



Market Information

NZX Limited
Level 1, NZX Centre
11 Cable Street
Wellington

Company Announcements Office

ASX Limited
Exchange Centre
Level 6, 20 Bridge Street
Sydney NSW 2000
Australia

27 November 2025

Tower Limited
FY25 Full Year Results for Announcement to Market

In accordance with NZX Listing Rule 3.5.1 we enclose the following for release to the market in relation to Tower Limited's (NZX/ASX: TWR) FY25 Full Year Results:

1	Media Release
2	Results Announcement
3	Annual Report (including Financial Statements)
4	Results Announcement Presentation
5	Results Announcement Call Script
6	NZX Distribution Notice
7	Climate Statement

Tower's Chairman Michael Stiasny, Chief Executive Officer Paul Johnston and Interim Chief Financial Officer Angus Shelton will discuss the full year results at 10:00am New Zealand time today.

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

ENDS

This announcement has been authorised by the Tower Board.

Paul Johnston
Chief Executive Officer
Tower Limited

For media enquiries, please contact in the first instance:

Emily Davies
Head of Corporate Affairs and Sustainability
+64 21 815 149
emily.davies@tower.co.nz

For investor queries, please contact in the first instance:

James Silcock
Head of Strategy, Planning and Investor Relations
+64 22 395 9327
james.silcock@tower.co.nz



Level 5, 136 Fanshawe Street
Auckland 1142, New Zealand
ARBN 645 941 028
Incorporated in New Zealand

27 November 2025

Tower reports record FY25 result, increased dividends

Kiwi insurer, Tower Limited (NZX/ASX: TWR) today announced a record underlying profit performance for the year ended 30 September 2025, delivering an underlying NPAT of \$107.2m and a reported profit of \$83.7m. The result was driven by low large events costs and a significantly reduced business-as-usual (BAU) claims ratio, alongside customer growth.

Reported profit reflects adjustments for increased Canterbury earthquake claims cost estimates, the ongoing cost of customer remediations and a provision for software impairment.

FY25 highlights:

- Underlying NPAT: \$107.2m (up from \$83.5m in FY24)
- Reported profit: \$83.7m (up from \$74.3m in FY24)
- Gross written premium (GWP): \$600m, up 2%
- Customer numbers: 318,000 (up 4%)
- BAU claims ratio: 41% (improved from 48%)
- Combined operating ratio (COR): 74.1% (vs 79%)
- Management expense ratio (MER): steady at 31.4%

Reflecting the positive results, Tower's Board has declared a fully imputed final dividend of 16.5 cents per share. This brings total dividends for FY25 to 24.5 cents per share.

Tower CEO Paul Johnston says, "This is an exceptional result, underpinned by Tower's transformation, driven by investment in our digital platform and continued focus on underwriting discipline, technology, data, and efficiency. These actions demonstrate Tower's commitment to delivering sustainable growth and building a resilient, customer-focused business for the future.

"However, it is worth noting that we expect conditions that influenced the FY24 and FY25 results, such as relatively benign weather, and prior-year rating flowing through the portfolio, to normalise in the coming year."

Strategic growth in home insurance portfolio

Tower's customer base grew 4% to 318,000, with home insurance policies up 11%, reinforcing its strategic focus on the house portfolio.

GWP growth of 2% reflects strong policy volumes, tempered by lower average premiums as Tower prioritised growth from low-risk customers and competitive pricing. GWP from the house portfolio grew 10%, driven by volume growth, while motor GWP declined 5% due to lower pricing, partially offset by renewed motor volume growth.

In FY25, Tower strengthened its foundations for future growth through key initiatives, including a new partnership with Westpac NZ to offer general insurance products to the bank's retail customers



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from July 2026. Tower also launched a refreshed brand positioning and advertising campaign that resonated strongly with Kiwi audiences and was recognised with Kantar's June 2025 Ad Impact Award.

Claims and operational performance

The BAU claims ratio reduced substantially to 41.3%, driven by a continuation of relatively benign weather, lower inflation, reduced motor theft as well as underwriting improvements, process enhancements and prior year rating adjustments.

Tower's investments in address-level risk-based pricing continue to reduce Tower's risk exposure, with 91% of new house policies rated low or very low flood risk, up from 87% in FY24. Tower also expanded its risk-based pricing to include sea surge and landslide risks in the year.

The MER remained stable at 31.4%, as improvements resulting from increased scale were reinvested in technology and growth initiatives to boost efficiency and customer acquisition. In FY25, Tower launched Amazon Connect, an AI-enabled contact centre platform that streamlines processes and reduces frontline effort, with key operational metrics already showing positive improvements.

Large events costs

Tower continues to support customers through large events, recording \$7m in large events costs in FY25 due to Dunedin flooding in October 2024 and Cyclone Tam in April 2025.

The storms across New Zealand in late October 2025 will be recorded as a large event in FY26 with an estimated cost of \$4.5m.

FY26 guidance

In FY26 Tower expects underlying NPAT to be in the range of \$55m to \$65m, assuming full utilisation of an updated \$45m large events allowance. GWP is anticipated to grow between 5% and 10%, supported by continued customer growth and strategic partnerships. While Tower expects to see benefits from digitisation and efficiency initiatives, ongoing investment in growth, technology and customer experience are expected to keep the MER between 31% and 32%.

Ends

This announcement has been authorised by Tower Limited CEO, Paul Johnston.

For media enquiries, please contact:
Emily Davies
Head of Corporate Affairs and
Sustainability
+64 21 815 149
emily.davies@tower.co.nz

For investor enquiries, please contact:
James Silcock
Head of Strategy, Planning and Investor
Relations
+64 22 395 327
James.silcock@tower.co.nz

Template

Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Updated as at June 2023

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

Results for announcement to the market		
Name of issuer	Tower Limited	
Reporting Period	12 months to September 2025	
Previous Reporting Period	12 months to September 2024	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$594,348	7%
Total Revenue	\$594,348	6%
Net profit/(loss) from continuing operations	\$83,673	18%
Total net profit/(loss)	\$83,673	13%
Interim/Final Dividend		
Amount per Quoted Equity Security	16.5 cents	
Imputed amount per Quoted Equity Security	6.416667 cents	
Record Date	15 January 2026	
Dividend Payment Date	29 January 2026	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$0.78	\$0.73
A brief explanation of any of the figures above necessary to enable the figures to be understood	Increased revenue reflect growth in insurance policies sold, partly offset by lower average premiums. BAU claims ratio improved from rating and underwriting actions and relatively benign weather. The growth in profit was driven primarily by revenue growth and a lower BAU claims ratio. Please refer to the 2025 full year results announcement presentation for further information.	

Authority for this announcement	
Name of person authorised to make this announcement	Tania Pearson, General Counsel & Company Secretary
Contact person for this announcement	Emily Davies, Head of Corporate Affairs and Sustainability
Contact phone number	+64 21 815 149
Contact email address	emily.davies@tower.co.nz
Date of release through MAP	27 November 2025



2025 Annual Report

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2025 in review



2025 snapshot

Performance

\$107.2^M

Underlying profit after tax¹ vs. \$83.5m in FY24

\$83.7^M

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

\$600^M

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

31.4%

Management expense ratio (MER)¹ in line with FY24

41%

Business as usual (BAU) claims ratio¹ vs 48% in FY24

74%

Combined operating ratio¹ (COR) vs. 79% in FY24

Shareholders

24.5^C

Total FY25 dividends per share declared³

\$45^M

Capital returned to shareholders

¹ 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.

² Excluding divested portfolios.

³ 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
score¹ 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

¹ 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 policy¹, 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.

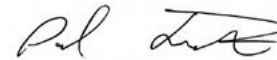
Looking ahead

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.

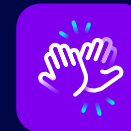
Our strategy

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



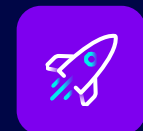
We do what's right



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

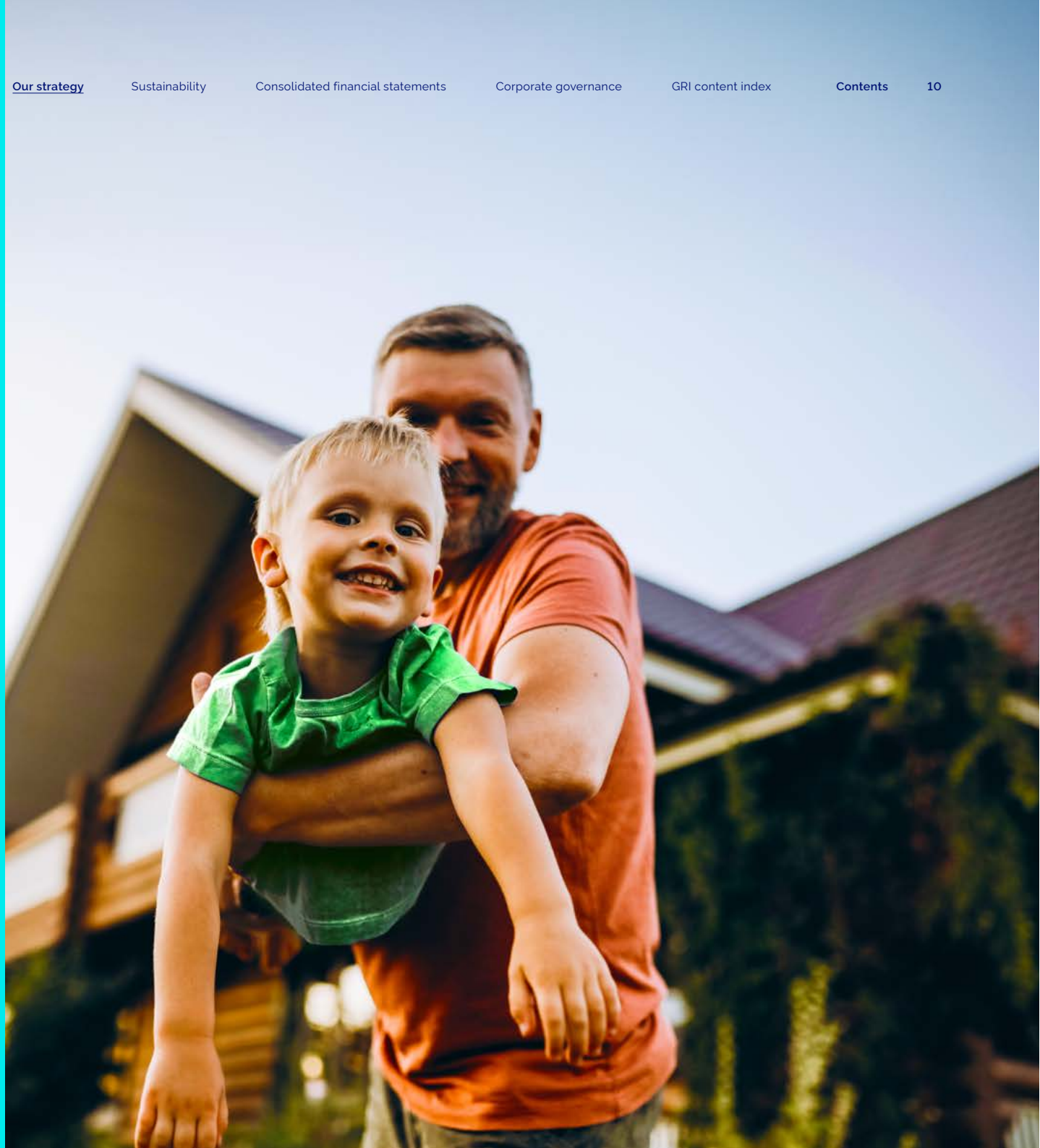
Empowering innovation and decision-making through use of technology, data, and digital capability

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%

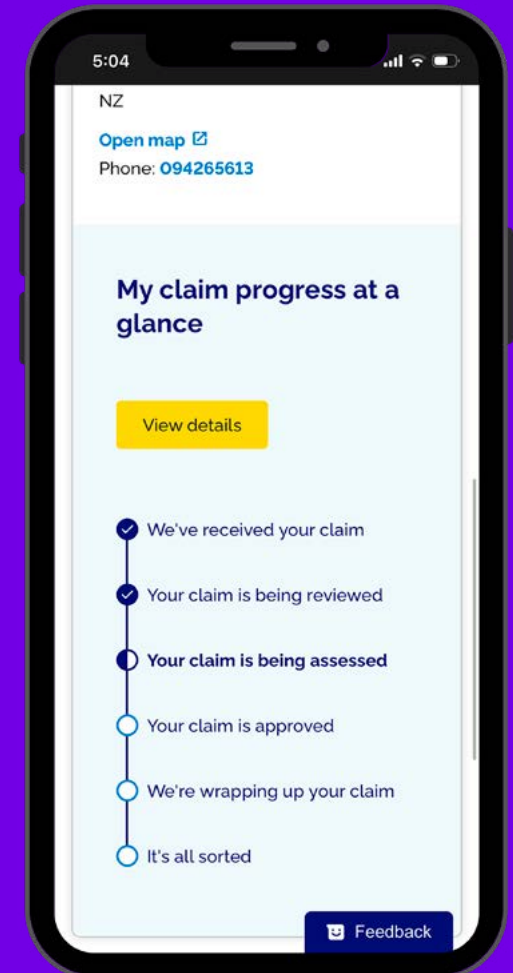
BAU claims ratio
vs. 48% in FY24

70%

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

+44

Customer Net Promoter
Score (NPS) up from +38
in FY24¹



¹ 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 reserving¹ and payments to complement the existing automated claims lodgement, assessing, repairer referrals and repairs process.

Overall, 70% of motor claims were lodged via My Tower² 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 Tower²

89% of motor claims lodged via My Tower² with our Tower Repair Partner Network were automatically referred to a repairer or assessor, without the need for manual overview



¹ 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.

² 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 claims¹ 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 claims¹ 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

¹ 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 Zealand¹.

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 customers² 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 tool¹. For Tower customers, risk ratings can also be found in My Tower, either at policy purchase or renewal for existing customers².

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.

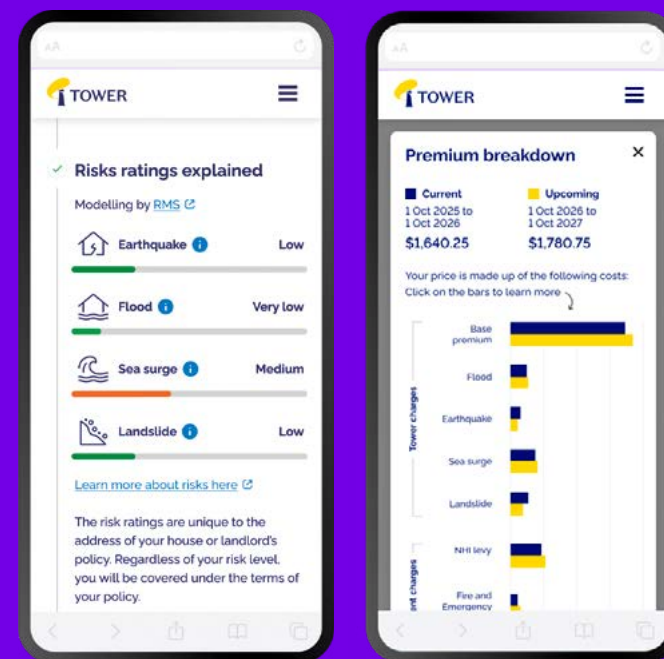
90% More than 90% of Tower customers receiving reductions in the natural hazards portion of their premium²

\$70 Average savings in the natural hazards premium portion, per policy²

¹ 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.

² 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.

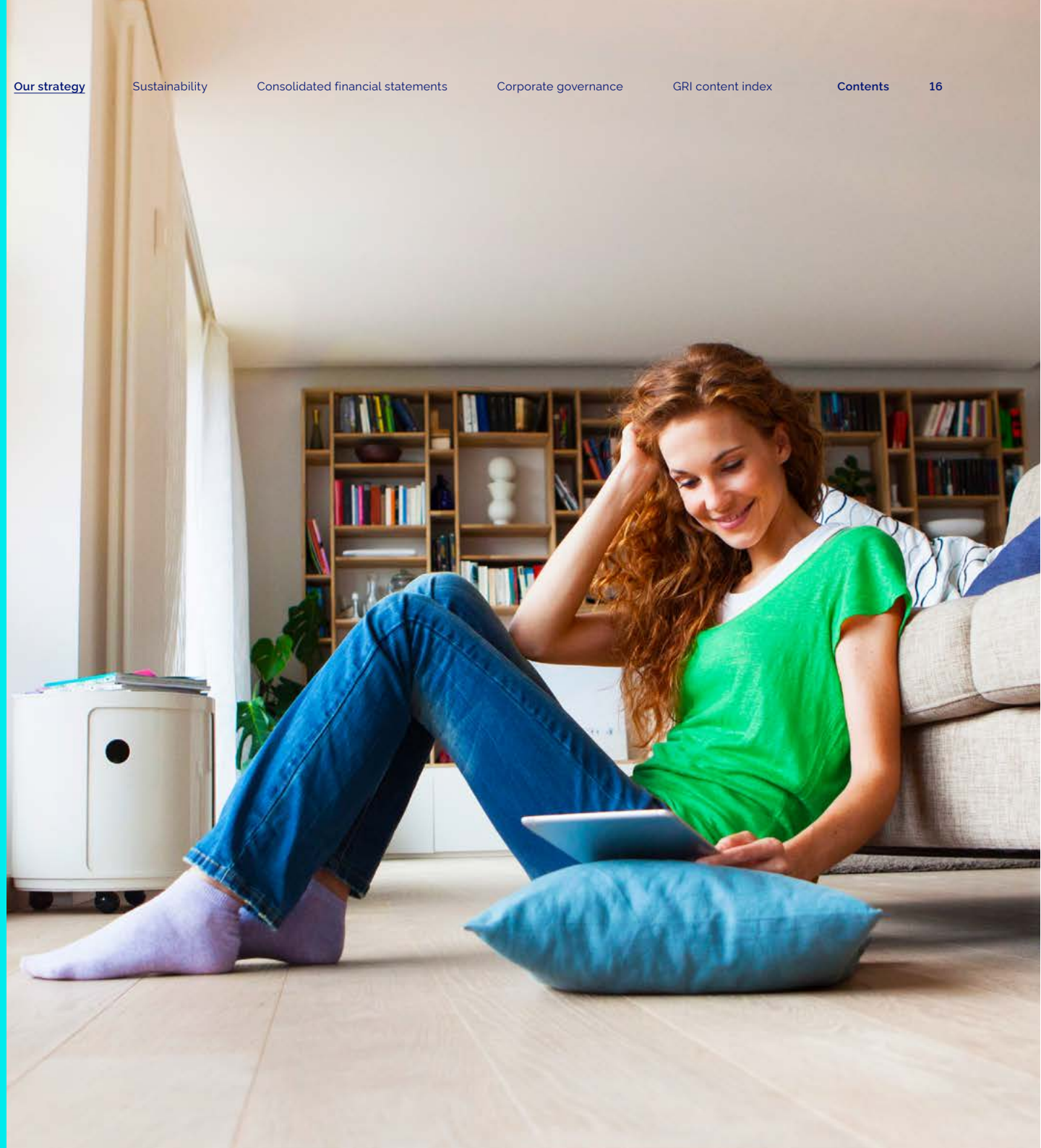
We accept and regret the impact these mistakes have had on our customers and apologise unreservedly to

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.

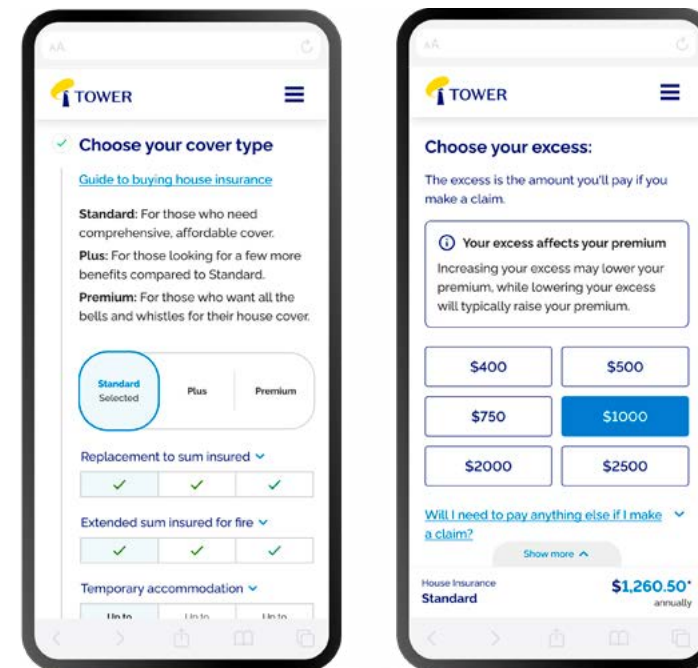
79% of Tower's NZ service experience now digitally enabled, up from 73% in FY24

51% of NZ service tasks completed in digital self-service channels, vs. 44% in FY24¹

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



¹ 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:

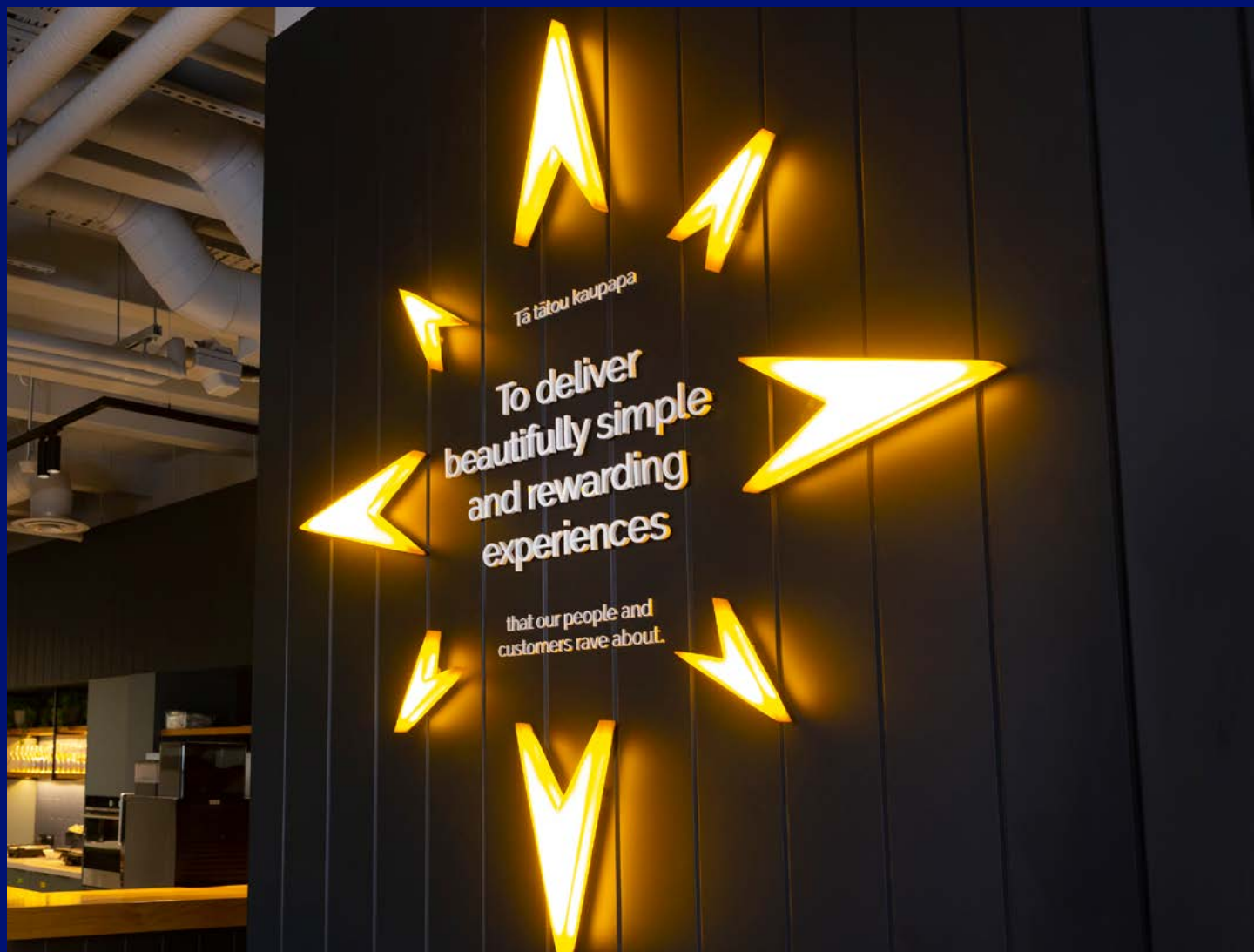
- Carrying out all customer remediations
- Investigating root causes of various incidents with a view to developing strategies to address those root causes
- Enhancing delivery and project execution
- Improving end-to-end customer data management at Tower.

