continued)

circumstances indicate a set of contracts may be onerous, Tower will perform an additional assessment to distinguish onerous contracts from non-onerous contracts. Onerous contract testing will involve determining the estimation of the fulfilment cash flows in relation to that group of onerous contracts.

Tower will recognise a loss in profit or loss for onerous contracts, which is measured as the difference between fulfilment cash flows related to the remaining coverage of the group using the general model, and liability for the remaining coverage using the PAA. The increase to the liability for remaining coverage resulting from the recognition of onerous contracts will be tracked separately as a loss component. In subsequent periods, Tower will reassess previously onerous contracts then remeasure fulfilment cash flows. The impact from changes in fulfilment cash flows will be recorded in profit or loss, and the liability for remaining coverage will reflect the remeasured fulfilment cash flows. When fulfilment cash flows are incurred, they are allocated systematically between the loss component and the liability for remaining coverage. The systematic allocation is based on the loss component relative to the total estimated present value of future cash outflows.

#### e. Liability for remaining coverage

The liability for remaining coverage (LRC) reflects insurance coverage expected to be provided by Tower after the reporting date. This is measured inclusive of any taxes and levies collected on behalf of third parties. On initial recognition of each group of contracts, the carrying amount of the LRC is measured as the premiums received less any insurance acquisition cash flows allocated to the group at that date, and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group.

Subsequent measurement of the carrying amount of the LRC is increased by any premiums received and the amortisation of insurance acquisition cash flows recognised as expenses, and decreased by the amount recognised as insurance revenue for services provided and any additional insurance acquisition cash flows allocated after initial recognition.

On initial recognition of each group of contracts, Tower expects that the time between providing each part of the services and the related premium due date is no more than a year. Accordingly, Tower has chosen not to adjust the LRC to reflect the time value of money and the effect of financial risk.

#### f. Insurance acquisition cash flows

Insurance acquisition cash flows (IACF) comprise the costs of selling, underwriting and starting a group of insurance contracts (which are issued or expected to be issued) that are directly attributable to portfolios of insurance contracts.

Tower has elected to defer IACF and recognise as insurance expenses across the coverage period of contracts issued, rather than to expense them when incurred. The amortisation period for IACF begins at the later of when the costs are incurred or when the underlying insurance contracts are recognised, and are expected to be amortised within 12 months on a straight-line basis. All IACF are allocated to groups of insurance contracts.

#### g. Liability for incurred claims

Liability for incurred claims (LIC) relate to claims that have occurred prior to reporting date but have not been paid. This is measured as the present value of the estimated future cash outflows plus a specific risk adjustment (RA) factor to account for non-financial risks. Tower has elected to discount the LIC to reflect the time value of money.

Tower does not disaggregate changes in the RA between the insurance service result and insurance finance income or expenses. All changes in the RA are included in the insurance service result.

#### h. Insurance modification and derecognition

Tower derecognises insurance contracts when rights and obligations relating to the contract are extinguished, or when the contract is modified in a way that would have changed the accounting for the contract significantly had the new terms been included at contract inception. In such a case a new contract based on the modified terms is recognised.

#### i. Measurement Model - Reinsurance Contracts

Some reinsurance contracts held by Tower have a three year contract boundary, however the result of applying the PAA model does not result in a material difference from applying the GMM model. Therefore all reinsurance contracts held by Tower are measured using the PAA measurement model.

Quantitative PAA eligibility testing has been performed over these contracts, where the following key assumptions and estimates are modelled:

- Expected future cash flows
- Risk adjustment
- Contractual service margin (CSM), the balancing component to result in nil profit or loss impact at inception. The CSM represents the net cost of purchasing reinsurance, which will be released over the coverage period.
- Expected variability in assumptions used, such as changes in discount rates.

Tower measures its reinsurance assets on the same basis as insurance contracts issued, however these are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts held.

#### j. Reinsurance contracts - level of aggregation

Tower manages all reinsurance contracts held together and the contracts held provide coverage for similar risks. All reinsurance contracts held by Tower are considered as a single portfolio.

## Notes to the consolidated financial statements (continued)

### 2.1 Insurance and reinsurance contracts accounting policies (continued)

#### k. Reinsurance contract assets - recognition and measurement

A reinsurance asset for remaining coverage (RI ARC) is recognised at the start of the coverage period of the reinsurance contract where the contract provided non-proportionate coverage, or when the underlying insurance contract is recognised where the contract provides proportionate coverage. The asset is measured as premiums paid, adjusted for any acquisition cash flows.

A loss-recovery component is established within the RI ARC for the gain recognised in profit or loss when the Group has recognised a loss on underlying groups of onerous contracts that are covered by reinsurance contracts held. The gain is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

This loss-recovery component is adjusted to reflect changes in the loss component of the onerous group of underlying contracts and is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that Tower expects to recover from the reinsurance contracts held.

Reinsurance asset for incurred claims (RI AIC) is recognised when a claim is made on an underlying contract and a reinsurance contract was held to cover the risks on the underlying insurance contract. This is measured based on estimated future cash flows, adjusted to reflect the time value of money, and a RA factor for any non-financial risks.

Net (expense)/income from reinsurance contracts held 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.

Reinsurance premiums paid reflect premiums ceded to reinsurers and are recognised as an expense in accordance with the pattern of reinsurance service received. Commission revenue from reinsurance contracts held by Tower that are not contingent on claims for underlying insurance contracts is treated as a reduction in premiums paid.

Tower also has profit-share commission arrangements for some proportional reinsurance contracts, where the commission is contingent on claims. Commission from the profit-share arrangements will offset against RI claims recoveries in RI AIC.

Amounts recovered from reinsurers are recognised when a claim has been incurred and the basis for measurement is the expected future cash inflows.

#### l. Discount rates

Tower discounts future cash flows related to insurance liabilities for incurred claims and reinsurance assets for incurred claims to recognise the impact of the time value of money. Tower has adopted a 'bottom-up' approach to derive the discount rate. The risk-free yield is derived from observable secondary market prices for NZ government bonds. Nil illiquidity premium has been assumed on the basis that it would not have a material impact.

### 2.2 Insurance service expense and other operating expenses

| Composition                                                          | 2025<br>\$000  | 2024<br>\$000  |
|----------------------------------------------------------------------|----------------|----------------|
| Claims expenses                                                      | 259,776        | 245,048        |
| Losses/(reversals) on onerous insurance contracts                    | 148            | (223)          |
| Commission expenses amortised                                        | 13,629         | 13,022         |
| Management expenses:                                                 |                |                |
| People costs                                                         | 102,984        | 92,671         |
| People costs capitalised during the year                             | (11,134)       | (10,824)       |
| Technology                                                           | 18,610         | 17,189         |
| Amortisation                                                         | 19,512         | 19,269         |
| Depreciation                                                         | 5,914          | 5,962          |
| External fees                                                        | 23,319         | 20,128         |
| Marketing                                                            | 14,069         | 14,792         |
| Communications                                                       | 3,337          | 3,852          |
| Other management expense                                             | 7,703          | 3,605          |
| Movement in non-commission deferred insurance acquisition cash flows | (2,784)        | (6,011)        |
| Claims related management expenses reclassified to claims expense    | (43,435)       | (35,756)       |
| Service fees charged to discontinued operations                      | –              | (1,116)        |
| <b>Total insurance service expense</b>                               | <b>411,648</b> | <b>381,608</b> |
| Other operating expenses                                             | 8,782          | 2,348          |
| <b>Total insurance service expense and other operating expenses</b>  | <b>420,430</b> | <b>383,956</b> |

## Notes to the consolidated financial statements (continued)

### 2.3 Net insurance finance expense

|                                                                     | 2025<br>\$000  | 2024<br>\$000  |
|---------------------------------------------------------------------|----------------|----------------|
| Interest accreted                                                   | (2,077)        | (5,314)        |
| Effect of changes in interest rates and other financial assumptions | (81)           | (278)          |
| <b>Finance expense from insurance contracts issued</b>              | <b>(2,158)</b> | <b>(5,592)</b> |
| Interest accreted                                                   | 551            | 2,877          |
| Effect of changes in interest rates and other financial assumptions | 20             | 143            |
| <b>Finance income from reinsurance contracts held</b>               | <b>571</b>     | <b>3,020</b>   |
| <b>Net insurance finance expense</b>                                | <b>(1,587)</b> | <b>(2,572)</b> |

### 2.4 Insurance and reinsurance assets and liabilities

#### a. Insurance and reinsurance contracts

|                                         | 2025<br>\$000 |                |                    |                            |                |
|-----------------------------------------|---------------|----------------|--------------------|----------------------------|----------------|
|                                         | ASSETS        | LIABILITIES    | CURRENT<br>PORTION | NON-<br>CURRENT<br>PORTION | TOTAL          |
| Liability for remaining coverage        | –             | 37,254         | 37,254             | –                          | 37,254         |
| Liability for incurred claims           | –             | 118,373        | 94,774             | 23,599                     | 118,373        |
| <b>Total insurance contracts issued</b> | <b>–</b>      | <b>155,627</b> | <b>132,028</b>     | <b>23,599</b>              | <b>155,627</b> |
| <b>Total reinsurance contracts held</b> | <b>20,900</b> | <b>–</b>       | <b>17,694</b>      | <b>3,206</b>               | <b>20,900</b>  |

|                                         | 2024<br>\$000 |                |                    |                            |                |
|-----------------------------------------|---------------|----------------|--------------------|----------------------------|----------------|
|                                         | ASSETS        | LIABILITIES    | CURRENT<br>PORTION | NON-<br>CURRENT<br>PORTION | TOTAL          |
| Liability for remaining coverage        | –             | 42,042         | 42,042             | –                          | 42,042         |
| Liability for incurred claims           | –             | 135,527        | 110,169            | 25,358                     | 135,527        |
| <b>Total insurance contracts issued</b> | <b>–</b>      | <b>177,569</b> | <b>152,211</b>     | <b>25,358</b>              | <b>177,569</b> |
| <b>Total reinsurance contracts held</b> | <b>35,503</b> | <b>–</b>       | <b>28,854</b>      | <b>6,649</b>               | <b>35,503</b>  |

## Notes to the consolidated financial statements (continued)

### 2.4 Insurance and reinsurance assets and liabilities (continued)

#### b. Reconciliation of insurance assets and liabilities

|                                                                           | 2025<br>\$'000                     |                |                                                              |                 |                  |
|---------------------------------------------------------------------------|------------------------------------|----------------|--------------------------------------------------------------|-----------------|------------------|
|                                                                           | LIABILITIES FOR REMAINING COVERAGE |                | LIABILITIES FOR INCURRED CLAIMS                              |                 | TOTAL            |
|                                                                           | EXCLUDING LOSS<br>COMPONENT        | LOSS COMPONENT | ESTIMATES OF THE<br>PRESENT VALUE<br>OF FUTURE CASH<br>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:                                                |                                    |                |                                                              |                 |                  |
| <i>Incurred claims and other insurance service expenses*</i>              | –                                  | –              | 323,792                                                      | 4,818           | 328,610          |
| <i>Amortisation of IACF</i>                                               | 71,617                             | –              | –                                                            | –               | 71,617           |
| <i>Changes relating to past service</i>                                   | –                                  | –              | (11,532)                                                     | (2,550)         | (14,082)         |
| <i>Loss 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 consolidated statement of 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 consolidated 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.

## Notes to the consolidated financial statements (continued)

### 2.4 Insurance and reinsurance assets and liabilities (continued)

#### b. Reconciliation of insurance assets and liabilities (continued)

|                                                              |                                    |                | 2024<br>\$000                                                |                 |                  |
|--------------------------------------------------------------|------------------------------------|----------------|--------------------------------------------------------------|-----------------|------------------|
|                                                              | LIABILITIES FOR REMAINING COVERAGE |                | LIABILITIES FOR INCURRED CLAIMS                              |                 | TOTAL            |
|                                                              | EXCLUDING LOSS<br>COMPONENT        | LOSS COMPONENT | ESTIMATES OF THE<br>PRESENT VALUE<br>OF FUTURE CASH<br>FLOWS | RISK ADJUSTMENT |                  |
| Opening insurance contract liabilities                       | 43,994                             | 620            | 223,565                                                      | 17,630          | 285,809          |
| Insurance revenue                                            | (555,818)                          | –              | –                                                            | –               | (555,818)        |
| Insurance service expense:                                   |                                    |                |                                                              |                 |                  |
| <i>Incurred claims and other insurance service expenses*</i> | –                                  | –              | 314,130                                                      | 3,666           | 317,796          |
| <i>Amortisation of IACF</i>                                  | 62,835                             | –              | –                                                            | –               | 62,835           |
| <i>Changes relating to past service</i>                      | –                                  | –              | (15,950)                                                     | (8,117)         | (24,067)         |
| <i>Losses and reversals on onerous contracts</i>             | –                                  | (223)          | –                                                            | –               | (223)            |
| Finance expense from insurance contracts issued              | –                                  | –              | 5,592                                                        | –               | 5,592            |
| Effect of movements in exchange rates                        | (272)                              | (13)           | (348)                                                        | –               | (633)            |
| <b>Amounts included in statement of comprehensive income</b> | <b>(493,255)</b>                   | <b>(236)</b>   | <b>303,424</b>                                               | <b>(4,451)</b>  | <b>(194,518)</b> |
| Cash flows:                                                  |                                    |                |                                                              |                 |                  |
| <i>Premiums received</i>                                     | 559,383                            | –              | –                                                            | –               | 559,383          |
| <i>Claims and other insurance service expenses paid</i>      | –                                  | –              | (404,641)                                                    | –               | (404,641)        |
| <i>Insurance acquisition cash flows</i>                      | (68,119)                           | –              | –                                                            | –               | (68,119)         |
| <b>Amounts included in statement of cash flow</b>            | <b>491,264</b>                     | <b>–</b>       | <b>(404,641)</b>                                             | <b>–</b>        | <b>86,623</b>    |
| Pre-recognition cash flows derecognised and other changes    | (345)                              | –              | –                                                            | –               | (345)            |
| <b>Insurance contract liabilities at 30 September 2024</b>   | <b>41,658</b>                      | <b>384</b>     | <b>122,348</b>                                               | <b>13,179</b>   | <b>177,569</b>   |

\* Excludes \$25m of insurance service expenses for depreciation and amortisation, which do not form part of insurance contract liabilities on the 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. Pre-recognition cash flows derecognised and other changes also includes the derecognition of liabilities that moved to liabilities held for sale during the period.

## Notes to the consolidated financial statements (continued)

### 2.4 Insurance and reinsurance assets and liabilities (continued)

#### c. Reconciliation of reinsurance assets and liabilities

|                                                                 | 2025<br>\$000                           |                            |                                                              |                 |                 |
|-----------------------------------------------------------------|-----------------------------------------|----------------------------|--------------------------------------------------------------|-----------------|-----------------|
|                                                                 | ASSETS FOR REMAINING<br>COVERAGE        |                            | ASSET FOR<br>INCURRED CLAIMS                                 |                 | TOTAL           |
|                                                                 | EXCLUDING<br>LOSS RECOVERY<br>COMPONENT | LOSS RECOVERY<br>COMPONENT | ESTIMATES OF THE<br>PRESENT VALUE<br>OF FUTURE CASH<br>FLOWS | RISK ADJUSTMENT |                 |
| <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 statement of 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>   |

## Notes to the consolidated financial statements (continued)

### 2.4 Insurance and reinsurance assets and liabilities (continued)

#### c. Reconciliation of reinsurance assets and liabilities (continued)

|                                                                 |                                         |                            | 2024<br>\$000                                                |                 |                 |
|-----------------------------------------------------------------|-----------------------------------------|----------------------------|--------------------------------------------------------------|-----------------|-----------------|
|                                                                 | ASSETS FOR REMAINING<br>COVERAGE        |                            | ASSET FOR<br>INCURRED CLAIMS                                 |                 | TOTAL           |
|                                                                 | EXCLUDING<br>LOSS RECOVERY<br>COMPONENT | LOSS RECOVERY<br>COMPONENT | ESTIMATES OF THE<br>PRESENT VALUE<br>OF FUTURE CASH<br>FLOWS | RISK ADJUSTMENT |                 |
| Year ended 30 September 2024                                    |                                         |                            |                                                              |                 |                 |
| Opening reinsurance contract assets                             | (4,229)                                 | –                          | 146,327                                                      | 5,138           | 147,236         |
| Reinsurance premiums                                            | (79,587)                                | –                          | –                                                            | –               | (79,587)        |
| Amounts recoverable from reinsurers:                            |                                         |                            |                                                              |                 |                 |
| <i>Amounts recoverable for incurred claims</i>                  | –                                       | –                          | 6,527                                                        | 642             | 7,169           |
| <i>Changes relating to past service</i>                         | –                                       | –                          | (15,812)                                                     | (3,134)         | (18,946)        |
| Finance income from reinsurance contracts held                  | –                                       | –                          | 3,020                                                        | –               | 3,020           |
| Effect of movements in exchange rates                           | 101                                     | –                          | 25                                                           | –               | 126             |
| <b>Amounts included in statement of comprehensive income</b>    | <b>(79,486)</b>                         | <b>–</b>                   | <b>(6,240)</b>                                               | <b>(2,492)</b>  | <b>(88,218)</b> |
| Cash flows:                                                     |                                         |                            |                                                              |                 |                 |
| <i>Premiums paid net of ceding commissions</i>                  | 72,025                                  | –                          | –                                                            | –               | 72,025          |
| <i>Reinsurance recoveries (net of profit share commissions)</i> | –                                       | –                          | (95,540)                                                     | –               | (95,540)        |
| <b>Amounts included in statement of cash flow</b>               | <b>72,025</b>                           | <b>–</b>                   | <b>(95,540)</b>                                              | <b>–</b>        | <b>(23,515)</b> |
| <b>Reinsurance contract assets at 30 September 2024</b>         | <b>(11,690)</b>                         | <b>–</b>                   | <b>44,547</b>                                                | <b>2,646</b>    | <b>35,503</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.

## Notes to the consolidated financial statements (continued)

### 2.4 Insurance and reinsurance assets and liabilities (continued)

#### d. Development of claims

The following table shows how estimates of cumulative claims have developed over time on a net of reinsurance basis.

Tower considers the probability and magnitude of future experience being more adverse than assumed. This uncertainty is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

| ULTIMATE CLAIMS COST ESTIMATE                          | PRIOR<br>\$000 | 2021<br>\$000 | 2022<br>\$000 | 2023<br>\$000 | 2024<br>\$000 | 2025<br>\$000 | TOTAL<br>\$000 |
|--------------------------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|----------------|
| At end of incident year                                |                | 181,849       | 197,830       | 262,053       | 229,826       | 227,506       |                |
| One year later                                         |                | 180,386       | 204,450       | 253,812       | 219,725       | –             |                |
| Two years later                                        |                | 181,928       | 206,682       | 253,799       | –             | –             |                |
| Three years later                                      |                | 181,609       | 207,938       | –             | –             | –             |                |
| Four years later                                       |                | 181,951       | –             | –             | –             | –             |                |
| Ultimate claims cost                                   |                | 181,951       | 207,938       | 253,799       | 219,725       | 227,506       |                |
| Cumulative payments                                    |                | (180,529)     | (207,078)     | (252,156)     | (213,074)     | (160,544)     |                |
| Net estimates of the undiscounted amount of the claims | <b>14,767</b>  | <b>1,422</b>  | <b>860</b>    | <b>1,643</b>  | <b>6,651</b>  | <b>66,962</b> | <b>92,305</b>  |
| Third party recoveries outstanding                     |                |               |               |               |               |               | (9,345)        |
| Claims handling expense                                |                |               |               |               |               |               | 7,692          |
| Effect from discounting                                |                |               |               |               |               |               | (1,021)        |
| Effect from risk adjustment                            |                |               |               |               |               |               | 14,262         |
| Reinsurance outstanding on paid claims                 |                |               |               |               |               |               | (7,513)        |
| <b>Total net liabilities for incurred claims</b>       |                |               |               |               |               |               | <b>96,380</b>  |

## Notes to the consolidated financial statements (continued)

### 2.4 Insurance and reinsurance assets and liabilities (continued)

#### d. Development of claims (continued)

|                                                    | NOTE | ESTIMATES OF<br>THE PRESENT<br>VALUE OF FUTURE<br>CASH FLOWS<br>\$000 | RISK<br>ADJUSTMENT<br>\$000 | TOTAL<br>\$000 |
|----------------------------------------------------|------|-----------------------------------------------------------------------|-----------------------------|----------------|
| Insurance contract liabilities                     | 2.4b | 102,926                                                               | 15,447                      | 118,373        |
| <b>Total gross liabilities for incurred claims</b> |      | <b>102,926</b>                                                        | <b>15,447</b>               | <b>118,373</b> |
| Reinsurance contract assets                        | 2.4c | (20,808)                                                              | (1,185)                     | (21,993)       |
| <b>Total net liabilities for incurred claims</b>   |      | <b>82,118</b>                                                         | <b>14,262</b>               | <b>96,380</b>  |

Tower has limited exposure to long-tail classes of business. Long-tail classes have increased uncertainty of the ultimate cost of claims due to the additional period of time to settlement.