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 underlying¹ 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^M

Tower Direct GWP flat² 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.

18%

Increase in total partnerships' policies vs. FY24

\$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 cover¹.

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.

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^M

Cover in place for first two catastrophe losses in FY26

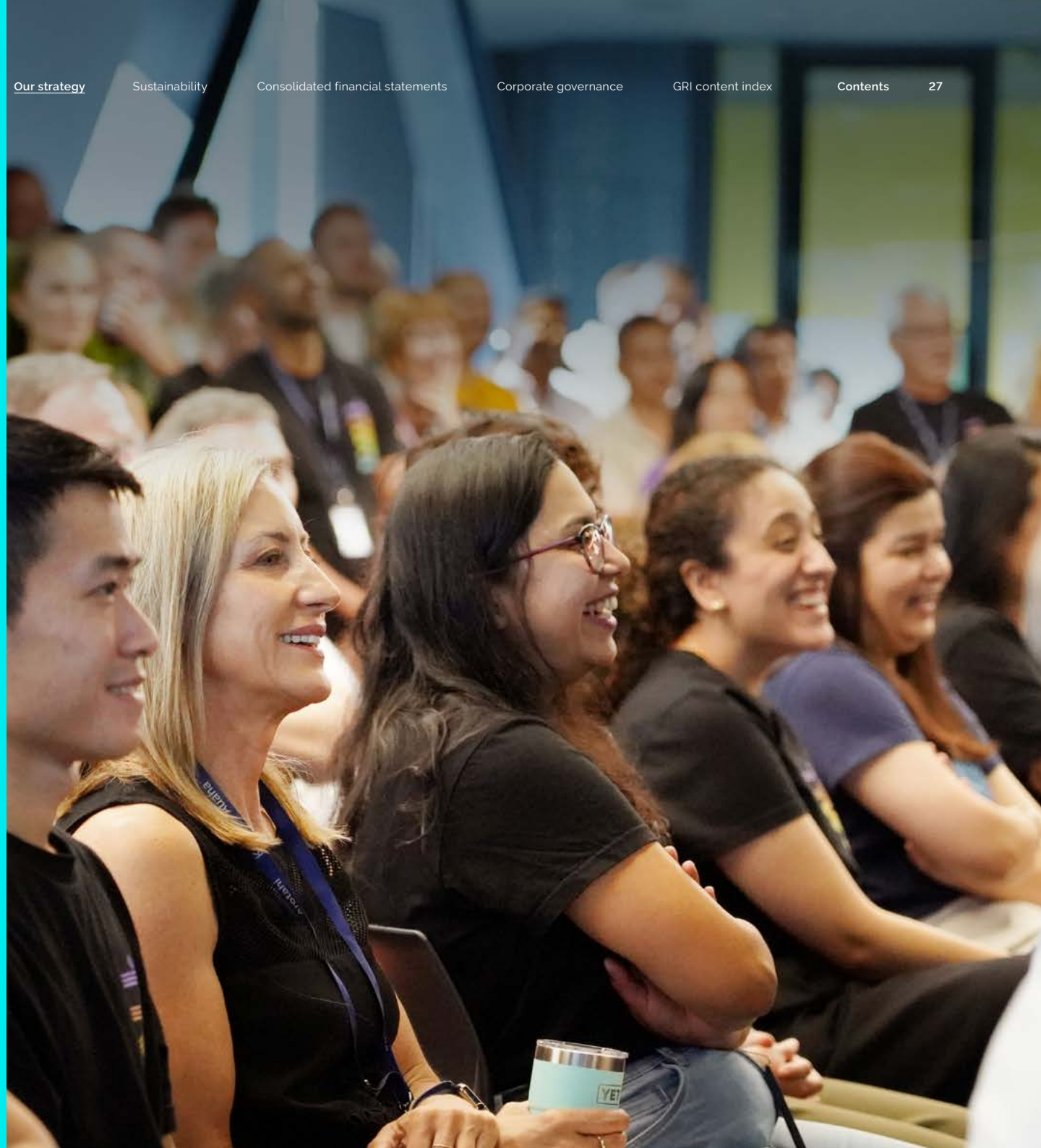
\$85^M

Cover in place for a third catastrophe event in FY26

¹ 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.



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 score¹

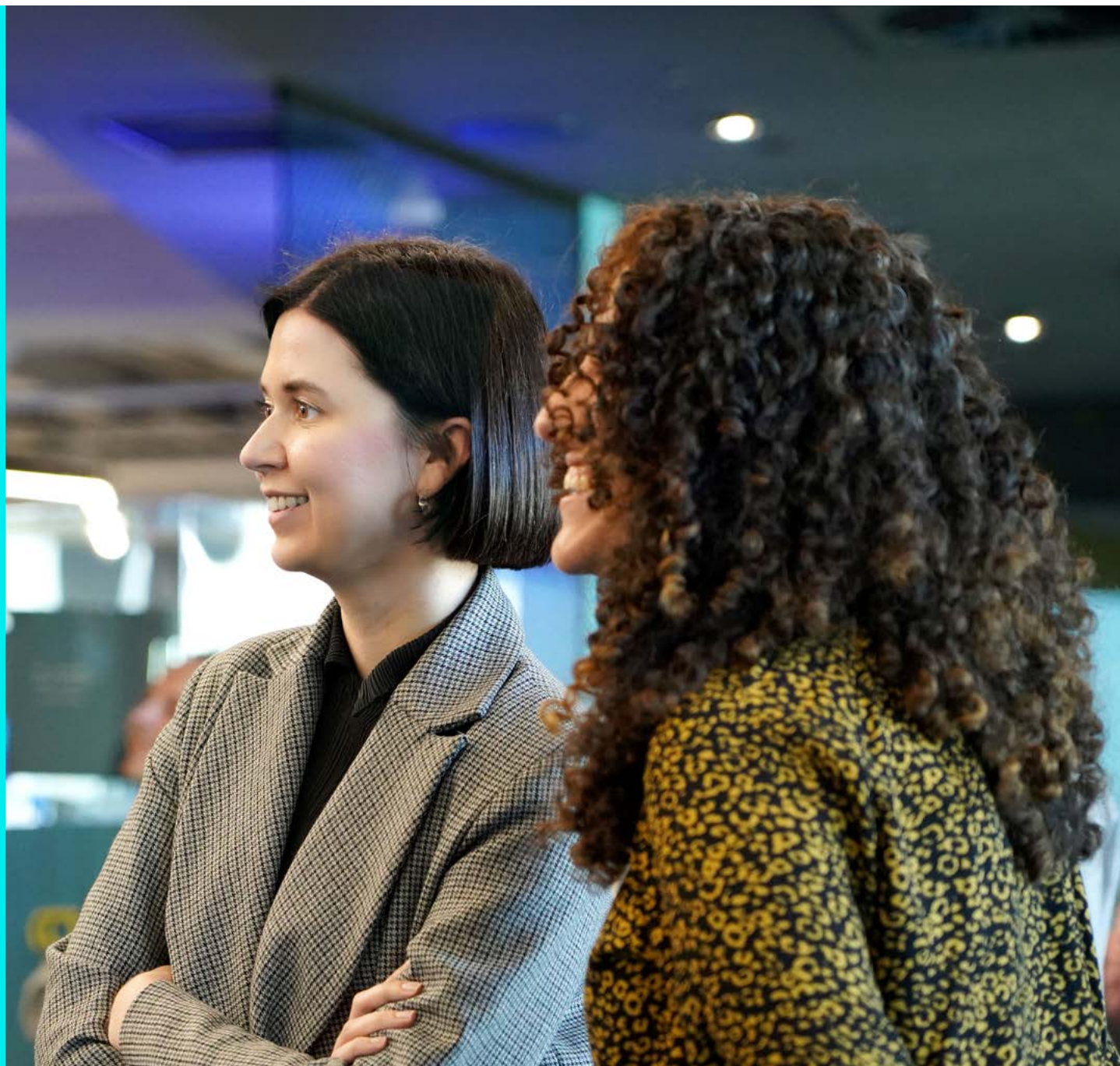
5%

Top 5% for peer relationships in the global finance sector, with an employee score of 9¹



¹ 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 Model¹ 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 efforts².

8.3

Risk Culture employee score, consistent with FY24²



¹ 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.

² 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 tCO₂e. 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.

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



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Consolidated statement of comprehensive income

FOR THE YEAR ENDED 30 SEPTEMBER 2025

	NOTE	2025 \$'000	2024 \$'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)
Insurance service result		105,195	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)
Net insurance and investment result		122,829	101,824
Other income	3.3	4,444	4,064
Other operating expenses	2.2	(8,782)	(2,348)
Finance costs		(744)	(882)
Profit before taxation from continuing operations		117,747	102,658
Tax expense from continuing operations	7.1	(34,074)	(31,774)
Profit after taxation from continuing operations		83,673	70,884
Profit after taxation from discontinued operations	8.4	–	3,401
Profit after taxation for the year		83,673	74,285

	NOTE	2025 \$'000	2024 \$'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
Other comprehensive profit/(loss) net of taxation		2,501	(898)
Total comprehensive profit for the year		86,174	73,387
Earnings per share:			
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 \$'000	30 SEPT 2024 \$'000
Assets			
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
Total assets		612,933	635,148
Liabilities			
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
Total liabilities		262,268	274,992
Net assets		350,665	360,156

	NOTE	30 SEPT 2025 \$'000	30 SEPT 2024 \$'000
Equity			
Contributed equity	5.1	417,224	460,734
Retained earnings		35,946	4,428
Reserves	5.2	(102,505)	(105,006)
Total equity		350,665	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 Stiasny
Chairman



Naomi Ballantyne
Director

Consolidated statement of changes in equity

YEAR ENDED 30 SEPTEMBER 2025

		ATTRIBUTED TO SHAREHOLDERS			
	NOTE	CONTRIBUTED EQUITY \$000	RETAINED EARNINGS/ (LOSSES) \$000	RESERVES \$000	TOTAL EQUITY \$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 \$'000	2024 \$'000
Cash flows from operating activities			
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
Net cash inflow from operating activities	8.1	143,762	145,187
Cash flows from investing activities			
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
Net cash outflow from investing activities		(46,954)	(116,568)

	NOTE	2025 \$'000	2024 \$'000
Cash flows from financing activities			
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)
Net cash outflow from financing activities		(102,841)	(16,473)
Net (decrease)/increase in cash and cash equivalents		(6,033)	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
Cash and cash equivalents at the end of the year		71,047	75,390
Cash and cash equivalents at the end of the year from continuing operations		71,047	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 \$000	PACIFIC ISLANDS \$000	OTHER \$000	TOTAL \$000
Year Ended 30 September 2025				
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)
Insurance service result	99,627	5,540	28	105,195
Net investment income	18,645	576	–	19,221
Net insurance finance expense	(1,587)	–	–	(1,587)
Net insurance and investment result	116,685	6,116	28	122,829
Other income	3,953	491	–	4,444
Other operating expenses	(8,677)	(105)	–	(8,782)
Finance costs	(569)	(175)	–	(744)
Profit/(loss) before taxation from continuing operations	111,392	6,327	28	117,747
Tax (expense)/benefit	(32,215)	(1,831)	(28)	(34,074)
Profit/(loss) after taxation from continuing operations	79,177	4,496	–	83,673

Notes to the consolidated financial statements (continued)

1.5 Segmental reporting (continued)

b. Financial performance of continuing operations (continued)

	NEW ZEALAND \$000	PACIFIC ISLANDS \$000	OTHER \$000	TOTAL \$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 \$000	PACIFIC ISLANDS \$000	OTHER \$000	TOTAL \$000
Additions to non-current assets 30 September 2025	21,674	728	–	22,402
Additions to non-current assets 30 September 2024	18,702	2,175	–	20,877
Total assets 30 September 2025	549,932	63,532	(531)	612,933
Total assets 30 September 2024	579,079	56,580	(511)	635,148
Total liabilities 30 September 2025	231,269	31,840	(841)	262,268
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 \$000	2024 \$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)
Total insurance service expense	411,648	381,608
Other operating expenses	8,782	2,348
Total insurance service expense and other operating expenses	420,430	383,956

Notes to the consolidated financial statements (continued)

2.3 Net insurance finance expense

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

2.4 Insurance and reinsurance assets and liabilities

a. Insurance and reinsurance contracts

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

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

Notes to the consolidated financial statements (continued)

2.4 Insurance and reinsurance assets and liabilities (continued)

b. Reconciliation of insurance assets and liabilities

	2025 \$'000				
	LIABILITIES FOR REMAINING COVERAGE		LIABILITIES FOR INCURRED CLAIMS		TOTAL
	EXCLUDING LOSS COMPONENT	LOSS COMPONENT	ESTIMATES OF THE PRESENT VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT	
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
Amounts included in consolidated statement of comprehensive income	(522,404)	174	315,263	2,268	(204,699)
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)
Amounts included in consolidated statement of cash flow	518,121	–	(334,685)	–	183,436
Pre-recognition cash flows derecognised and other changes	(679)	–	–	–	(679)
Insurance contract liabilities at 30 September 2025	36,696	558	102,926	15,447	155,627

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

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

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 \$000		
	LIABILITIES FOR REMAINING COVERAGE		LIABILITIES FOR INCURRED CLAIMS		TOTAL
	EXCLUDING LOSS COMPONENT	LOSS COMPONENT	ESTIMATES OF THE PRESENT VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT	
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)
Amounts included in statement of comprehensive income	(493,255)	(236)	303,424	(4,451)	(194,518)
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)
Amounts included in statement of cash flow	491,264	–	(404,641)	–	86,623
Pre-recognition cash flows derecognised and other changes	(345)	–	–	–	(345)
Insurance contract liabilities at 30 September 2024	41,658	384	122,348	13,179	177,569

* 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 \$000				
	ASSETS FOR REMAINING COVERAGE		ASSET FOR INCURRED CLAIMS		TOTAL
	EXCLUDING LOSS RECOVERY COMPONENT	LOSS RECOVERY COMPONENT	ESTIMATES OF THE PRESENT VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT	
Year ended 30 September 2025					
Opening reinsurance contract assets	(11,690)	–	44,547	2,646	35,503
Reinsurance premiums	(77,188)	–	–	–	(77,188)
Amounts recoverable from reinsurers:					
<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)
Amounts included in statement of comprehensive income	(77,392)	–	1,458	(1,461)	(77,395)
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)
Amounts included in statement of cash flow	87,989	–	(25,197)	–	62,792
Reinsurance contract assets at 30 September 2025	(1,093)	–	20,808	1,185	20,900

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 \$000		
	ASSETS FOR REMAINING COVERAGE		ASSET FOR INCURRED CLAIMS		TOTAL
	EXCLUDING LOSS RECOVERY COMPONENT	LOSS RECOVERY COMPONENT	ESTIMATES OF THE PRESENT VALUE OF FUTURE CASH FLOWS	RISK ADJUSTMENT	
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
Amounts included in statement of comprehensive income	(79,486)	–	(6,240)	(2,492)	(88,218)
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)
Amounts included in statement of cash flow	72,025	–	(95,540)	–	(23,515)
Reinsurance contract assets at 30 September 2024	(11,690)	–	44,547	2,646	35,503

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 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	TOTAL \$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	14,767	1,422	860	1,643	6,651	66,962	92,305
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)
Total net liabilities for incurred claims							96,380

Notes to the consolidated financial statements (continued)

2.4 Insurance and reinsurance assets and liabilities (continued)

d. Development of claims (continued)

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

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
Receivables	12,780	19,799
Receivable within 12 months	11,070	16,168
Receivable in greater than 12 months	1,710	3,631
Receivables	12,780	19,799

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 \$000	2024 \$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
Payables	27,005	32,287
Payable within 12 months	27,005	32,287
Payable in greater than 12 months	–	–
Payables	27,005	32,287

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 \$000	2024 \$000
Annual leave and other employee benefits	10,573	12,771
Compliance and remediation	10,329	9,188
Provisions	20,902	21,959
Payable within 12 months	20,902	20,926
Payable in greater than 12 months	–	1,033
Provisions	20,902	21,959

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 \$000	2024 \$000
Interest income	16,418	17,767
Net realised gain	2,891	1,626
Net unrealised gain	460	2,407
Investment income	19,769	21,800

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 \$000	LEVEL 2 \$000	LEVEL 3 \$000	TOTAL \$000
As at 30 September 2025				
Fixed interest investments	–	389,191	–	389,191
Property investment	–	34	–	34
Investments	–	389,225	–	389,225

As at 30 September 2024				
Fixed interest investments	–	367,472	–	367,472
Property investment	–	34	–	34
Investments	–	367,506	–	367,506

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 \$000	2024 \$000
Agency fees*	1,767	1,705
Gain on disposal of property, plant and equipment	69	30
Other	2,608	2,329
Other income	4,444	4,064

* 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%
Total	93%	7%	100%	93%	7%	100%

* 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 \$000	2024 \$000	2025 \$000	2024 \$000	2025 \$000	2024 \$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
Total	71,047	75,390	389,225	367,506	460,272	442,896

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 \$000	2024 \$000
AA	18,121	34,592
A	3,673	11,768
BBB	41	70
Not rated	158	763
Total	21,993	47,193

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 PAST DUE* \$000	PAST DUE				TOTAL \$000
		1 MONTH \$000	1 TO 2 MONTHS \$000	2 TO 3 MONTHS \$000	OVER 3 MONTHS \$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 EQUITY THROUGH CURRENCY TRANSLATION RESERVE		IMPACT ON PROFIT OR LOSS	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
New Zealand Dollar - USD				
Currency strengthens by 10%	(731)	(619)	10	905
Currency weakens by 10%	894	756	(12)	(1,106)
New Zealand Dollar - Fijian Dollar				
Currency strengthens by 10%	(960)	(1,182)	(10)	(8)
Currency weakens by 10%	1,173	1,445	13	9
New Zealand Dollar - PNG Kina				
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 \$000	2024 \$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 \$000	2024 \$000	2025 \$000	2024 \$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
Total	118,373	135,527	460,272	442,896

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 \$000		2024 \$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
Adjusted solvency margin (2024: Solvency margin)	89,017	109,092	171,360	190,592
Adjusted solvency ratio (2024: Solvency ratio)	143%	153%	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 \$000	2024 \$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
Total contributed equity		417,224	460,734
<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)	–
Total shares on issue		342,552,063	379,483,987

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 \$000	2024 \$000
Opening balance	(3,996)	(3,098)
Currency translation differences arising during the year	2,501	(898)
Foreign currency translation reserve	(1,495)	(3,996)
Capital reserve	11,990	11,990
Separation reserve*	(113,000)	(113,000)
Reserves	(102,505)	(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 CENTS	2024 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
Total profit attributable to shareholders (\$ thousands)	83,673	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
Basic earnings per share (cents) for continuing operations	23.3	18.7
Diluted earnings per share (cents) for continuing operations	23.0	18.6
Basic earnings per share (cents)	23.3	19.6
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 EQUIPMENT & FURNITURE \$000	MOTOR VEHICLES \$000	COMPUTER EQUIPMENT \$000	TOTAL \$000
30 September 2025				
Composition:				
Cost	7,436	1,545	5,407	14,388
Accumulated depreciation	(3,176)	(1,199)	(4,047)	(8,422)
Property, plant and equipment	4,260	346	1,360	5,966
Reconciliation:				
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
Closing Balance	4,260	346	1,360	5,966

	OFFICE EQUIPMENT & FURNITURE \$000	MOTOR VEHICLES \$000	COMPUTER EQUIPMENT \$000	TOTAL \$000
30 September 2024				
Composition:				
Cost	7,261	1,524	4,646	13,431
Accumulated depreciation	(2,491)	(1,198)	(3,007)	(6,696)
Property, plant and equipment	4,770	326	1,639	6,735
Reconciliation:				
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)
Closing Balance	4,770	326	1,639	6,735

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 \$000	SOFTWARE AND WORK IN PROGRESS \$000	CUSTOMER RELATIONSHIPS \$000	TOTAL \$000
Composition:				
Cost	17,744	123,227	40,674	181,645
Accumulated amortisation	–	(61,388)	(26,797)	(88,185)
Intangible Assets	17,744	61,839	13,877	93,460
Reconciliation:				
Opening balance	17,744	60,855	18,022	96,621
Amortisation	–	(15,367)	(4,145)	(19,512)
Additions*	–	21,188	–	21,188
Impairment**	–	(4,545)	–	(4,545)
Transfers to property, plant and equipment	–	(292)	–	(292)
Closing Balance	17,744	61,839	13,877	93,460

* 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 \$000	SOFTWARE AND WORK IN PROGRESS \$000	CUSTOMER RELATIONSHIPS \$000	TOTAL \$000
Composition:				
Cost	17,744	107,977	40,674	166,395
Accumulated amortisation	–	(47,122)	(22,652)	(69,774)
Intangible Assets	17,744	60,855	18,022	96,621
Reconciliation:				
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, plant and equipment	–	(979)	–	(979)
Closing Balance	17,744	60,855	18,022	96,621

* 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 \$000	2024 \$000
Composition:		
Cost	30,628	29,814
Accumulated depreciation	(13,471)	(9,824)
Right-of-use assets	17,157	19,990
Reconciliation:		
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
Right-of-use assets	17,157	19,990

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 \$000	2024 \$000
Composition:		
Current	5,197	4,909
Non-current	20,349	23,946
Lease liabilities	25,546	28,855
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)
Lease liabilities	25,546	28,855

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 \$000	2024 \$000
Depreciation and impairment	Insurance service expense	(3,910)	(4,096)
Interest expense	Finance costs	(744)	(882)
Lease expense		(4,654)	(4,978)

c. Amounts recognised in the consolidated statement of cash flows

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

Reconciliation of prima facie tax to income tax expense	2025 \$000	2024 \$000
Profit before tax from continuing operations	117,747	102,658
Profit before tax from discontinued operations	–	3,860
Profit before taxation	117,747	106,518
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
Tax expense	34,074	32,233

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 \$000	2024 \$000
Excess tax payments in New Zealand*	–	11,766
Excess tax payments in the Pacific Islands	1,031	1,456
Current tax asset	1,031	13,222

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

b. Current tax liability

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

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 \$000	2024 \$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
Recognised in profit or loss	12,551	14,028
Impact through other comprehensive income	772	–
Recognised in comprehensive profit or loss	13,323	14,028
Set-off of deferred tax liabilities pursuant to NZ IAS 12	(11,956)	(13,646)
Deferred tax asset	1,367	382
Deferred tax asset from continuing operations	1,367	382

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

b. Deferred tax liability

Composition	2025 \$000	2024 \$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)
Recognised in profit or loss	(24,539)	(27,362)
Set-off of deferred tax liabilities pursuant to NZ IAS 12	11,956	13,646
Deferred tax liability	(12,583)	(13,716)

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

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

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 \$000	2024 \$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 \$000	2024 \$000
Cash at bank	71,047	51,931
Deposits at call	–	23,459
Cash and cash equivalents*	71,047	75,390

* 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)

Reconciliation of profit for the year to cash flows from operating activities	2025 \$000	2024 \$000
Profit after taxation	83,673	74,285
Adjusted for non-cash items		
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
Adjusted for investing activities		
Loss on disposal of fixed assets	(69)	(30)
Loss on disposal of discontinued operation	–	(1,988)
Investment expenses	547	250
Adjusted for movements in working capital		
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
Net cash inflow from operating activities	143,762	145,187
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.

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

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 \$000	2024 \$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
Total fees incurred for services provided by PwC New Zealand	676	923

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

* 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
Valuation of the liability for incurred claims (2025: \$118,373,000; 2024: \$135,527,000) 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. 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: • an estimate of the present value of future cash outflows to settle claims; and • a risk adjustment for non-financial risk. 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. Key actuarial assumptions applied in the valuation of future cash flows include: • expected future claims development; • claims handling expense ratios; • future Canterbury Earthquake overcap property claims; and • discount rate. 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.	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. Claims data is the key input to the actuarial estimate. Accordingly, we evaluated the design effectiveness and tested key controls over claims processing. On a sample basis, we: • 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; • 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; • inspected claims paid during the year to confirm that they are supported by appropriate documentation; • agreed key attributes of insurance contract information to each underlying contract to determine the level of aggregation and groups used for valuation purposes; and • tested the integrity of data used in the actuarial models by agreeing relevant model inputs, such as claims data, to source data. Together with our actuarial experts, we: • considered the work and findings of the Group's Actuaries; • 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; • 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);

Independent auditor's report (continued)

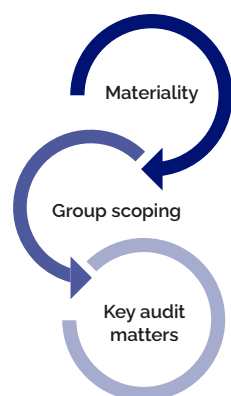
Description of the key audit matter

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

Sydney Level 7, 68 Harrington Street,
The Rocks, NSW 2000
T +61 2 8252 3300

Melbourne Level 3, 30 Collins Street,
Melbourne, VIC 3000
T +61 3 8080 0900

Auckland Level 5, 79 Queen Street,
Auckland, NZ 1010
T +64 9 306 7700

Underlying profit reconciliation

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

	FY25 UNDERLYING PROFIT \$M	NON- UNDERLYING ITEMS ⁽¹⁾ \$M	MANAGEMENT EXPENSE RECLASSES ⁽²⁾ \$M	RECLASS OF REINSURANCE EXPENSES ⁽³⁾ \$M	RECLASS OF REINSURANCE & OTHER RECOVERY REVENUES ⁽⁴⁾ \$M	FY25 REPORTED PROFIT \$M
Gross written premium	599.8					
Insurance revenue	597.1	(2.7)				594.3
Reinsurance expense	(80.1)			80.1		
Net insurance revenue	517.0	(2.7)	0.0	80.1	0.0	
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)	
Insurance service expense	(383.1)	(24.9)	(1.0)	0.0	(2.6)	(411.6)
Net expense from reinsurance contracts held				(80.1)	2.6	(77.5)
Insurance service result	133.9	(27.6)	(1.0)	0.0	0.0	105.2
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)
Underlying profit before tax	150.0					
Income tax expense	(42.8)	8.7				(34.1)
Underlying profit after tax	107.2					
Canterbury impact	(7.9)	7.9				
Other non-underlying costs	(15.7)	15.7				
Reported profit after tax	83.7	0.0	0.0	0.0	0.0	83.7

* 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.