Prior year numbers have been restated at current year exchange rates to reflect the underlying development of claims.

#### e. Liability for incurred claims

Future cash outflows are estimated using data specific to each portfolio, relevant industry data and general economic data. The estimation process factors in the risks to which the business is exposed to at a point in time, claim frequency and severity, historical trends in the development of claims as well as legal, social and economic factors that may affect Tower.

| Assumption                                            | 2025   | 2024   |
|-------------------------------------------------------|--------|--------|
| Expected future claims development                    | 50.2%  | 64.0%  |
| Claims handling expense ratio                         | 7.5%   | 7.9%   |
| Risk adjustment                                       | 13.8%  | 10.7%  |
| Discount rate                                         | 2.8%   | 4.4%   |
| Future Canterbury Earthquakes overcap property claims | \$8.1m | \$5.2m |

#### Expected future claims development proportion

This is the proportion of additional claims cost that is expected to be recognised in the future for claims that have already been reported. The assumption is expressed as a proportion of current case estimates for open claims and the resulting amount is recognised in the consolidated balance sheet as a liability for incurred claims. The ratio has reduced over the year due to a strategic focus on improving case reserving accuracy and claims handling processes.

#### Claims handling expense ratio

This reflects the expected cost to administer future claims. The ratio is calculated based on historical experience of claims handling expenses.

#### Discount rate

The discount rates determined for 30 September 2025 were between 2.7% and 3.5% (2024: 3.6% and 5.0%).

The table below summarises the yield curves used to discount Tower's liability for incurred claims.

#### As at 30 September 2025

| %           | 1 year | 2 years | 3 years | 4 years | 5+ years |
|-------------|--------|---------|---------|---------|----------|
| New Zealand | 2.7%   | 2.9%    | 3.1%    | 3.3%    | 3.5%     |

#### As at 30 September 2024

| %           | 1 year | 2 years | 3 years | 4 years | 5+ years |
|-------------|--------|---------|---------|---------|----------|
| New Zealand | 4.2%   | 3.7%    | 3.6%    | 3.7%    | 3.8%     |

#### Risk adjustment

The risk adjustment is the compensation Tower requires for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk related to a group of insurance contracts.

The determination of the appropriate level of risk adjustment takes into account:

- the level of economic capital that Tower requires to support the insurance business and the weighted average cost of servicing that capital;
- the run-off profile and term to settlement of the net discounted cash flows;
- class of business; and
- the benefit of diversification between geographic locations

The Group determines the risk adjustment for non-financial risk at the Group level and allocates it to groups of insurance and reinsurance contracts in a systematic and rational way.

Tower determines the risk adjustment for non-financial risk using a confidence level approach. The probability of sufficiency (PoS) is calibrated to the amount of compensation Tower requires for bearing uncertainty in cash flows, by using a cost of capital analysis.

A cost of capital analysis was performed using a 11.4% required return on capital (net of reinsurance) applied to projected capital requirements. A 75% PoS was adopted for New Zealand (excluding Canterbury earthquakes), and for Pacific. A higher confidence level of 90% was adopted for Canterbury earthquakes reflecting the higher risk and uncertainty associated with the future cashflows.

A diversification benefit is also included to reflect the spread of risk across geographies, consistent with the entity's required compensation for bearing diversified non-financial risk.

## Notes to the consolidated financial statements (continued)

### 2.4 Insurance and reinsurance assets and liabilities (continued)

#### f. Sensitivity Analysis

The impact on profit or loss before tax, and the impact on equity for any reasonable changes at period end have been summarised below. Each change has been calculated in isolation from the other variables.

##### *Liability for incurred claims*

|                                                        | MOVEMENT IN ASSUMPTION | IMPACT ON PROFIT OR LOSS GROSS OF REINSURANCE |            | IMPACT ON PROFIT OR LOSS NET OF REINSURANCE |            |
|--------------------------------------------------------|------------------------|-----------------------------------------------|------------|---------------------------------------------|------------|
|                                                        |                        | 2025 \$000                                    | 2024 \$000 | 2025 \$000                                  | 2024 \$000 |
| Expected future claims development                     | + 10%                  | (3,529)                                       | (4,805)    | (3,102)                                     | (3,434)    |
|                                                        | - 10%                  | 3,529                                         | 4,805      | 3,102                                       | 3,434      |
| Claims handling expense ratio                          | + 10%                  | (788)                                         | (970)      | (769)                                       | (854)      |
|                                                        | - 10%                  | 788                                           | 970        | 769                                         | 854        |
| Risk adjustment                                        | + 10%                  | (1,545)                                       | (1,318)    | (1,426)                                     | (1,053)    |
|                                                        | - 10%                  | 1,545                                         | 1,318      | 1,426                                       | 1,053      |
| Discount rate                                          | + 1.75%                | 911                                           | 1,128      | 801                                         | 806        |
|                                                        | - 1.75%                | (911)                                         | (1,128)    | (801)                                       | (806)      |
| Number of future Canterbury Earthquake overcap claims* | 20 more overcaps/+50%  | (6,700)                                       | (4,100)    | (6,700)                                     | (4,100)    |
| Earthquake overcap claims                              | 20 fewer overcaps/-50% | 6,600                                         | 4,100      | 6,600                                       | 4,100      |

\* Comparative represents +50%/-50%

### 2.5 Receivables

| Composition                          | 2025 \$000    | 2024 \$000    |
|--------------------------------------|---------------|---------------|
| Prepayments                          | 9,450         | 13,969        |
| Other receivables                    | 3,330         | 5,830         |
| <b>Receivables</b>                   | <b>12,780</b> | <b>19,799</b> |
| Receivable within 12 months          | 11,070        | 16,168        |
| Receivable in greater than 12 months | 1,710         | 3,631         |
| <b>Receivables</b>                   | <b>12,780</b> | <b>19,799</b> |

#### Recognition and measurement

Receivables (inclusive of GST) are recognised at fair value and are subsequently measured at amortised cost, less any expected credit loss (ECL). Tower applies the simplified approach in calculating ECL. The ECL calculation is based on a provision matrix which is based on historical credit loss experience, adjusted for forward looking factors specific to the receivables and the economic environment.

## Notes to the consolidated financial statements (continued)

### 2.6 Payables

| Composition                       | 2025<br>\$000 | 2024<br>\$000 |
|-----------------------------------|---------------|---------------|
| Trade payables                    | 16,470        | 16,747        |
| Pre-coverage liability            | 2,361         | 2,035         |
| GST payable                       | 2,833         | 3,497         |
| Unsettled investment purchases    | –             | 5,400         |
| Other                             | 5,341         | 4,608         |
| <b>Payables</b>                   | <b>27,005</b> | <b>32,287</b> |
| Payable within 12 months          | 27,005        | 32,287        |
| Payable in greater than 12 months | –             | –             |
| <b>Payables</b>                   | <b>27,005</b> | <b>32,287</b> |

#### Recognition and measurement

Payables are recognised where goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Payables are stated at the fair value of the consideration to be paid in the future inclusive of GST. GST payable represents the net amount payable to the respective tax authorities.

Tower receives some premiums in advance of the initial recognition date of an insurance contract. For these premiums received in advance Tower recognises a separate pre-coverage liability (PCL). When the coverage period for the contract starts, the PCL is reduced and the value of the premiums is transferred to the liability for remaining coverage.

### 2.7 Provisions

| Composition                              | 2025<br>\$000 | 2024<br>\$000 |
|------------------------------------------|---------------|---------------|
| Annual leave and other employee benefits | 10,573        | 12,771        |
| Compliance and remediation               | 10,329        | 9,188         |
| <b>Provisions</b>                        | <b>20,902</b> | <b>21,959</b> |
| Payable within 12 months                 | 20,902        | 20,926        |
| Payable in greater than 12 months        | –             | 1,033         |
| <b>Provisions</b>                        | <b>20,902</b> | <b>21,959</b> |

The annual leave and other employee benefits provision has increased by \$8.3m during the period, offset by payments to employees of \$10.5m.

Tower and the FMA have reached a settlement in relation to Tower's misapplication of its multi-policy discounts and we are awaiting the final decision from the High Court.

A compliance and remediation provision has been recognised and is reassessed at each reporting period. A range of possible outcomes is considered, and the re-assessment has resulted in an additional \$2.8m being recognised in the current period, which has been offset by payments made during the period. The resulting provision allows for amounts to be repaid to customers and costs associated with the FMA's action.

#### Recognition and measurement

Tower recognises a provision when it has a present obligation as a result of a past event and it is more likely than not that an outflow of resources will be required to settle the obligation. Tower's provision represents the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

## Notes to the consolidated financial statements (continued)

### 3 Investments and other income

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 risk tolerance for investment and credit risk and therefore the majority of its investments are in investment grade supranational and government bonds, and term deposits.

#### 3.1 Investment income

|                          | 2025<br>\$000 | 2024<br>\$000 |
|--------------------------|---------------|---------------|
| Interest income          | 16,418        | 17,767        |
| Net realised gain        | 2,891         | 1,626         |
| Net unrealised gain      | 460           | 2,407         |
| <b>Investment income</b> | <b>19,769</b> | <b>21,800</b> |

#### Recognition and measurement

Tower's investment income is primarily made up of realised and unrealised interest income on fixed interest investments and fair value gains or losses on its investment assets. Both are recognised in the period that they are earned through profit or loss.

#### 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.

|                                | LEVEL 1<br>\$000 | LEVEL 2<br>\$000 | LEVEL 3<br>\$000 | TOTAL<br>\$000 |
|--------------------------------|------------------|------------------|------------------|----------------|
| <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> |
| <b>As at 30 September 2024</b> |                  |                  |                  |                |
| Fixed interest investments     | –                | 367,472          | –                | 367,472        |
| Property investment            | –                | 34               | –                | 34             |
| <b>Investments</b>             | <b>–</b>         | <b>367,506</b>   | <b>–</b>         | <b>367,506</b> |

There have been no transfers between levels of the fair value hierarchy during the current period (2024: nil).

## Notes to the consolidated financial statements (continued)

### 3.2 Investments (continued)

#### Recognition and measurement

Tower's investment assets are designated at fair value through profit or loss. Investment assets are initially recognised at fair value and are remeasured to fair value through profit or loss at each reporting date. Tower's approach to measuring the fair value of these assets is covered above.

Purchases and sales of investments are recognised at the date which Tower commits to buy or sell the assets (i.e. trade date). Investments are derecognised when the rights to receive future cash flows from the assets have expired, or have been transferred, and substantially all the risks and rewards of ownership have transferred.

### 3.3 Other income

|                                                   | 2025<br>\$000 | 2024<br>\$000 |
|---------------------------------------------------|---------------|---------------|
| Agency fees*                                      | 1,767         | 1,705         |
| Gain on disposal of property, plant and equipment | 69            | 30            |
| Other                                             | 2,608         | 2,329         |
| <b>Other income</b>                               | <b>4,444</b>  | <b>4,064</b>  |

\* Agency fees include fees received for managing claims on behalf of the Natural Hazards Commission.

## 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 driving a positive risk culture and ensuring that Tower's risks are appropriately managed.

### 4.1 Risk management overview

Tower's approach to achieving effective risk management is to embed a risk-aware culture where everyone across the organisation (including contractors and third parties) is responsible for managing risk.

Tower's Board expresses its appetite for risk in a Risk Appetite Statement, which:

- (i) Gives clear concise guidance to management of parameters for risk taking.
- (ii) Embeds risk management into strategic and decision-making processes.
- (iii) Facilitates risk to be managed at all levels of the organisation through a structured process to identify risk, and the allocation of clear, personal responsibility for management of identified risks by assigned risk owners.

The Board then approves and adopts: (i) the Risk Management Framework (RMF) which is the central document that explains how Tower effectively manages risk within the business; and (ii) the Reinsurance Management Strategy (ReMS) which describes the systems, structures, and processes which collectively ensures Tower's reinsurance arrangements and operations are prudently managed. These documents are approved annually by the Board.

The Board has delegated its responsibility to the Board Risk Committee to provide oversight of risk management practices and provide advice to the Board and management when required. In addition, the Board Risk Committee also monitors the effectiveness of Tower's risk management function which is overseen by the Chief Risk Officer (CRO). The CRO provides regular reports to the Board Risk Committee on the operation of the RMF.

Tower has embedded the RMF with clear accountabilities and risk ownership to ensure that Tower identifies, manages, mitigates and reports on all key risks and controls through the three lines of defence model.

- (i) First line: Operational management has ownership, responsibility and accountability for directly identifying, assessing, controlling and mitigating key risks which prevent them from achieving business objectives.
- (ii) Second Line: Tower's Risk, Advice and Assurance function is responsible for developing and implementing effective risk, compliance and conduct management processes; providing advisory support to the first line of defence and constructively challenging operational management and risk and obligation owners to ensure positive assurance.

## Notes to the consolidated financial statements (continued)

### 4.1 Risk management overview (continued)

- (iii) Third line: Internal Audit is responsible and accountable for providing an independent and objective view of the adequacy and effectiveness of the Group's risk management, governance and internal control framework. Internal audit, along with other groups such as external audit, report independently to the Board and/or the Audit Committee.

The RMF is supported by a suite of policies that address the risks and compliance obligations covered in this section.

### 4.2 Strategic risk

Strategic risk is the risk that internal or external factors compromise Tower's ability to execute its strategy or achieve its strategic objectives. Strategic risk is managed through:

- (i) Monitoring and managing performance against Board approved plan and targets.
- (ii) Board leading an annual strategy and planning process which considers our performance, competitor positioning and strategic opportunities.
- (iii) Identifying and managing emerging risks using established governance processes and forums.

### 4.3 Insurance risk

Insurance risk is the risk that for any class of risk insured, the present value of actual claims payable will exceed the present value of actual premium revenues generated (net of reinsurance). This risk is inherent in Tower's operations and arises and manifests through underwriting, insurance concentration and reserving risk.

#### a. Underwriting risk

Underwriting risk refers to the risk that claims arising are higher (or lower) than assumed in pricing due to bad experience including catastrophes, weakness in controls over underwriting or portfolio management, or claims management issues. Tower has established the following key controls to mitigate this risk:

- (i) Use of comprehensive management information systems and actuarial models to price products based on historical claims frequencies and claims severity averages, adjusted for inflation and modelled catastrophes, trended forward to recognise anticipated changes in claims patterns after making allowance for other costs incurred by the Group.

- (ii) Passing elements of insurance risk to reinsurers. Tower's Board determines a maximum level of risk to be retained by the Group as a whole. Tower's reinsurance programme is structured to adequately protect the solvency and capital position of the insurance business. The adequacy of reinsurance cover is modelled by assessing Tower's exposure under a range of scenarios. The plausible scenario that has the most financial significance for Tower is a major earthquake. Each year, as part of setting the coming year's reinsurance cover, comprehensive modelling of the event probability and amount of the Group's exposure is undertaken.
- (iii) Underwriting limits are in place to enforce appropriate risk selection criteria and pricing with specific underwriting authorities that set clear parameters for the business acceptance.

Tower has not experienced significant changes in exposure to underwriting risk during the period, and no significant changes to underwriting risk management have been implemented in the current period.

#### b. Concentration risk

Concentration risk refers to the risk of underwriting a number of like risks, where the same or similar loss events have the potential to produce claims from many of Tower's customers at the same time. Tower is particularly subject to concentration risks in the following variety of forms:

- (i) Geographic concentration risk – Tower purchases a catastrophe reinsurance programme to protect against a modelled 1-in-1000 years whole of portfolio catastrophe loss.
- (ii) Product concentration risk – Tower's business is weighted towards the NZ general insurance market where its risks are concentrated in house insurance (Home & Contents) and motor insurance. Tower limits its exposure through proportional reinsurance arrangements, where Tower transfers its exposure on any single insured asset (for example, a house) above a set amount, in exchange for ceding portion of the premium to reinsurers.

Refer to note 4.3a for exposure of underwriting risk at reporting date. Liability for incurred claims (LIC) is the key component of insurance liability sensitive to possible changes in underwriting risk, and we have performed sensitivity analysis over all variables that could reasonably change and impact the measurement of LIC in note 2.4f.

Tower has not experienced significant changes in exposure to concentration risk during the period, and no significant changes to concentration risk management have been implemented in the current period.

## Notes to the consolidated financial statements (continued)

### 4.3 Insurance risk (continued)

#### b. Concentration risk (continued)

The table below illustrates the diversity of Tower's operations.

| % of Insurance Revenue | 2025       |           |             | 2024       |           |             |
|------------------------|------------|-----------|-------------|------------|-----------|-------------|
|                        | NZ         | PACIFIC*  | TOTAL       | NZ         | PACIFIC*  | TOTAL       |
| Home                   | 40%        | 2%        | 42%         | 38%        | 2%        | 40%         |
| Contents               | 14%        | 0%        | 14%         | 14%        | 0%        | 14%         |
| Motor                  | 36%        | 3%        | 39%         | 38%        | 2%        | 40%         |
| Other                  | 3%         | 2%        | 5%          | 3%         | 3%        | 6%          |
| <b>Total</b>           | <b>93%</b> | <b>7%</b> | <b>100%</b> | <b>93%</b> | <b>7%</b> | <b>100%</b> |

\* The Pacific operating segment excludes the disposal groups.

#### c. Reserving risk

Reserving risk is managed through the actuarial valuation of insurance liabilities and monitoring of the probability of adequacy booked reserves. The valuation of the liability for incurred claims is performed by qualified and experienced actuaries. The liability for incurred claims is subject to a comprehensive review at least annually.

Tower has not experienced significant changes in exposure to reserving risk, and no significant changes to reserving risk management have been implemented in the current period.

Refer to note 4.3c for exposure of reserving risk at reporting date. Liability for incurred claims (LIC) is the key component of insurance liability sensitive to possible changes in reserving risk, and we have performed sensitivity analysis over all variables that could reasonably change and impact the measurement of LIC in note 2.4f.

### 4.4 Credit risk

Credit risk is the risk of loss that arises when a counterparty fails to meet their financial obligations to Tower in accordance with the agreed terms. Tower's exposure to credit risk primarily results from transactions with security issuers, reinsurers and policyholders and is set out below.

#### a. Investment and treasury

Tower manages its investment and treasury credit risks in line with limits set by the Board:

- (i) New Zealand cash deposits that are internally managed are limited to banks with a minimum Standard & Poor's (S&P) AA- credit rating or equivalent.
- (ii) Cash deposits and investments that are managed by external investment managers are limited to counterparties with a minimum S&P A- credit rating or equivalent.
- (iii) Tower holds deposits and invests in Pacific regional investment markets through its Pacific Island operations to comply with local statutory requirements and in accordance with Tower investment policies. These deposits and investments generally have low credit ratings representing the majority of the value included in the 'Below BBB' and 'not rated' categories in the following table. This includes deposits and investments with Australian bank subsidiaries that comprise 34% (2024: 33%) of the 'not rated' category.

|              | CASH AND CASH EQUIVALENTS |               | FIXED INTEREST INVESTMENTS |                | TOTAL          |                |
|--------------|---------------------------|---------------|----------------------------|----------------|----------------|----------------|
|              | 2025<br>\$000             | 2024<br>\$000 | 2025<br>\$000              | 2024<br>\$000  | 2025<br>\$000  | 2024<br>\$000  |
| AAA          | –                         | –             | 99,303                     | 121,497        | 99,303         | 121,497        |
| AA           | 57,466                    | 62,106        | 230,186                    | 188,655        | 287,652        | 250,761        |
| A            | –                         | –             | 53,192                     | 55,240         | 53,192         | 55,240         |
| Below BBB    | 7,436                     | 10,466        | 5,568                      | 1,948          | 13,004         | 12,414         |
| Not rated    | 6,145                     | 2,818         | 976                        | 166            | 7,121          | 2,984          |
| <b>Total</b> | <b>71,047</b>             | <b>75,390</b> | <b>389,225</b>             | <b>367,506</b> | <b>460,272</b> | <b>442,896</b> |

## Notes to the consolidated financial statements (continued)

### 4.4 Credit risk (continued)

#### b. Reinsurance

Tower manages its reinsurance programme in line with the ReMS. Tower seeks to manage the quantum and volatility of insurance risk in order to reduce exposure and overall cost.

Tower's policy is to only deal with reinsurers with a credit rating of S&P A- or better unless local statutory requirements dictate otherwise. Additional requirements of the policy are for no individual reinsurer to have more than 25% share of the overall programme and Tower is prohibited from offering inwards reinsurance to external entities.

Tower has not experienced significant changes in exposure to reinsurance risk during the period, and no significant changes to reinsurance risk management have been implemented in the current period.

The following table provides details on Tower's maximum exposure to reinsurance contract assets.

|              | REINSURANCE AIC |               |
|--------------|-----------------|---------------|
|              | 2025<br>\$000   | 2024<br>\$000 |
| AA           | 18,121          | 34,592        |
| A            | 3,673           | 11,768        |
| BBB          | 41              | 70            |
| Not rated    | 158             | 763           |
| <b>Total</b> | <b>21,993</b>   | <b>47,193</b> |

#### c. Insurance and other credit risk

Tower's receivables for insurance contracts primarily relates to policies which are paid on either a fortnightly or monthly basis. Payment default or policy cancellation - subject to the terms of the policyholder's contract - will result in the termination of the insurance contract eliminating both the credit risk and the insurance risk.

The following table provides details on Tower's maximum exposure to credit risk for insurance contracts and other receivables:

|                         | NOT<br>PAST DUE*<br>\$000 | PAST DUE         |                           |                           |                           | TOTAL<br>\$000 |
|-------------------------|---------------------------|------------------|---------------------------|---------------------------|---------------------------|----------------|
|                         |                           | 1 MONTH<br>\$000 | 1 TO 2<br>MONTHS<br>\$000 | 2 TO 3<br>MONTHS<br>\$000 | OVER 3<br>MONTHS<br>\$000 |                |
| As at 30 September 2025 |                           |                  |                           |                           |                           |                |
| Net premiums receivable | 279,673                   | 4,963            | 987                       | 226                       | 137                       | 285,986        |
| Other receivables       | 3,330                     | –                | –                         | –                         | –                         | 3,330          |
| As at 30 September 2024 |                           |                  |                           |                           |                           |                |
| Net premium receivable  | 270,422                   | 4,559            | 1,665                     | 683                       | 257                       | 277,586        |
| Other receivables       | 5,830                     | –                | –                         | –                         | –                         | 5,830          |

\* This includes premiums that are less than 30 days outstanding (which are owed but not past due) of \$5.4m (2024: \$5.2m). The remaining balance is related to the provision of future insurance services to customers.

## Notes to the consolidated financial statements (continued)

### 4.5 Market risk

Market risk is the risk of adverse impacts on investment earnings resulting from changes in market factors. Tower's market risk is predominately as a result of changes in the value of the New Zealand dollar (currency risk) and interest rate movements. Tower's approach to managing market risk is underpinned by its Treasury Policy as approved by the Board.

#### a. Currency risk

Tower's currency exposure arises from the translation of foreign operations into Tower's functional currency (currency translation risk) or due to transactions denominated in a currency other than the functional currency of a controlled entity (operational currency risk). The currencies giving rise to this risk are primarily the US dollar, Fijian dollar and Papua New Guinea (PNG) Kina.

Tower's principal currency risk is currency translation (where movement impacts equity). Tower generally elects not to hedge this risk as it is difficult given the size and nature of the currency markets in the Pacific. Tower seeks to minimise its net exposure to foreign operational risk by actively seeking to return surplus cash and capital to the parent company.

Operational currency risk impacts profit and generally arises from:

- (i) Procurement of goods and services denominated in foreign currencies. Tower may enter into hedges for future transactions, using authorised instruments, provided that the timing and amount of those future transactions can be estimated with a reasonable degree of certainty.
- (ii) Investment assets managed by the external investment manager that are denominated in foreign currencies. Tower's Board set limits for the management of currency risk based on prudent asset management practice. Regular reviews are conducted to ensure that these limits are adhered to.

Tower has not experienced significant changes in exposure to currency risk during the period, and no significant changes to currency risk management have been implemented in the current period.

The following table demonstrates the impact of the New Zealand dollar weakening or strengthening against the most significant currencies for which Tower has foreign exchange exposure before tax, holding all other variables constant.

|                                           | DIRECT IMPACT ON<br>EQUITY THROUGH CURRENCY<br>TRANSLATION RESERVE |               | IMPACT ON PROFIT OR LOSS |               |
|-------------------------------------------|--------------------------------------------------------------------|---------------|--------------------------|---------------|
|                                           | 2025<br>\$000                                                      | 2024<br>\$000 | 2025<br>\$000            | 2024<br>\$000 |
| <b>New Zealand Dollar - USD</b>           |                                                                    |               |                          |               |
| Currency strengthens by 10%               | (731)                                                              | (619)         | 10                       | 905           |
| Currency weakens by 10%                   | 894                                                                | 756           | (12)                     | (1,106)       |
| <b>New Zealand Dollar - Fijian Dollar</b> |                                                                    |               |                          |               |
| Currency strengthens by 10%               | (960)                                                              | (1,182)       | (10)                     | (8)           |
| Currency weakens by 10%                   | 1,173                                                              | 1,445         | 13                       | 9             |
| <b>New Zealand Dollar - PNG Kina</b>      |                                                                    |               |                          |               |
| Currency strengthens by 10%               | –                                                                  | –             | (513)                    | (674)         |
| Currency weakens by 10%                   | –                                                                  | –             | 708                      | 822           |

## Notes to the consolidated financial statements (continued)

### 4.5 Market risk (continued)

#### b. Interest rate risk

Tower is exposed to interest rate risk through its holdings in interest-bearing assets and discounted insurance cashflows. Interest-bearing assets with a floating interest rate expose Tower to cash flow interest rate risk, whereas fixed interest investments expose Tower to fair value interest rate risk.

Tower's interest rate risk primarily arises from fluctuations in the valuation of fixed-interest investments recognised at fair value and from the underwriting of general insurance contracts, which have interest rate exposure due to the use of discount rates in calculating the value of insurance liabilities.

Fixed-interest investments are measured at fair value through profit or loss. Movements in interest rates impact the fair value of interest-bearing financial assets and therefore impact profit or loss (there is no direct impact on equity). The impact of a 1.75% increase or decrease in interest rates on fixed interest investments and discounted insurance cashflows, after tax, is shown below (holding everything else constant).

|                                  | IMPACT ON PROFIT OR LOSS |               |
|----------------------------------|--------------------------|---------------|
|                                  | 2025<br>\$000            | 2024<br>\$000 |
| Interest rates increase by 1.75% | (3,408)                  | (2,032)       |
| Interest rates decrease by 1.75% | 3,408                    | 2,032         |

Tower manages its interest rate risk through Board-approved investment management guidelines that give regard to policyholder expectations and risks, and to target surplus for solvency as advised by the Appointed Actuary.

Tower has not experienced significant changes in exposure to interest rate risk during the period, and no significant changes to interest rate risk management have been implemented in the current period.

### 4.6 Liquidity risk

Liquidity risk arises where liabilities cannot be met as they fall due as a result of insufficient funds and/or illiquid asset portfolios. Tower mitigates this risk through maintaining sufficient liquid assets to ensure that it can meet all obligations on a timely basis.

Tower is primarily exposed to liquidity risk through its obligations to make payment for claims of unknown amounts on unknown dates. Fixed-interest investments can generally be readily sold or exchanged for cash to settle claims and are managed in accordance with the policy of broadly matching the overall maturity profile to the estimated pattern of claim payments.

Tower has not experienced significant changes in exposure to liquidity risk during the period, and no significant changes to liquidity risk management have been implemented in the current period.

The following table presents the estimated amount and timing of the remaining contractual discounted cash flows arising from investment assets and insurance liabilities.

|                                  | LIABILITY FOR INCURRED CLAIMS |                | CASH AND INVESTMENTS |                |
|----------------------------------|-------------------------------|----------------|----------------------|----------------|
|                                  | 2025<br>\$000                 | 2024<br>\$000  | 2025<br>\$000        | 2024<br>\$000  |
| Floating interest rate (at call) | –                             | –              | 71,107               | 75,446         |
| Within 3 months                  | 51,934                        | 62,412         | 64,650               | 124,629        |
| 3 to 6 months                    | 22,267                        | 25,556         | 44,431               | 46,598         |
| 6 to 12 months                   | 20,574                        | 22,201         | 143,623              | 81,257         |
| 1 to 2 years                     | 14,419                        | 14,623         | 18,378               | 48,178         |
| 2 to 3 years                     | 4,780                         | 5,083          | 65,427               | 19,025         |
| 3 to 4 years                     | 3,328                         | 4,471          | 10,521               | 19,671         |
| 4 to 5 years                     | 1,257                         | 616            | 23,367               | 13,977         |
| 5+ years                         | (186)                         | 565            | 18,768               | 14,115         |
| <b>Total</b>                     | <b>118,373</b>                | <b>135,527</b> | <b>460,272</b>       | <b>442,896</b> |

## Notes to the consolidated financial statements (continued)

### 4.7 Capital management risk

Capital risk is the risk that capital is insufficient or not of the best form to provide a buffer against losses arising from unanticipated events, while also maximising the efficient use of capital with a view to enhancing growth and returns, and adding long-term value to Tower's shareholders.

Tower has a documented description of its capital management process which sets out Tower's principles, approaches, and processes in relation to capital management that enables it to operate at an appropriate level of target solvency capital which is within the bounds of Tower's risk appetite.

The capital management process allows the Board, management, rating agencies and the regulator to understand Tower's approach to capital management, including requirements for formulating capital targets, and monitoring, reporting and remediating capital as required.

The operation of the capital management process is reported annually to the Board together with a forward-looking estimate of expected capital utilisation and capital resilience. In addition, Tower carries out stress, reverse stress and scenario testing to ensure the level of capital is appropriate given its risk appetite.

#### a. Regulatory solvency capital

The Reserve Bank of New Zealand (RBNZ) is the prudential regulator and supervisor of all insurers carrying on insurance business in New Zealand, and is responsible for administering the Insurance (Prudential Supervision) Act 2010. Tower measures the adequacy of capital against the Solvency Standards published by the RBNZ alongside additional capital held to meet RBNZ minimum requirements and any further capital as determined by the Board.

Foreign operations are subject to regulatory oversight in the relevant jurisdiction. It is Tower's policy to ensure that each of the licenced insurers in the Group maintain an adequate capital position within the requirements of the relevant regulator.

During the year ended 30 September 2025 the Group complied with all externally imposed capital requirements (2024: complied).

Tower has applied the RBNZ's new Interim Solvency Standard (ISS) from 1 October 2023, and calculated its solvency position in accordance with the updated ISS effective from 1 March 2025, which represents the mandatory regulatory framework currently in force. Any future amendments to the ISS will be adopted once issued and effective.

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

|                                                                          | 2025<br>\$000      |                | 2024<br>\$000                      |         |
|--------------------------------------------------------------------------|--------------------|----------------|------------------------------------|---------|
|                                                                          | PREPARED UNDER ISS |                | PREPARED UNDER ISS (PRIOR VERSION) |         |
|                                                                          | PARENT             | GROUP          | PARENT                             | GROUP   |
| Solvency capital                                                         | 296,427            | 314,579        | 323,834                            | 339,139 |
| Adjusted prescribed capital requirement (2024: Minimum solvency capital) | 207,410            | 205,487        | 152,474                            | 148,547 |
| <b>Adjusted solvency margin (2024: Solvency margin)</b>                  | <b>89,017</b>      | <b>109,092</b> | 171,360                            | 190,592 |
| <b>Adjusted solvency ratio (2024: Solvency ratio)</b>                    | <b>143%</b>        | <b>153%</b>    | 212%                               | 228%    |

The 30 September 2024 comparative is per the prior period audited financial statements prepared in accordance with the previous version of the RBNZ's ISS. The current amended version became effective on 1 March 2025.

#### b. Financial strength rating

Tower Limited has an insurer financial strength rating of "A- (Excellent)" and a long-term issuer credit rating of "a-" as affirmed by international rating agency AM Best Company Inc. in April 2025.

## Notes to the consolidated financial statements (continued)

### 4.8 Operational risk

Operational risk is the risk of loss due to inadequate or failed internal processes or systems, human error or from external events.

Tower's approach is to proactively manage our operational risks to mitigate potential customer detriment, regulatory or legal censure, financial and reputational impacts.

Tower has in place appropriate operational processes and systems, including prevention and detection measures. These include processes which seek to ensure Tower can absorb and/or adapt to internal or external occurrences that could disrupt business operations.

Management and staff are responsible for identifying, assessing, recording and managing operational risks in accordance with their roles and responsibilities. Associated controls actively monitored and managed through our enterprise risk management system (ERMS). Incidents are managed by the first line of defence and overseen by the second line of defence, with ongoing reporting to management and the Board Risk Committee.

Tower also maintains and regularly updates its Crisis Management, Business Continuity and Disaster Recovery Plans to minimise the impact of material incidents or crisis events and to support continuity of critical systems and processes.

### 4.9 Regulatory and compliance risk

Regulatory and compliance risk is defined as the risk of legal, regulatory or reputational impacts arising from failure to manage compliance obligations, or failure to anticipate and prepare for changes in the regulatory environment.

Tower, via its ERMS, has in place an obligations management framework. The framework provides operational and managerial oversight of applicable and relevant regulatory compliance obligations to Tower and supports Tower in discharging its obligations under legislation across NZ and the Pacific.

Tower engages with regulators and regularly monitors developments in regulatory requirements to support ongoing compliance.

### 4.10 Conduct risk

Conduct risk is defined as the risk of not meeting customers' reasonable expectations.

Tower manages Conduct risk through a number of measures including undertaking ongoing product reviews to ensure products meet the requirements and objectives of customer, reviewing customer feedback to identify conduct trends or issues, completing quality assurance reviews, supporting vulnerable customers, embedding and monitoring controls across the business to deliver fair customer treatment.

Tower's approach to delivering fair customer treatment is outlined in Tower's Fair Conduct Programme, developed in accordance with requirements in the Financial Markets (Conduct of Institutions) Amendment Act 2022.

### 4.11 Cyber risk

Cyber risk is any risk associated with financial loss, disruption or damage to the reputation of Tower resulting from either the failure, or unauthorised or erroneous use of its information systems.

Tower's approach to Cyber risk is to proactively protect against, monitor for and respond to those cyber threats seen to be targeting the organisation. Tower continues to monitor evolving key cyber risks, which are discussed and reviewed on a monthly basis through our Management Risk and Conduct Committee and on a quarterly basis with the Risk Committee. Risk mitigation is achieved through ongoing investment in Tower's security programme and Tower's dedicated security function.

## Notes to the consolidated financial statements (continued)

### 4.12 Environment, Social and Governance (ESG) risk

Tower Limited's ESG risks and opportunities are identified and prioritized through our Materiality Assessment and Risk Management Framework (RMF). They form the basis for Tower's Sustainability Framework and include climate-related risk outlined below.

#### a. Climate-related risk

Climate- related risk relates to the physical and transitional impacts of climate change. Physical risks are associated with an increasing frequency and severity of severe weather events, sea level rise and coastal inundation. Transitional risks are related to potential social, political and economic changes as New Zealand and the World transition to low emission and climate resilient economies.

As a listed, licensed New Zealand insurer Tower qualifies as a climate reporting entity (CRE) under the Financial Markets Conduct Act 2013 and the Aotearoa New Zealand Climate Standards (NZ CS 1, NZ CS 2 and NZ CS 3) published by the XRB in December 2022 (CRD Regime). Tower's climate statement was prepared alongside the FY25 financial statements and annual report. These disclosures have been made available on Tower's website, the New Zealand Stock Exchange (NZX), and the Australian Stock Exchange (ASX). The climate statement covers Tower's New Zealand and Pacific operations and responds to the XRB Aotearoa New Zealand Climate Standards.

Tower's RMF considers climate-related risks, which are regularly reported to the Board. Tower's approach to managing climate-related risk includes continuing to expand our risk-based pricing strategy for climate-related hazards, maintaining a robust reinsurance programme to provide protection from volatility in weather events, planning for increasing large events over time in our budget process to limit financial impacts, and supporting communities through climate change via product development.

Other than the impact on liability for incurred claims, Tower considers that climate change risk does not materially impact the valuation of Tower's assets and liabilities, where these assets or liabilities are expected to be realised in one year or less. For non-current assets, Tower has looked to its short-medium term forecasting, which implicitly includes allowances for the risk of climate change in forecasts of the severity and frequency of future claims, including large events. These forecasts show continued profitability for Tower, which supports the carrying value of non-current assets. Accordingly, Tower does not consider that climate change risk has a material impact on the assets and liabilities recorded in these financial statements, as at 30 September 2025 (2024: no impact).

## 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

|                                                          | NOTE | 2025<br>\$000      | 2024<br>\$000      |
|----------------------------------------------------------|------|--------------------|--------------------|
| Opening balance                                          |      | 460,734            | 460,315            |
| Capital return (including costs of the capital return)   |      | (45,548)           | –                  |
| Share rights issued under Tower Long-Term Incentive Plan | 8.5  | 2,038              | 419                |
| <b>Total contributed equity</b>                          |      | <b>417,224</b>     | <b>460,734</b>     |
| <i>Represented by:</i>                                   |      |                    |                    |
| Opening balance (number of shares)                       |      | 379,483,987        | 379,483,987        |
| Issue of new shares under Tower Long-Term Incentive Plan |      | 1,128,138          | –                  |
| Cancellation of shares on capital return                 |      | (38,060,062)       | –                  |
| <b>Total shares on issue</b>                             |      | <b>342,552,063</b> | <b>379,483,987</b> |

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.

1,128,138 Ordinary shares were issued during the period to the Group's former CEO as part of the Company's Long Term Incentive Plan. This constituted a modification to the plan as per note 8.5.

On 20 March 2025 the Group implemented its capital return which resulted in 38.1m shares being cancelled. Total payments in relation to the capital return included \$45.1m paid to shareholders, plus transaction costs. As part of the capital return \$0.1m was paid to related parties, being key management personnel, on the same basis as other shareholders of Tower Limited.

## Notes to the consolidated financial statements (continued)

### 5.2 Reserves

|                                                          | 2025<br>\$000    | 2024<br>\$000 |
|----------------------------------------------------------|------------------|---------------|
| Opening balance                                          | (3,996)          | (3,098)       |
| Currency translation differences arising during the year | 2,501            | (898)         |
| <b>Foreign currency translation reserve</b>              | <b>(1,495)</b>   | (3,996)       |
| <b>Capital reserve</b>                                   | <b>11,990</b>    | 11,990        |
| <b>Separation reserve*</b>                               | <b>(113,000)</b> | (113,000)     |
| <b>Reserves</b>                                          | <b>(102,505)</b> | (105,006)     |

\* The separation reserve was created in 2007 at the time of the demerger of the New Zealand and Australian businesses in accordance with a ruling provided by the Australian Tax Office (ATO). It will be carried forward indefinitely as a non-equity reserve to meet the requirements of the ATO.

#### Recognition and measurement

The assets and liabilities of entities whose functional currency is not the New Zealand dollar are translated at the exchange rates ruling at reporting date. Income and expense items are translated at a weighted average of exchange rates over the period approximating spot rates at the transaction dates. Exchange rate differences are taken to the foreign currency translation reserve.

### 5.3 Net tangible assets per share

|                               | 2025<br>CENTS | 2024<br>CENTS |
|-------------------------------|---------------|---------------|
| Net tangible assets per share | 78            | 73            |

Net tangible assets per share have been calculated using the net assets as per the consolidated balance sheet adjusted for intangible assets (including goodwill) and deferred tax divided by total shares on issue.

### 5.4 Earnings per share

|                                                                                                               | 2025          | 2024        |
|---------------------------------------------------------------------------------------------------------------|---------------|-------------|
| Profit from continuing operations attributable to shareholders (\$ thousands)                                 | 83,673        | 70,884      |
| Profit from discontinued operations attributable to shareholders (\$ thousands)                               | –             | 3,401       |
| <b>Total profit attributable to shareholders (\$ thousands)</b>                                               | <b>83,673</b> | 74,285      |
| Weighted average number of ordinary shares for basic earnings per share                                       | 359,813,701   | 378,217,127 |
| Weighted average number of dilutive potential ordinary shares issued under the Tower Long-Term Incentive Plan | 3,938,032     | 3,225,794   |
| Weighted average number of ordinary shares for diluted earnings per share                                     | 363,751,733   | 381,442,920 |
| <b>Basic earnings per share (cents) for continuing operations</b>                                             | <b>23.3</b>   | <b>18.7</b> |
| Diluted earnings per share (cents) for continuing operations                                                  | 23.0          | 18.6        |
| <b>Basic earnings per share (cents)</b>                                                                       | <b>23.3</b>   | <b>19.6</b> |
| Diluted earnings per share (cents)                                                                            | 23.0          | 19.5        |

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.

### 5.5 Dividends

On 30 January 2025, Tower paid a final dividend of 6.5 cents per share in respect of the 2024 financial year, totalling \$24.7m.