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
Board of Directors				
Males	60%	3	80%	4
Females	40%	2	20%	1
Gender Diverse	0%	0	0%	0
Executive Leadership team				
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
Senior Leadership team				
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
Employees				
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
Total company				
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
Total employees		966		915

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 COMMITTEE	RISK COMMITTEE	PEOPLE, REMUNERATION AND APPOINTMENTS COMMITTEE	RESULTS SUB- 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 (30%)	TARGET (60%)	MAXIMUM (100%)	FY25 ACTUAL	SCORECARD OUTCOME
Financial (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 (20%)	NPS	10%	37	41	44	44	10%
	Retention	10%	78%	79%	80%	78.2%	3.6%
People (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 YEAR	PERFORMANCE PERIOD	NUMBER OF SHARE RIGHTS ISSUED ON GRANT DATE	VALUE OF SHARE RIGHTS ON GRANT DATE (\$)	STATUS
FY25	12 December 2024 to 11 December 2027	218,606	\$290,745	Unvested
FY24	7 December 2023 to 6 December 2026	462,712	\$273,000	Unvested
FY23	7 December 2022 to 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	Total		306	264

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 ON 20 MARCH 2025	CONSIDERATION (\$NZ) (\$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%
Total	22,575	342,552,063	100%

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 (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 (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 <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
GRI 2: General Disclosures 2021	
2-1 Organisational details	Pg 108 Tower Directory.
2-2 Entities included in the organisation's sustainability reporting	See pg 108 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 Emily.Davies@tower.co.nz
2-4 Restatements of information	This is Tower's fourth report in accordance with the GRI Standard.
2-5 External assurance	External assurance approach is covered in our Corporate Governance Statement which can be found in this link: https://www.tower.co.nz/investor-centre/corporate-governance/policies/ Our External Audit Independence Policy can also be found in this link: https://www.tower.co.nz/investor-centre/corporate-governance/policies/ Scope 1 & 2 greenhouse gas emissions are subject to assurance as required by the Climate-related Disclosures regime and detailed within our FY25 Climate Statement. We have not sought external assurance on our sustainability information.
2-6 Activities, value chain and other business relationships	https://www.tower.co.nz/about-us/
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: https://www.tower.co.nz/investor-centre/corporate-governance/policies/
2-10 Nomination and selection of the highest governance body	Tower's Constitution and Board Renewal Policy can be found in this link https://www.tower.co.nz/investor-centre/corporate-governance/policies/
2-11 Chair of the highest governance body	Pg 38 .
2-12 Role of the highest governance body in overseeing the management of impacts	Pg 38-39 .
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	Pg 38-39 .
2-15 Conflicts of interest	Our Code of Conduct Policy and Conflict of Interest Policy can be found in this link: https://www.tower.co.nz/investor-centre/corporate-governance/policies/
2-16 Communication of critical concerns	See Corporate Governance Statement in this link: https://www.tower.co.nz/investor-centre/corporate-governance/policies/ Communication of critical concerns regarding ESG topics is unavailable. See Corporate Disclosure Policy in this link: https://www.tower.co.nz/investor-centre/corporate-governance/policies/

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: https://www.tower.co.nz/investor-centre/corporate-governance/policies/ Actions to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development will continue to be undertaken in FY26. Tower's 2025 Climate Statement can be found in the investor section of our website, here: https://www.tower.co.nz/investor-centre/reports/
2-18 Evaluation of the performance of the highest governance body	See Corporate Governance Statement in this link: https://www.tower.co.nz/investor-centre/corporate-governance/policies/
2-19 Remuneration policies	See Corporate Governance Statement in this link: https://www.tower.co.nz/investor-centre/corporate-governance/policies/
2-20 Process to determine remuneration	See People, Remuneration and Appointments Committee Charter, and Director and Executive Remuneration Policy in this link: https://www.tower.co.nz/investor-centre/corporate-governance/policies/ 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: https://www.tower.co.nz/investor-centre/corporate-governance/policies/ 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: https://www.tower.co.nz/investor-centre/corporate-governance/policies/
2-25 Processes to remediate negative impacts	https://www.tower.co.nz/contact-us/complaints-and-compliments/ Our material impacts table can be found here: https://www.tower.co.nz/about-us/sustainability/ 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: https://www.tower.co.nz/investor-centre/corporate-governance/policies/ 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 page 15 . 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 page 9 . Similarly, our Southern Star drives outcomes for customers and our people, see 'our vision' page 9 . 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
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Pg 33.
3-2	List of material topics	Pg 33.
3-3	Management of material topics	See our material impacts table via our website for all: https://www.tower.co.nz/about-us/sustainability/
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Pg 35. Scope 1 emissions includes refrigerant top-ups and vehicle fleet fuel in New Zealand and the Pacific. Tower applies the operational control approach and has chosen FY20 as the baseline year as this was the first year Tower measured its emissions. New Zealand emissions factors used were sourced from Ministry for the Environment's (MfE) 2025 Measuring Emissions: A Guide for Organisations. Quantities of each greenhouse gas are converted to tonnes CO₂e 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. Our full greenhouse gas emissions inventory is provided in our 2025 Climate Statement, which is in the investor section of our website, here: https://www.tower.co.nz/investor-centre/reports/ 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.

DISCLOSURE		LOCATION/INFORMATION
305-2	Energy indirect (Scope 2) GHG emissions	Pg 35. 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. 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. Our full greenhouse gas emissions report is provided in our 2025 Climate Statement, which is in the investor section of our website, here: https://www.tower.co.nz/investor-centre/reports/
305-3	Other indirect (Scope 3) GHG emissions	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). 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. 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 & Rural Affairs (DEFRA) 2025 'Greenhouse gas reporting: conversion factors' (UK). For Information on the methodology, assumptions, and uncertainties refer to our 2025 Climate Statement, which is in the investor section of our website, here: https://www.tower.co.nz/investor-centre/reports/

Global Reporting Initiative (GRI) content index

DISCLOSURE	LOCATION/INFORMATION
305-5 Reduction of GHG emissions	<u>Pg 35.</u> Our full greenhouse gas emissions inventory is provided in our 2025 Climate Statement, which is in the investor section of our website, here: https://www.tower.co.nz/investor-centre/reports/ 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.
GRI 401: Employment 2016	
401-1 New employee hires and employee turnover	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. 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.
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	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.
401-3 Parental leave	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. 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. 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).

DISCLOSURE	LOCATION/INFORMATION
GRI 403: Occupational Health and Safety 2018	
403-1 Occupational health and safety management system	See Health and Safety Policy in this link: https://www.tower.co.nz/investor-centre/corporate-governance/policies/
403-2 Hazard identification, risk assessment, and incident investigation	Tower's H&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. Workers are encouraged to report hazards and hazardous situations through the H&S system. Tower's H&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.
403-3 Occupational health services	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.
403-4 Worker participation, consultation, and communication on occupational health and safety	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&S Management system is continuously reviewed by the Health and Safety Officer to ensure risks are kept up to date. 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&S updates from the meetings to relative teams, ensuring H&S is on the agenda at team meetings and promotion of health, safety and wellbeing education and activities.

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	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. 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). 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.

DISCLOSURE		LOCATION/INFORMATION
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Pg 91-92.
405-2	Ratio of basic salary and remuneration of women to men	Pg 30.
GRI 418: Customer Privacy 2016		
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

For investor enquiries:

Telephone: +64 9 369 2000

Email: investor.relations@tower.co.nz

Website: 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
Website: www.computershare.com/nz

tower.co.nz



2025 Full Year Results

1 October 2024 to 30
September 2025

27 November 2025



AGENDA



Chairman's update
Michael Stiasny,
Chairman



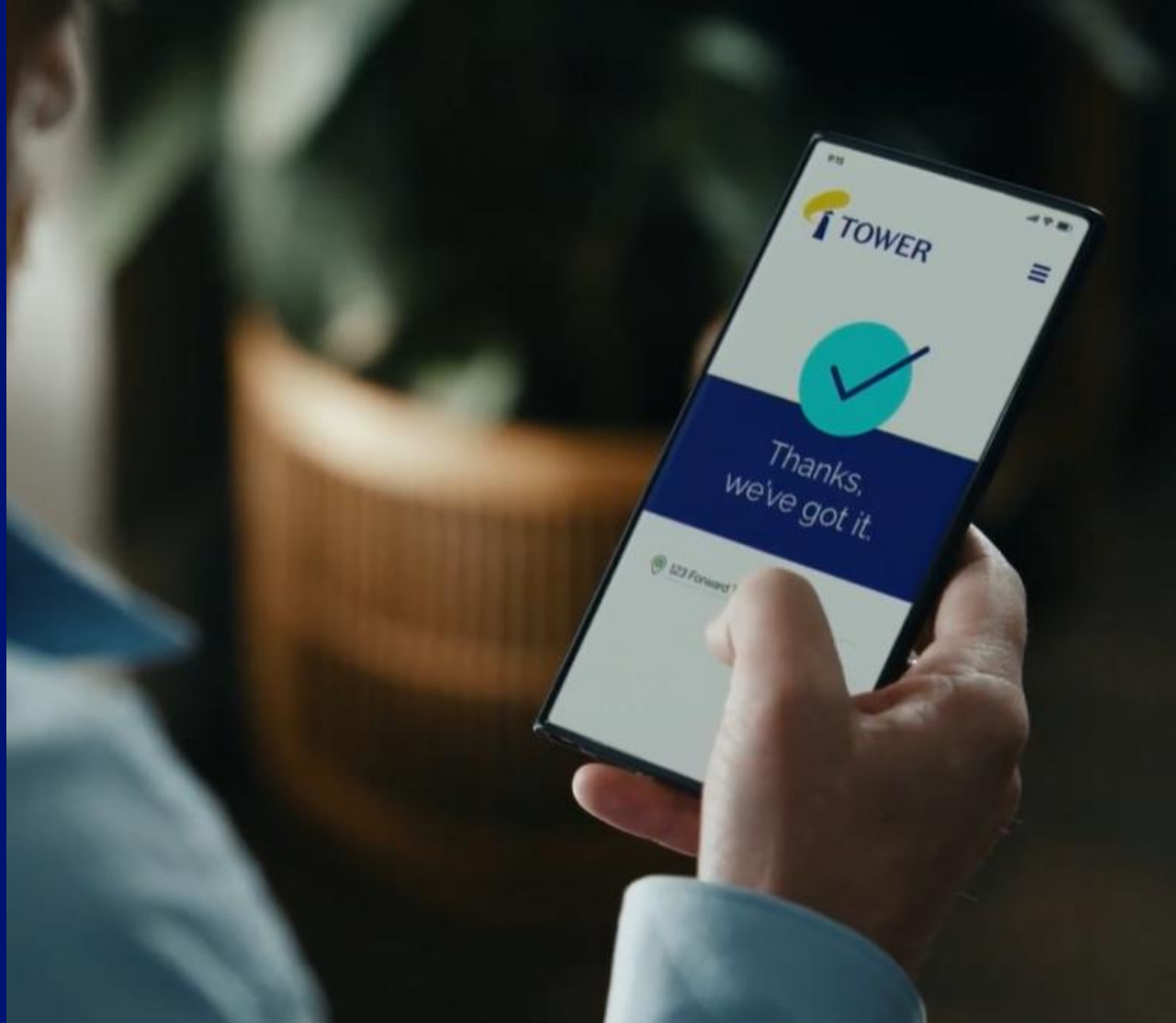
Business update
Paul Johnston,
Chief Executive Officer



Financial performance
Angus Shelton,
Interim Chief Financial
Officer



Looking forward
Paul Johnston,
Chief Executive Officer



Chairman's update

Tower delivers record FY25 performance and positions for future growth

Strong, resilient business delivering shareholder value

- Capital return of \$45m delivered
- Final dividend declared 16.5 cents per share; full year dividends of 24.5 cents per share – fully imputed
- Shareholder returns supported by sustainable profit growth
- Strong capital and solvency

Competitive advantages set Tower apart

- Address level risk-based pricing
- Disciplined execution of Tower's focused strategy
- Strategic partnerships and brand momentum underpin future growth
- Investing in innovation, technology and AI



TOWER FY25 RESULTS

Business update

Paul Johnston,
Chief Executive
Officer



Overview

Record FY25 result

- Relatively benign claims environment – claims ratio historically low
- Strong policy growth whilst soft rating cycle lowers GWP

Strategic horizon 1: Focus on foundations

- Foundations strengthened with key initiatives delivered in FY25
- Improvements in digitisation, efficiencies, and underwriting
- Profitability improved through the cycle

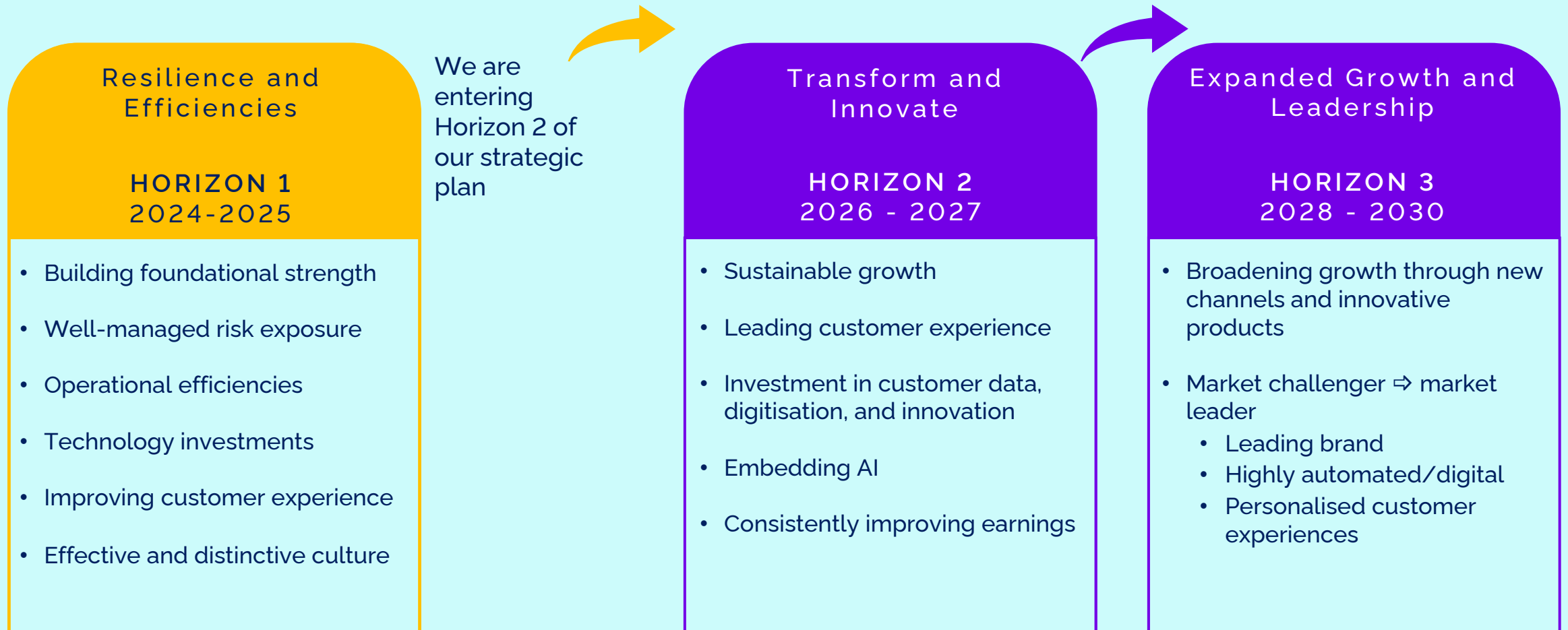
Entering strategic horizon 2

- Primed for growth, innovation, and leading customer experience
- 5-10% GWP CAGR expected across FY26-FY28



Entering the next phase of growth

Foundations laid to deliver Horizons 2 and 3



Our performance

Strong operational and business performance

GWP growth¹
(Gross written premium)

2% | \$600m

vs \$595m in FY24

Customers

318,000

vs 305,000 at FY24

BAU claims ratio
(Business as usual)

41%

vs 48% in FY24

MER
(Management expense ratio)

31.4%

vs 31.4% in FY24

Large event costs²

\$7.2m

vs -\$2.3m in FY24

Underlying profit³

\$107.2m

vs \$83.5m in FY24

Reported profit

\$83.7m

vs \$74.3m in FY24

Dividend per share
Total FY25 declared dividends

24.5 cents

vs 9.5 cents, \$45m capital
return announced in FY24

Note 1: Excluding divested portfolios which include the Solomon Islands business and Vanuatu subsidiary, and the New Zealand commercial rural portfolio

Note 2: Large event costs were negative in FY24 due to the absence of large events in the financial year and a favourable revision to prior year large events costs

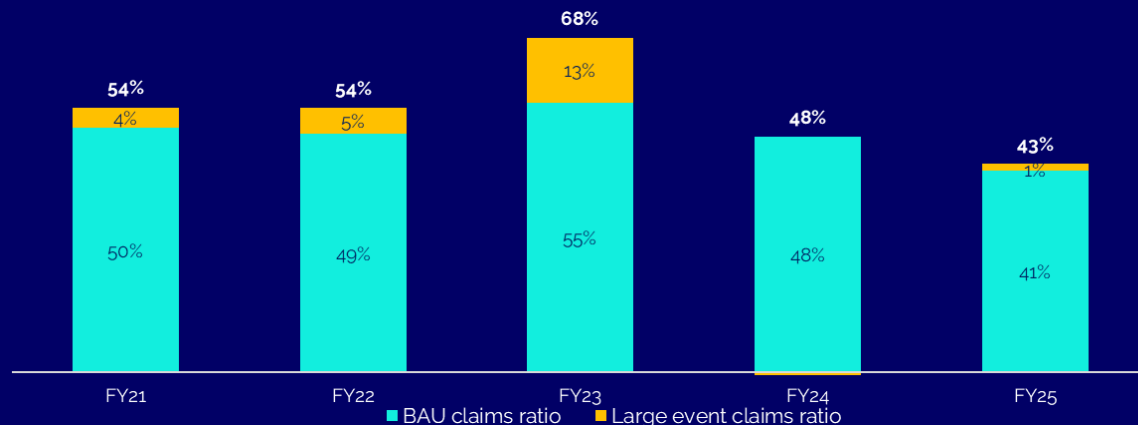
Note 3: Definition of underlying profit and a reconciliation to reported profit is included in the appendices



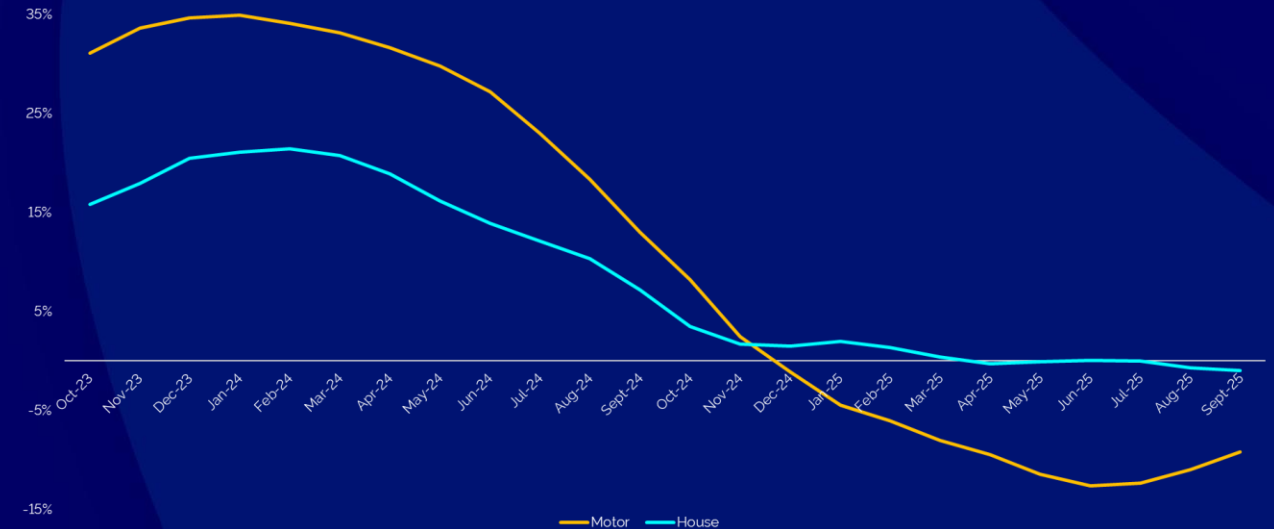
External factors influencing FY25 result

- Large event claims costs of \$7.2m well below historical 10-year average of \$15m
- Competitive environment reduced motor premiums
- Inflation now at historical averages
- Motor theft frequency back to pre-Covid levels
- OCR decrease reduces investment income yields

TOWER TOTAL CLAIMS RATIO



TOWER EFFECTIVE AVERAGE PREMIUM (ANNUAL CHANGE)



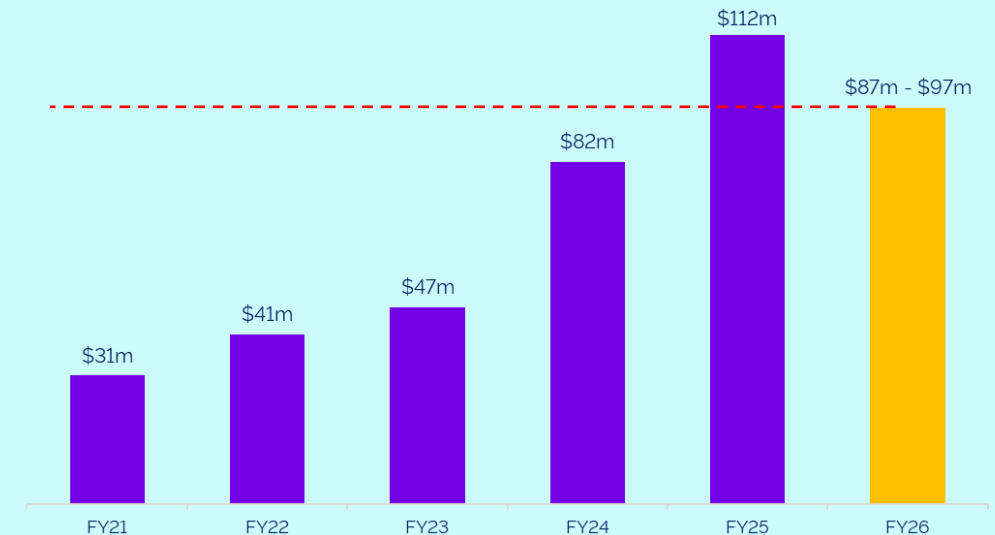
- Effective average premium highlights impact of change in technical premium, excesses, and sum insured on GWP



Sustained profitability improvement

- Through-the-cycle (FY21 – FY25) profitability has increased through business improvements:
 - Targeted growth enabling scale
 - Risk selection and risk-based pricing improvements (Flood, Sea Surge, Landslide)
 - Expense efficiencies from technology & Suva Hub
 - Foundational risk and resilience improvement
- Assisted by benign BAU claims experience in last two years
- FY26 guidance assumes soft rating cycle continues and normalisation of BAU claims ratio

UNDERLYING NPAT EXCLUDING LARGE EVENTS¹



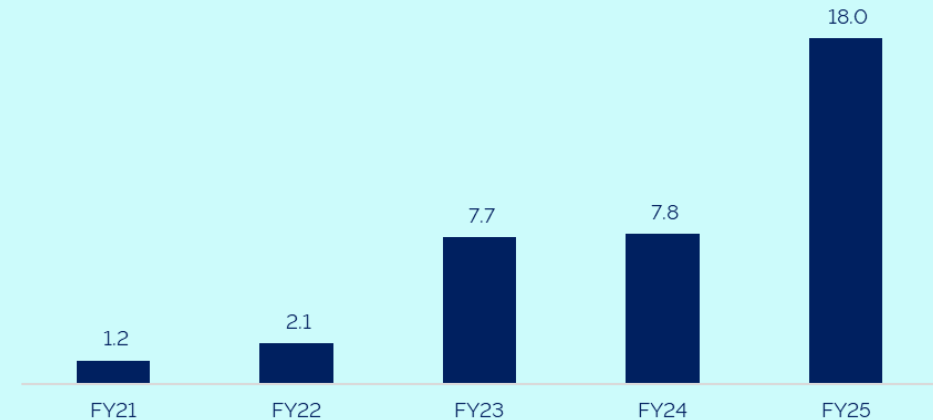
Note 1: The net cost to Tower of large event costs after tax for each financial year is as follows: FY21 \$10m, FY22 \$13.3m, FY23 \$40.1m, FY24 -\$1.6m, FY25 \$5.2m



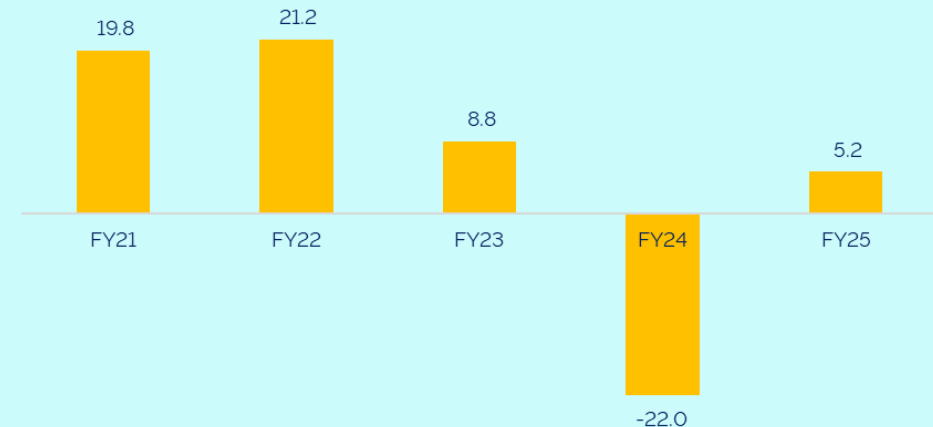
Policy growth in a competitive market

- +13k new customers to 318k
- 6% growth in NZ policies (house 11%, motor 2%, contents 7%)
- Strategic focus towards house is providing results
- Improved risk quality - Tower's expected average annual loss from flood reduced 21% on a per policy basis and 16% overall
- New brand campaign "The Misses" launched winning Kantar's June 2025 Ad impact award

NZ HOUSE MOVEMENT IN RISK COUNT (000's)

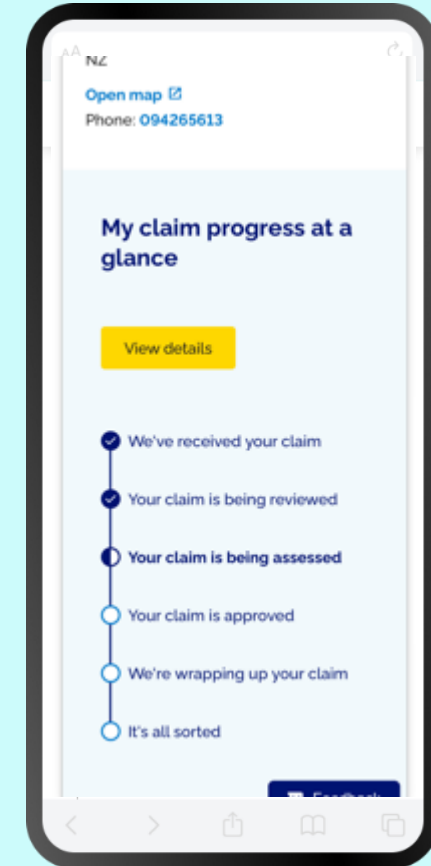
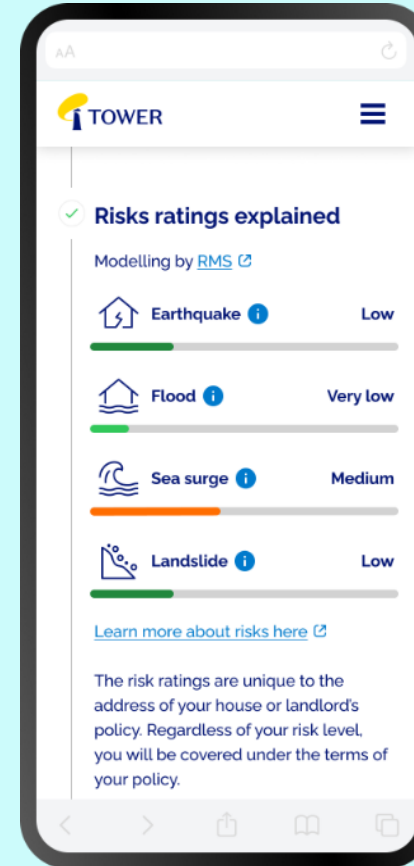


NZ MOTOR MOVEMENT IN RISK COUNT (000's)



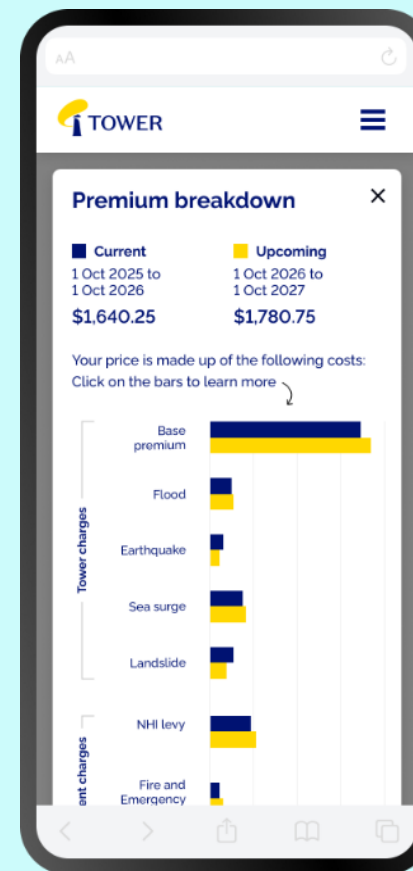
Investing for future value

- Launched Amazon Connect - AI enabled contact centre platform, streamlining processes and reducing frontline effort
- Integrated motor assessing system - reducing assessment time, manual effort on claims handling, and repair costs
- Digitisation build nearing completion – digital service capability at 79%
- Risk based pricing enhancements - Landslide and sea surge delivering improved risk quality
- AI enablement – strengthened foundations to deliver AI efficiencies across FY26-FY27



Elevating customer experience

- Net promoter score improved to +44 (FY24: +38)
- Sales and service abandonment rate reduced by 1% to 7%
- Digital efficiency: New Zealand digital tasks¹ – 63% sales, 51% service; 70% claims lodgement
- 59% of NZ customers registered for MyTower (FY24: 53%)
- Suva Hub answering 83% of NZ sales and service calls (FY24: 55%)
- CRM Contact Centre Awards (NZ): Insurance sector award winner 2025



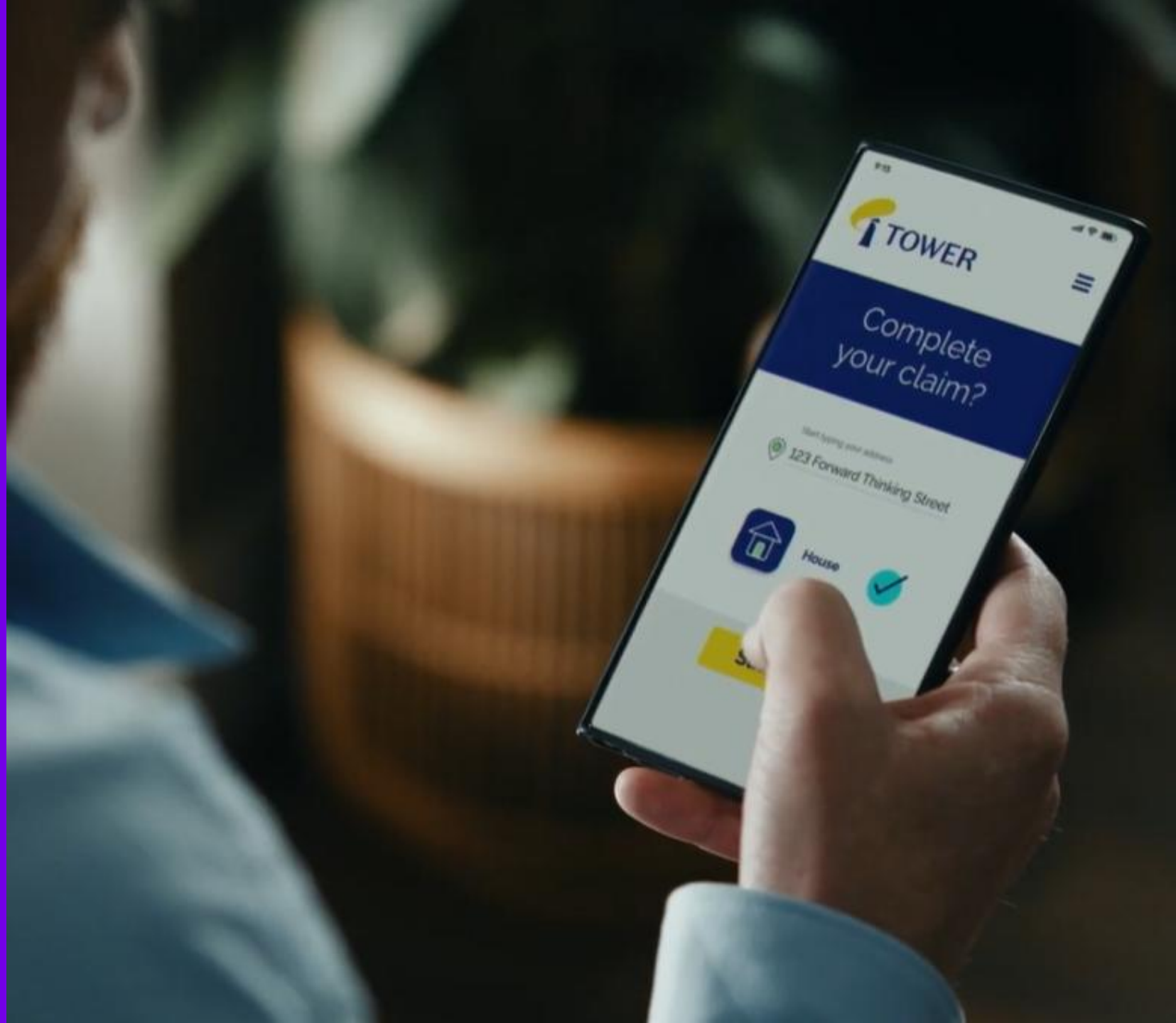
Note 1: Sales tasks are all New Zealand new business policies sold online (previously reported as Tower Direct only). Service tasks are either digital (actioned by the customer through the My Tower portal online) or assisted (through Tower's call centre). In prior years, multiple tasks completed on the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



TOWER FY25 RESULTS

Financial performance

Angus Shelton,
Interim Chief
Financial Officer



Group underlying performance

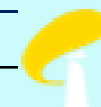
- Gross written premium growth of 2%¹
- BAU claims ratio reduced to 41.3% due to targeted rate increases, risk selection and relatively benign weather
- Large event costs of \$7.2m
- Management expense ratio of 31.4% in line with FY24
- Underlying NPAT² including large events of \$107.2m
- Reported profit of \$83.7m impacted by Canterbury earthquakes strengthening, costs of customer remediations and software impairment

Key ratios (% of Net insurance revenue)	FY25	FY24	Change
Claims ratio excluding large events	41.3%	48.1%	(6.8)%
Large event costs ratio	1.4%	(0.5)%	1.9%
Management expense ratio	31.4%	31.4%	0.0%
Combined ratio	74.1%	79.0%	(4.9)%

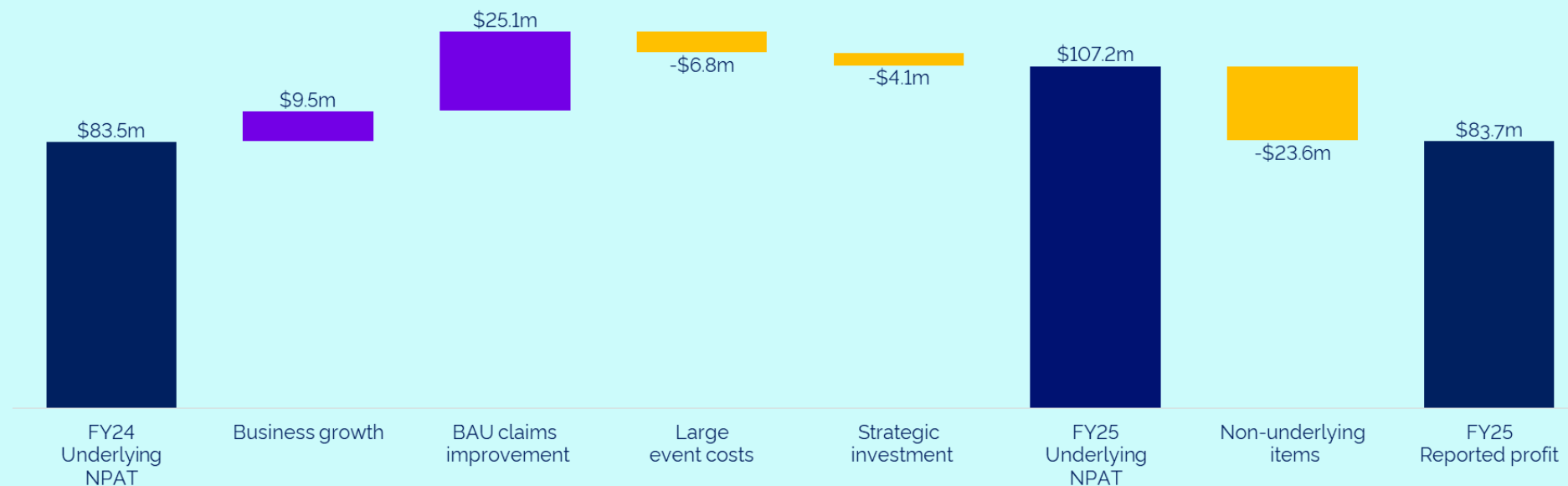
\$ million	FY25	FY24	Change
Gross written premium	599.8	595.3	4.5
Insurance revenue	597.1	566.2	30.9
Reinsurance	(80.1)	(85.8)	5.7
Net insurance revenue	517.0	480.4	36.6
BAU claims expense	(213.6)	(230.9)	17.3
Large event claims expense	(7.2)	2.3	(9.5)
Management expenses	(153.0)	(142.1)	(10.9)
Net commission expense	(9.2)	(8.6)	(0.6)
Insurance service expense	(383.1)	(379.4)	(3.8)
Insurance service result	133.9	101.0	32.8
Net investment income	19.2	21.6	(2.4)
Net insurance finance expense	(1.6)	(2.6)	1.0
Other income and expenses	(1.5)	(0.6)	(0.9)
Underlying profit before tax	150.0	119.4	30.6
Income tax expense	(42.8)	(35.8)	(6.9)
Underlying profit after tax	107.2	83.5	23.7
Non-underlying items	(23.6)	(9.3)	(14.3)
Reported profit/(loss) after tax	83.7	74.3	9.4

Note 1: Adjusted to exclude sold portfolios: Solomon Islands, Vanuatu, and NZ commercial rural

Note 2: Definition of underlying profit and a reconciliation to reported profit is included in the appendices



Movement in underlying NPAT



- Underlying NPAT¹ of \$107.2m vs \$83.5m in FY24
- Business growth reflects higher net insurance revenue less the associated growth in claims and management expenses
- BAU claims ratio improved from rating and underwriting actions, relatively benign weather, and lower motor frequency
- Large event costs in FY25 of \$7.2m before tax versus a release of \$2.3m before tax in FY24
- Strategic investments to deliver future growth and efficiency

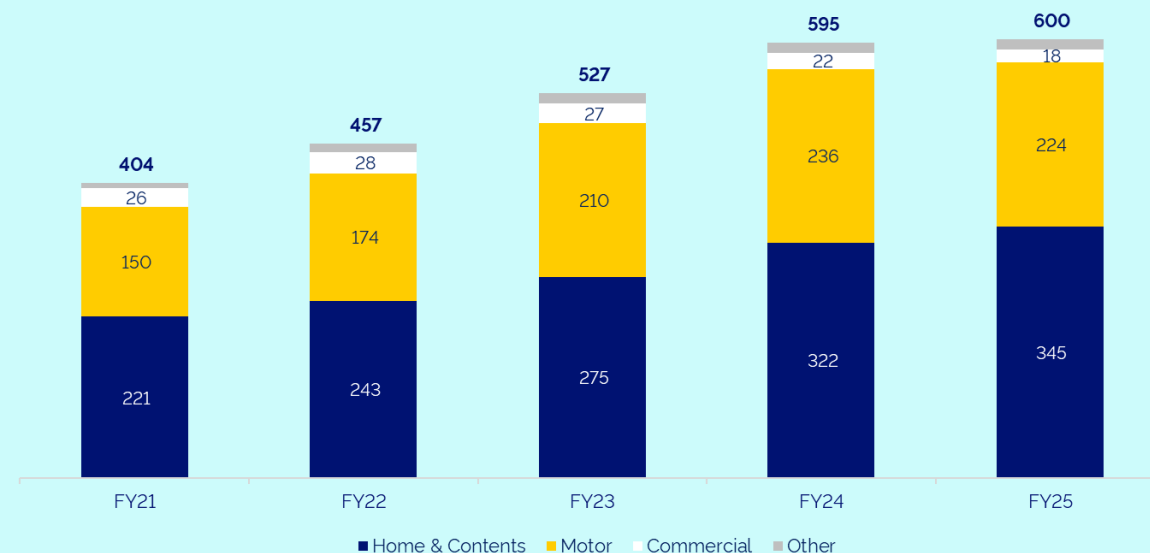
Note 1: A definition of underlying profit and a reconciliation to reported profit is included in the appendix



Rating pressure impacts GWP growth

- 2%¹ premium growth reflects softer rating environment
- NZ House GWP growth 10%; 11% policy growth
- NZ Motor GWP growth -5%; 2% policy growth offset by rate reductions to balance margin and growth
- Partnerships GWP growth of 12%
- NZ retention rate of 78% (FY24: 77%)

GROSS WRITTEN PREMIUM (\$m)



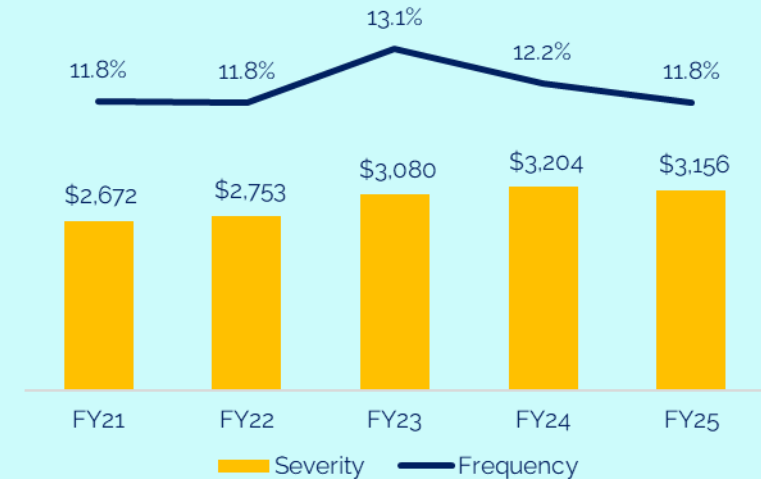
Note 1: Adjusted to exclude sold portfolios: Solomon Islands, Vanuatu, and NZ commercial rural



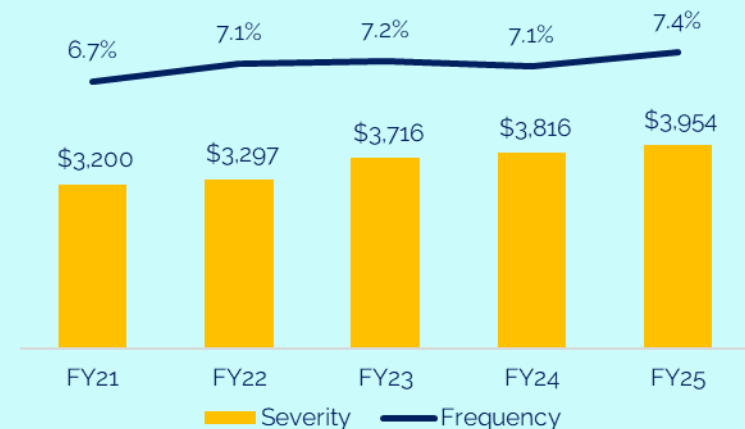
Lower frequency and severity of claims

- BAU claims ratio of 41.3% (FY24: 48.1%) due to high premium earning through as well as severity and frequency flattening off
- Prior period high theft motor off-risking has lowered frequency and severity of motor claims
- Reduction of external assessing usage has lowered motor handling costs
- House frequency impacted by increase in small weather claims
- Large event costs of \$7.2m

NZ MOTOR SEVERITY¹ & FREQUENCY²



NZ HOUSE SEVERITY & FREQUENCY



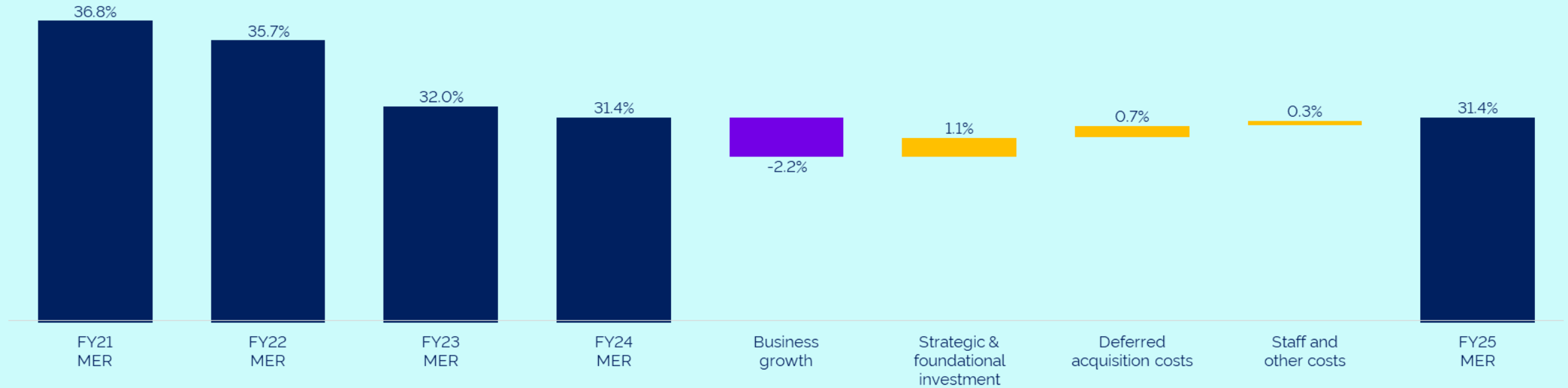
Note 1: Severity is defined as the cost of claims (excluding large events, large house, windscreen) divided by the count of claims

Note 2: Frequency is defined as the number of claims (same exclusions as above) divided by risks in force

The historical severity and frequency numbers are current estimates as at 30 September 2025 reflecting development of prior year claims in their respective incurred periods