On 26 June 2025, Tower paid an interim dividend of 8.0 cents per share, in respect of the 2025 financial year, totalling \$27.4m.

## Notes to the consolidated financial statements (continued)

### 6 Other consolidated balance sheet items

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

#### 6.1 Property, plant and equipment

|                                      | OFFICE<br>EQUIPMENT &<br>FURNITURE<br>\$000 | MOTOR<br>VEHICLES<br>\$000 | COMPUTER<br>EQUIPMENT<br>\$000 | TOTAL<br>\$000 |
|--------------------------------------|---------------------------------------------|----------------------------|--------------------------------|----------------|
| <b>30 September 2025</b>             |                                             |                            |                                |                |
| <b>Composition:</b>                  |                                             |                            |                                |                |
| Cost                                 | 7,436                                       | 1,545                      | 5,407                          | 14,388         |
| Accumulated depreciation             | (3,176)                                     | (1,199)                    | (4,047)                        | (8,422)        |
| <b>Property, plant and equipment</b> | <b>4,260</b>                                | <b>346</b>                 | <b>1,360</b>                   | <b>5,966</b>   |
| <b>Reconciliation:</b>               |                                             |                            |                                |                |
| Opening balance                      | 4,770                                       | 326                        | 1,639                          | 6,735          |
| Depreciation                         | (744)                                       | (205)                      | (1,050)                        | (1,999)        |
| Additions                            | 181                                         | 250                        | 783                            | 1,214          |
| Disposals                            | (125)                                       | (32)                       | (67)                           | (224)          |
| Foreign exchange movements           | 178                                         | 7                          | 55                             | 240            |
| <b>Closing Balance</b>               | <b>4,260</b>                                | <b>346</b>                 | <b>1,360</b>                   | <b>5,966</b>   |

|                                      | OFFICE<br>EQUIPMENT &<br>FURNITURE<br>\$000 | MOTOR<br>VEHICLES<br>\$000 | COMPUTER<br>EQUIPMENT<br>\$000 | TOTAL<br>\$000 |
|--------------------------------------|---------------------------------------------|----------------------------|--------------------------------|----------------|
| <b>30 September 2024</b>             |                                             |                            |                                |                |
| <b>Composition:</b>                  |                                             |                            |                                |                |
| Cost                                 | 7,261                                       | 1,524                      | 4,646                          | 13,431         |
| Accumulated depreciation             | (2,491)                                     | (1,198)                    | (3,007)                        | (6,696)        |
| <b>Property, plant and equipment</b> | <b>4,770</b>                                | <b>326</b>                 | <b>1,639</b>                   | <b>6,735</b>   |
| <b>Reconciliation:</b>               |                                             |                            |                                |                |
| Opening balance                      | 4,123                                       | 608                        | 1,549                          | 6,280          |
| Depreciation                         | (623)                                       | (241)                      | (1,002)                        | (1,866)        |
| Additions                            | 1,360                                       | 33                         | 1,092                          | 2,485          |
| Disposals                            | (1)                                         | (26)                       | –                              | (27)           |
| Foreign exchange movements           | (89)                                        | (48)                       | –                              | (137)          |
| <b>Closing Balance</b>               | <b>4,770</b>                                | <b>326</b>                 | <b>1,639</b>                   | <b>6,735</b>   |

#### Recognition and measurement

Property, plant and equipment (PPE) is initially recorded at cost including transaction costs and subsequently measured at cost less any accumulated depreciation and impairment losses.

Depreciation is calculated using the straight line method to allocate the asset's cost or revalued amounts, net of any residual amounts, over their useful lives. The assets' useful lives are reviewed and adjusted if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if it is considered that the carrying amount is greater than its recoverable amount.

|                                 |            |
|---------------------------------|------------|
| Furniture & fittings            | 5-9 years  |
| Leasehold property improvements | 3-12 years |
| Motor vehicles                  | 5 years    |
| Computer equipment              | 3-5 years  |

## Notes to the consolidated financial statements (continued)

### 6.2 Intangible assets

#### a. Amounts recognised in the consolidated balance sheet

| 30 September 2025                             | GOODWILL<br>\$000 | SOFTWARE AND<br>WORK IN PROGRESS<br>\$000 | CUSTOMER<br>RELATIONSHIPS<br>\$000 | TOTAL<br>\$000 |
|-----------------------------------------------|-------------------|-------------------------------------------|------------------------------------|----------------|
| <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,<br>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>  |

\* During the year ended 30 September 2025, additions to software assets primarily related to continued investment in Tower's core insurance platform, particularly, digitisation of claims processes. The overall claims transformation programme expected to complete in FY26 and deliver significant value to Tower through more efficient claims handling and cost control. Other noticeable additions relate to the implementation of an address transformation solution, risk based pricing and contact centre platform uplift, which are expected to deliver value by way of GWP growth, better underwriting outcomes by avoiding high-risk areas and improving overall accuracy, improved customer experience and operational savings through automation.

\*\* During the year, an impairment loss was recognized on computer software and 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 determined to be nil as at the reporting date. Consequently, the carrying amount of these assets has been fully written down to zero.

| 30 September 2024                             | GOODWILL<br>\$000 | SOFTWARE AND<br>WORK IN PROGRESS<br>\$000 | CUSTOMER<br>RELATIONSHIPS<br>\$000 | TOTAL<br>\$000 |
|-----------------------------------------------|-------------------|-------------------------------------------|------------------------------------|----------------|
| <b>Composition:</b>                           |                   |                                           |                                    |                |
| Cost                                          | 17,744            | 107,977                                   | 40,674                             | 166,395        |
| Accumulated amortisation                      | –                 | (47,122)                                  | (22,652)                           | (69,774)       |
| <b>Intangible Assets</b>                      | <b>17,744</b>     | <b>60,855</b>                             | <b>18,022</b>                      | <b>96,621</b>  |
| <b>Reconciliation:</b>                        |                   |                                           |                                    |                |
| Opening balance                               | 17,744            | 57,326                                    | 23,454                             | 98,524         |
| Amortisation                                  | –                 | (13,837)                                  | (5,432)                            | (19,269)       |
| Additions*                                    | –                 | 18,392                                    | –                                  | 18,392         |
| Disposals                                     | –                 | (47)                                      | –                                  | (47)           |
| Transfers to property,<br>plant and equipment | –                 | (979)                                     | –                                  | (979)          |
| <b>Closing Balance</b>                        | <b>17,744</b>     | <b>60,855</b>                             | <b>18,022</b>                      | <b>96,621</b>  |

\* During the year ended 30 September 2024, additions to software assets primarily related to continued investment in Tower's core insurance platform and website, and digitisation of claims processes. Total software additions in the year ended 30 September 2024 includes \$10.8m (2023: \$9.6m) of internally generated assets.

## Notes to the consolidated financial statements (continued)

### 6.2 Intangible assets (continued)

#### a. Amounts recognised in the balance sheet (continued)

##### Recognition and measurement

Intangible assets are assets without physical substance. They are recognised as an asset if it is probable that expected future economic benefits attributable to the asset will flow to Tower and that costs can be measured reliably.

Application software and customer relationships are recorded at cost less accumulated amortisation and impairment. Application software is amortised on a straight line basis over the estimated useful life of the software. Customer relationships are amortised over the estimated useful life in accordance with the pattern of economic benefit consumption.

Internally generated intangible assets are recorded at cost which comprise all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Amortisation of internally generated intangible assets begins when the asset is available for use and is amortised on a straight line basis over the estimated useful life.

The useful lives for each category of intangible assets with a finite life are as follows:

- capitalised software: 3-5 years for general use computer software and 3-10 years for core operating system software
- customer relationships: 5-10 years

Goodwill (i.e. assets with an indefinite useful life) generated as a result of business acquisition is initially measured as the excess of the purchase consideration over the fair value of the net identifiable assets and liabilities acquired. Goodwill is not subject to amortisation but is tested for impairment annually or more frequently where there are indicators of impairment.

##### Critical accounting estimates and judgements

The customer relationships asset predominantly consists of customer relationship assets with a useful life equivalent to the customer base's expected lifespan of ten years with the exception of one asset (acquired in 2021) with an additional non-compete component that has a contracted useful life of five years.

Where applicable the estimated capitalised cost related to the customer relationships asset has been apportioned between the two asset components by valuing the non-compete at the differential in net present value of the asset from improved customer retention over the non-compete period, pro-rated over the full asset value.

#### b Impairment testing

An impairment charge is recognised in profit or loss when the carrying value of the asset, or cash-generating unit (CGU), exceeds the calculated recoverable amount.

##### (i) Software and customer relationships

Software and customer relationships are reviewed at each reporting date by determining whether there is an indication that the carrying values may be impaired. If an indication exists, the asset is tested for impairment. A loss is recognised for the amount by which the carrying value exceeds the asset's recoverable value.

Certain software assets and work in progress were written off during the year as they are no longer expected to have future benefits, due to operational changes. Apart from this, there were no indications of impairment during the year and therefore other assets were not tested for impairment (2024: no indications).

## Notes to the consolidated financial statements (continued)

### 6.2 Intangible assets (continued)

#### b. Impairment testing (continued)

##### (iii) Goodwill

Goodwill is deemed to have an indefinite useful life and is tested annually for impairment or more frequently where there is an indication that the carrying value may not be recoverable.

Goodwill is allocated to cash generating units (CGUs) expected from synergies arising from the acquisition giving rise to goodwill. Tower's goodwill is allocated to the New Zealand general insurance CGU.

Tower undertook an annual impairment review and no impairment has been recognised as a result (2024: nil).

#### Critical accounting estimates and judgements

The recoverable amount of the New Zealand general insurance business is assessed by determining its value in use by discounting the future cash flows generated from the continuing use of the CGU. A discount rate of 11.4% was used in the calculation (2024: 11.9%). The cash flows are based on Board-approved management plans and forecasted profits for FY26 - FY28 (2024: FY25 - FY27). The projected cash flows are determined based on past performance and management's expectations for market developments with a terminal growth rate of 2.5% (2024: 2.5%).

The overall valuation is sensitive to a range of assumptions including management's forecasted profits, the discount rate and the terminal growth rate. Reasonable changes to these assumptions would not result in an impairment.

### 6.3 Leases

#### a. Amounts recognised in the balance sheet

##### (i) Right-of-use assets

|                                | OFFICE SPACE  |               |
|--------------------------------|---------------|---------------|
|                                | 2025<br>\$000 | 2024<br>\$000 |
| <b>Composition:</b>            |               |               |
| Cost                           | 30,628        | 29,814        |
| Accumulated depreciation       | (13,471)      | (9,824)       |
| <b>Right-of-use assets</b>     | <b>17,157</b> | <b>19,990</b> |
| <b>Reconciliation:</b>         |               |               |
| Opening balance                | 19,990        | 23,204        |
| Depreciation                   | (3,910)       | (4,096)       |
| Additions                      | 65            | 65            |
| Disposals                      | –             | (89)          |
| Revaluations                   | 318           | 518           |
| Net foreign exchange movements | 694           | 388           |
| <b>Right-of-use assets</b>     | <b>17,157</b> | <b>19,990</b> |

#### Recognition and measurement

Right-of-use assets are recognised when Tower has the right to use the corresponding assets. Right-of-use assets are measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received; and indirect costs; and restoration costs. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

## Notes to the consolidated financial statements (continued)

### 6.3 Leases (continued)

#### a. Amounts recognised in the balance sheet (continued)

##### (ii) Lease liabilities

|                          | 2025<br>\$000 | 2024<br>\$000 |
|--------------------------|---------------|---------------|
| <b>Composition:</b>      |               |               |
| Current                  | 5,197         | 4,909         |
| Non-current              | 20,349        | 23,946        |
| <b>Lease liabilities</b> | <b>25,546</b> | <b>28,855</b> |
| Due within 1 year        | 5,197         | 4,909         |
| Due within 1 to 2 years  | 5,135         | 4,782         |
| Due within 2 to 5 years  | 13,116        | 13,309        |
| Due after 5 years        | 3,742         | 8,114         |
| Discount                 | (1,644)       | (2,259)       |
| <b>Lease liabilities</b> | <b>25,546</b> | <b>28,855</b> |

#### Recognition and measurement

Lease liabilities are recognised at the date Tower has the right to use the corresponding asset. Lease liabilities are initially measured as the present value of expected lease payments under lease arrangements. Lease liability will include any option to extend where it is reasonably certain that the option will be exercised. The lease payments are discounted using the incremental borrowing rate as the interest rate in the lease cannot be readily determined.

Subsequent repayments are split between principal and interest cost where the finance cost represents the time value of money and is charged to the profit or loss over the lease period. The discount rate applied is unchanged from that applied at the initial recognition of the lease, unless there are material changes to the lease.

#### b. Amounts recognised in the consolidated statement of comprehensive income

|                             | CLASSIFICATION            | 2025<br>\$000  | 2024<br>\$000  |
|-----------------------------|---------------------------|----------------|----------------|
| Depreciation and impairment | Insurance service expense | (3,910)        | (4,096)        |
| Interest expense            | Finance costs             | (744)          | (882)          |
| <b>Lease expense</b>        |                           | <b>(4,654)</b> | <b>(4,978)</b> |

#### c. Amounts recognised in the consolidated statement of cash flows

|                                                  | 2025<br>\$000 | 2024<br>\$000 |
|--------------------------------------------------|---------------|---------------|
| Total cash out flow for lease principal payments | (5,138)       | (5,064)       |

## Notes to the consolidated financial statements (continued)

### 7 Tax

This section provides information on Tower's tax expense during the year and its position at reporting date.

#### 7.1 Tax expense

| Composition                              | 2025<br>\$000 | 2024<br>\$000 |
|------------------------------------------|---------------|---------------|
| Current tax                              | 35,311        | 2,948         |
| Deferred tax (benefit)/expense           | (1,346)       | 29,274        |
| Adjustments in respect of prior years    | 109           | 11            |
| <b>Tax expense</b>                       | <b>34,074</b> | <b>32,233</b> |
| Tax expense from continuing operations   | 34,074        | 31,774        |
| Tax expense from discontinued operations | –             | 459           |

| <b>Reconciliation of prima facie tax to income tax expense</b> | 2025<br>\$000  | 2024<br>\$000  |
|----------------------------------------------------------------|----------------|----------------|
| Profit before tax from continuing operations                   | 117,747        | 102,658        |
| Profit before tax from discontinued operations                 | –              | 3,860          |
| <b>Profit before taxation</b>                                  | <b>117,747</b> | <b>106,518</b> |
| Prima facie tax expense at 28% (2024: 28%)                     | 32,969         | 29,825         |
| Adjustments in respect of prior years                          | 109            | 11             |
| Tax effect of non-deductible expenses and non-taxable income   | (462)          | 1,641          |
| Foreign tax credits written off                                | 359            | 218            |
| Other                                                          | 1,099          | 538            |
| <b>Tax expense</b>                                             | <b>34,074</b>  | <b>32,233</b>  |

#### Recognition and measurement

Tax expense is calculated on the basis of the applicable tax rates that have been enacted or substantively enacted at the end of the reporting period in the jurisdictions Tower operates in. There have been no tax rate changes during the year in these jurisdictions. Current tax expense relates to tax payable for the current financial reporting period while deferred tax will be payable in future periods.

#### 7.2 Current tax

##### a. Current tax asset

|                                            | 2025<br>\$000 | 2024<br>\$000 |
|--------------------------------------------|---------------|---------------|
| Excess tax payments in New Zealand*        | –             | 11,766        |
| Excess tax payments in the Pacific Islands | 1,031         | 1,456         |
| <b>Current tax asset</b>                   | <b>1,031</b>  | <b>13,222</b> |

\* Historic New Zealand tax payments are fully recovered in 2025.

##### b. Current tax liability

|                                                           | 2025<br>\$000   | 2024<br>\$000 |
|-----------------------------------------------------------|-----------------|---------------|
| Tax payable to the tax authorities in the Pacific Islands | (31)            | (606)         |
| Tax payable to the New Zealand tax authority              | (20,574)        | –             |
| <b>Current tax liabilities</b>                            | <b>(20,605)</b> | <b>(606)</b>  |

#### Recognition and measurement

Current tax are measured at the amount expected to be recovered from or payable to the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

## Notes to the consolidated financial statements (continued)

### 7.3 Deferred tax

#### a. Deferred tax assets

| Composition                                               | 2025<br>\$000 | 2024<br>\$000 |
|-----------------------------------------------------------|---------------|---------------|
| Tax losses recognised                                     | 571           | 1,079         |
| Software, property, plant, equipment and other            | 300           | 1,041         |
| Leases                                                    | 7,123         | 8,080         |
| Provisions and accruals                                   | 4,557         | 3,828         |
| <b>Recognised in profit or loss</b>                       | <b>12,551</b> | <b>14,028</b> |
| Impact through other comprehensive income                 | 772           | –             |
| <b>Recognised in comprehensive profit or loss</b>         | <b>13,323</b> | <b>14,028</b> |
| Set-off of deferred tax liabilities pursuant to NZ IAS 12 | (11,956)      | (13,646)      |
| <b>Deferred tax asset</b>                                 | <b>1,367</b>  | <b>382</b>    |
| <b>Deferred tax asset from continuing operations</b>      | <b>1,367</b>  | <b>382</b>    |

| Reconciliation of movements                        | 2025<br>\$000 | 2024<br>\$000 |
|----------------------------------------------------|---------------|---------------|
| Opening balance                                    | 14,028        | 42,948        |
| Movements recognised in other comprehensive income | 772           | –             |
| Movements recognised in profit or loss             | (1,477)       | (28,920)      |
| <b>Deferred tax asset pre NZ IAS 12 set off</b>    | <b>13,323</b> | <b>14,028</b> |

#### b. Deferred tax liability

| Composition                                               | 2025<br>\$000   | 2024<br>\$000   |
|-----------------------------------------------------------|-----------------|-----------------|
| Insurance acquisition cash flows                          | (10,374)        | (9,211)         |
| Customer relationships                                    | (3,087)         | (4,002)         |
| Software, property, plant and equipment                   | (3,601)         | (6,079)         |
| Leases                                                    | (6,326)         | (7,362)         |
| Other*                                                    | (1,151)         | (708)           |
| <b>Recognised in profit or loss</b>                       | <b>(24,539)</b> | <b>(27,362)</b> |
| Set-off of deferred tax liabilities pursuant to NZ IAS 12 | 11,956          | 13,646          |
| <b>Deferred tax liability</b>                             | <b>(12,583)</b> | <b>(13,716)</b> |

\* Primarily relates to deferred tax items in the Pacific islands.

| Reconciliation of movements                           | 2025<br>\$000   | 2024<br>\$000   |
|-------------------------------------------------------|-----------------|-----------------|
| Opening balance                                       | (27,362)        | (27,008)        |
| Movements recognised in profit or loss                | 2,823           | (354)           |
| <b>Deferred tax liabilities pre NZ IAS 12 set off</b> | <b>(24,539)</b> | <b>(27,362)</b> |

## Notes to the consolidated financial statements (continued)

### 7.3 Deferred tax (continued)

#### b. Deferred tax liability (continued)

##### Recognition and measurement

Deferred tax is income tax which is expected to be payable or recoverable in the future as a result of the unwinding of temporary differences. These arise from differences in the recognition of assets and liabilities for financial reporting and from the filing of income tax returns. Deferred tax is recognised on all temporary differences, other than those arising from (i) goodwill or (ii) from the initial recognition of assets and liabilities in a transaction (other than in a business combination) that affects neither the accounting nor taxable profit or loss.

At the reporting date, the Group has recognised deferred tax assets in respect of its unused tax losses of \$0.6m in the Pacific Islands (2024: \$3.8m).

Deferred tax is calculated at the tax rates that are expected to apply to the year when the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted at reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

### 7.4 Imputation credits

The Group imputation credit account reflects the imputation credits held by the Company as the representative member of the Group.

|                                                                      | 2025<br>\$000 | 2024<br>\$000 |
|----------------------------------------------------------------------|---------------|---------------|
| Imputation credits available for use in subsequent reporting periods | 10,893        | –             |

## 8 Other information

This section includes additional required disclosures.

### 8.1 Notes to the consolidated statement of cash flows

| Composition                       | 2025<br>\$000 | 2024<br>\$000 |
|-----------------------------------|---------------|---------------|
| Cash at bank                      | 71,047        | 51,931        |
| Deposits at call                  | –             | 23,459        |
| <b>Cash and cash equivalents*</b> | <b>71,047</b> | <b>75,390</b> |

\* The average interest rate at 30 September 2025 for deposits is 2.56% (2024: 4.24%).

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 30 September 2025, this included NZD 3.7m (2024: NZD 7.4m) held in Papua New Guinea and NZD 3.8m (2024: NZD 3.3m) held in the Solomon Islands following the sale of the disposal groups. This cash is not currently available for use outside of these countries.