Stable management expense ratio

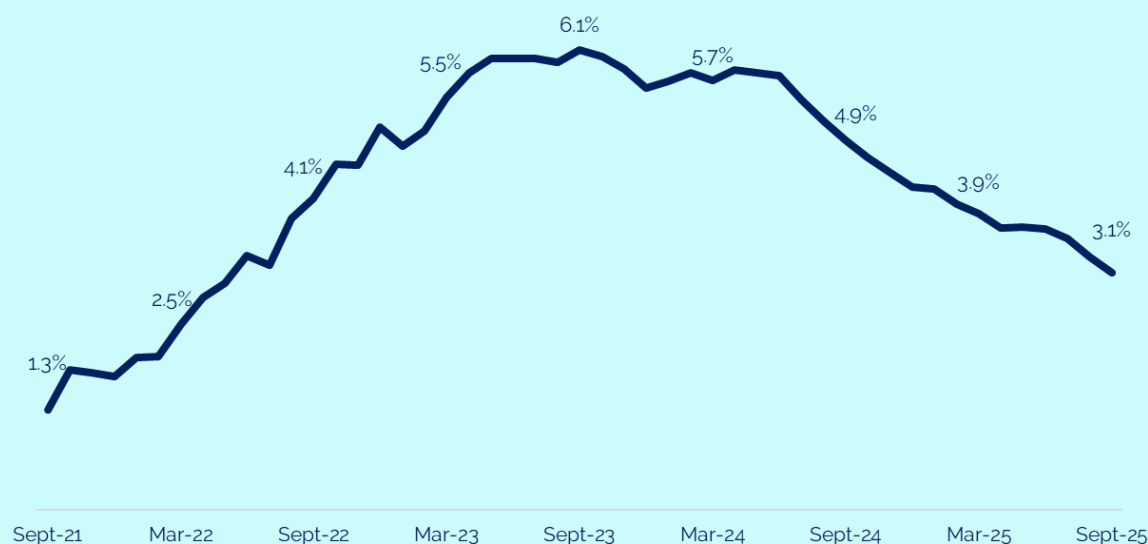


- Management expense ratio (MER) remained at 31.4%
- Scale efficiencies from business growth contributes 2.2% reduction in MER
- Strategic and foundational investments are being made to improve growth, efficiency, and resilience
- Timing differences related to recognition of deferred acquisition costs increases MER by 0.7%
- Staff and other costs increasing from inflation and to drive growth



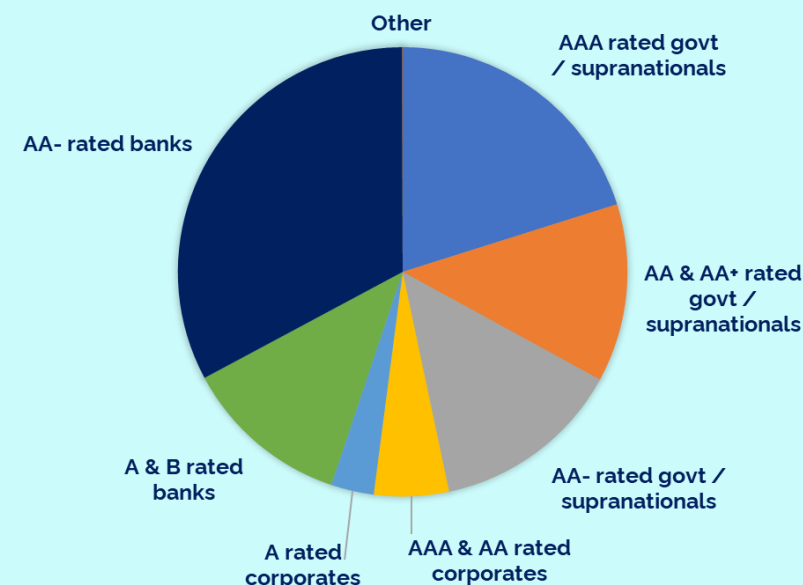
Conservative investment strategy

CORE INVESTMENT PORTFOLIO¹ YIELD



- Net investment income \$19.2m; \$2.4m lower than FY24
- Running yield on the core investment portfolio is 3.1% as at 30 September 2025

INVESTMENT ASSET PROFILE



- Conservative investment strategy with low duration (target of 6 months)
- Yields expected to remain suppressed in line with OCR

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



CEQ and customer remediation

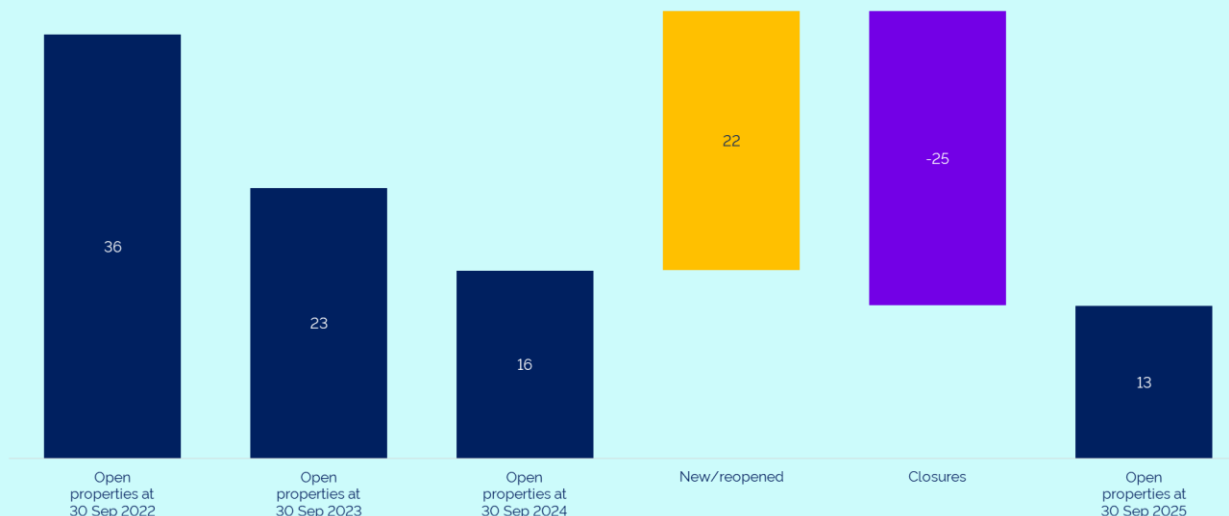
Canterbury earthquakes (CEQ)

- FY25 charge of \$7.9m after tax, treated as a non-underlying item
- 13 properties open as at 30 September 2025
- 22 new over cap or reopened claims from NHC in the year (+7 vs FY24), with an average cost higher than historical levels, drove an increase in valuation assumption for future claims

Customer remediation

- FY25 charge of \$10.9m after tax, treated as a non-underlying item
- Includes further provision for payments to customers, plus remediation programme costs

OPEN CEQ CLAIMS

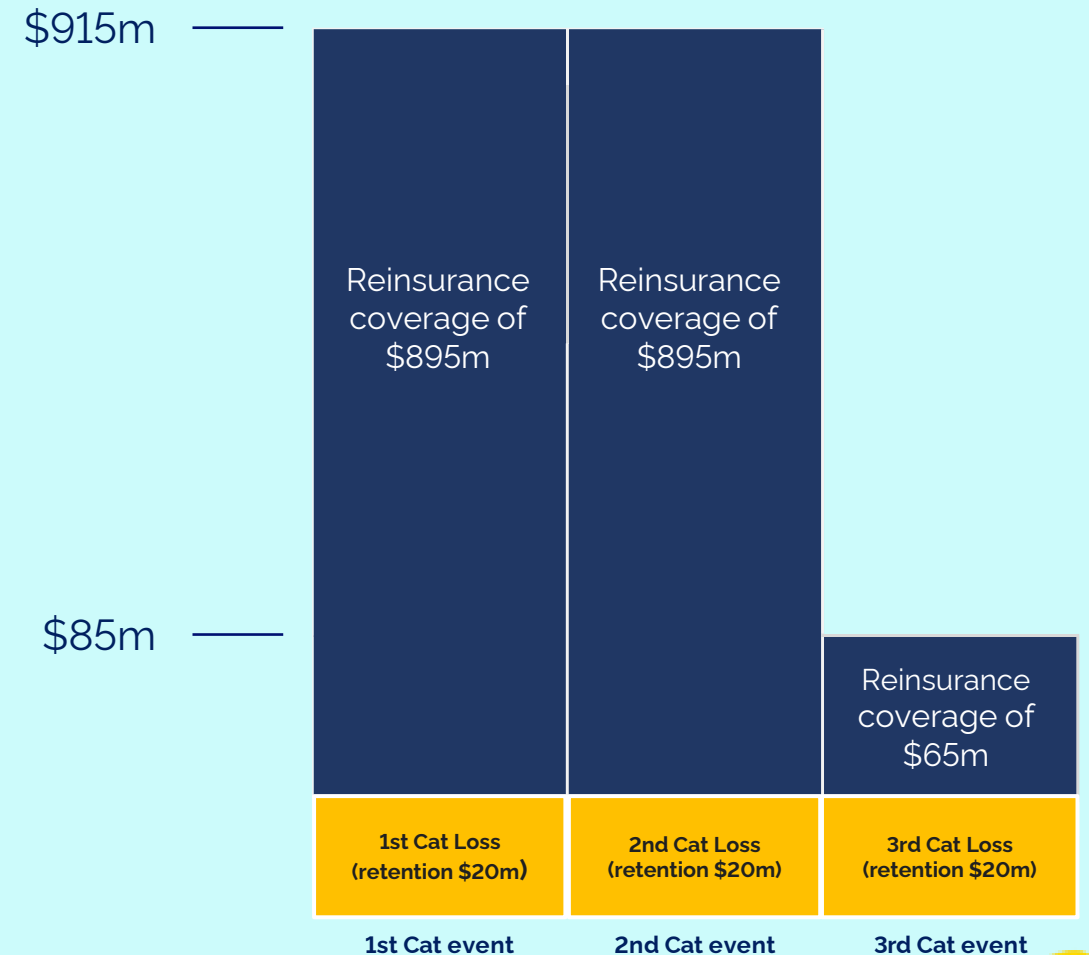


Reinsurance programme

- Successfully renewed FY26 programme with a lower cost to GWP ratio reflecting changes to risk profile, structure, and global market ratings
- Catastrophe reinsurance of up to \$915m for two events, (FY25: \$800m) and an additional prepaid third event cover up to \$85m
- Increase in retention for catastrophe event to \$20m (FY25: \$18.75m) from expiring multi-year contracts
- Reinsurance programme also includes:
 - Excess of loss¹ for large single property claims
 - General accident and marine cover

FY26 large event allowance

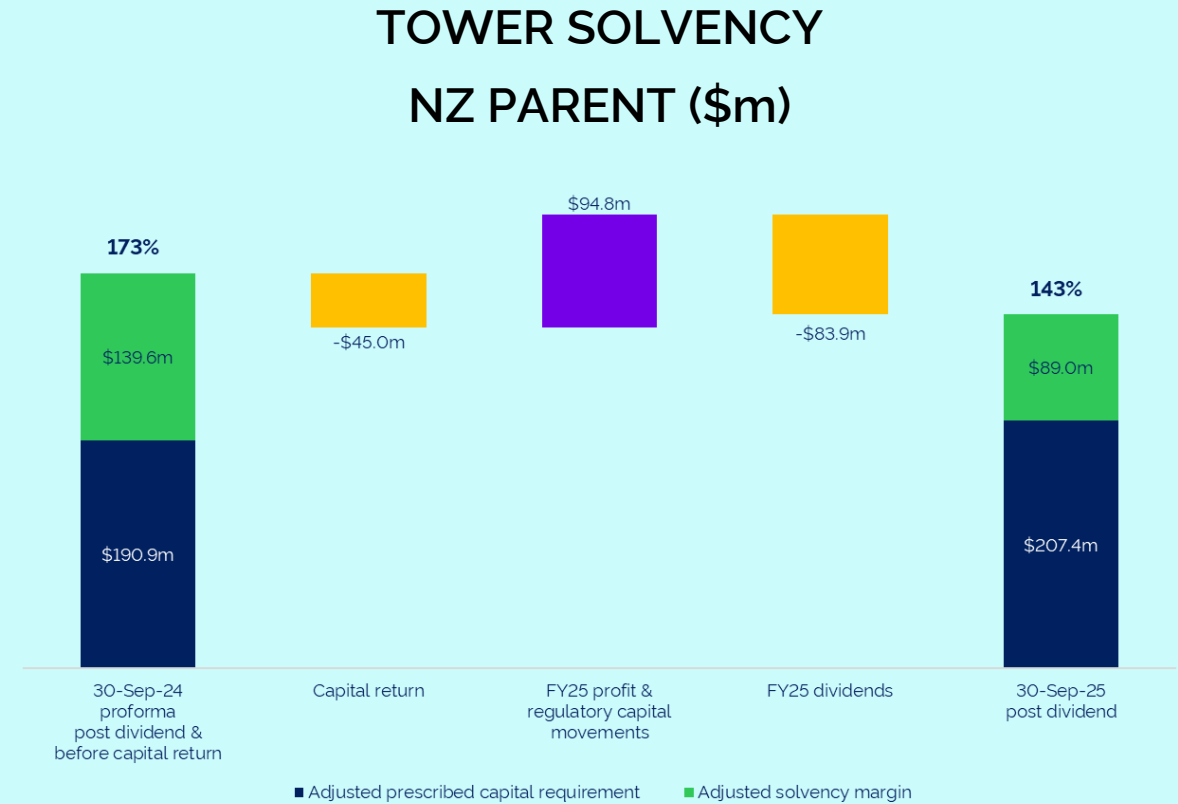
- Improved risk selection reduces large event allowance to \$45m
- One large event incurred in FY26 to date at an estimated cost to Tower of \$4.5m



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

Capital and solvency position

- Solvency ratio¹ of 143%
- Tower's regulatory solvency position is calculated under the second amendment to the Interim Solvency Standard (ISS), effective 1 March 2025
- 30 September 2024 solvency position has been recalculated under the new ISS for comparative purposes
- Adjusted solvency margin as at 30 September 2025 is \$89m - stated net of final dividend of 16.5 cents per share²
- A- financial strength rating reaffirmed in April 2025 by AM Best



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

Note 2: Based on Tower's ordinary dividend policy to pay a sustainable annual dividend in the range of between 60-80% of adjusted earnings where prudent to do so



TOWER FY25 RESULTS

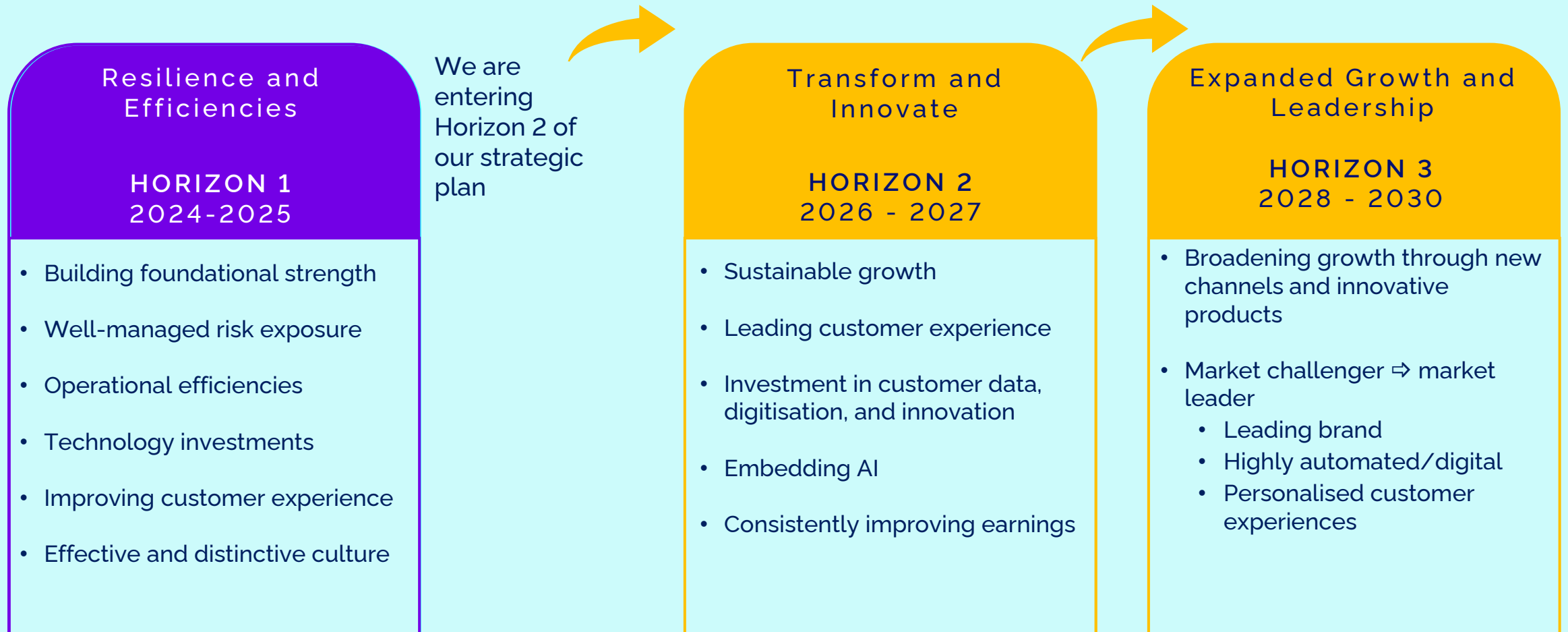
Looking forward

Paul Johnston,
Chief Executive
Officer



Entering the next phase of growth

Foundations laid to deliver Horizons 2 and 3



Strategic initiatives for growth

- Targeting >\$750m GWP in FY28 through organic growth
- Partnership agreement with Westpac NZ
- Referral of Kiwibank back book
- Investing further in Tower brand marketing
- Sea surge and landslide risk ratings improve targeting of lower risk properties
- Multi-policy discount removal simplifies pricing offering



Customer experience and efficiency through innovation

- Targeting 80% of sales, service, and claims lodgement tasks to be through digital channels by FY28
- Customer data platform to enable hyper-personalised service in future
- AI enablement roll out to streamline processes
- Claims transformation – house assessing platform
- Partnership with Amazon Connect enabling best-in-class enhancements to new contact centre platform
- Product innovation to meet emerging customer needs



FY26 guidance and future targets

	FY25 Actual	FY26 Guidance	FY28 Target
GWP growth	\$600m (2%)	\$630m - \$660m (5-10%)	>\$750m (>7.5% CAGR)
Management expense ratio	31.4%	31% - 32%	28% - 30%
Underlying NPAT (excluding large events)	\$112m	\$87m - \$97m	
Large events	\$7m	\$45m	
Combined operating ratio	74%	86% - 88%	85% - 87%
Underlying NPAT (assuming full utilisation of large events allowance in FY26)	\$107m	\$55m - \$65m	

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



TOWER FY25 RESULTS

Questions?



TOWER FY25 RESULTS

Appendices

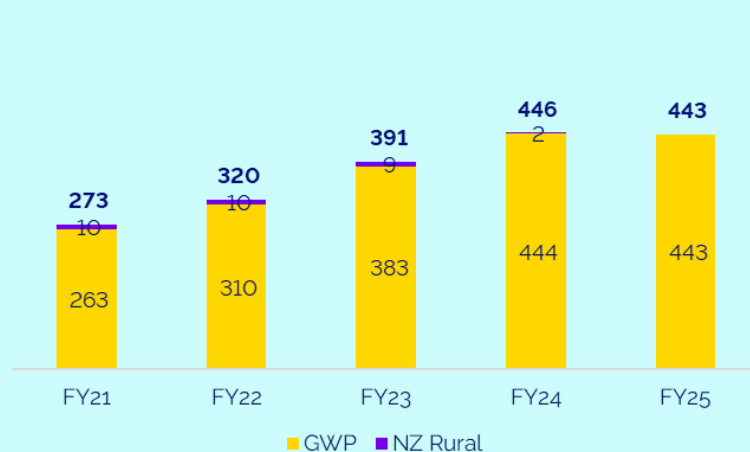


Business unit distribution

TOWER DIRECT

- No underlying growth¹ in FY25 due to policy growth offset by premium rate reductions
- New risks sold +22% vs FY24

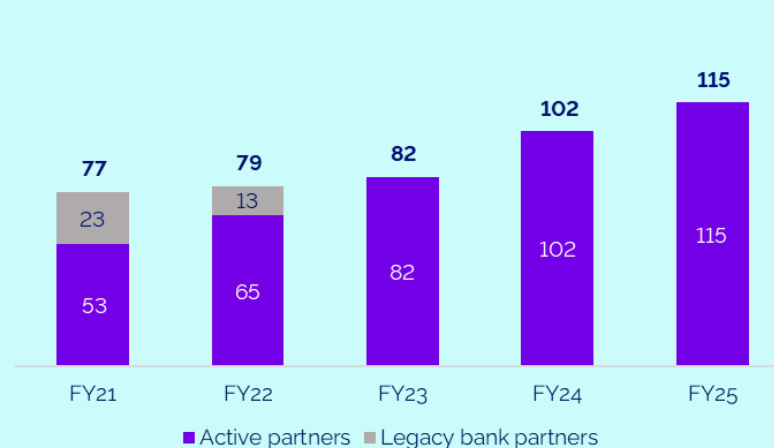
TOWER DIRECT GWP (\$m)



PARTNERSHIPS

- Underlying growth of 12%
- Total in force risks increased 18% to 129,000

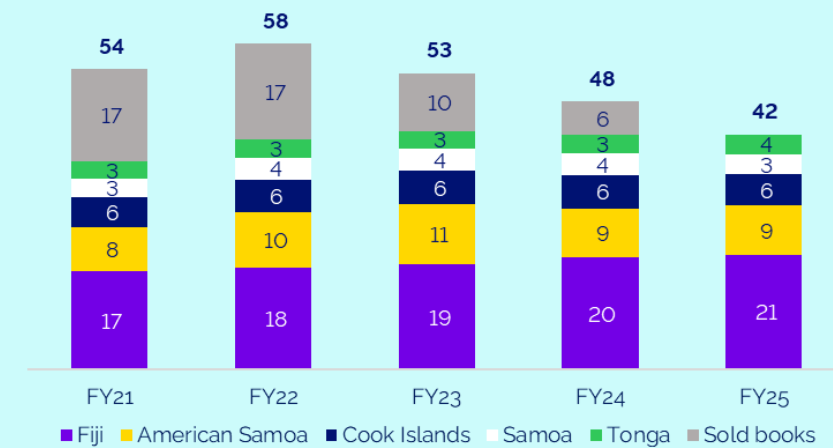
PARTNERSHIPS GWP (\$m)



PACIFIC

- No underlying growth¹ in FY25 due to risk review in Samoa
- Solomon Islands & Vanuatu businesses sold in FY24; PNG in FY23

PACIFIC GWP (\$m)



Note 1: Excluding divested portfolios which include the Solomon Islands business and Vanuatu subsidiary, and the New Zealand commercial rural portfolio

Reconciliation between underlying profit after tax and reported profit after tax

\$ million	FY25 underlying profit	Non- underlying items (1)	Management expense reclasses (2)	Reclass of reinsurance expenses (3)	Reclass of reinsurance & other recovery revenues (4)	FY25 reported profit
Gross written premium	599.8					
Insurance revenue	597.1	(2.7)				594.3
Reinsurance expense	(80.1)			80.1		
Net insurance revenue	517.0	(2.7)	0.0	80.1	0.0	
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)	
Insurance service expense	(383.1)	(24.9)	(1.0)	0.0	(2.6)	(411.6)
Net expense from reinsurance contracts held				(80.1)	2.6	(77.5)
Insurance service result	133.9	(27.6)	(1.0)	0.0	0.0	105.2
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)
Underlying profit before tax	150.0					
Income tax expense	(42.8)	8.7				(34.1)
Underlying profit after tax	107.2					
Canterbury impact	(7.9)	7.9				
Other non-underlying costs	(15.7)	15.7				
Reported profit after tax	83.7	0.0	0.0	0.0	0.0	83.7

Underlying and reported profit:

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

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



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Tower FY25 Results Announcement Investor Presentation Script

Slide 1 – 2025 Full Year Results

Michael Stiasny

Good morning and thank you for making the time to join us for this investor call and presentation of our 2025 full year results.

Slide 2 - Agenda

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

Slide 3 – Chairman's update

I think we can all agree it has been a great year for Tower shareholders.

FY25's record underlying result demonstrates a strong business delivering value today while continuing to build for tomorrow.

This year, we returned \$45 million of capital to shareholders, and I am pleased to announce that we have declared a fully imputed final dividend of 16.5 cents per share. Combined with our interim dividend, this brings total dividends for the year 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.

These decisions underscore our commitment to consistently deliver returns, backed by sustainable profit growth and a robust capital and solvency position.

[pause]

While we celebrate these achievements, we remain mindful of the future. The unusually kind weather conditions and the absence of significant natural hazard events have undoubtedly contributed to our success both this year and last. However, we know such conditions are not permanent.

That is why we will continue to focus on what we can control: investing in our digital platform, maintaining rigorous underwriting discipline, product innovation, and leveraging technology, data, and efficiency to drive performance. Our goal is clear—to build a business that is not only resilient but also deeply customer-focused, ensuring we are well-prepared for whatever lies ahead.

We were the first insurer in New Zealand to announce the introduction of address-level risk-based pricing. Risk-based pricing enables lower pricing for low-risk customers while effectively managing exposure. We have maintained disciplined execution of our strategy, strengthened by strategic partnerships with the likes of Trade Me, Kiwibank and from mid-next year, Westpac, and brand momentum with a new campaign that will help drive future growth.