In accordance with the amendments to IAS 21, Tower assessed the exchangeability of the Papua New Guinean Kina (PGK) and the Solomon Islands Dollar (SBD) at the reporting date. Although observable exchange rates were available at each month-end, restrictions on the timely conversion and transfer of funds were identified, indicating that these currencies were not fully exchangeable in practice.

Where exchangeability was deemed lacking, Tower used the observable spot exchange rate without adjustment, as it was considered to reflect the rate at which an orderly transaction could occur between market participants under prevailing conditions.

**Risks:** Tower is exposed to risks including delays in repatriating funds, potential devaluation, and limitations on the use of cash for group-wide liquidity purposes.

Management continues to monitor developments in these jurisdictions and has implemented controls to mitigate financial exposure.

## Notes to the consolidated financial statements (continued)

### 8.1 Notes to the consolidated statement of cash flows (continued)

| <b>Reconciliation of profit for the year to cash flows from operating activities</b> | <b>2025<br/>\$000</b> | <b>2024<br/>\$000</b> |
|--------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Profit after taxation                                                                | 83,673                | 74,285                |
| <b>Adjusted for non-cash items</b>                                                   |                       |                       |
| Depreciation of property, plant and equipment                                        | 1,933                 | 1,866                 |
| Depreciation and disposals of right-of-use assets                                    | 3,910                 | 4,096                 |
| Impairment and amortisation of intangible assets                                     | 24,057                | 19,269                |
| Financing costs                                                                      | 744                   | 885                   |
| Fair value losses on financial assets                                                | (3,351)               | (4,034)               |
| Share rights issued under Tower Long-Term Incentive Plan                             | 1,982                 | 419                   |
| Change in deferred tax                                                               | (2,119)               | 29,280                |
| Change in foreign exchange                                                           | 814                   | 759                   |
| <b>Adjusted for investing activities</b>                                             |                       |                       |
| Loss on disposal of fixed assets                                                     | (69)                  | (30)                  |
| Loss on disposal of discontinued operation                                           | –                     | (1,988)               |
| Investment expenses                                                                  | 547                   | 250                   |
| <b>Adjusted for movements in working capital</b>                                     |                       |                       |
| Change in receivables                                                                | 7,726                 | (4,379)               |
| Change in payables and provisions                                                    | (3,646)               | 19,613                |
| Change in insurance contract liabilities                                             | (21,941)              | (113,363)             |
| Change in reinsurance contract assets                                                | 14,603                | 116,317               |
| Change in taxation payable                                                           | 34,899                | 1,942                 |
| <b>Net cash inflow from operating activities</b>                                     | <b>143,762</b>        | <b>145,187</b>        |
| Net cash inflow from operating activities from continuing operations                 | 143,762               | 141,315               |
| Net cash inflow from operating activities from discontinued operations               | –                     | 3,872                 |

### 8.2 Related party disclosures

Tower considers key management personnel to consist of the Board of Directors, Chief Executive Officer and executive leadership team. Information regarding individual director and executive compensation is provided in the Corporate Governance section of the annual report.

|                                                 | <b>2025<br/>\$000</b> | <b>2024<br/>\$000</b> |
|-------------------------------------------------|-----------------------|-----------------------|
| Salaries and other short term employee benefits | 7,708                 | 4,974                 |
| Long term benefits                              | 525                   | 428                   |
| Termination benefits                            | 340                   | 215                   |
| Director fees                                   | 634                   | 648                   |
| <b>Related party remuneration</b>               | <b>9,207</b>          | <b>6,265</b>          |

Tower insurance products are available to all key management personnel on the same terms as available to other employees. In addition, Tower purchases indemnity insurance for all directors both past and present covering liabilities and legal expenses incurred whilst in office.

The amounts presented above do not include premiums for directors' indemnity insurance or transactions relating to insurance products provided on standard employee terms.

The Board implemented a share-based long-term incentive plan with effect from 7 December 2022. Refer note 8.5.

## Notes to the consolidated financial statements (continued)

### 8.3 Auditor's remuneration

#### a. Fees incurred for services provided by PwC New Zealand

|                                                                     | 2025<br>\$000 | 2024<br>\$000 |
|---------------------------------------------------------------------|---------------|---------------|
| Audit and review of the financial statements of the Group           | 570           | 838           |
| Audit or review related services*                                   | 48            | 55            |
| Other assurance services**                                          | 58            | 30            |
| <b>Total fees incurred for services provided by PwC New Zealand</b> | <b>676</b>    | <b>923</b>    |

\* Fee in relation to assurance over the annual solvency return of Tower Limited

\*\* Fee in relation to assurance services over scope 1 and 2 greenhouse gas (GHG) emissions disclosure. (2024: Includes fees in relation to GHG emissions assurance preconditions assessment.)

#### b. Fees incurred for services provided by Grant Thornton Fiji (2024 - PwC Fiji)

|                                                                                           | 2025<br>\$000 | 2024<br>\$000 |
|-------------------------------------------------------------------------------------------|---------------|---------------|
| Audit of the financial statements of subsidiaries                                         | 134           | 159           |
| Audit related services*                                                                   | 7             | 23            |
| <b>Total fees incurred for services provided by Grant Thornton Fiji (2024 - PwC Fiji)</b> | <b>141</b>    | <b>182</b>    |

\* This include fees in relation to assurance over the regulatory returns of Tower Insurance (Fiji) Limited. (2024: includes assurance over the regulatory returns of Tower Insurance (Fiji) Limited and Solomon Island branch).

### 8.4 Discontinued operations

The Group completed the sale of its Solomon Islands and Vanuatu operations during the year ended 30 September 2024. These operations were classified as discontinued in FY24, and full disclosures were provided in Note 8.4 of the prior year financial statements.

During the year ended 30 September 2025, the Group finalised completion accounting related to these disposals. The resulting adjustments to the gain on sale have been recognised in the current period.

No operations have been classified as discontinued in the current financial year.

### 8.5 Tower Long-Term Incentive Plan

The Group has a long-term incentive plan which is intended to align the interests of management and shareholders.

#### Recognition and measurement

The Tower Long-Term Incentive Plan is considered to be an equity settled scheme under NZ IFRS 2 Share-based Payments and the vesting conditions for the scheme include both service and performance conditions.

The costs associated with this plan are measured at fair value at grant date and are recognised as an expense in profit or loss over the vesting period, with a corresponding entry to a reserve in equity. The estimate of the number of rights for which the service conditions are expected to be satisfied is revised at each reporting date, with any cumulative catch-up adjustment recognised in profit or loss in the period that the change in estimate occurred. Any rights not vested after the expiry date are cancelled.

The plan provides selected eligible employees with Restricted Share Rights (RSRs), which 'vest' over a three-year period, during which participants must remain employed by the Group and performance conditions must be met as follows.

Share Rights vest if Tower's Total Shareholder Return (TSR) sits at or above the 50th percentile of the NZX 50 index ranked by TSR over the same period:

- Where the Company TSR equals the 50th percentile TSR of the index companies over the performance period, 50% of the share rights will vest.
- Where the Company TSR equals or exceeds the 75th percentile TSR of the index companies over the performance period, 100% of the share rights will vest
- Where the Company TSR over the performance period exceeds the 50th percentile TSR of the index companies but does not reach the 75th percentile, then between 50% and 100% of the share rights will vest as determined on a straight line progression basis.

## Notes to the consolidated financial statements (continued)

### 8.5 Tower Long-Term Incentive Plan (continued)

During the year the following movements of rights to shares occurred in accordance with the rules of the plan:

|                                                         | 2025                           | 2024                           |
|---------------------------------------------------------|--------------------------------|--------------------------------|
|                                                         | NUMBER OF SHARE RIGHTS (RSR'S) | NUMBER OF SHARE RIGHTS (RSR'S) |
| Share Rights outstanding at the beginning of the period | 4,411,580                      | 1,946,557                      |
| Share Rights granted during the period                  | 1,206,987                      | 2,612,452                      |
| Share Rights forfeited during the period                | (967,211)                      | (147,429)                      |
| Share Rights vested and settled during the period       | (1,128,138)                    | –                              |
| Share Rights outstanding at the end of the period       | 3,523,218                      | 4,411,580                      |

The weighted average remaining contractual life for share rights outstanding under the plan is 1.3 years (2024: 1.8 years).

During the year, following the resignation of the former CEO, the Board exercised its discretion under the plan rules to allow unvested awards to vest on a pro-rata basis, subject to the following modifications:

- (i) Awards vested pro-rata on 31 January 2025.
- (ii) TSR performance hurdles were retained but evaluated as at 31 January 2025.
- (iii) A restriction was placed on selling shares on the NZX for six months, except to fund any tax obligations.

The restriction on sale was imposed on 13 February 2025 and did not confer any additional benefit to the former CEO. Therefore, no further consideration is required under NZ IFRS 2. The other modifications were determined to have occurred on 8 November 2024. Valuations performed before and after the modification using a Monte Carlo simulation determined that no incremental fair value was created. Accordingly, the remaining cost of the original awards was accelerated, resulting in an expense of \$0.3 million recognised during the year (2024: Nil).

The assessed fair value of the rights granted during the year was 79 cents (2024: 40 cents). This was calculated using a Monte Carlo share price simulation model and key inputs to model are as below:

| Assumptions                                    | 2025    | 2024    |
|------------------------------------------------|---------|---------|
| Share price at grant date (dollars)            | 1.41    | 0.69    |
| 10 Day volume weighted average price (dollars) | 1.33    | 0.59    |
| Exercise Price                                 | Nil     | Nil     |
| Option life                                    | 3 years | 3 years |
| Risk-free rate                                 | 3.83%   | 4.51%   |
| Expected volatility                            | 23%     | 20%     |

The expected price volatility is based on annualised price volatility for the four years prior to the grant date.

The total share-based payment expense during the year was \$0.7m (2024: \$0.4m).

There were no liabilities arising from share-based payment transactions at reporting date (2024: nil).

The plan allows participants to request a PAYE Election, under which they may ask Tower to make payment to the IRD to settle their PAYE liability subject to Tower being reimbursed by the participant. Tower is not required to accept any participant's request for a PAYE Election. Tower has not entered into any agreed PAYE Election arrangements during the year.

### 8.6 Contingent liabilities

#### Claims and disputes

The Group is occasionally subject to claims and disputes 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.

### 8.7 Capital commitments

As at 30 September 2025, Tower has nil capital commitments (2024: nil).

### 8.8 Subsequent events

On 27 November 2025, the Board approved a final dividend of 16.5 cents per share, with the dividend being payable on 30 January 2026 for approximately \$56.5m. There were no other subsequent events.



## Independent auditor's report

To the shareholders of Tower Limited

### Our opinion

In our opinion, the accompanying consolidated financial statements (the financial statements) of Tower Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 30 September 2025, its financial performance, and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

### What we have audited

The Group's financial statements comprise:

- the consolidated balance sheet as at 30 September 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our capacity as auditor and assurance practitioner, our firm also provides other assurance services. 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.

## Independent auditor's report (continued)

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Description of the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Valuation of the liability for incurred claims (2025: \$118,373,000; 2024: \$135,527,000)</b></p> <p>We considered the valuation of the liability for incurred claims a key audit matter as it involves an estimation process combined with significant judgements and assumptions, made by the Group, to determine the balance.</p> <p>The liability for incurred claims relates to claims incurred under groups of insurance contracts, as at and prior to the reporting date, which have not been paid. The liability includes:</p> <ul style="list-style-type: none"> <li>• an estimate of the present value of future cash outflows to settle claims; and</li> <li>• a risk adjustment for non-financial risk.</li> </ul> <p>There is uncertainty over the amount that reported claims, and claims incurred at the reporting date but not yet reported to the Group, will ultimately be settled at. The estimation process relies on the quality of underlying claims data and the use of informed estimates to determine the quantum of the ultimate future cash flows.</p> <p>Key actuarial assumptions applied in the valuation of future cash flows include:</p> <ul style="list-style-type: none"> <li>• expected future claims development;</li> <li>• claims handling expense ratios;</li> <li>• future Canterbury Earthquake overcap property claims; and</li> <li>• discount rate.</li> </ul> <p>Changes in assumptions can lead to significant movements in the liability for incurred claims. A risk adjustment allows for the inherent uncertainty in the amount and timing of the cash flows that arise from non-financial risk related to a group of insurance contracts. In determining the risk adjustment, the Group makes judgements about the level of required capital to support the insurance business, claims experience of business classes, volatility of each class of business written and the correlation between different geographical locations. Refer to note 2.4 to the financial statements.</p> | <p>Our audit procedures included obtaining an understanding of key claims and actuarial processes and controls, including key data reconciliations and the Group's review of the actuarial estimates of the liability for incurred claims.</p> <p>Claims data is the key input to the actuarial estimate. Accordingly, we evaluated the design effectiveness and tested key controls over claims processing.</p> <p>On a sample basis, we:</p> <ul style="list-style-type: none"> <li>• assessed claim case estimates at year end to check that they were supported by an appropriate management assessment and documentation, and correctly classified to relevant claim type;</li> <li>• assessed the accuracy of the previous claim case estimates by comparing to the actual amount settled during the year and assessed the changes in the claim case estimate to determine whether such change was based on new information available during the year;</li> <li>• inspected claims paid during the year to confirm that they are supported by appropriate documentation;</li> <li>• agreed key attributes of insurance contract information to each underlying contract to determine the level of aggregation and groups used for valuation purposes; and</li> <li>• tested the integrity of data used in the actuarial models by agreeing relevant model inputs, such as claims data, to source data.</li> </ul> <p>Together with our actuarial experts, we:</p> <ul style="list-style-type: none"> <li>• considered the work and findings of the Group's Actuaries;</li> <li>• evaluated the actuarial models and methodologies used, by comparing to generally accepted models and methodologies applied in the sector and to the prior year, seeking justification for any variances;</li> <li>• assessed key actuarial judgements and assumptions and challenged them by comparing with our expectations based on the Group's historical claims experience, our own sector knowledge and independently observable industry trends (where applicable);</li> </ul> |

## Independent auditor's report (continued)

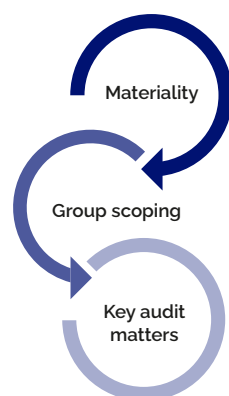
### Description of the key audit matter

### How our audit addressed the key audit matter

- tested on a sample basis, the underlying calculations in certain valuation models;
- evaluated the relevant underlying calculation used to derive the risk adjustment, including the significant assumptions, against our own knowledge of the Group's business and independently observable market inputs (where applicable); and
- assessed the appropriateness of presentation and disclosures in the financial statements against the requirements of the accounting standards.

## Our audit approach

### Overview



Overall Group materiality: \$5.9 million, which represents approximately 1% of Insurance revenue.

We chose insurance revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark for insurance companies. The application of approximately 1% is based on our professional judgement, noting that it is also within the range of commonly accepted revenue related thresholds.

A full scope audit was performed for the Company based on its financial significance to the Group. Specified audit procedures were performed on financial statement line items of certain subsidiaries and analytical review procedures were performed on remaining Group entities.

As reported above, we have one key audit matter, being:

- Valuation of the liability for incurred claims.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures, and to evaluate the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

## Independent auditor's report (continued)

### How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the financial statements

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

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/>

This description forms part of our auditor's report.

### Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's 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 audit work, for this report, or for the opinions we have formed.

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

For and on behalf of:



PricewaterhouseCoopers  
27 November 2025

Auckland

## Appointed actuary's report



27 November 2025

The Directors  
Tower Limited  
136 Fanshawe Street  
Auckland 1010

Dear Directors

### Review of Actuarial Information contained in the financial statements

Finity Consulting Pty Limited (Finity) has been asked by Tower Limited (Tower) to carry out a review of the 30 September 2025 Actuarial Information contained in the financial statements and used in their preparation and to provide an opinion as to the appropriateness of this information. This letter sets out the findings of our review, as required under Section 78 of the Insurance (Prudential Supervision) Act 2010 (the Act).

Geoff Atkins is an employee of Finity and is the Appointed Actuary to Tower. Finity has no relationship with Tower apart from being a provider of actuarial services.

We prepared the actuarial valuation of liabilities remaining from the Canterbury Earthquakes and reviewed the actuarial valuations of incurred claims liabilities and reinsurance recoverables for the New Zealand business and the Pacific Islands businesses. We also reviewed the assessment of onerous contracts. The scope of our review was as required by Section 77 of the Act.

Having carried out the review, nothing has come to our attention that would lead us to believe that the Actuarial Information used in the financial statements or their preparation, or the determination of the solvency position for Tower as at 30 September 2025 is inappropriate.

In our opinion the company has maintained a solvency margin in excess of the minimum required as at 30 September 2025.

No limitations were placed on us in performing our review and all data and information requested was provided.

The report is being provided for the sole use of Tower for the purpose stated above. It is not intended, nor necessarily suitable, for any other purpose and should only be relied on for the purpose for which it is intended..

Yours sincerely



**Geoff Atkins** (Appointed Actuary)  
Fellow of the New Zealand Society  
of Actuaries



**Anagha Pasche**  
Fellow of the New Zealand  
Society of Actuaries

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# Underlying profit reconciliation

## Reconciliation between underlying profit after tax and reported profit after tax\*

|                                             | FY25<br>UNDERLYING<br>PROFIT<br>\$M | NON-<br>UNDERLYING<br>ITEMS <sup>(1)</sup><br>\$M | MANAGEMENT<br>EXPENSE<br>RECLASSES <sup>(2)</sup><br>\$M | RECLASS OF<br>REINSURANCE<br>EXPENSES <sup>(3)</sup><br>\$M | RECLASS OF<br>REINSURANCE &<br>OTHER RECOVERY<br>REVENUES <sup>(4)</sup><br>\$M | FY25<br>REPORTED<br>PROFIT<br>\$M |
|---------------------------------------------|-------------------------------------|---------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------------------------|-----------------------------------|
| Gross written premium                       | 599.8                               |                                                   |                                                          |                                                             |                                                                                 |                                   |
| <b>Insurance revenue</b>                    | <b>597.1</b>                        | <b>(2.7)</b>                                      |                                                          |                                                             |                                                                                 | <b>594.3</b>                      |
| Reinsurance expense                         | (80.1)                              |                                                   |                                                          | 80.1                                                        |                                                                                 |                                   |
| <b>Net insurance revenue</b>                | <b>517.0</b>                        | <b>(2.7)</b>                                      | <b>0.0</b>                                               | <b>80.1</b>                                                 | <b>0.0</b>                                                                      |                                   |
| BAU claims expense                          | (213.6)                             | (11.0)                                            | (29.8)                                                   |                                                             | 1.8                                                                             |                                   |
| Large event claims expense                  | (7.2)                               |                                                   |                                                          |                                                             |                                                                                 |                                   |
| Management expenses                         | (153.0)                             | (13.9)                                            | 28.8                                                     |                                                             |                                                                                 |                                   |
| Net commission expense                      | (9.2)                               |                                                   |                                                          |                                                             | (4.4)                                                                           |                                   |
| <b>Insurance service expense</b>            | <b>(383.1)</b>                      | <b>(24.9)</b>                                     | <b>(1.0)</b>                                             | <b>0.0</b>                                                  | <b>(2.6)</b>                                                                    | <b>(411.6)</b>                    |
| Net expense from reinsurance contracts held |                                     |                                                   |                                                          | (80.1)                                                      | 2.6                                                                             | (77.5)                            |
| <b>Insurance service result</b>             | <b>133.9</b>                        | <b>(27.6)</b>                                     | <b>(1.0)</b>                                             | <b>0.0</b>                                                  | <b>0.0</b>                                                                      | <b>105.2</b>                      |
| Net investment income                       | 19.2                                |                                                   |                                                          |                                                             |                                                                                 | 19.2                              |
| Net insurance finance expense               | (1.6)                               |                                                   |                                                          |                                                             |                                                                                 | (1.6)                             |
| Other income and expenses                   | (1.5)                               | (4.6)                                             | 1.0                                                      |                                                             |                                                                                 | (5.1)                             |
| <b>Underlying profit before tax</b>         | <b>150.0</b>                        |                                                   |                                                          |                                                             |                                                                                 |                                   |
| Income tax expense                          | (42.8)                              | 8.7                                               |                                                          |                                                             |                                                                                 | (34.1)                            |
| <b>Underlying profit after tax</b>          | <b>107.2</b>                        |                                                   |                                                          |                                                             |                                                                                 |                                   |
| Canterbury impact                           | (7.9)                               | 7.9                                               |                                                          |                                                             |                                                                                 |                                   |
| Other non-underlying costs                  | (15.7)                              | 15.7                                              |                                                          |                                                             |                                                                                 |                                   |
| <b>Reported profit after tax</b>            | <b>83.7</b>                         | <b>0.0</b>                                        | <b>0.0</b>                                               | <b>0.0</b>                                                  | <b>0.0</b>                                                                      | <b>83.7</b>                       |

\* This reconciliation is unaudited and provided for informational purposes only.

(1) Non-underlying items include net impact of customer remediation provision increase and related costs, Canterbury earthquake valuation update, 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.

## 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

# Corporate governance at Tower



This section of the Annual Report provides an overview of the corporate governance principles, policies and processes adopted and followed by Tower's Board (Board) during the year ending 30 September 2025 (FY25).

The Board is committed to achieving high standards of corporate governance, ethical behaviour, and accountability. When there are developments in corporate governance practices, the Board reviews these against Tower's practices and updates them where appropriate, including seeking external advice to encourage an environment of continuous improvement in Board performance.

For the reporting period to 30 September 2025, the Board considers that Tower's corporate governance practices have materially adhered to the NZX Corporate Governance Code (NZX Code). Further information about the extent to which Tower has complied with each of the NZX Code recommendations is set out in Tower's corporate governance statement, available on Tower's website at [tower.co.nz/investor-centre](https://tower.co.nz/investor-centre).

## Statutory disclosures

### Diversity

#### Gender diversity

The below table provides a quantitative breakdown as to the gender composition of Tower's Directors and Officers, and other employee groups as at 30 September 2025, compared to 30 September 2024, including subsidiaries. The Executive Leadership Team includes the Chief Executive Officer and those employees who report directly to him. The Senior Leadership Team refers to employees in remuneration band 8 and above. Total company figures exclude the Board of Directors, and include permanent and fixed term employees, and the employees of Tower's Pacific Island subsidiaries:

| GROUP                            | 30 SEPTEMBER 2025 |            | 30 SEPTEMBER 2024 |            |
|----------------------------------|-------------------|------------|-------------------|------------|
|                                  | % GROUP           | NUMBER     | % GROUP           | NUMBER     |
| <b>Board of Directors</b>        |                   |            |                   |            |
| Males                            | 60%               | 3          | 80%               | 4          |
| Females                          | 40%               | 2          | 20%               | 1          |
| Gender Diverse                   | 0%                | 0          | 0%                | 0          |
| <b>Executive Leadership team</b> |                   |            |                   |            |
| Males                            | 50%               | 5          | 50%               | 5          |
| Females                          | 40%               | 4          | 50%               | 5          |
| Gender Diverse                   | 0%                | 0          | 0%                | 0          |
| Prefer not to disclose           | 0%                | 0          | 0%                | 0          |
| Did not disclose                 | 10%               | 1          | 0%                | 0          |
| <b>Senior Leadership team</b>    |                   |            |                   |            |
| Males                            | 51%               | 26         | 60%               | 29         |
| Females                          | 39%               | 20         | 33%               | 16         |
| Gender Diverse                   | 2%                | 1          | 0%                | 0          |
| Prefer not to disclose           | 4%                | 2          | 6%                | 3          |
| Did not disclose                 | 4%                | 2          | 0%                | 0          |
| <b>Employees</b>                 |                   |            |                   |            |
| Males                            | 34%               | 307        | 34%               | 294        |
| Females                          | 63%               | 567        | 62%               | 532        |
| Gender Diverse                   | 1%                | 6          | 1%                | 6          |
| Prefer not to disclose           | 2%                | 14         | 3%                | 25         |
| Did not disclose                 | 1%                | 11         | 0%                | 0          |
| <b>Total company</b>             |                   |            |                   |            |
| Males                            | 35%               | 338        | 36%               | 328        |
| Females                          | 61%               | 591        | 60%               | 553        |
| Gender Diverse                   | 1%                | 7          | 1%                | 6          |
| Prefer not to disclose           | 2%                | 16         | 3%                | 28         |
| Did not disclose                 | 1%                | 14         | 0%                | 0          |
| <b>Total employees</b>           |                   | <b>966</b> |                   | <b>915</b> |

## Evaluation from the Board on Tower's performance with respect to diversity and inclusion

Tower has a Diversity Equity and Inclusion Policy, which outlines Tower's commitment to diversity, equity and inclusion, and provides principles and approaches to cultivate a respectful and inclusive environment.

The Policy notes that the Company actively seeks to increase diversity in all its forms, including but not limited to race, ethnicity, gender identity, experience, education, sexual orientation, age, disability, neurodiversity, socio-economic status and cultural background.

The Board has delegated to its People, Remuneration and Appointments Committee the responsibility to review the Company's performance against measurable objectives for achieving diversity and inclusion, pursuant to the Diversity, Equity and Inclusion policy.

In furtherance of those goals, in FY25, the Company included performance objectives attached to inclusion, equity and diversity goals for senior leadership.

Employee Representative Groups continued to strengthen engagement and broaden opportunities for sharing diverse perspectives, supported by investment in the two new Fiji groups during FY25. Tower aimed to:

- Maintain diversity and inclusion engagement target of 8.8 for both ethnic and gender diverse populations. The Company achieved an engagement result of 8.8 for the year ending 30 September 2025.
- Have 25% of employees engaged in at least one Employee Representative Group. 31% of employees participated in a Tower Employee Representative Group this year.
- Maintain our 0.0% (+/- 0.9%) Pay Equity gap. Tower has maintained this with a Pay Equity gap of 0.3% (men are paid 0.3% more than women for the same role in New Zealand).
- Reduce overall New Zealand pay gap by 1% (from 20.2%). This goal was achieved, with Tower's New Zealand pay gap reducing by 3.7% to 16.5%.
- Continued reporting and analysis of Māori and Pacific pay equity analysis for New Zealand based employees for the People, Remuneration and Appointment Committee.
- Improve retention of diverse talent. This year Tower elected to focus entirely on Fiji with 100% of participants on our Talent Acceleration Programme being Pasifika. 62% of participants identify as female. Overall retention of participants in the talent programmes is 100%, compared to 85% in FY24.

The Board considers that in FY25, the Company has continued to increase diversity in all its forms across the business.

## Board and Committee Composition

During FY25 the Board comprised the following members:

Michael Stiassny (Chair)

Graham Stuart (*retired 11 February 2025*)

Marcus Nagel

Geraldine McBride

Mike Cutter

Naomi Ballantyne (*from 21 May 2025*)

## Director independence

The Board has determined, based on information provided by directors regarding their interests, and criteria for independence benchmarked against the FMA, RBNZ and NZX independence requirements, that at 30 September 2025, all directors were independent. The Board had previously considered that Mr Nagel was not independent due to his relationship with Tower's largest shareholder. However, following the sell-down of that shareholding, the Board has determined that there are no factors which create a Disqualifying Relationship in terms of the Listing Rules or Corporate Governance Code which apply to Mr Nagel, and he is now considered to be independent.

The Board has also considered the independence of Mr Stiassny, noting that his tenure as director now exceeds 12 years. Having regard to tenure, and other factors which may tend to imply a Disqualifying Relationship, including relationships with shareholders and management, the Board remains satisfied that Mr Stiassny is independent.

## Board Committees

During FY25 the Board had the following Committees:

### Audit Committee

Members: Graham Stuart (Chair) *until 11 February 2025*, Mike Cutter (Chair) *from 12 February 2025*, Naomi Ballantyne *from 21 May 2025*, Geraldine McBride, Marcus Nagel, Michael Stiasny

### Risk Committee

Members: Geraldine McBride (Chair), Naomi Ballantyne *from 21 May 2025*, Mike Cutter, Marcus Nagel, Michael Stiasny, Graham Stuart *until 11 February 2025*

### People, Remuneration & Appointments Committee

Members: Michael Stiasny (Chair), Naomi Ballantyne *from 21 May 2025*, Mike Cutter, Geraldine McBride, Marcus Nagel, Graham Stuart *until 11 February 2025*

### Results Sub-Committee

Members: Michael Stiasny (Chair) *28 November 2024, 20 May 2025*, Graham Stuart *28 November 2024*, Mike Cutter *20 May 2025*

## Board and Committee meeting attendance

Director attendance at Board and Committee meetings held from 1 October 2024 to 30 September 2025 is set out below:

|                   | BOARD | AUDIT<br>COMMITTEE | RISK<br>COMMITTEE | PEOPLE, REMUNERATION<br>AND APPOINTMENTS<br>COMMITTEE | RESULTS SUB-<br>COMMITTEE |
|-------------------|-------|--------------------|-------------------|-------------------------------------------------------|---------------------------|
| Meetings held     | 10    | 5                  | 5                 | 5                                                     | 2                         |
| Michael Stiasny   | 10    | 4                  | 4                 | 5                                                     | 2                         |
| Graham Stuart     | 2     | 3                  | 3                 | 2                                                     | 1                         |
| Marcus Nagel      | 10    | 5                  | 5                 | 5                                                     |                           |
| Geraldine McBride | 10    | 5                  | 5                 | 5                                                     |                           |
| Mike Cutter       | 10    | 5                  | 5                 | 5                                                     | 1                         |
| Naomi Ballantyne  | 4     | 1                  | 1                 | 1                                                     |                           |

In addition to meetings, the Board held a two-day strategy session in July, attended by Directors, members of the Executive Leadership Team and various speakers and experts.

## Remuneration

### Director Remuneration

The Board's approach is to remunerate directors at a similar level to comparable Australasian companies, with a small premium to reflect the complexity of the insurance and financial services sector. At the Annual Shareholders' Meeting in February 2004 shareholders approved a maximum payment of NZ\$900,000 per annum for director fees.

Tower seeks external advice when reviewing Board remuneration. The Remuneration and Appointments Committee is responsible for assisting directors with the review of directors' fees. Remuneration is considered through the lens of the Director and Executive Remuneration Policy to ensure that directors and executives are remunerated in a fair and reasonable manner, and that such remuneration is transparently communicated to relevant stakeholders.

Annual fees as approved by the Board with effect from 1 October 2020 are:

| TOWER LIMITED BOARD/COMMITTEE FEES              | CHAIR (NZ\$) | MEMBER (NZ\$)                   |
|-------------------------------------------------|--------------|---------------------------------|
| Base fee – Board of directors                   | 180,000      | 100,000                         |
| Audit Committee                                 | 10,000       | (included in base Director fee) |
| Risk Committee                                  | 10,000       | (included in base Director fee) |
| People, Remuneration and Appointments Committee | –            | (included in base Director fee) |

The total remuneration received by each director for the year ended 30 September 2025 is set out below (NZ\$, and exclusive of GST, if any):

#### REMUNERATION AND BENEFITS RECEIVED BY TOWER LIMITED DIRECTORS IN THE YEAR ENDED 30 SEPTEMBER 2025

|                   |         |
|-------------------|---------|
| Michael Stiasny   | 180,000 |
| Graham Stuart     | 47,596  |
| Geraldine McBride | 110,000 |
| Marcus Nagel      | 100,000 |
| Mike Cutter*      | 112,053 |
| Naomi Ballantyne  | 37,499  |

\* Mr Cutter received an inadvertent overpayment when he became Chair of the Audit Committee. This overpayment has been corrected, and the correction will be reflected in the FY26 annual report.

**REMUNERATION AND BENEFITS RECEIVED BY TOWER SUBSIDIARY DIRECTORS  
IN THE YEAR ENDED 30 SEPTEMBER 2025**

|                                                                                                                                                |                       |
|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Isikeli Tikoduadua, Director Tower Insurance (Fiji) Limited and Southern Pacific Insurance Company (Fiji) Limited                              | 18,000 Fijian Dollars |
| Barry Whiteside, Director Tower Insurance (Fiji) Limited and Southern Pacific Insurance Company (Fiji) Limited, Tower Insurance (Fiji) Limited | 20,000 Fijian Dollars |
| Michael Yee Joy*, Director, Tower Insurance (Fiji) Limited & Chair of the Audit & Risk Committee, Tower Insurance (Fiji) Limited               | 22,500 Fijian Dollars |

\* Mr Yee Joy received an additional payment for services provided in FY24, for which remuneration had not previously been paid.

Directors of Tower Limited and its subsidiaries are reimbursed for out of pocket expenses incurred in the course of their activities as directors, including travel and other expenses. As these expenses are not in the nature of remuneration or benefits, they are not listed here.

No employee of Tower Limited or its subsidiaries who acts as a director of a subsidiary receives any remuneration for their role as a director of that subsidiary. The number of employees who receive remuneration of more than \$100,000 is included in the remuneration table on [page 96](#) of this report.

**CEO and Senior Executive Remuneration**

In FY25, Tower received external and independent advice from EY on the CEO's remuneration, including market benchmarking against comparable New Zealand companies. EY's advice was sought in order to gauge actual and forecast movements within the market, and to assess the levels of fixed and target total remuneration to pay its CEO. EY reported to the board on this advice.

The Chief Executive Officer remuneration package consists of base salary, a Short Term Incentive (STI) and a Long Term Incentive (LTI).

**Mr Turnbull's Remuneration**

Former Chief Executive Officer Blair Turnbull resigned effective 12 February 2025. No increase was made to his FY24 base salary, which was \$681,575, plus a 3% KiwiSaver contribution. In addition, he received Life Insurance and Income Protection Insurance as part of Tower's group scheme available to all permanent employees working at least 15 hours a week.

Mr Turnbull's exit package comprised: the base salary until 12 February 2025; six months salary in lieu of notice (\$340,787.50); plus any accrued/entitled holiday pay and KiwiSaver. He also received pro-rated outcomes based on months completed (through 31 January 2025) for his FY22, FY23 and FY24 LTI schemes, which are summarised in the table below.

**CEO's Long Term Incentives**

| GRANT YEAR | PERFORMANCE PERIOD         | NUMBER OF SHARE RIGHTS ISSUED | VALUE OF GRANT ON GRANT DATE (\$)¹ | PRO-RATA VESTING TO 31 JAN 2025 | NUMBER OF SHARE RIGHTS VESTED | VALUE OF VESTED LTI OUTCOMES² |
|------------|----------------------------|-------------------------------|------------------------------------|---------------------------------|-------------------------------|-------------------------------|
| FY24       | 7 Dec 2023 to 6 Dec 2026   | 1,155,509                     | \$657,888                          | 40.00%                          | 449,365                       | \$638,098                     |
| FY23       | 7 Dec 2022 to 6 Dec 2025   | 939,840                       | \$986,832                          | 73.33%                          | 678,773                       | \$963,858                     |
| FY22       | 1 Oct 2021 to 30 Sept 2025 | N/A – Cash scheme             | \$650,000                          | 83.33%                          | N/A – Cash scheme             | \$541,667                     |

## Mr Johnston's Remuneration

Paul Johnston commenced as Chief Executive Officer on 16 June 2025, after acting as Interim Chief Executive Officer between 13 February 2025 and 15 June 2025 following Mr Turnbull's departure.

Mr Johnston's FY25 base salary in respect of his role as Chief Executive Officer is \$681,000, plus a 3% employer KiwiSaver contribution. In addition, Mr Johnston receives Life Insurance and Income Protection Insurance as part of Tower's group scheme available to all permanent employees working at least 15 hours a week.

## Variable Remuneration

Mr Johnston is eligible for a maximum STI of \$322,090 (reflecting his CFO, Acting CEO and CEO roles) based on performance against a company scorecard that includes financial targets, customer metrics and employee engagement. In FY25, Mr Johnston was awarded an STI payment of \$277,992 based on a company scorecard against targets of 71.6%, as detailed below:

| PILLAR             | MEASURE          | %   | THRESHOLD<br>(30%) | TARGET<br>(60%) | MAXIMUM<br>(100%) | FY25<br>ACTUAL | SCORECARD<br>OUTCOME |
|--------------------|------------------|-----|--------------------|-----------------|-------------------|----------------|----------------------|
| Financial<br>(75%) | Underlying NPAT  | 45% | \$50m              | \$54m           | \$65m             | \$107.2m       | 45%                  |
|                    | GWP              | 10% | \$645m             | \$656m          | \$675m            | \$600m         | -                    |
|                    | MER              | 10% | 29.5%              | 28.8%           | 27.8%             | 31.4%          | -                    |
|                    | BAU Claims Ratio | 10% | 50.5%              | 49.2%           | 48.4%             | 41.0%          | 10%                  |
| Customer<br>(20%)  | NPS              | 10% | 37                 | 41              | 44                | 44             | 10%                  |
|                    | Retention        | 10% | 78%                | 79%             | 80%               | 78.2%          | 3.6%                 |
| People<br>(5%)     | Engagement       | 5%  | 8.1                | 8.2             | 8.3               | 8.2            | 3.0%                 |
| Company Outcome    |                  |     |                    |                 |                   |                | 71.6%                |

The STI was calculated based on a blended salary pro-rated for Mr Johnston's time in role as Chief Financial Officer, Acting Chief Executive Officer and Chief Executive Office throughout the year. As allowed in the scheme rules, the Board exercised its discretion to apply a multiplier of 1.2x to the scheme outcomes, reflecting NPAT being above threshold. A multiplier ranging from 1.2x to 1.4x was applied to all scheme participants.

As Chief Financial Officer, Mr Johnston received 218,606 unvested share rights pursuant to the FY25 LTI plan that vests based on Tower's Total Shareholder Return performance relative to the performance of companies within the NZX50 index. The details of the LTI scheme are included in the Corporate Governance Statement.

No further LTI grants were made to him in respect of his appointment as CEO.

## Mr Johnston's Long Term Incentives

| GRANT<br>YEAR | PERFORMANCE PERIOD                      | NUMBER OF<br>SHARE RIGHTS ISSUED<br>ON GRANT DATE | VALUE OF<br>SHARE RIGHTS<br>ON GRANT DATE (\$) | STATUS   |
|---------------|-----------------------------------------|---------------------------------------------------|------------------------------------------------|----------|
| FY25          | 12 December 2024 to<br>11 December 2027 | 218,606                                           | \$290,745                                      | Unvested |
| FY24          | 7 December 2023 to<br>6 December 2026   | 462,712                                           | \$273,000                                      | Unvested |
| FY23          | 7 December 2022 to<br>6 December 2025   | 222,858                                           | \$156,000                                      | Unvested |

## Employee remuneration

The table below sets out the number of employees or former employees of Tower and its subsidiaries (excluding directors and former directors) who received remuneration and other benefits valued at or exceeding \$100,000 for the years ended 30 September 2024 and 2025. Tower has not previously included its subsidiaries in this reporting. Remuneration includes base salary, performance payments and redundancy or other termination payments. The 2025 figures include company contributions of 3% of gross earnings for those individuals who are members of a KiwiSaver scheme. The remuneration bands are expressed in New Zealand Dollars:

| FROM    | TO      | FY25 | FY24 | FROM         | TO        | FY25       | FY24       |
|---------|---------|------|------|--------------|-----------|------------|------------|
| 100,000 | 109,999 | 36   | 36   | 350,000      | 359,999   | 2          | 1          |
| 110,000 | 119,999 | 36   | 31   | 360,000      | 369,999   | 1          | 0          |
| 120,000 | 129,999 | 22   | 35   | 370,000      | 379,999   | 1          | 0          |
| 130,000 | 139,999 | 38   | 31   | 380,000      | 389,999   | 1          | 0          |
| 140,000 | 149,999 | 34   | 29   | 390,000      | 399,999   | 1          | 0          |
| 150,000 | 159,999 | 29   | 28   | 410,000      | 419,999   | 2          | 2          |
| 160,000 | 169,999 | 25   | 14   | 420,000      | 429,000   | 2          | 1          |
| 170,000 | 179,999 | 19   | 4    | 430,000      | 439,999   | 1          | 0          |
| 180,000 | 189,999 | 7    | 8    | 440,000      | 449,999   | 0          | 2          |
| 190,000 | 199,999 | 9    | 5    | 450,000      | 459,000   | 3          | 1          |
| 200,000 | 209,999 | 3    | 4    | 470,000      | 479,999   | 0          | 1          |
| 210,000 | 219,999 | 2    | 5    | 600,000      | 609,999   | 1          | 0          |
| 220,000 | 229,999 | 3    | 3    | 610,000      | 619,999   | 0          | 1          |
| 230,000 | 239,999 | 2    | 2    | 640,000      | 649,000   | 1          | 0          |
| 240,000 | 249,999 | 4    | 2    | 650,000      | 659,999   | 0          | 1          |
| 250,000 | 259,999 | 3    | 0    | 660,000      | 669,000   | 1          | 0          |
| 260,000 | 269,999 | 5    | 4    | 670,000      | 679,999   | 1          | 0          |
| 270,000 | 279,999 | 2    | 4    | 680,000      | 689,999   | 0          | 1          |
| 280,000 | 289,999 | 3    | 3    | 700,000      | 709,000   | 0          | 0          |
| 290,000 | 299,999 | 1    | 1    | 730,000      | 739,999   | 1          | 0          |
| 300,000 | 309,999 | 0    | 1    | 740,000      | 749,999   | 1          | 0          |
| 310,000 | 319,999 | 0    | 1    | 880,000      | 889,000   | 1          | 0          |
| 320,000 | 329,999 | 2    | 1    | 1,100,000    | 1,109,999 | 1          | 0          |
| 330,000 | 339,999 | 1    | 1    | 1,600,000    | 1,609,999 | 1          | 0          |
| 340,000 | 349,999 | 0    | 0    | <b>Total</b> |           | <b>306</b> | <b>264</b> |

Auditor fees paid on behalf of Tower and its subsidiaries are disclosed in the financial statements.