At the same time, we are investing in innovation, technology, and AI to position Tower for its next growth phase. These investments will enhance

efficiency and deliver better customer experiences, ensuring Tower remains competitive and relevant in a rapidly changing market.

[pause]

Before I hand over to Paul, I'd like to add a few additional words about Tower's risk-based pricing strategy and approach to public advocacy and sharing hazard information with customers. We see these as a competitive advantage for Tower, and they're increasingly driving 'real world' action.

As an example, the South Dunedin Futures project is an excellent model of community-led adaptation planning. The project actively sought to incorporate insurance considerations, including from Tower, into its planning processes which, in my view, should be applauded.

I was not surprised to read the results of a recent nationwide survey by ICNZ that found 67% of respondents knew that natural hazards impacted their insurance premiums, and almost 25% felt they did not have access to clear information about those hazards when owning or buying a property. This tallies with Tower's research which found that 86% of people surveyed consider it important to have information about their property's risk profile.

While the National Adaptation Framework aims to provide a way forward, by the time the details – and who pays – are hashed out, for the average homeowner or buyer it could be too little, too late. They need certainty – and access to information – now.

The reality is that a lot of that data is already available – at a cost – and most insurers are using it when they price risk. The Tower difference – and this is what I believe we should be very proud of – is that we have chosen to make



our insurance assessment of earthquake, flood, sea surge and landslide risks visible and accessible.

For us, it's the right thing to do.

[Pause]

Our experience aligns with the recent statement by ICNZ Chief Executive Kris Faafoi: global reinsurers have made it clear that climate adaptation in New Zealand is not optional.

Our view remains that risk based pricing provides the strongest, clearest indication of where adaptation measures are critical. That is why we have also shared insights and demonstrated our hazard model to both local councils and central government to contribute meaningfully to the national climate adaptation conversation.

Ultimately, I would like to see a New Zealand-wide database created that becomes the single source of truth and is accessible by everyone. A centralised, authoritative data source to truly understand the perils our country faces at a granular and regional level.

It would be a most-powerful tool to really drive and focus climate adaptation action. If used to guide smarter land-use decisions and resilient infrastructure investment, it could help maintain cost effective reinsurance and therefore long-term insurance accessibility in New Zealand.

Most importantly, it would empower people and communities to make informed choices about where they live and how they build their families' futures.

Food for thought.

[pause]

Back to today ... FY25 has been an exceptional year. We remain focused on building a business that is sustainable and resilient through the cycle, and one that continues to deliver attractive returns for shareholders.

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

Paul Johnston

Slide 4 – Business update

Kia ora, and good morning, everyone.

Thank you for joining us for our 2025 full year results.

Slide 5 – Overview

Here is an overview of our presentation today, which will include the details of our record FY25 underlying result and its key drivers.

We'll also provide an update on our strategic plan and the next phase of Tower's growth, which I'll begin with now.

Slide 6 - Entering the next phase of growth

FY24 and FY25 were all about continuing to build strong foundations under Horizon 1 of our strategic plan. During this phase, we focused on resilience and efficiency to position Tower for sustainable growth.



We strengthened our core by building foundational strength, managing risk exposure carefully, driving operational efficiencies, and investing in technology to improve processes and customer experience. At the same time, we worked hard to create an effective and distinctive culture that empowers our people and supports long-term success.

These efforts — which I'll talk about in more detail shortly — have created a solid platform for the next stage of our strategy. We are now entering Horizon 2, where the focus shifts to innovation and transformation to accelerate growth.

Slide 7 – Our performance - strong operational and business performance

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

Gross written premium increased to \$600 million and customer numbers grew strongly to 318,000. We also saw a substantial reduction in the BAU claims ratio, while the MER remained stable and large event costs were low.

These factors combined have led to a record underlying profit after tax of \$107.2m.

Reported profit for FY25 is \$83.7m.

On the basis of these results Tower will pay a fully imputed final dividend of 16.5 cents per share, bringing full year dividends to 24.5 cents per share. This compares to 9.5 cents per share last year, in addition to a \$45m capital return.

Slide 8 – External factors influencing FY25 result

FY25 was an exceptional year for Tower, driven by favourable external conditions and the disciplined execution of our strategy. While the conditions provided a strong tailwind, we expect these to normalise in FY26.

Large event claims costs were just \$7.2 million, significantly below the historical 10-year average. This benign weather environment also supported improvements in our BAU claims ratio and overall profitability.

We delivered strong policy growth; however, the soft rating cycle, lower inflation, and reduced claims from a lower-risk portfolio led to a decline in average premiums.

As shown in the chart on the right, effective average premiums fell sharply over the year as we moved quickly to adjust pricing to attract and retain quality risks in what remains a highly competitive market. This is welcome relief for customers after the premium increases driven by COVID-related supply chain challenges and the 2023 weather events.

Inflation has also come back, returning to historical averages. This contributed to improvements in our claims performance.

Motor theft frequency has reverted to pre-COVID levels, following actions taken in prior years to reduce exposure to high-theft vehicles, helping to lower claims frequency and severity in the motor portfolio.

Finally, reductions in the Official Cash Rate (OCR) have reduced investment income.

These conditions, combined with our transformation initiatives, created a unique environment for FY25.

Slide 9 – Sustained profitability improvement

This chart provides context to Tower's performance over a five-year cycle in which we've delivered consistent and sustainable improvements in underlying profitability, driven by disciplined execution and strategic investment.

When we remove the cost of large events from underlying NPAT, the underlying trend is clear: profitability has strengthened year after year, reflecting the impact of improvements we've made to the business.

Profit has also been helped by more recent benign BAU claims experience in the last two years.

Our FY26 guidance for underlying net profit after tax of between \$87m and \$97m, excluding large events assumes the current soft rating cycle continues and the BAU claims ratio begins to return to more normal levels.

Slide 10 – Policy growth in a competitive market

Despite a soft rating cycle and intense competition, Tower achieved strong policy growth in FY25. We welcomed 13,000 new customers, bringing our total to 318,000, and delivered 6% policy growth in New Zealand core products, with strong 11% growth in house policies.

This performance reflects our strategic focus on the house portfolio. House insurance customers typically hold more policies and stay longer, so prioritising this segment strengthens both retention and profitability.



Importantly, growth has come with improved risk quality. Our risk-based pricing strategy means we're growing in lower-risk customers. As a result, Tower's expected average annual loss from flooding has reduced by 21% on a per-policy basis and 16% overall - a significant improvement in portfolio resilience.

We also strengthened our brand presence. Our new campaign, "The Misses," launched during the year and resonated strongly with Kiwi audiences, winning Kantar's June 2025 Ad Impact Award.

Looking at the graphs, you can see the shift in risk count over the past five years. House policies have grown consistently, with a sharp increase in FY25, while the motor portfolio has now returned to growth after a drop in FY24 following actions to tighten risk appetite in late FY23.

This reflects our deliberate strategy to focus on high-quality risks and build a stronger, more resilient portfolio.

Slide 11 - Investing for future value

In FY25, we leveraged the benefits of increased scale by investing in strategic initiatives designed to deliver long-term value for Tower and our customers. These initiatives focus on driving greater efficiency, enhancing customer experience, and supporting sustainable growth.

This included the launch of Amazon Connect, improving customer interactions and service delivery. We also introduced an integrated motor assessing system, which is cutting assessment times, reducing manual effort on claims handling, and lowering repair costs.

Our digitisation programme is nearing completion, with 79% of tasks now able to be completed online, making it easier and more efficient for customers to manage policies and lodge claims.

We expanded risk-based pricing to include two new perils and started work on building our AI capability. These steps position us for greater efficiency and innovation in FY26 and FY27.

Our innovative approach was recognised with the Insurance Business 5-Star Insurance Innovator Award for the second year running in 2025.

Slide 12 – Elevating customer experience

Delivering simple and rewarding experiences for our customers remains a core priority, and in FY25 we made strong progress.

Our Net Promoter Score rose to +44, up from +38 in FY24, reflecting the impact of our digitisation programme and operational improvements.

We also improved telephony performance, with sales and service abandonment rates dropping to an average of 7%, down 1% year-on-year, as we streamlined processes and expanded digital capability.

Digital adoption overall continues to improve: in New Zealand, 63% of sales, 51% of service tasks, and 70% of claims lodgments are now completed online. At the same time, 59% of customers are registered for My Tower, up from 53% last year, showing strong engagement with our digital platform.

Our Suva Hub continues to deliver efficiency benefits, now handling 83% of New Zealand sales and service calls, compared to 55% in FY24. This scale improvement is helping us deliver faster, more consistent service.

Finally, we were proud to be recognised as the Insurance Sector Award winner at the 2025 CRM Contact Centre Awards (NZ), reinforcing our customer focus.

Slide 13 - Financial performance

I will now hand you over to our interim Chief Financial Officer, Angus Shelton who will talk you through the details of our financial performance this year.

Slide 14 – Group underlying performance

Thank you, Paul.

Gross Written Premium grew by 2% compared to FY24, driven by strong policy volumes. This growth was tempered by lower average premiums as Tower prioritised attracting low-risk customers and maintaining competitive pricing.

The BAU claims ratio improved significantly to 41.3%, driven by a range of factors, including: targeted rate increases from the prior year flowing through the portfolio, improved risk selection, reduced motor theft, and relatively benign weather conditions throughout the year.

Large event costs for the full year were \$7.2m.

The MER remained stable at 31%, as we reinvested improvements from increased scale into technology and growth initiatives.

We are reporting an underlying NPAT including large events of \$107.2m, a strong uplift from the prior year, and a reported profit after tax of \$83.7m, up from \$74.3m in FY24. Reported profit includes strengthening of provisions for Canterbury earthquake claims, customer remediation costs and software impairment.

Slide 15 – Movement in underlying NPAT

Here is the bridge between underlying NPAT in FY24 of \$83.5m and underlying NPAT of \$107.2m in FY25.

You can see that business growth, driven by higher net insurance revenue, contributed \$9.5m.

BAU claims improvements due to prior year rating and fewer than expected claims, due to weather and lower motor frequency, added a further \$25.1m.

Partly offsetting these gains were the movement in large events costs year on year, and \$4.1m after tax of increased strategic investments aimed at delivering future growth and efficiency.

Overall, these factors have driven a strong uplift in underlying NPAT year-on-year.

Slide 16 – Rating pressure impacts GWP growth

Despite strong volume growth the softer rating environment impacted GWP growth which was 2% year on year.

Within this, house GWP grew strongly at 10%, driven by a 11% increase in policies, reflecting our strategic focus on the house portfolio.

On the other hand, Motor GWP declined by 5%. While motor policies grew by 2%, we reduced premium rates to balance margin and growth in a competitive market.

Our Partnerships channel delivered 12% GWP growth, and overall NZ retention improved to 78%, up from 77% in FY24.

On the right, you can see the growth in total GWP over time, which has increased steadily from \$404m in FY21 to \$600m in FY25.

Slide 17 - Lower frequency and severity of claims

In FY25, we saw a significant improvement in claims performance, with the BAU claims ratio reducing to 41.3%, down from 48.1% in FY24. This improvement reflects prior year premium growth earning through and a flattening of both severity and frequency trends.

As shown in the graphs:

- Motor claims frequency eased to 11.8%, and severity moderated to \$3,156 per claim, following prior actions to reduce exposure to high-theft motor policies. Efficiency initiatives, such as reducing reliance on external assessors, also helped contain costs.
- House claims frequency increased to 7.4%, driven by more small weather-related claims, while severity remained stable at \$3,954 per claim, supported by a less inflationary environment and improved risk selection.

Finally, large event costs for the year were \$7.2m, reflecting the relatively benign weather conditions.

Slide 18 – Stable management expense ratio

We can see that the management expense ratio remained at 31.4% in FY25, consistent with FY24.

While we saw improved efficiencies of scale from business growth, which contributed a 2.2% reduction in MER, this was offset by increased investment in strategic and foundational initiatives to improve growth, efficiency, and resilience, which added 1.1%.

There was also a 0.7% increase from timing differences related to deferred acquisition costs, and a further 0.3% increase from staff and other costs. These cost increases are largely linked to inflation and growth initiatives, but importantly, they remain below the rate of inflation thanks to efficiencies from digitisation and the Suva Hub.

Slide 19 – Conservative investment strategy

In FY25, net investment income was \$19.2m, which is \$2.4m lower than FY24.

Tower continues to maintain a conservative investment strategy, focused on high credit quality and liquidity, with a target duration of around six months for the core investment portfolio.

This approach has helped mitigate volatility from macroeconomic factors and mark-to-market movements, while allowing us to benefit from higher interest rates earlier in the cycle.

However, as you can see on the left, the running yield on the core portfolio has declined steadily, finishing the year at 3.1% as at 30 September 2025, down from its peak of over 6% in early FY24.

With interest rates now well past their peak, we expect yields to remain suppressed and continue to trend lower in line with OCR movements.

Slide 20 – CEQ and customer remediation

The two key non-underlying items which impacted reported profit in FY25 were Canterbury earthquake provisions and customer remediation costs.

Starting with Canterbury earthquakes:

We continue to settle claims, with 25 claims closed during the year, but we also received 22 new overcap or reopened claims from the NHC, which is seven more than FY24. This higher-than-expected inflow resulted in the total number of open claims only falling slightly from 30 September 2024, to 13 at 30 September 2025.

Because these new claims came in at a higher rate than we've seen recently, and with average costs trending above historical levels, we've strengthened our outstanding claims provision to allow for the possibility of more new or reopened claims in the future. As a result, FY25 includes an adverse Canterbury earthquake charge of \$7.9m after tax, recorded as a non-underlying item.

We continue to work closely with the NHC to identify potential overcap claims earlier, and with our specialist team to finalise outstanding Canterbury claims as efficiently as possible.

On customer remediations: we incurred a \$10.9m after-tax charge, which includes further provision for remediating customers and costs associated with delivering the remediation programmes.

Investigating and resolving historical errors remains complex and resource-intensive, often requiring as much investment in analysis and confirmation as the remediation payments themselves. That's why we're investing in systems and processes to ensure we get it right for the future.

Slide 21 – Reinsurance programme

In FY26, Tower successfully renewed its reinsurance programme, securing comprehensive cover at competitive rates.

The programme includes catastrophe reinsurance of up to \$915 million for two events, an increase from \$800 million in FY25 to meet the requirements of our growing house portfolio, and continued cover for a third event of up to \$85 million.

Retention for catastrophe events has increased slightly to \$20 million, following the expiry of multi-year arrangements. We've also made a structural change for large individual property risks, moving from proportional cover to excess of loss, which reduces reinsurance premiums while maintaining strong protection for large claims.

As a result of these changes, reinsurance premium expense is expected to reduce to an estimated 11.3% of GWP in FY26, down from 13.4% in FY25. This reduction will be partly offset by lower recoveries on property risks previously ceded under proportional treaties.

We've also deepened partnerships with global reinsurers, with several committing to new multi-year agreements, providing greater certainty around future costs and catastrophe excesses.

For FY26 we have set a large event allowance of \$45m, down from \$50m in FY25, to reflect our improved risk selection. The storms across New Zealand in late October 2025 will be recorded as a large event in FY26 with an estimated cost of \$4.5m.

Slide 22 - Capital and solvency position

Tower's capital and solvency position remains strong, supported by prudent capital management and a reaffirmed A- financial strength rating by AM Best in April 2025.

During the year we transitioned to the second amendment to the Reserve Bank's Interim Solvency Standard, and our solvency ratio is now 143%. The change from last year includes the \$45m capital return to shareholders, profit and regulatory capital movements and FY25 dividends.

Adjusted solvency margin as at 30 September 2025 is \$89m, net of the final dividend of 16.5 cents per share.

Tower continues to maintain a strong capital position and financial flexibility to support growth, while meeting regulatory requirements.

Slide 23 – Looking forward

Thank you. I will now hand back to Paul who will provide an update on our guidance and near-term priorities.

Paul Johnston

Thank you, Angus.

Slide 24 – Entering the next phase of growth

We are now moving into the next phase of our strategic plan - one centred on innovation and transforming our offerings.

Horizon 2, spanning FY26 and FY27, is focused on sustainable growth and delivering a leading customer experience, supported by investment in customer data, digitisation, and innovation. We will embed AI where it adds value and efficiency, while carefully managing risks.

As always, we remain committed to consistently improving earnings while leveraging the efficiencies and resilience we've built in Horizon 1.

Looking further ahead to FY28 - FY30, our ambition is to broaden growth through new channels and innovative products, moving from being a market challenger to a market leader. This means continuing to build a leading brand, driving a highly automated and digital business model, and delivering personalized customer experiences at scale.

I'll take you through some of the specific initiatives that will drive this transformation in the following slides.

Slide 25 – Strategic initiatives for growth

We're targeting more than \$750 million in GWP by FY28 through organic growth, and in FY25 we delivered a number of initiatives to get us there.

A major milestone is our new partnership with Westpac NZ, starting July 2026. This partnership will expand our reach and support our future growth.

We will also be offering insurance to a portfolio of Kiwibank customers, currently insured by Ando, during the next 18 months.

On the brand side, we've launched a bold new campaign, 'The Misses'. This campaign reinforces Tower's position as a modern, digital-first insurer and builds emotional connection with customers.

We've also implemented sea surge and landslide risk based pricing, which we expect to help attract new customers and improve retention through lower pricing.

Finally, removing the multi-policy discount will help simplify our policy sales and management processes. Tower remains committed to providing fair, transparent, and competitive pricing and we will continue to review our pricing to deliver value to customers.

Slide 26 - Customer experience and efficiency through innovation

Innovation is central to our strategy for delivering a simpler, smarter, and more rewarding experience for customers, while driving efficiency across the business.

By FY28, we're targeting 80% of sales, service, and claims lodgement tasks to be completed through digital channels. This shift will make interactions faster and easier for customers while reducing cost and complexity for Tower.

Our investments in digitisation will be key to achieving this goal. We plan to build a customer data platform that lays the foundation for our vision of hyper-personalised service — a future where we can surface relevant insights about each customer to suggest products, services, and benefits tailored to their unique needs and situation. This will help customers get the best cover and value for their circumstances.

Alongside this, we plan to roll out AI-driven process automation to streamline workflows and transform claims management with a new house assessing platform.

Our partnership with Amazon Connect will help deliver best-in-class enhancements to our contact centre.

Finally, we will invest in product innovation to meet emerging customer needs, particularly in the context of climate change.

Slide 27 – FY26 guidance and future targets

Looking ahead to FY26, we are targeting Gross Written Premium growth of between 5% and 10%, with the management expense ratio expected to remain between 31% and 32%. This will deliver underlying NPAT (excluding large events) of between \$87 million and \$97 million. Our FY26 large events allowance is \$45 million.

We are targeting a combined operating ratio of between 86% and 88%, supporting strong underlying profitability. Assuming full utilisation of the large events allowance, underlying NPAT is expected to be between \$55 million and \$65 million, with any unused portion of the large events allowance flowing through to improve the full-year result. Reported NPAT will be impacted by non-underlying items related to remediations and costs associated with regulatory change.

Looking further ahead, we have disclosed medium-term targets for FY28. As the insurance cycle stabilises and strategic initiatives deliver, we expect GWP to reach \$750 million or more, representing a Cumulative Annual Growth Rate over the next 3 years of over 7.5%. We also expect the management expense ratio to improve to between 28% and 30%, and a combined operating ratio target of between 85% and 87%.



These targets reflect our confidence in the strategy and the strong foundations we have built, positioning Tower for sustainable growth and long-term value creation.

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

[Draft Note: all cash amounts in this form should be provided to 8 decimal places]

Section 1: Issuer information				
Name of issuer	Tower Limited			
Financial product name/description	Ordinary Shares			
NZX ticker code	TWR			
ISIN (If unknown, check on NZX website)	NZTWRE0011S2			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year	X	Quarterly	
	Half Year		Special	
	DRP applies			
Record date	15/01/2026			
Ex-Date (one business day before the Record Date)	14/01/2026			
Payment date (and allotment date for DRP)	29/01/2026			
Total monies associated with the distribution ¹ (as at the date of this form)	56,521,090			
Source of distribution (for example, retained earnings)	Retained earnings			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution ²	\$0.22916667			
Gross taxable amount ³	\$0.22916667			
Total cash distribution ⁴	\$0.16500000			
Excluded amount (applicable to listed PIEs)	N/A			
Supplementary distribution amount	\$0.02911765			
Section 3: Imputation credits and Resident Withholding Tax ⁵				

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

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

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

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

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

Is the distribution imputed	Yes	
If fully or partially imputed, please state imputation rate as % applied ⁶	28%	
Imputation tax credits per financial product	\$0.06416667	
Resident Withholding Tax per financial product	\$0.01145833	
Section 4: Distribution re-investment plan (if applicable)		
DRP % discount (if any)	N/A	
Start date and end date for determining market price for DRP		
Date strike price to be announced (if not available at this time)		
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)		
DRP strike price per financial product		
Last date to submit a participation notice for this distribution in accordance with DRP participation terms		
Section 5: Authority for this announcement		
Name of person authorised to make this announcement	Paul Johnston	
Contact person for this announcement	Emily Davies	
Contact phone number	+64 21 815 149	
Contact email address	emily.davies@tower.co.nz	
Date of release through MAP	27/11/2025	

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



Tower Limited Climate Statement 2025

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Executive summary

Tower's Board and Management remain committed to navigating the changing climate in support of our customers and communities in New Zealand and the Pacific, and in the long-term interests of our shareholders.

This executive summary highlights the key activities Tower has undertaken in FY25 to support a low-emissions, climate-resilient future for our business, customers, and the wider insurance sector.

Further detail is available in the full report, which covers the period from 1 October 2024 to 30 September 2025.

Reviewed and refined climate-related risks and opportunities

Tower conducted a comprehensive review of its climate-related risks, consolidating the number from 26 to 22. This refinement reflects improved alignment of scenario drivers, ownership, and mitigation strategies. The five inherently high risks remain unchanged and continue to be managed under Tower's Risk Management Framework. Tower's key climate-related risks relate to operational and financial stress from increasingly frequent and severe weather events; rising reinsurance costs that may limit access and affordability; and the potential for climate impacts - both physical and transitional - to evolve faster than Tower's ability to respond and adapt.

Tower's material climate-related opportunities remain unchanged and focus on strengthening brand and reputation through the development of new products and competitive pricing, as well as building a more resilient insurance industry by forming partnerships that deliver benefits to communities.

Developed the transition planning aspects of our strategy

Tower progressed its climate strategy by integrating transition planning into its FY25 business planning process. The work to articulate Tower's approach towards a climate resilient and low emissions future was led through cross-functional collaboration and oversight by the Board.

While Tower has outlined its direction beyond FY30, we expect that detailed planning will evolve in the preceding periods as climate and socio-economic conditions become clearer. At this stage, there is considerable uncertainty inherent beyond that period, which means that our approach may evolve.

Expanded risk-based pricing to new perils

In FY25 Tower expanded our risk-based pricing model to include sea surge and landslide risks. To support greater customer transparency, Tower introduced individual property risk ratings for these hazards, accessible via its online quote tool for residential addresses across New Zealand. At launch Tower communicated with a range of stakeholders including representatives from local and central government to help broaden understanding of risk-based pricing and advocate for improved climate change adaptation planning. This engagement for better adaption planning is aimed to support Tower's strategic position of maintaining our social license to operate.

In FY25 Tower procured climate conditioned flood and sea surge data from our data partners to further understand potential climate risks related to each scenario. The data assisted Tower to better understand the implications of our climate change scenarios. Revised estimates show fewer properties at high risk of flooding in the future than initially projected, indicating that Tower's risk-based pricing strategy is effectively reducing exposure to physical climate risks.

Large event response

In FY25, Tower developed and implemented a Large Event Response Plan to enhance operational readiness and customer support during major events. The plan establishes a structured, customer-focused approach to managing significant surges in claims, ensuring clear communication and continuity of service. It provides detailed guidance for minimising disruption to business-as-usual operations during large-scale events, including those involving Natural Hazards Commission (NHC) Toka Tū Ake cover claims. The plan outlines a coordinated, company-wide response and enables the timely mobilisation of resources when required.

Strengthened GHG emissions management, exceeded target

During FY25 Tower undertook a detailed review of our greenhouse gas inventory, resulting in restatements in the period from FY20 to FY24, and implementation of a new GHG Management Framework which included improvements to our emissions data identification and calculation controls.

Tower has obtained limited assurance for Scope 1 & 2 emissions in this Climate Statement. Tower has exceeded our five-year emissions reduction target, achieving a 24% reduction against a 21% goal.

A revised target to FY35 is provided in the GHG emissions section of this Climate Statement.