## Security Holder Information

### Substantial product holders (as at 30 September 2025)

The names and holdings of Tower's substantial product holders based on notices filed with Tower under the Financial Markets Conduct Act 2013 at 30 September 2025 are:

| NAME                                        | TOTAL ORDINARY SHARES |
|---------------------------------------------|-----------------------|
| Accident Compensation Corporation           | 27,464,356            |
| Pacific International Insurance Pty Limited | 20,925,211*           |
| Forsyth Barr Investment Management Limited  | 17,151,296            |

\* Pacific International insurance Pty Limited filed an initial substantial holder notice, noting a holding of 22,072,615 shares. Tower Limited notes the capital return of March 2025, together with other trades not required to be disclosed, has reduced the shareholding from that initially disclosed.

These totals may differ from the shareholdings described in other sections on this report.

## Largest shareholders (30 September 2025)

The names and holdings of the 20 largest registered Tower shareholders on 30 September 2025 were:

|    |                                                                            | UNITS      | % UNITS |
|----|----------------------------------------------------------------------------|------------|---------|
| 1  | HSBC Nominees (New Zealand) Limited – NZCSD <Hkbn90>                       | 33,349,979 | 9.74    |
| 2  | Accident Compensation Corporation – NZCSD <Acci40>                         | 26,176,927 | 7.64    |
| 3  | Pacific International Insurance Pty Limited                                | 20,925,211 | 6.11    |
| 4  | Forsyth Barr Custodians Limited <1-Custody>                                | 19,934,396 | 5.82    |
| 5  | Citibank Nominees (New Zealand) Limited – NZCSD <Cnom90>                   | 16,889,035 | 4.93    |
| 6  | BNP Paribas Nominees (Nz) Limited – NZCSD <Bpss40>                         | 16,733,427 | 4.88    |
| 7  | Custodial Services Limited <A/C 4>                                         | 14,545,701 | 4.25    |
| 8  | Masfen Securities Limited                                                  | 12,500,000 | 3.65    |
| 9  | Lennon Holdings Limited                                                    | 11,890,765 | 3.47    |
| 10 | HSBC Nominees A/C NZ Superannuation Fund Nominees Limited – NZCSD <Supr40> | 10,111,945 | 2.95    |
| 11 | New Zealand Depository Nominee Limited <A/C 1 Cash Account>                | 9,476,181  | 2.77    |
| 12 | HSBC Custody Nominees (Australia) Limited                                  | 9,088,265  | 2.65    |
| 13 | JBWere (NZ) Nominees Limited <NZ Resident A/C>                             | 8,566,237  | 2.50    |
| 14 | HSBC Nominees (New Zealand) Limited A/C State Street – NZCSD <Hkbn45>      | 7,672,768  | 2.24    |
| 15 | Tea Custodians Limited Client Property Trust Account – NZCSD <Teac40>      | 6,873,649  | 2.01    |
| 16 | Forsyth Barr Custodians Limited <Account 1 E>                              | 5,363,496  | 1.57    |
| 17 | JP Morgan Nominees Australia Limited                                       | 4,381,958  | 1.28    |
| 18 | JPMorgan Chase Bank Na NZ Branch-Segregated Clients Acct – NZCSD <Cham24>  | 4,064,518  | 1.19    |
| 19 | Queen Street Nominees Ltd No.4 – NZCSD                                     | 3,319,258  | 0.97    |
| 20 | Pt (Booster Investments) Nominees Limited                                  | 3,277,224  | 0.96    |

## Securities held by directors

Until Tower's shareholders adopted a revised constitution at the annual shareholder meeting held in February 2024, directors were required to hold shares in the Company. At 30 September 2025, directors, or entities related to them held relevant interests (as defined in the Financial Markets Conduct Act 2013) in Tower Limited shares as follows:

### Ordinary shares

| DIRECTOR                                  | BENEFICIAL |
|-------------------------------------------|------------|
| Mike Cutter                               | 31,253     |
| Wongaling Pty Limited (Geraldine McBride) | 4,929      |
| Marcus Nagel                              | 50         |
| Michael Stiassny                          | 562,407    |

### Director trading in Tower securities

In FY25, directors who owned shares in Tower had shares cancelled as part of the capital return to shareholders. There were no other acquisitions or disposals of Tower shares by its directors.

|                                           | NUMBER OF SHARES CANCELLED<br>ON 20 MARCH 2025 | CONSIDERATION (\$NZ)<br>(\$1.1858 PER SHARE) |
|-------------------------------------------|------------------------------------------------|----------------------------------------------|
| Mike Cutter                               | 3,473                                          | 4,118.28                                     |
| Wongaling Pty Limited (Geraldine McBride) | 548                                            | 649.82                                       |
| Marcus Nagel                              | 6                                              | 7.11                                         |
| Michael Stiassny                          | 62,490                                         | 74,100.64                                    |

### Total voting securities

|                   | ORDINARY SHARES | NUMBER OF HOLDERS |
|-------------------|-----------------|-------------------|
| 30 September 2025 | 342,552,063     | 22,610            |

Tower's ordinary shares each carry a right to vote on any resolution on a poll at a meeting of shareholders. Holders of ordinary shares may vote at a meeting in person, or by proxy, representative or attorney.

## Shareholder analysis

Tower's shares are quoted on both the NZSX and ASX. At 30 September 2025 9,718 Tower shareholders held less than A\$500 of Tower shares (i.e., less than a marketable parcel as defined in the ASX Listing Rules), amounting to a total of 2,118,013 of the Tower shares on issue.

In comparison, a 'minimum holding' under the NZX Listing Rules means a holding of shares having a value of at least NZ\$1,000. At 30 September 2025 14,313 Tower shareholders held less than NZ\$1,000 of Tower Shares (being a parcel size of 572 at \$1.75 per share), amounting to a total of 4,094,569 of the Tower shares on issue.

| HOLDING RANGE    | TOTAL HOLDERS | UNITS              | % UNITS     |
|------------------|---------------|--------------------|-------------|
| 1 – 1,000        | 17,379        | 6,403,808          | 1.87%       |
| 1,001 – 5,000    | 3,467         | 7,208,469          | 2.10%       |
| 5,001 – 10,000   | 606           | 4,358,057          | 1.27%       |
| 10,001 – 100,000 | 947           | 29,042,075         | 8.48%       |
| 100,001 and over | 176           | 295,539,654        | 86.28%      |
| <b>Total</b>     | <b>22,575</b> | <b>342,552,063</b> | <b>100%</b> |

The address and telephone number of the office at which the register of Tower securities is kept is set out in the directory at the back of this Annual Report.

## Interests register

Tower and its subsidiaries are required to maintain an interests register in which the particulars of certain transactions and matters involving the directors must be recorded. The interests register for Tower Limited is available for inspection on request by shareholders. Tower's constitution provides that an 'interested' director may not vote on a matter in which he or she is interested unless the director is required to sign a certificate in relation to that vote pursuant to the Companies Act 1993, or the matter relates to a grant of an indemnity pursuant to section 162 of the Companies Act 1993.

During the year to 30 September 2025 pursuant to section 140 of the Companies Act 1993 Tower's directors disclosed new interests and cessations of interest as noted in the table below.

### Marcus Nagel

#### New Interests

|                                                   |                             |
|---------------------------------------------------|-----------------------------|
| MyLife Lebensversicherungs AG, Göttingen, Germany | Non-Executive Board Member  |
| LegalHero, Berlin, Germany                        | Non-Executive Board Member  |
| Summitas Beteiligungs GmbH, Munich, Germany       | Chairman                    |
| Yarowa AG, Zug, Switzerland                       | Senior Advisor to the Board |

### Naomi Ballantyne

|                          |          |
|--------------------------|----------|
| TAP Group Limited        | Director |
| DLI Asia Pacific Limited | Director |
| KNK Group Limited        | Director |

### Mike Cutter

#### New Interests

|                                    |                                               |
|------------------------------------|-----------------------------------------------|
| Revolut Payments Australia Limited | Director                                      |
|                                    | Chair of Risk Committee                       |
|                                    | Member of Remuneration & Nomination Committee |
|                                    | Member of Audit Committee                     |
| Revolut Australia NOHC Pty Limited | Director                                      |
|                                    | Chair of Risk Committee                       |
|                                    | Member of Remuneration & Nomination Committee |
|                                    | Member of Audit Committee                     |
| Fairway Group                      | Chair                                         |

### Michael Stiassny

#### New Interests

|                                  |          |
|----------------------------------|----------|
| Skyline Healthcare Group Limited | Director |
| Being AI Limited                 | Chairman |
| Momentum Life Limited            | Director |

#### Ceased Interests

|                                            |          |
|--------------------------------------------|----------|
| Morgan HoldCo Limited                      | Director |
| New Zealand Automotive Investments Limited | Director |

## Specific disclosures of interest

Directors also disclosed the monetary value of dividends received during the year.

### Tower Limited Final Dividend – declared 28 November 2024

|                                              | NATURE OF INTEREST                             | MONETARY VALUE* NZD |
|----------------------------------------------|------------------------------------------------|---------------------|
| Michael Stiassny                             | Shareholder of 624,897 shares in Tower Limited | \$40,618.31         |
| Graham Stuart                                | Shareholder of 202,500 shares in Tower Limited | \$13,162.50         |
| Mike Cutter                                  | Shareholder of 34,726 shares in Tower Limited  | \$2,257.19          |
| Wongaling Pty Limited<br>(Geraldine McBride) | Shareholder of 5,477 shares in Tower Limited   | \$356.01            |
| Marcus Nagel**                               | Shareholder of 56 shares in Tower Limited      | \$3.64              |

\* Based on a Dividend of NZ\$0.065 per share (declared on 28 November 2024)

\*\* Mr Nagel was nominated by Bain Capital Credit LP (Bain Capital) to represent Bain Capital's stake in Tower and his appointment was supported by the Tower Board. Bain Capital held a beneficial interest in 75,896,447 ordinary shares in Tower Limited, and will receive an interim dividend with a monetary value of -NZD 4,933,269.

### Tower Limited Interim Dividend – declared 20 May 2025

|                                              | NATURE OF INTEREST                             | MONETARY VALUE* NZD |
|----------------------------------------------|------------------------------------------------|---------------------|
| Michael Stiassny                             | Shareholder of 562,407 shares in Tower Limited | \$44,992.56         |
| Marcus Nagel                                 | Shareholder of 50 shares in Tower Limited      | \$4.71              |
| Mike Cutter                                  | Shareholder of 31,253 shares in Tower Limited  | \$2,941.46          |
| Wongaling Pty Limited<br>(Geraldine McBride) | Shareholder of 4,929 shares in Tower Limited   | \$394.32            |

\* Based on a Dividend of NZ\$0.080 per share (declared on 20 May 2025)

## Subsidiary company directors' interests

Directors of Tower's subsidiary companies made the following new entries into the interests register during FY25.

| Andrew Hambleton           |          |
|----------------------------|----------|
| College Woods Limited      | Director |
| Atawhai Apartments Limited | Director |
| G & A Investments Limited  | Director |
| FPD Investments Limited    | Director |

## Tower subsidiary company directors

Directors of Tower's subsidiary companies during the year to 30 September 2025 were:

### TOWER SUBSIDIARY COMPANY DIRECTORS

|                                                                                                                     |                                                   |
|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Tower Services Limited                                                                                              | Blair Turnbull <i>(until 12 February 2025)</i>    |
|                                                                                                                     | Paul Johnston                                     |
|                                                                                                                     | Angus Shelton                                     |
| The National Insurance Company of New Zealand Limited                                                               | Blair Turnbull <i>(until 12 February 2025)</i>    |
|                                                                                                                     | Paul Johnston                                     |
|                                                                                                                     | Angus Shelton                                     |
| Tower Group Services (Fiji) Pte Ltd<br><i>Previously known as National Insurance Company (Holdings) Pte Limited</i> | Andrew Hambleton <i>(until 26 September 2025)</i> |
|                                                                                                                     | Jajeena Bhan                                      |
|                                                                                                                     | Shannon Dooley                                    |
|                                                                                                                     | Marina Elliott                                    |
|                                                                                                                     | Joanne Rasmussen                                  |
|                                                                                                                     | Steve Wilson                                      |
| Southern Pacific Insurance Company (Fiji) Limited                                                                   | Blair Turnbull <i>(until 12 February 2025)</i>    |
|                                                                                                                     | Isikeli Tikoduadua                                |
|                                                                                                                     | Barry Whiteside                                   |
|                                                                                                                     | Paul Johnston                                     |
|                                                                                                                     | Ronald Mudaliar                                   |
| Tower Insurance (Fiji) Limited                                                                                      | Blair Turnbull <i>(until 12 February 2025)</i>    |
|                                                                                                                     | Isikeli Tikoduadua                                |
|                                                                                                                     | Paul Johnston                                     |
|                                                                                                                     | Barry Whiteside                                   |
|                                                                                                                     | Ronald Mudaliar                                   |
|                                                                                                                     | Michael Yee Joy                                   |
|                                                                                                                     | Angus Shelton <i>(from 13 February 2025)</i>      |

### TOWER SUBSIDIARY COMPANY DIRECTORS

|                                             |                                                |
|---------------------------------------------|------------------------------------------------|
| Tower Insurance (Cook Islands) Limited      | Blair Turnbull <i>(until 12 February 2025)</i> |
|                                             | Paul Johnston                                  |
|                                             | Ronald Mudaliar                                |
|                                             | Angus Shelton <i>(from 13 February 2025)</i>   |
| National Pacific Insurance Limited          | Blair Turnbull <i>(until 12 February 2025)</i> |
|                                             | Paul Johnston                                  |
|                                             | Ronald Mudaliar                                |
|                                             | Angus Shelton <i>(from 13 February 2025)</i>   |
| National Pacific Insurance (Tonga) Limited  | Blair Turnbull <i>(until 12 February 2025)</i> |
|                                             | Paul Johnston                                  |
|                                             | Ronald Mudaliar                                |
|                                             | Angus Shelton <i>(from 13 February 2025)</i>   |
| National Pacific Insurance (American Samoa) | Blair Turnbull <i>(until 12 February 2025)</i> |
|                                             | Ronald Mudaliar                                |
|                                             | Paul Johnston                                  |
|                                             | Angus Shelton <i>(from 13 February 2025)</i>   |

## Indemnity and insurance

In accordance with section 162 of the Companies Act 1993 and Tower's constitution, Tower has provided insurance for and indemnities to, directors and employees of Tower for losses from actions undertaken in the course of their duties. The insurance includes indemnity costs and expenses incurred to defend an action that falls outside the scope of the indemnity. Particulars have been entered in the Interests Register pursuant to section 162 of the Companies Act 1993.

## Other matters

### Donations

During the financial year ended 30 September 2025, Tower Limited made a donation of \$10,000 to the University of Waikato Foundation Trust, and a donation of \$304.35 to Fair Food Trust.

### Credit rating

In April 2025, global rating organisation A.M. Best Company re-affirmed Tower Limited's financial strength rating of A- (Excellent).

### Waivers

Tower Limited did not rely on, or make any applications for, waivers from the NZX Listing Rules or the ASX Listing Rules in the financial year ending on 30 September 2025.

### Trading Halts

In March 2025, the company implemented a capital return by way of a scheme of arrangement approved by the High Court. The arrangement returned \$45m to shareholders, with 1 ordinary share for every 10 ordinary shares held on the record date being cancelled. To facilitate the share cancellation, a trading halt on both NZX and ASX was required during the Ex-Date (18 March 2025) and Record Date (19 March 2025). NZX applied a trading halt as an operational matter to facilitate the corporate action, while ASX agreed to grant a trading halt at Tower's request.

On 31 March 2025, Tower requested a trading halt to be applied, having been advised that Bain Capital was proposing to sell its shareholding in Tower. Tower applied for a trading halt to ensure an orderly and informed market during Bain's sale process. The application for trading halt was granted, commencing prior to opening of the market on 31 March 2025, and continuing until market open on 1 April 2025.

### Limits on acquisition of securities

Tower undertook to the ASX, at the time it granted Tower a full listing in July 2002 to include the following information in its annual report. Except for the limitations detailed below, Tower securities are freely transferable under New Zealand law.

The New Zealand Takeovers' Code prohibits a person (including associates) from increasing their shareholding to more than 20% of the voting rights in Tower except in accordance with the Takeovers Code. The exceptions include a full or partial takeover offer in accordance with the Takeovers Code, a scheme of arrangement (under the Companies Act 1993), an acquisition or an allotment approved by an ordinary resolution of shareholders, a creeping acquisition (in defined circumstances) and a compulsory acquisition once a shareholder owns or controls 90% or more of the voting rights in Tower.

The New Zealand Overseas Investment Act 2005 and related regulations determine certain investments in New Zealand by overseas persons. Generally, the Overseas Investment Office's consent is required if an 'overseas person' acquires Tower shares or an interest in Tower shares of 25% or more of the shares on issue or, if the overseas person already holds 25% or more, the acquisition increases that holding.

The New Zealand Commerce Act 1986 is likely to prevent a person from acquiring Tower shares if the acquisition would, or would be likely to, substantially lessen competition in a market.

Tower is incorporated in New Zealand and therefore not subject to Chapters 6, 6A, 6B or 6C of the Corporations Act 2001 (Australia) dealing with the acquisition of shares (such as substantial holdings and takeovers).