Maintained strong governance and risk management

Tower's ongoing management of climate-related risks and opportunities continues to be supported by strong governance and risk management. The Board and Executive Leadership Team continue to oversee our climate strategy, supported by cross-functional teams that integrate climate considerations into decision-making processes.

Scope of the climate statement and statement of compliance

This report is Tower's second group climate statement and is prepared in accordance with section 461ZA of the Financial Markets Conduct Act 2013 and the Aotearoa New Zealand Climate Standards (NZ CS 1, NZ CS 2 and NZ CS 3). It covers our New Zealand and Pacific operations¹ and outlines the steps we are taking in support of a low emissions and climate-resilient business for the future. This climate statement has been prepared for our primary users, who we have identified as primarily being potential and existing shareholders (including asset managers). All financial information is provided in NZD. Our corporate structure is further explained under the Governance Section on page 40.

¹ The subsidiaries of Tower Limited are: Tower Services Limited, National Pacific Insurance Limited (Samoa), National Pacific Insurance (Tonga) Limited, National Pacific Insurance (American Samoa) Limited, Tower Group Services (Fiji) Pte Limited, Tower Insurance (Fiji) Limited, Southern Pacific Insurance Company (Fiji) Limited, Tower Insurance (Cook Islands) Limited, The National Insurance Company of NZ Limited.

Tower has chosen to use the following adoption provisions in our second Climate Statement

Adoption provision	Rationale
Adoption provision 2: Anticipated financial impacts	Adoption provision 2 has been extended to include the second reporting period. Tower have adopted this provision for the FY25 Climate Statement as it develops its methodologies to assess potential climate -related anticipated financial impacts.
Adoption provision 4. Scope 3 greenhouse gas (GHG) emissions	Selected operational Scope 3 emissions have been included to maintain consistency with previous Annual Report and Climate Statement inclusions.
Adoption provision 5. Comparatives for Scope 3 GHG emissions	As described above, our material Scope 3 inclusions are in development.
Adoption provision 6. Comparatives for metrics	This adoption provision permits Tower to provide one year of comparative information for each metric disclosed in this Climate Statement.
Adoption provision 7. Analysis for trends	Trend analysis will be conducted as part of the ongoing development of metrics.
Adoption provision 8: Scope 3 GHG emissions assurance	In FY25 Tower has sought assurance of Scope 1 & 2 GHG emissions only. Scope 3 emissions disclosed in this Climate Statement have not been included in FY25 assurance, as permitted under this adoption provision.

Statement of Compliance

These climate-related disclosures comply with the Aotearoa New Zealand Climate Standards issued by the XRB.

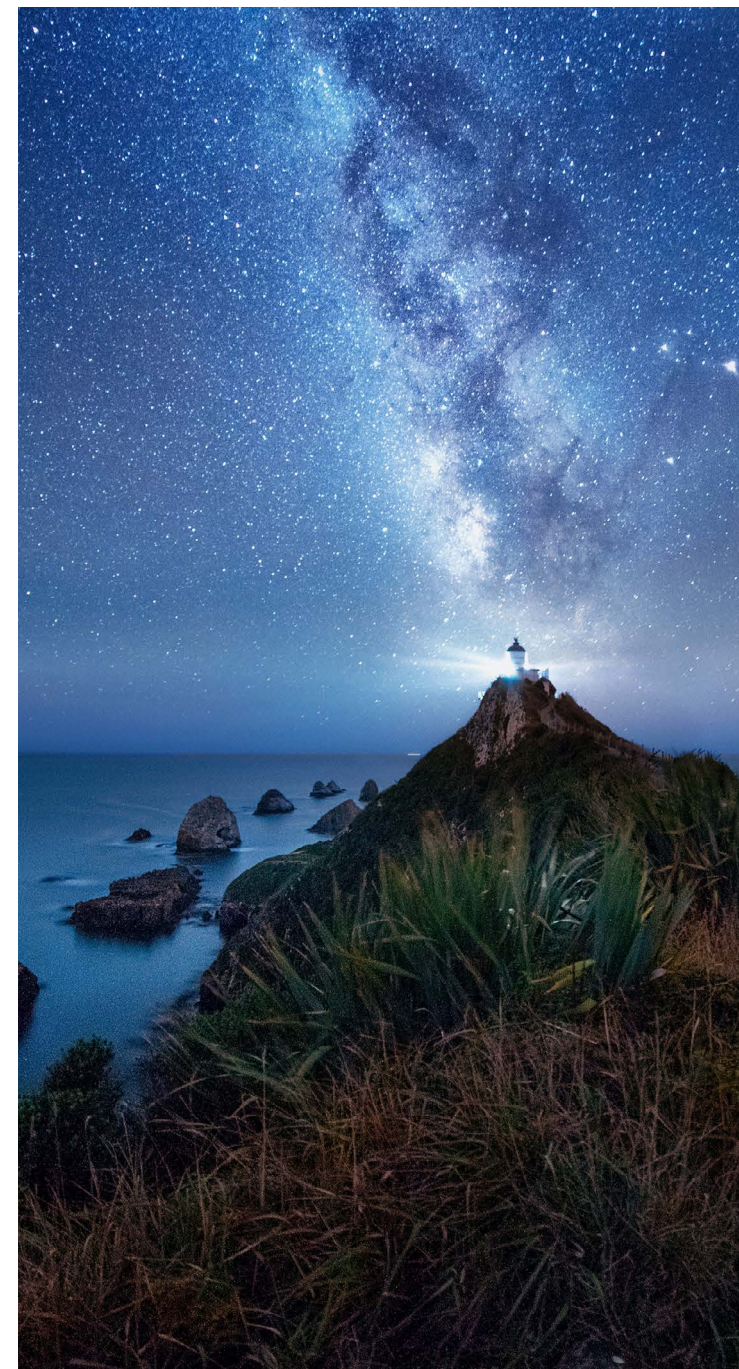
This Climate Statement is dated 27 November 2025 and is signed on behalf of Tower by:



Chair,
Michael Stiasny



Audit Committee Chair,
Mike Cutter



Tower's business model and strategy

Tower's business model is customer-focused. We deliver general insurance products and services directly to customers via digital platforms and phone, using data to enhance customer service and streamline processes. Our aim is to provide fair and transparent services, with customer care at the heart of everything we do.

Operationally Tower is structured around the ways our customers interact with our business: via claims, service (renewal, payments and queries) and new business (new and existing customers), both via our digital channels and our phone lines.

Tower provides general insurance products to customers in New Zealand, Fiji, Cook Islands, Samoa, American Samoa and Tonga.

Tower's products cover:



House



Contents



Motor



Motorbike



Pet



Motorhome



Travel



Business



Caravan



Landlord



Boat



Parametric cover
(for cyclone and rainfall - only in the Pacific)

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.

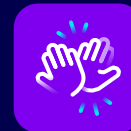
Our strategy

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



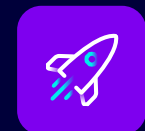
We do what's right



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

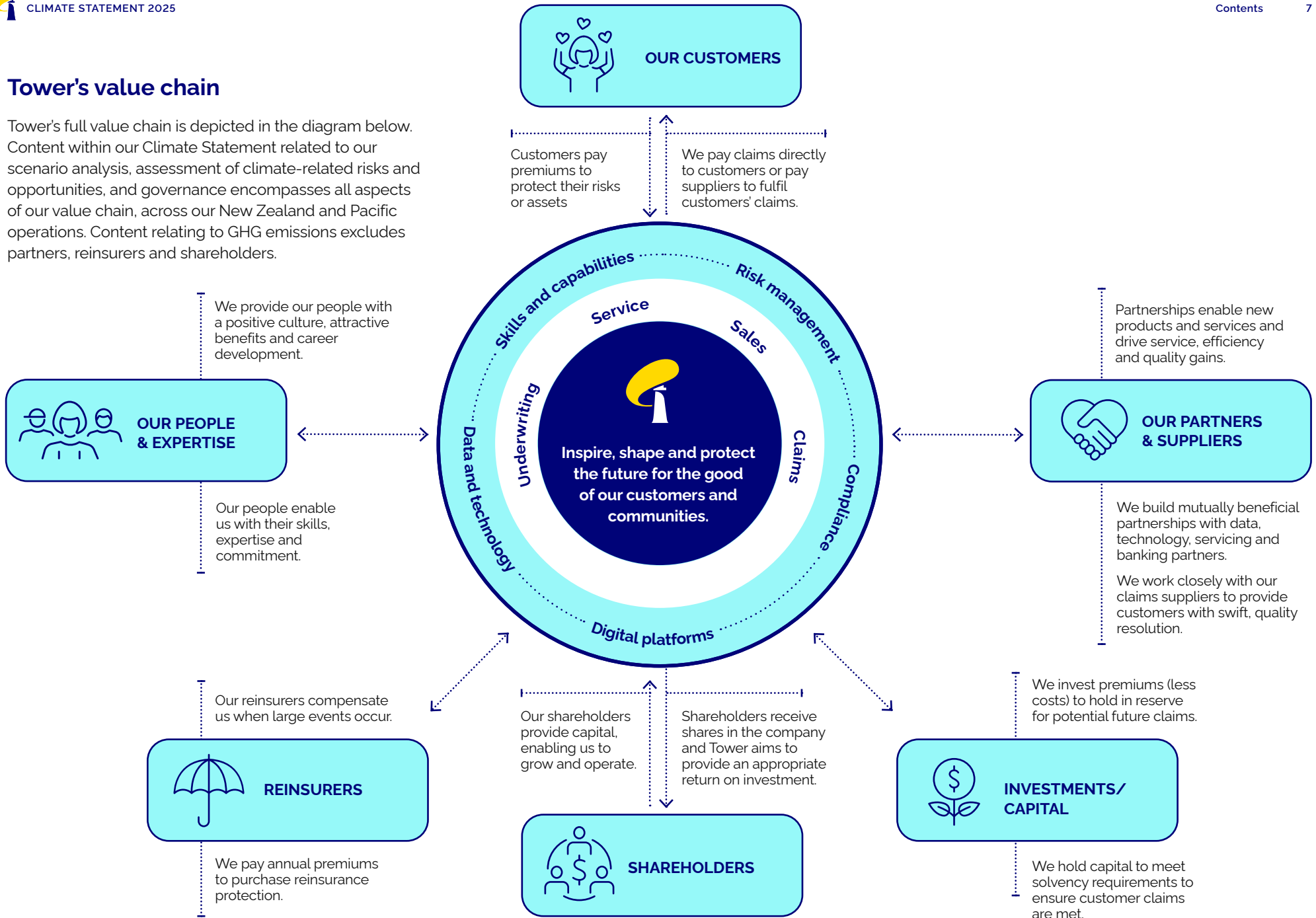
SUSTAINABLE GROWTH

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

EFFECTIVE & DISTINCTIVE CULTURE

Tower's value chain

Tower's full value chain is depicted in the diagram below. Content within our Climate Statement related to our scenario analysis, assessment of climate-related risks and opportunities, and governance encompasses all aspects of our value chain, across our New Zealand and Pacific operations. Content relating to GHG emissions excludes partners, reinsurers and shareholders.



Tower's FY25 operational footprint¹

Pacific

\$42m

GWP²

20,000

customers

355

employees⁴

157

tCO₂e³

New Zealand

\$558m

GWP²

298,000

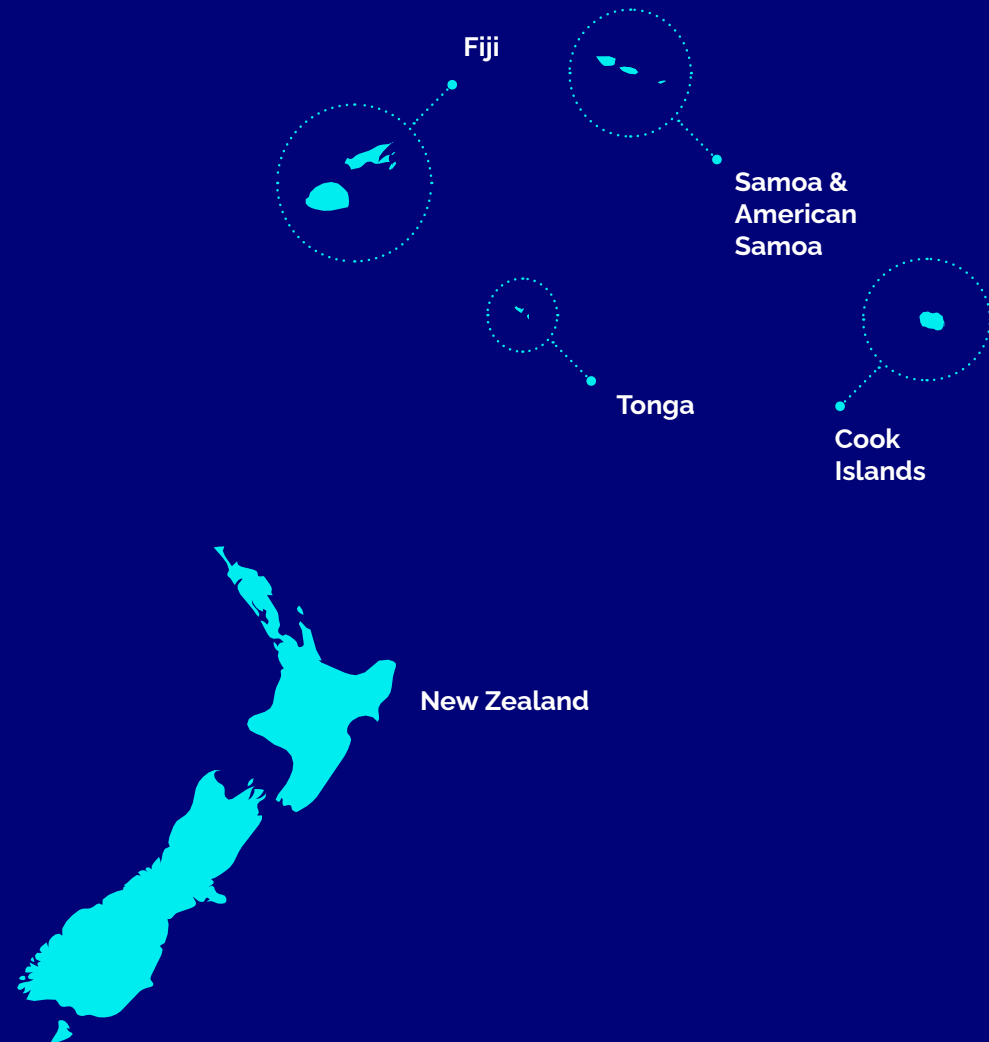
customers

611

employees⁴

121

tCO₂e³



¹ All figures are as at 30 September 2025.

² Gross Written Premium (GWP) includes all operations during the year.

³ Scope 1 and 2 greenhouse gas emissions tonnes of carbon dioxide equivalent (tCO₂e).

⁴ Excludes the Board of Directors, and includes permanent and fixed term employees of Tower and Tower's Pacific Island subsidiaries.

Tower's approach to climate

As the global and domestic economy transitions towards a low-emissions, climate-resilient future, Tower recognises the need to develop a climate resilient business for the long term.

Our strategy for managing climate-related risks and leveraging opportunities aligns with our broader business strategy, including its transition planning elements, and builds on our sustainability strategy.

That strategy centres on four main approaches:



1. Risk-based pricing – managing risk at an increasingly granular level. In FY25 Tower expanded our risk-based pricing model to include sea surge and landslide risks. To support greater customer transparency, Tower introduced individual property risk ratings for these hazards, accessible via its online quote tool for residential addresses across New Zealand. At launch Tower communicated with a range of stakeholders including representatives from local and central government to help broaden understanding of risk-based pricing and advocate for improved climate change adaptation planning.

2. Product innovation – developing new products to help address affordability challenges and support the transition to lower emissions assets.

3. Data and technology – investing in enhanced data and technology to continually improve our underwriting and pricing and to better support customers through large events.

4. Maintaining our social licence to operate – upholding strong relationships with our shareholders, reinsurers, government representatives and industry stakeholders, and keeping pace with the changing expectations of customers and communities.

Additionally a core part of our business model and value chain requires an ability to respond effectively to large events. This includes holding sufficient levels of capital and reinsurance as well as development and implementation of our Large Event Response Plan.

Reducing our emissions is an important aspect of our sustainability strategy and our Scope 1 and 2 greenhouse gas (GHG) emissions have reduced by 24% from our FY20 base year. FY25 is the final year in our emissions target period. Our target for our FY26 to FY35 period and further details on emissions inventory are provided in the Measuring our performance section on page 30.

Current climate-related impacts

Material physical impacts

In the FY25 period Tower did not experience any material physical impacts from climate-related weather events. While New Zealand, Fiji and Samoa experienced severe weather events, overall claims costs related to large events in FY25 was \$6.9m, substantially below the five- and ten-year rolling average shown in the graph adjacent and well within the allocated large event allowance of \$50m for FY25.

Over the past ten years Tower has experienced an increasing frequency and severity of large weather events that may be linked to a changing climate.

This volatility presents challenges for Tower in our modelling and financial planning. We continue to take a conservative approach to these to support our financial resilience.

As indicated in the graph the five-year rolling average of large events costs for Tower in the financial year ending 30 September 2025 was \$12.2m.

Catastrophic and large weather events



NB Tower measures large events as those which have a net cost to Tower of more than \$2m. Division of net and gross values are approximate, based on internal records.

Tower's net large event claims costs are subject to reinsurance structures during the reporting periods and the overall growth of our business. The historical large event claim costs are current estimates as at 30 September 2025, any development in prior year event costs are reflected in their respective incurred periods.

In the prior year, the FY23 net large event costs were previously reported as excluding any catastrophe reinsurance reinstatement costs, this is now included within the net cost of the FY23 events to be consistent with the basis on which Tower's other financial disclosures are made. There is no change to the gross cost of the event.

Material transition impacts

During the FY25 reporting period, Tower did not identify or experience any material transition impacts. However, consistent with our strategic focus, we continued to invest in strengthening our response to large and/or frequent weather events and risk-based pricing and transparency.

A key development was the adoption of a Large Event Response Plan, overseen by the recently established role of Head of Tower Natural Disaster Response. This initiative enhances our operational readiness and aligns with our broader climate resilience strategy. There was no financial impact of this development which was completed using internal resources in FY25.

In FY25, Tower also advanced its risk-based pricing framework by incorporating new hazard data and modelling capabilities in New Zealand. This enabled the extension of our public risk ratings tool to include landslide and sea surge risks. The inclusion of these hazards aims to improve transparency around how climate and natural hazard risks are reflected in customer premiums.

This expansion builds on our introduction of risk-based pricing for earthquakes (2018) and floods (2022), alongside the launch of a tool that provides customers with individual risk ratings for their properties.

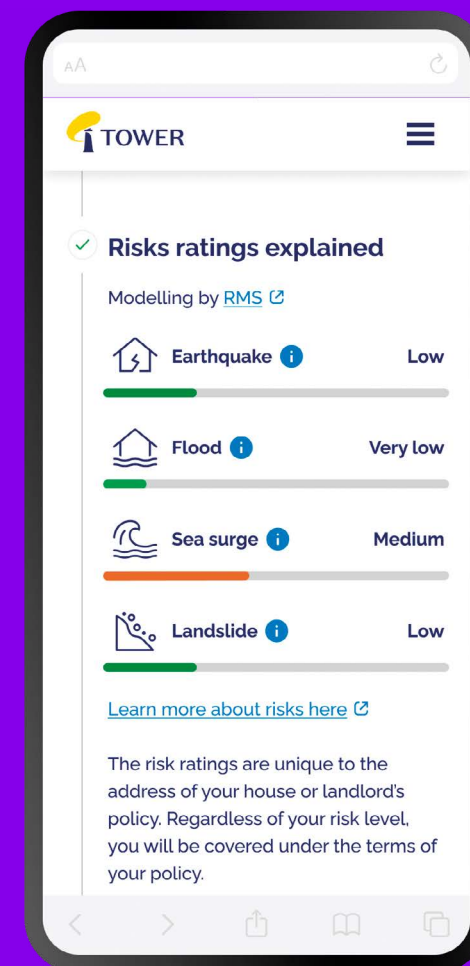
The financial impact of this pricing extension is not yet able to be quantified, because it will only become evident over the next 12 months as customer policies are renewed. With the addition of landslide and sea surge risk ratings, over 90% of Tower customers will receive a reduction in the natural hazards portion of their premium, with average savings of \$70 per property. Fewer than 10% of properties—those with higher exposure to sea surge or landslide risks—will see a proportionate increase in this element of their premium.

To support affected customers, Tower will smooth premium increases over a period of up to four years, ensuring a fair and manageable transition.

Tower has previously identified a potential transition risk related to customer perceptions of insurance affordability and accessibility. In FY25, Tower conducted consumer research alongside the expansion of risk-based pricing to monitor this potential risk. The findings indicate that, at present, this risk remains low.

The research, *Weathering Change: Attitudes to Climate Risk and Resilience in New Zealand*, provided a snapshot of public awareness of climate-related risks and natural hazards. It found that nearly one-third of New Zealanders are concerned about the impact of climate-related weather events on their homes, despite 79% not having experienced a major event at their property in the past decade.

This research supports Tower's understanding of customer and community concerns and informs our ongoing assessment of potential material transition impacts. While the cost was not material, the research is included here to demonstrate how Tower identifies and responds to issues that matter most to our customers.



Understanding our possible futures

The NZ CS 1 requires disclosure of the scenario analysis process Tower has undertaken to identify climate-related risks and opportunities. Scenario-based analysis explores how uncertain, forward-looking variables might logically interact to create plausible future states. The purpose of Tower's scenarios is not to predict the future, but to identify and interrogate the assumptions underlying critical decisions.

Tower's climate-related scenarios are based on the Insurance Council of New Zealand's (ICNZ) shared climate scenarios for the insurance sector. In 2022, Tower participated in a New Zealand insurance industry initiative to co-design these industry scenarios.

Scenario development

In 2023 Tower engaged KPMG to facilitate the entity-level scenario development and analysis process with a cross functional working group of executives and senior leaders. Through a series of workshops, this group translated the ICNZ climate scenarios to Tower's business, strategy and operations in New Zealand and our Pacific markets in line with XRB guidance.

Tower's climate-related scenarios use, as a base, the same framework architecture, quantitative and qualitative parameters, and narrative storylines as the ICNZ scenarios. However, they were adapted in FY23 to better reflect our business operations, focusing on:

- The potential physical impacts of climate in the Pacific, given our geographic distribution.
- Navigating financial markets during disruption to highlight possible impacts on our investment portfolio.

We consider these scenarios continue to be appropriate for FY25.



Summary of scenario development process

2022

1.

ICNZ collaboration to develop Insurance Sector scenarios for NZ

2023

2.

Tower senior leader workshops to develop Tower-specific scenarios

3.

Workshops with Senior leaders to test scenarios

4.

Scenario analysis to identify climate-related risks and opportunities

2024

5.

Management level and Board approvals of scenarios and climate-related risks and opportunities

2025

6.

Procured climate conditioned hazard data to assess potential future climate-related business risk and effectiveness of strategy

Analysis undertaken

These scenarios were analysed in a series of workshops by a selected cross-functional group of Tower executives and senior leaders in FY23. The group assessed Tower's strategy and operations against the three climate-related scenarios, identifying a range of physical and transitional impacts. These impacts were then assessed against the three identified time horizons and prioritised by likelihood and potential impact.

Through this process, Tower identified a long list of 42 impacts and implications, which were further assessed via our climate-related risk management and strategy processes to develop the climate-related risks and opportunities outlined later in this section.

Tower's climate-related scenarios and climate-related opportunities were reviewed by the Sustainability and Climate Steering Committee and approved by the Tower Board in FY24. Tower's climate-related risks were reviewed by the executive-level Management Risk and Compliance Committee (MRCC) and the Board Risk Committee in FY24. The scenarios were considered sufficient and were not revisited in FY25. Board and Audit Committee input will be sought for scenario review in FY26.

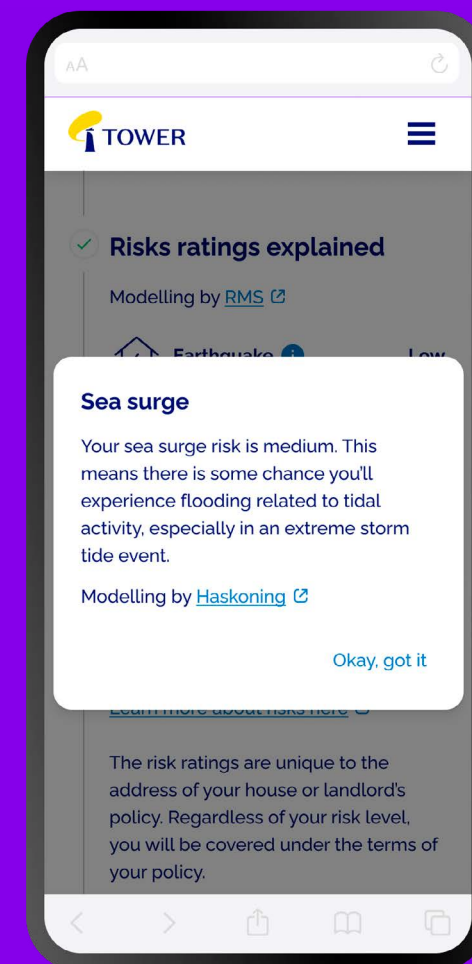
The scenario analysis was a standalone process designed specifically to address the CRD Regime requirements. While the scenarios informed Tower's transition planning, they were not directly incorporated into business strategy development which typically operates on shorter time horizons. However, consideration of the risks and opportunities associated with climate change formed a key element of the FY25 Board Strategy sessions.