The Annual Report is signed on behalf of the Board by:



Michael Stiasny  
Chair



Mike Cutter  
Director

# Global Reporting Initiative content index



## Global Reporting Initiative (GRI) content index

Statement of use: Tower has reported the information cited in this GRI content index for the period 1 October 2024 to 30 September 2025, in accordance with the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

| DISCLOSURE                                                           | LOCATION/INFORMATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>GRI 2: General Disclosures 2021</b>                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 2-1 Organisational details                                           | <a href="#">Pg 108</a> Tower Directory.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 2-2 Entities included in the organisation's sustainability reporting | See <a href="#">pg 108</a> Tower Directory, as well as our FY25 Pacific operations in Fiji, Tonga, Samoa, American Samoa, the Cook Islands.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 2-3 Reporting period, frequency and contact point                    | Tower reports sustainability information annually. This report covers the period 1 October 2024 – 30 September 2025. This report was published on 27 November, 2025. Questions about this report can be directed to <a href="mailto:Emily.Davies@tower.co.nz">Emily.Davies@tower.co.nz</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 2-4 Restatements of information                                      | This is Tower's fourth report in accordance with the GRI Standard.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2-5 External assurance                                               | <p>External assurance approach is covered in our Corporate Governance Statement which can be found in this link: <a href="https://www.tower.co.nz/investor-centre/corporate-governance/policies/">https://www.tower.co.nz/investor-centre/corporate-governance/policies/</a></p> <p>Our External Audit Independence Policy can also be found in this link: <a href="https://www.tower.co.nz/investor-centre/corporate-governance/policies/">https://www.tower.co.nz/investor-centre/corporate-governance/policies/</a></p> <p>Scope 1 &amp; 2 greenhouse gas emissions are subject to assurance as required by the Climate-related Disclosures regime and detailed within our FY25 Climate Statement.</p> <p>We have not sought external assurance on our sustainability information.</p> |
| 2-6 Activities, value chain and other business relationships         | <a href="https://www.tower.co.nz/about-us/">https://www.tower.co.nz/about-us/</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2-7 Employees                                                        | Tower has 966 employees across New Zealand and the Pacific, 63% of whom are women, 36% are men, 1% are gender diverse, non- binary, or transgender. This is based on the 98% of staff who chose to disclose their gender. Out of the 63% population of women, 94% are permanent full-time employees, 3% are permanent part-time employees, and 3% are fixed term employees. Out of the 36% population of men, 95% are permanent full-time employees, 3% are permanent part-time employees and 2% are fixed term employees. Out of the 1% gender diverse, non- binary, or transgender employees, 86% are permanent full-time employees and 14% are permanent part-time employees.                                                                                                          |

| DISCLOSURE                                                                       | LOCATION/INFORMATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2-8 Workers who are not employees                                                | As at 30 September 2025, Tower had 48 contingent workers who are predominantly independent contractors on either direct or agency contracts engaged in technology or project-based work. There were no significant fluctuations in this number during the reporting period.                                                                                                                                                                                                                                         |
| 2-9 Governance structure and composition                                         | Our Governance structure and composition, along with a list of committees of the highest governance body, and our Corporate Governance Statement can be found in this link: <a href="https://www.tower.co.nz/investor-centre/corporate-governance/policies/">https://www.tower.co.nz/investor-centre/corporate-governance/policies/</a>                                                                                                                                                                             |
| 2-10 Nomination and selection of the highest governance body                     | Tower's Constitution and Board Renewal Policy can be found in this link <a href="https://www.tower.co.nz/investor-centre/corporate-governance/policies/">https://www.tower.co.nz/investor-centre/corporate-governance/policies/</a>                                                                                                                                                                                                                                                                                 |
| 2-11 Chair of the highest governance body                                        | <a href="#">Pg 38</a> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 2-12 Role of the highest governance body in overseeing the management of impacts | <a href="#">Pg 38-39</a> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 2-13 Delegation of responsibility for managing impacts                           | The board delegates day-to-day management of the company to the CEO and does not currently provide for any additional specific delegation of ESG impacts.                                                                                                                                                                                                                                                                                                                                                           |
| 2-14 Role of the highest governance body in sustainability reporting             | <a href="#">Pg 38-39</a> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 2-15 Conflicts of interest                                                       | Our Code of Conduct Policy and Conflict of Interest Policy can be found in this link: <a href="https://www.tower.co.nz/investor-centre/corporate-governance/policies/">https://www.tower.co.nz/investor-centre/corporate-governance/policies/</a>                                                                                                                                                                                                                                                                   |
| 2-16 Communication of critical concerns                                          | <p>See Corporate Governance Statement in this link: <a href="https://www.tower.co.nz/investor-centre/corporate-governance/policies/">https://www.tower.co.nz/investor-centre/corporate-governance/policies/</a></p> <p>Communication of critical concerns regarding ESG topics is unavailable.</p> <p>See Corporate Disclosure Policy in this link: <a href="https://www.tower.co.nz/investor-centre/corporate-governance/policies/">https://www.tower.co.nz/investor-centre/corporate-governance/policies/</a></p> |

## Global Reporting Initiative (GRI) content index

| DISCLOSURE                                                        | LOCATION/INFORMATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2-17 Collective knowledge of the highest governance body          | See Corporate Governance Statement in this link: <a href="https://www.tower.co.nz/investor-centre/corporate-governance/policies/">https://www.tower.co.nz/investor-centre/corporate-governance/policies/</a><br><br>Actions to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development will continue to be undertaken in FY26.<br><br>Tower's 2025 Climate Statement can be found in the investor section of our website, here: <a href="https://www.tower.co.nz/investor-centre/reports/">https://www.tower.co.nz/investor-centre/reports/</a> |
| 2-18 Evaluation of the performance of the highest governance body | See Corporate Governance Statement in this link: <a href="https://www.tower.co.nz/investor-centre/corporate-governance/policies/">https://www.tower.co.nz/investor-centre/corporate-governance/policies/</a>                                                                                                                                                                                                                                                                                                                                                                                               |
| 2-19 Remuneration policies                                        | See Corporate Governance Statement in this link: <a href="https://www.tower.co.nz/investor-centre/corporate-governance/policies/">https://www.tower.co.nz/investor-centre/corporate-governance/policies/</a>                                                                                                                                                                                                                                                                                                                                                                                               |
| 2-20 Process to determine remuneration                            | See People, Remuneration and Appointments Committee Charter, and Director and Executive Remuneration Policy in this link: <a href="https://www.tower.co.nz/investor-centre/corporate-governance/policies/">https://www.tower.co.nz/investor-centre/corporate-governance/policies/</a><br><br>Pg 93.                                                                                                                                                                                                                                                                                                        |
| 2-21 Annual total compensation ratio                              | Not disclosed: information on annual compensation ratio is not reported externally.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2-22 Statement on sustainable development strategy                | Pg 33-34.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2-23 Policy commitments                                           | Relevant policies currently in place can be found here: <a href="https://www.tower.co.nz/investor-centre/corporate-governance/policies/">https://www.tower.co.nz/investor-centre/corporate-governance/policies/</a><br><br>Tower also has an Internal Procurement Policy and a Procurement Engagement Framework, a Supplier Relationship Management Framework and a Supplier Code of Conduct. In FY25 Tower became the first New Zealand insurer to obtain The Chartered Institute of Procurement & Supply (CIPS) Ethics Mark.                                                                             |
| 2-24 Embedding policy commitments                                 | See Corporate Governance Statement in this link: <a href="https://www.tower.co.nz/investor-centre/corporate-governance/policies/">https://www.tower.co.nz/investor-centre/corporate-governance/policies/</a>                                                                                                                                                                                                                                                                                                                                                                                               |
| 2-25 Processes to remediate negative impacts                      | <a href="https://www.tower.co.nz/contact-us/complaints-and-compliments/">https://www.tower.co.nz/contact-us/complaints-and-compliments/</a><br>Our material impacts table can be found here: <a href="https://www.tower.co.nz/about-us/sustainability/">https://www.tower.co.nz/about-us/sustainability/</a><br>Our material impacts process is covered under the relevant topics.                                                                                                                                                                                                                         |

| DISCLOSURE                                              | LOCATION/INFORMATION                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2-26 Mechanisms for seeking advice and raising concerns | See Code of Conduct Policy in this link: <a href="https://www.tower.co.nz/investor-centre/corporate-governance/policies/">https://www.tower.co.nz/investor-centre/corporate-governance/policies/</a><br><br>Through our internal Whistleblower Policy, staff are encouraged to raise concerns with their manager, or a senior leader. Tower's whistle blower service provides a confidential avenue to report any serious concerns.                               |
| 2-27 Compliance with laws and regulations               | For an update on Tower's progress in the year, regarding remediating customers who did not receive the discounts or benefits they were entitled to, or experienced other policy errors, please see <a href="#">page 15</a> .<br><br>In this reporting period, Tower has not been fined, nor has it incurred any non-monetary sanctions for breaches or non-compliance with laws and regulations during the reporting period, or in any previous reporting period. |
| 2-28 Membership associations                            | Tower is a member of Insurance Council of New Zealand and is active in ICNZ's Climate Change committee. Tower is also a member of the Sustainable Business Council, a signatory of the Climate Leaders Coalition and associate partner of the Centre for Sustainable Finance: Toitū Tahua.                                                                                                                                                                        |
| 2-29 Approach to stakeholder engagement                 | Tower takes a collaborative approach to stakeholder engagement. Our company purpose and values consider stakeholder interests, see <a href="#">page 9</a> . Similarly, our Southern Star drives outcomes for customers and our people, see 'our vision' <a href="#">page 9</a> . Our ESG strategy was developed in consultation with a range of stakeholders and considers our impacts on various stakeholder groups.                                             |
| 2-30 Collective bargaining agreements                   | None.                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| DISCLOSURE                         |                                      | LOCATION/INFORMATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>GRI 3: Material Topics 2021</b> |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 3-1                                | Process to determine material topics | <a href="#">Pg 33.</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 3-2                                | List of material topics              | <a href="#">Pg 33.</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 3-3                                | Management of material topics        | See our material impacts table via our website for all: <a href="https://www.tower.co.nz/about-us/sustainability/">https://www.tower.co.nz/about-us/sustainability/</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>GRI 305: Emissions 2016</b>     |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 305-1                              | Direct (Scope 1) GHG emissions       | <p><a href="#">Pg 35.</a></p> <p>Scope 1 emissions includes refrigerant top-ups and vehicle fleet fuel in New Zealand and the Pacific.</p> <p>Tower applies the operational control approach and has chosen FY20 as the baseline year as this was the first year Tower measured its emissions.</p> <p>New Zealand emissions factors used were sourced from Ministry for the Environment's (MfE) 2025 Measuring Emissions: A Guide for Organisations.</p> <p>Quantities of each greenhouse gas are converted to tonnes CO<sub>2</sub>e using the global warming potentials from the Intergovernmental Panel on Climate Change (IPCC) Fourth-Sixth Assessment Report (AR4-6). The time horizon is 100 years. For further detailed information on the methodology, assumption, and uncertainties refer to our FY25 Climate Statement.</p> <p>Our full greenhouse gas emissions inventory is provided in our 2025 Climate Statement, which is in the investor section of our website, here: <a href="https://www.tower.co.nz/investor-centre/reports/">https://www.tower.co.nz/investor-centre/reports/</a></p> <p>The Statement contains our Scope 1, Scope 2 and operational Scope 3 emissions data, as well as information about our work to identify and assess our climate-related risks, opportunities and business impacts.</p> |

| DISCLOSURE |                                         | LOCATION/INFORMATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 305-2      | Energy indirect (Scope 2) GHG emissions | <p><a href="#">Pg 35.</a></p> <p>Scope 2 emissions include electricity consumption from all business premises. See 305-1 for relevant disclosures on baseline year, emissions factors and methodology and assumptions.</p> <p>Emission factors for New Zealand were sourced from Ministry for the Environment's (MfE) 2025 Measuring Emissions: A Guide for Organisations. For the Pacific they were sourced from the IEA 2025 emission factors and the Oceania (UN) factor was used for all countries. Emissions from purchased heating and cooling at the Suva Retail Branch and in Samoa have been assessed as immaterial and excluded from the FY25 inventory.</p> <p>Our full greenhouse gas emissions report is provided in our 2025 Climate Statement, which is in the investor section of our website, here: <a href="https://www.tower.co.nz/investor-centre/reports/">https://www.tower.co.nz/investor-centre/reports/</a></p>                                                                                                                                                                                                                                                                                                                                                                            |
| 305-3      | Other indirect (Scope 3) GHG emissions  | <p>Scope 3 emissions included in our FY25 disclosure are transmission and distribution losses for electricity, and well-to-tank emissions for electricity and vehicle fuel, air travel, hotel stays, rental cars, taxi travel, employee commutes, working from home, paper purchased (NZ only), waste to landfill (NZ only), wastewater (NZ only) and water supply (NZ only).</p> <p>The following Scope 3 emissions sources have been excluded from our reporting: employee vehicle claims NZ; waste, wastewater, and water supply from Pacific operations; value chain emissions from purchased goods and services, capital goods, upstream transportation and distribution, insurance-associated emissions, and our investment portfolio.</p> <p>Emission factors have primarily been sourced from Ministry for the Environment's (MfE) 2025 Measuring Emissions: A Guide for Organisations, and Department for Environment Food &amp; Rural Affairs (DEFRA) 2025 'Greenhouse gas reporting: conversion factors' (UK).</p> <p>For Information on the methodology, assumptions, and uncertainties refer to our 2025 Climate Statement, which is in the investor section of our website, here: <a href="https://www.tower.co.nz/investor-centre/reports/">https://www.tower.co.nz/investor-centre/reports/</a></p> |

## Global Reporting Initiative (GRI) content index

| DISCLOSURE                                                                                               | LOCATION/INFORMATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 305-5 Reduction of GHG emissions                                                                         | <p><u>Pg 35.</u></p> <p>Our full greenhouse gas emissions inventory is provided in our 2025 Climate Statement, which is in the investor section of our website, here: <a href="https://www.tower.co.nz/investor-centre/reports/">https://www.tower.co.nz/investor-centre/reports/</a></p> <p>The Statement contains our Scope 1, Scope 2 and a subset of operational Scope 3 emissions data, as well as information about our work to identify and assess our climate-related risks, opportunities and business impacts.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>GRI 401: Employment 2016</b>                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 401-1 New employee hires and employee turnover                                                           | <p>In FY25 Tower hired 201 new employees to address growth and attrition. These comprised permanent and fixed term new hires. New hires by Gender: Female: 113, Male: 77, Gender Diverse: 1, Not disclosed: 10. New hires by region: New Zealand: 125, Pacific: 76. Number and rate of new employees by age is currently unavailable.</p> <p>Over the period employee numbers increased by 82 full-time equivalent staff, from 872 in FY24 to 954 in FY25, with our total head count of 966 staff, due to continuous development of our frontline teams. Employee attrition was 15.1% in FY25.</p>                                                                                                                                                                                                                                                                                                                                                              |
| 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | <p>Benefits are offered to both full-time and part-time permanent employees. Tower benefits include Group Insurances, parental leave, ability to buy additional leave, birthday leave, domestic violence leave, gender affirmation leave, volunteer leave, discretionary leave, free flu vaccinations, Tower insurance discounts, health insurance discounts, partner discounts, eyesight testing, and study assistance.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 401-3 Parental leave                                                                                     | <p>From July 2025, all Tower New Zealand employees have enjoyed 26 weeks paid leave for primary carer leave. In the Pacific, employees enjoy 16 weeks paid leave for primary carers Since (or maternity leave as it's referred to in the Pacific). Across all countries, Tower offers four weeks paid partner's leave for partners of primary carers.</p> <p>We also offer all employees compassionate leave and flexible working on return. Additionally, any annual leave taken on the employee's return from parental leave will be paid at their usual rate. This is more generous than the current Holidays Act legislation and means take home pay is not affected when the employee takes paid annual leave.</p> <p>In FY25: 62 employees took parental leave (54 female and 8 Male) versus 35 in FY24. 52 employees returned to work from parental leave during FY25 (44 female and 8 Male); of these 46 are still employed (39 female and 7 Male).</p> |

| DISCLOSURE                                                                                    | LOCATION/INFORMATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| <b>GRI 403: Occupational Health and Safety 2018</b>                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 403-1 Occupational health and safety management system                                        | <p>See Health and Safety Policy in this link: <a href="https://www.tower.co.nz/investor-centre/corporate-governance/policies/">https://www.tower.co.nz/investor-centre/corporate-governance/policies/</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 403-2 Hazard identification, risk assessment, and incident investigation                      | <p>Tower's H&amp;S Management System has an incident register where incidents are reported. When reporting, it is mandatory that all incidents are assessed and each incident must have corrective actions identified and implemented before being closed. Once reported, incidents are then reviewed by the Health and Safety Officer, who investigates all incidents.</p> <p>Workers are encouraged to report hazards and hazardous situations through the H&amp;S system. Tower's H&amp;S Policy is in line with New Zealand's Health and Safety at Work Act 2015. All workers have access to the Health and Safety Policy on Tower's intranet.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 403-3 Occupational health services                                                            | <p>Tower workers have access to Employee Assistance Programme EAP counselling sessions provided by external trained counsellors. These sessions are arranged by workers independently. If employees choose to use counselling or health and wellbeing services via EAP, these services are strictly confidential between the worker and healthcare provider.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 403-4 Worker participation, consultation, and communication on occupational health and safety | <p>As per the NZ Health and Safety at Work Act 2015, Tower has a team of Health and Safety Committee Members from across the NZ business. In the Pacific we have also have Health and Safety committee members in each country. These Committee Members engage and consult with workers regularly and report any concerns to the Health and Safety Officer and/or at the regular Health and Safety meeting. Tower's H&amp;S Management system is continuously reviewed by the Health and Safety Officer to ensure risks are kept up to date.</p> <p>Tower has two Health and Safety committees that meet monthly – one New Zealand committee and one Pacific committee, with representatives from our Fiji, Tonga, Samoa, American Samoa, Cook Islands teams. Committee members are allocated specific time each month to undertake their responsibilities. Their responsibilities include but are not limited to; office inspections, disseminating H&amp;S updates from the meetings to relative teams, ensuring H&amp;S is on the agenda at team meetings and promotion of health, safety and wellbeing education and activities.</p> |

| DISCLOSURE |                                                   | LOCATION/INFORMATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 403-5      | Worker training on occupational health and safety | Tower offers training to workers who volunteer to be First Aiders, Fire Wardens, Mental Health First Aiders and Domestic Violence First Responders. Building Assessors are asbestos awareness trained.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 403-6      | Promotion of worker health                        | <p>Tower works with ACC to support its employees that have non-work-related accidents by offering workstation assessments to ensure they have the necessary equipment to undertake their job. Where a return-to-work plan is required, Tower will work alongside ACC to facilitate a satisfactory solution for the employee. Health checks in the Pacific are done through a local General Practitioner, and the results are confidential and not shared with Tower.</p> <p>Tower offers employees access to several health promotion services including; EAP (online and in person), discounted flu vaccinations, access to trained Mental Health First Aiders and trained Domestic Violence first responders (online and in-person).</p> <p>Tower promotes prevention of communicable diseases in the Pacific through education on symptoms, prevention and treatment. Our Rainbow network supports education on AIDS awareness and prevention.</p> |

| DISCLOSURE                                           |                                                                                               | LOCATION/INFORMATION                                                                                                                                                                                                                                                                                                                                                |
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| <b>GRI 405: Diversity and Equal Opportunity 2016</b> |                                                                                               |                                                                                                                                                                                                                                                                                                                                                                     |
| 405-1                                                | Diversity of governance bodies and employees                                                  | <a href="#">Pg 91-92.</a>                                                                                                                                                                                                                                                                                                                                           |
| 405-2                                                | Ratio of basic salary and remuneration of women to men                                        | <a href="#">Pg 30.</a>                                                                                                                                                                                                                                                                                                                                              |
| <b>GRI 418: Customer Privacy 2016</b>                |                                                                                               |                                                                                                                                                                                                                                                                                                                                                                     |
| 418-1                                                | Substantiated complaints concerning breaches of customer privacy and losses of customer data. | During the reporting period, one substantiated customer privacy breach was identified. This was assessed as a one-off incident rather than indicative of a systemic issue, and it did not result in serious harm. We remain committed to upholding the highest standards of data protection and continuously enhancing our practices to prevent future occurrences. |

## Tower directory

### Enquiries

For customer enquiries, call Tower on 0800 808 808 or visit [www.tower.co.nz](http://www.tower.co.nz)

For investor enquiries:

Telephone: +64 9 369 2000

Email: [investor.relations@tower.co.nz](mailto:investor.relations@tower.co.nz)

Website: [www.tower.co.nz](http://www.tower.co.nz)

### Board of Directors

Michael Stiassny (Chair)

Marcus Nagel

Geraldine McBride

Mike Cutter

Naomi Ballantyne (*from 21 May 2025*)

### Chief Executive Officer

Paul Johnston

### Company Secretary

Tania Pearson

### Executive leadership team (at 30 September 2025)

Paul Johnston, Chief Executive Officer

Angus Shelton, Chief Financial Officer (Interim)

Sharyn Reichstein, Chief Risk Officer

Michelle Finch, Chief Customer and Marketing Officer

Ronald Mudaliar, Chief Underwriting Officer

Steven Wilson, Chief Claims Officer

Liz Cawson, Chief Digital and Technology Officer (Acting)

Dr. Stephen Hastings, Chief Data and Analytics Officer

Emma Atherton, Head of People and Culture (Acting)

Mike Skeens, Head of Customer Contact Centre

## Registered office

### New Zealand

Level 5, 136 Fanshawe Street, Auckland

PO Box 90347

Auckland

Telephone: +64 9 369 2000

Facsimile: +64 9 369 2245

### Australia

c/- Peter Davison

18 Korinya Road

Castle Cove

Sydney NSW 2069

Australia

### Auditor

PricewaterhouseCoopers

### Lawyers

MinterEllisonRuddWatts

### Banker

Westpac New Zealand Limited

### Company numbers

Tower Limited

(Incorporated in New Zealand)

NZ Incorporation 143050

NZBN 9429040323299

ARBN 645 941 028

### Stock Exchanges

The Company's ordinary shares are listed on the NZSX and the ASX. On Wednesday 18 May 2016, Tower's ASX admission category changed to "ASX Foreign Exempt Listing".

## Registry details

Shareholders should make enquiries in respect of their shareholdings, notify changes of details or address administrative queries to Tower's Share Registrar:

Direct payment to a bank account is the only way in which dividend payments are made. Shareholders are strongly encouraged to ensure that the Registrar has up to date bank account details.

Tower also encourages shareholders to receive communications electronically, to minimise cost, ensure quicker communication, and to reduce environmental impacts.

### New Zealand

Computershare Investor Services Limited  
Level 2, 159 Hurstmere Road  
Takapuna, Auckland  
Private Bag 92119  
Auckland 1142

Freephone within New Zealand: 0800 222 065  
Telephone New Zealand: +64 9 488 8777

### Australia

Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnston Street  
Abbotsford VIC 3067  
GPO Box 3329  
Melbourne Vic 3000

Freephone within Australia: 1800 501 366  
Telephone Australia: +61 3 9415 4083

Email: [enquiry@computershare.co.nz](mailto:enquiry@computershare.co.nz)  
Website: [www.computershare.com/nz](http://www.computershare.com/nz)

[tower.co.nz](https://tower.co.nz)