Analysis of climate conditioned data

In FY25 Tower procured climate conditioned flood and sea surge data from our data partners to further understand potential climate risks related to each scenario. The data was based on the Representative Concentration Pathways (RCP) and Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathways (SSP) used for each of our climate-related scenarios and across our long-term time horizon. The data assisted Tower to better understand the implications of our chosen scenarios.

This enabled us to improve our assessment of potential future risks to our customers' properties and our business and to test our strategy settings. The resulting revised estimates of properties at high risk of future flood and sea surge is lower than initial conservative estimates. This suggests that our strategic approach of flood risk based pricing has contributed to successfully lowering our exposure to climate-related physical risks associated with our portfolio. The FY25 expansion of risk based pricing to include landslide and sea surge is recent and yet to have shown an impact.

The above process and data were considered during the development of the transition planning elements of our strategy (page 26). They will also be used to inform our future scenario review (FY26), climate-related risk reviews and anticipated financial impacts.



Scenario architecture, socioeconomic pathways and rationale for selection

Tower's climate-related scenarios build upon the ICNZ scenarios which were based, in turn, on the Network for Greening the Financial System (NGFS) scenarios. The below table sets out Tower's scenario architecture, how Tower's scenarios align with relevant local and international socioeconomic pathway parameters and the rationale for selection.

Tower's scenario architecture			
Parameters	Orderly 1.5°C	Disorderly >2°C	Hothouse >3°C
Global emissions and socioeconomic pathway parameters	Representative Concentration Pathway (RCP) 2.6 Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathway (SSP) 1-2.6	RCP4.5 IPCC SSP2-4.5	RCP6.0 IPCC SSP3-7.0
Global physical risk pathway parameters	Network for Greening the Financial System (NGFS) Net Zero 2050	NGFS Delayed Transition	NGFS Current Policies
New Zealand-specific emissions, transition and socioeconomic pathway parameters	NZ Treasury Shadow Price 'High' Pathway Climate Change Commission (CCC) 'Tailwinds' Shared Policy Assumptions for New Zealand (SPANZ) '100% Smart'	NZ Treasury Shadow Price 'Medium' Pathway CCC 'Headwinds' SPANZ 'Kicking, screaming'	NZ Treasury Shadow Price 'Low' Pathway CCC 'Current Policy Reference' SPANZ 'Homo Economicus'
Rationale for selection	Most commonly used scenario by financial institutions globally. Aligned with scenarios already selected by ICNZ for the General Insurance Sector (and other sectors). Meets XRB's requirement for a 1.5°C aligned scenario.	Commonly used scenario by financial institutions globally. Aligned with scenarios already selected by ICNZ for the General Insurance Sector (and other sectors). Meets XRB's requirements for a third climate-related scenario.	Commonly used scenario by financial institutions globally. Aligned with scenarios already selected by ICNZ for the General Insurance Sector (and other sectors). Meets XRB's requirements for a >3°C scenario.

Tower's climate-related scenarios

Our climate-related scenarios are summarised in the high-level data points and narratives below.

Orderly scenario – Net Zero 2050

International and domestic policy settings aim to limit total warming by end-of-century to less than 1.5°C.

Policy ambition:

<1.5°C

2050 warming:

1.6°C

	NZ	Pacific
Mean annual temperature change 2050	1.6°C	1.8°C
Mean sea level rise	22cm	20.4cm

Severity of physical risk

Low

Severity of transition risk

Moderate

Policy reaction

Immediate & smooth

Regional policy variation

Medium

Technology change

Fast

Carbon dioxide removal

Medium

This scenario explores Tower's readiness to rapidly transform its business in the short term towards a low-emissions and climate-resilient future, and envisions that by 2050...

New Zealand has invested in adapting to climate change conditions, building the country's resilience. As a result, reinsurers remain in the region and view the growing population as a growth opportunity.

The requirement to decarbonise and build resilience rapidly put strain on some customers, resulting in financial challenges. However, governments and the financial sector helped to educate the general public on climate, coupling innovative products and services with transparency around pricing increases. This meant most were open to new products that reflected different risks, and social policies were in place to support those who struggled to afford them.

The Pacific has benefitted from international support and funding to improve its resilience, but sea level rise and extreme weather events have impacted most nations. Migration has meant that new talent with regional knowledge has entered New Zealand's workforce. Collaboration across the Pacific region has been an important driver of action against climate by government and businesses, as has emerging technology.

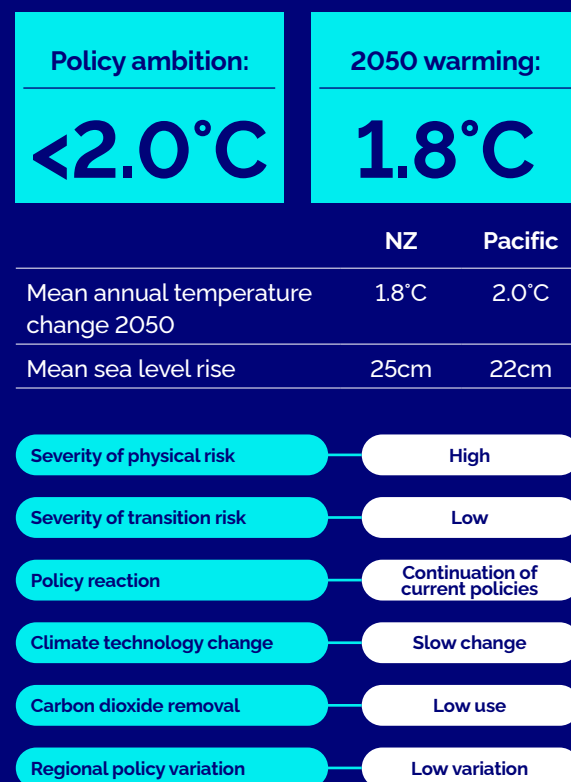
Across the region, offerings like parametric insurance and risk-based pricing emerged quickly, allowing insurers to better cost their risk and provide realistic cover to customers. New Zealand's substantiated 'clean, green' reputation, alongside its embrace of new technology such as AI, helped attract international and domestic talent.

Organisations that were early, vocal actors in the transition to a net zero economy benefitted from positive sentiment from customers, communities and stakeholders. Those that were able to fulfil and substantiate their commitments enjoyed increased market share. However, the window was small; those that didn't move quickly had to work harder to catch up and transition.

While capital markets underwent a sharp-but-short period of volatility and loss, organisations that prioritised climate-smart resilience in their investment portfolios were well-positioned to ride the post-transition wave. Organisations that stepped into the challenge of climate and diversified their offerings early were attractive for investors.

Disorderly scenario – delayed transition

Global emissions peak in 2030, then drop sharply. As a result of delayed action, deeply destabilising policies are required to keep total warming below potentially catastrophic levels.



The disorderly, delayed transition scenario explores Tower's resilience to an especially condensed and disruptive transition in the medium term and depicts a future whereby 2050...

The region (New Zealand and Pacific) is just starting to recover from a costly, painful and profoundly disruptive global transition to our low emissions, climate-resilient economy.

General Insurers were deeply bruised by the scope and scale of extreme flooding in 2037. However, most business models cope with the physical impacts of climate.

Without leadership from, and timely investment by government, small insurers struggle to compete with more innovative peers with global backing, in terms of products, pricing models, regulatory compliance, or reputation.

Some organisations were slower than others to acknowledge or address the enterprise level risks that climate posed to their business model and strategy. Where different countries moved at different speeds, those taking a compliance-led approach found their response fragmented. Most organisations took several years to understand the full potential of transition plans and failed to achieve any first-mover (or even fast-follower) advantage. This also meant customers struggled to compare providers and understand how to improve the resilience of their assets until later in the transition.

Difficult decisions had to be made by organisations that suffered reputational damage during the transition. Streamlining business models and focusing on larger markets meant insuring higher risk areas like the Pacific became less feasible.

Hot house scenario – current policies

Current climate policies in New Zealand and abroad are sporadic and weak. Any policy changes are insufficient to limit total warming to 2.0°C.

Policy ambition:

+3.0°C

2050 warming:

+2.0°C

	NZ	Pacific
Mean annual temperature change 2050	2.0°C	2.0°C
Mean sea level rise	39cm	23cm

Severity of physical risk

High

Severity of transition risk

Low

Policy reaction

Continuation of current policies

Climate technology change

Slow change

Carbon dioxide removal

Low use

Regional policy variation

Low variation

The hot house, current policies scenario was designed to explore how the collective failure to cut emissions might steadily erode value in the long term. This scenario depicts that by 2050...

Startling new technologies (enabled by advances in AI) have benefited insurers, their customers, and the global economy. However, this formidable 'tailwind' has been overpowered by the cumulative impact of increasingly intense and frequent natural disasters and has not always been used for good.

Some assets have become stranded due to global changes to climate policies and insurers that were slow to capitalise on the opportunities that presented themselves during the climate transition are responsible for underwriting these with expensive insurance products.

General Insurers have been particularly hard hit – though less so in countries like New Zealand that benefit from a relatively benign climate (as compared, for example, to Australia). New Zealand also benefitted from the way in which its government facilitated early adaptation to the physical impacts of climate.

Customer needs are more bespoke due to the changed environment with a greater need for specialist advice and specialist policies. Offerings in regional markets differ across insurance providers as the market for insurance becomes increasingly unprofitable and unaffordable for the average family. Data has become a commodity and has increased drastically in price.

Insurers withdrew early on from high-risk areas in New Zealand, leaving some communities stranded. After some time and concurrent natural disasters, the same approach is taken with the Pacific nations as they become less viable and the long-term outlook is poor.

Material climate-related risks and opportunities

In the FY24 Climate Statement, Tower outlined the development of climate-related risks and opportunities, along with the assessment methodology. In FY25, these risks were reviewed by the Climate Forum and relevant risk owners. As a result of the review, minor updates were made to risk descriptions, ownership and responsibilities. Additionally, the consolidation of lower-rated risks reduced the total number from 26 to 22.

Alongside the development of our three scenarios, Tower selected three time horizons to assess the related risks and opportunities. These time horizons were selected to align with the ICNZ scenarios and are independent of our business strategy and planning cycles, which are based on a three-year forward-looking view and reviewed annually. The time horizons chosen were incorporated in the approach to the transition planning elements of our strategy.

Time horizon	Period
Short	2023-2025
Medium	2026-2035
Long	2036-2050



Climate-related risks

In FY24 Tower identified 26 climate-related risks. Following a review in FY25 by the Climate Forum and designated risk owners, we consolidated those to 22 climate-related risks. The change reflects the consolidation of risks with overlapping scenario drivers, ownership and mitigation strategies. Importantly, the five inherently high risks disclosed, assessed in accordance with our Risk Management Framework (see page 37 Risk Management) remain unchanged. These risks continue to represent the most material risks for the business and its primary users and are included in the table below on page 20.

Physical and transition risks

Physical risks, as defined in NZ CS 1, relate to the physical impacts of climate. These risks can be:

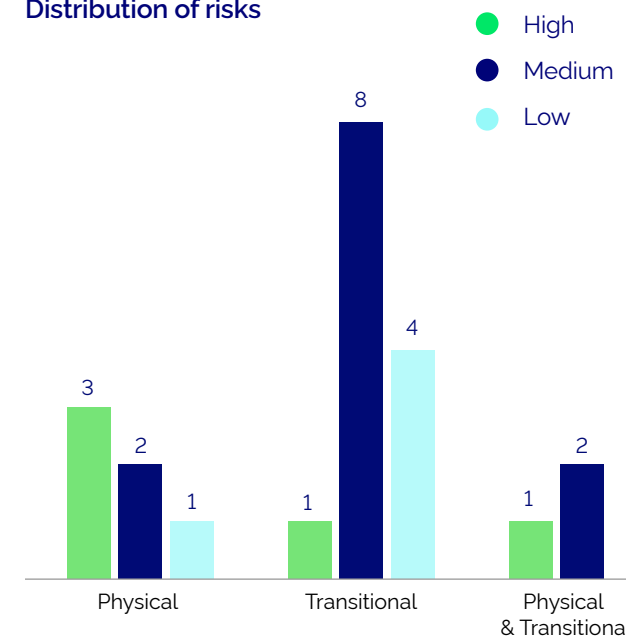
- Acute, such as those related to large weather events
- Chronic, due to longer-term shifts in weather patterns, such as changes in precipitation, temperature, or sea level at a regional or national level.

Tower does not directly own or lease assets that are materially vulnerable to acute or chronic climate-related physical risks. However, our customers do, and the potential risks to their assets – and the subsequent risks to our business – have been identified and assessed for disclosure. The customer-related risks comprise the largest proportion of Tower's material physical and transition risks.

As New Zealand and the world transitions to a low emission, climate-resilient economy, the context for insurance will likely alter and present new challenges. These challenges, defined as transition risks, include changes in government policy, legislation, markets, technology and societal behaviours and expectations. Transition risks make up a larger proportion by number of Tower's climate risks than physical risks (59%). One medium transition risk has been included as a sixth risk alongside the five inherently high risks in the table below. It was not rated as inherently high during the original risk assessment in FY24 or subsequent review in FY25 because it is considered current and ongoing with established mitigation strategies to effectively manage the risk. The likelihood of the risk arising is considered to be in the medium term with early warnings likely. However, it has been included in recognition of the highly regulated environment for the insurance sector. Tower will continue to monitor these risks and reassess their materiality in line with our Risk Management Framework. We also recognise that some risks can be categorised as both physical and transition and this is reflected in the material risks table below.

The following graph shows the distribution of risks according to risk type and severity

Distribution of risks



Identified climate-related risks and associated anticipated impacts

A description of our inherently high risks, their risk type, anticipated impact, existing mitigations and assessed magnitude against each scenario and time horizon are detailed in the table below.

Risk	Risk type	Description	Anticipated business impact	Current strategies	Regions affected	Scenario	Time horizons		
							Short	Med	Long
Operational stress from climate impacts.	High Physical	Increasing extreme weather events subject Tower to substantial operational stress related to resources and overwhelm of claims processes, that reduces its ability to adapt.	Operational stress due to volume and complexity of claims. Reputational damage. Lack of specialist resource may affect operational response. Prioritising events responses over progressing business strategy.	FY25 Head of Tower Natural Disaster Response appointed and dedicated event response team in Claims including dedicated Natural Hazards Commission (NHC) roles and training against NHC for all claims roles. Tower Large Event Response Plan implemented and tested against Scenarios.	New Zealand Pacific	Orderly	—●	↗	↗
						Disorderly	—●	↗	↗
						Hothouse	—●	↗	↗
Significantly larger scale and more frequent extreme weather events in the Pacific region.	High Physical	Extreme weather resulting in repeated large loss events.	Providing comprehensive insurance in Pacific markets becomes unviable due to reduced confidence of reinsurers, and cost of insurance cover.	Tower's Underwriting guidelines and risk appetite. Introduction of Pacific Risk surveys. Parametric insurance to diversify offering. Efficient digital operations to manage costs. Divestment of Pacific subsidiaries at high risk from weather related large events. Tower reinsurance program.	Pacific	Orderly	—●	↗	↗
						Disorderly	—●	—●	↗
						Hothouse	—●	—●	↗

Legend: —● Risk remains the same ↗ Risk increases ○ Continuing to assess change

Risk	Risk type	Description	Anticipated business impact	Current strategies	Regions affected	Scenario	Time horizons		
							Short	Med	Long
Financial stress from climate impacts.	High Physical	Repeated large-scale extreme weather events subject to substantial financial stress due to high volume and costs of claims.	Accumulated financial losses. Insufficient reinsurance. Insufficient resources. Higher costs of capital. Reduced investor support.	Enhanced hazard data and risk selection, risk-based pricing extended to landslide and sea surge in FY25 to minimise exposure to high-risk assets and communication with reinsurers regarding improvements to risk profile. Including an allowance for large events in financial planning. Ensuring we have adequate reinsurance cover. Product innovation such as parametric to diversify offering.	New Zealand Pacific	Orderly	↗	↗	↗
						Disorderly	↗	↗	↗
						Hothouse	↗	↗	↗
Affordability of reinsurance diminishes	High Transition	Reduced access to reinsurance for all or specific perils and at short notice leads to price increases.	Increased reinsurance premiums. Increased product development costs to offer alternative cover.	Risk based pricing – as above. Underwriting controls. Multi-year catastrophe reinsurance.	New Zealand Pacific	Orderly	●	↗	↗
						Disorderly	●	↗	↗
						Hothouse	●	↗	↗

Legend: ● Risk remains the same ↗ Risk increases ○ Continuing to assess change

Risk	Risk type	Description	Anticipated business impact	Current strategies	Regions affected	Scenario	Time horizons		
							Short	Med	Long
Scope, speed and scale of climate physical and/or transition impacts outpaces Tower's ability to adapt.	High Physical/ Transition	New Zealand and the Pacific experience multiple large weather events in quick succession, flood risks and coastal hazards become frequent occurrences in increasing geographies.	Diminished customer experience leads to brand and reputational impacts. Difficulty retaining staff due to increased workloads. Financial impacts resulting from claims errors and/or reduced customer growth. Substantial increase in operational costs for data and technology, models. Capital shortages pose challenges in optimising opportunities.	Geographical distribution of operations. Digitisation to automate processes and improve customer experience. Developing an agile culture. Robust strategic and financial planning to mitigate financial risks.	New Zealand Pacific	Orderly	—●	↗	↗
						Disorderly	—●	↗	↗
						Hothouse	—●	↗	↗

Legend: —● Risk remains the same ↗ Risk increases ○ Continuing to assess change

Medium Transition Risk

Risk	Risk type	Description	Anticipated business impact	Current strategies	Regions affected	Scenario	Time horizons		
							Short	Med	Long
Government intervention and/or societal shifts in behaviour.	Medium Transition	High levels of government intervention. Attraction and attrition of skilled employees. Changes in technology. Changing motor vehicle ownership trends. Changes in banks' lending criteria.	Reputational damage from unintended consequences of interventions. Customer needs/expectations outpace product design as NZ transitions to net zero. Comprehensive insurance cover becomes unviable leading to customer impacts. Increased regulatory pressure adding to financial and human resource constraints.	Closely monitor societal trends such as Tower's FY25 research 'Weathering change: attitudes to climate risk and resilience in New Zealand.' Product innovation/customer propositions. Participate in submissions on government proposals. Engagement with local and central government representatives directly and via ICNZ. Pricing transparency.	New Zealand Pacific	All	○	○	○

Legend: —● Risk remains the same ↗ Risk increases ○ Continuing to assess change

Material climate-related opportunities

While climate-related risks are front of mind when developing climate strategy and mitigation, the scenario analysis process also identified potential opportunities for Tower. The material opportunities are outlined below and have not changed from our FY24 Climate Statement.

These apply to all Tower's climate-related scenarios, across all time horizons in New Zealand and our Pacific markets.

Our strategy to innovate will be increasingly important as the transition to a low emission, climate resilient

economy presents the need for new products that reflect societal and economic shifts. This is a key aspect of the transition planning aspects of our strategy as set out on page 26 below. One example of our innovation is parametric insurance in the Pacific, which aims to enhance insurance affordability and accessibility in this market. While parametric insurance is currently only a small part of our business and revenue, Tower sees an opportunity to expand its market share in the future, both in New Zealand and the Pacific.

We have also identified the opportunity to develop industry partnerships that benefit customers and other stakeholders, which could strengthen the insurance industry's future resilience. Examples of this include:

- ICNZ's collaboration on government proposal responses for climate adaptation and resilience.
- ICNZ's collaboration to estimate emissions from motor repairers, reducing the reporting burden on these suppliers.

Tower FY25 climate-related opportunities

Opportunity	Opportunity type	Description	Business impact	Current strategies	Time horizons
Enhanced brand and reputation.	Transition	New products and attractive pricing that address affordability issues and / or support the transition to lower emissions assets.	Supports growth Enhanced brand reputation	Parametric insurance	Short
				Risk-based pricing.	Medium
				Working towards B-Corp certification.	Long
				Contributing to public discourse on climate impacts directly and via sustainability and climate-change focused corporate memberships. Product innovation.	
A more resilient insurance industry.	Transition	Industry partnerships that may benefit customers through efficiencies and cost savings.	Supports efficiency for insurers, ability to offer improved pricing.	ICNZ collaboration on responses to Government proposals i.e. Climate Adaptation Framework.	Short
				Completed ICNZ pilot to estimate emissions from motor repairers.	Medium
					Long

Anticipated impacts

In FY24 Tower disclosed that we had begun working with data suppliers to scientifically estimate the anticipated increase in climate-related claims costs through to 2050. In FY25 we progressed this work and updated our scenario analysis (as described on page 12 relating to climate aligned sea surge and flood data) to model the expected impacts on our future business.

The modelling used a 'top down' approach, taking external data and trends from Tower's climate-related scenarios and applying these to Tower's business with assumptions spanning out to 2050 relating to:

- Population growth
- Dwelling growth
- Transition to Electric Vehicles (EVs) and vehicle ownership rate assumptions
- Tower's expected market share of target markets
- Growth of multi-unit dwellings
- Stormwater infrastructure investments
- Potential government interventions in the general insurance market

Tower notes there is significant uncertainty in assumptions spanning out to 2050. The benefit of using a top-down modelling approach is to identify the factors most likely to significantly impact Tower's business performance over the period. This model presented a practical solution, considering available data, extended time horizons, and systemic variables. This analysis was applied across the three Tower scenarios.

The potential impacts for Tower to monitor are summarised below:

- Financial and operational impacts from increased frequency and severity of weather events across NZ and the Pacific.
- Customer affordability challenges due to increasing insurance costs (through increased weather events, BAU frequency, increasing return on investments costs).
- Government intervention to mitigate affordability and/or insurance retreat.
- Societal shift in demand for products through changing transportation trends such as increased use of public transportation and uptake of EVs.
- Tower has continued working with data suppliers to scientifically estimate the anticipated increase in climate change-related claims costs through to 2050.



The transition planning aspects of our strategy

Our approach

In FY25 Tower further developed our approach to positioning the business as the world and more specifically the markets we operate in transition towards a low emissions, climate-resilient future state.

Tower's approach to developing transition planning has the following key foundations:

- **Tower's climate-related scenarios** – our orderly, disorderly and hothouse scenarios provided an insight into the potential changes that could impact Tower's business as a result of a changing climate.
- **Time horizons** – Tower established short, medium and long term horizons.
- **Climate-related risks and opportunities** – as noted earlier in this report Tower has developed climate-related risks and opportunities across each scenario and timeline. These are central to our understanding of strategic priorities across a long term outlook.

The timelines and process for Tower's transition planning development is outlined below:

- 2023/2024 Development of climate-related scenarios, risks and opportunities and FY24 Climate statement.
- July/August 2024 External training for key employees on transition planning.
- November 2024 Legislation and literature review (repeated periodically during FY25 based on legislative or guidance updates and available disclosures).
- November 2024 Sustainability and Climate Steerco established a transition planning working group and lead.
- December 2024 ELT and Senior Leader training in transition planning.
- February 2025 ELT transition planning workshop.
- March 2025 Board update and discussion on transition planning.
- June 2025 2nd ELT Transition Planning Workshop.
- July 2025 Board Strategy days including a draft overview of the transition planning aspects of Tower's strategy alongside a review of climate-related risks and opportunities.
- November 2025 Final transition planning Audit Committee and Board approval.

The process has been overseen by Tower's Climate and Sustainability Steerco with meetings held monthly. Within the ELT Transition Planning workshops, the following steps were taken:



Transition planning aspects of Tower's strategy

Climate change presents material risks and opportunities for Tower. By continuing to strengthen our data and insights, we can advance our climate commitments and unlock innovative solutions that better meet the evolving needs of our customers. Furthermore, as customers increasingly seek climate-conscious brands, Tower's commitment to climate action positions us to align more closely to their values and expectations. Set out below are the actions we are targeting in each time period.

FY20 – FY25	FY26 – FY27	FY28 – FY29	FY30 – FY39	FY40 – FY50
 Resilience & efficiency • Develop climate-related risks and opportunities, strategy and transition. • Introduction of risk-based pricing (flood, sea-surge, landslide). • Transparent hazard ratings. • Large events resilience/ processes. • Operational/geographical diversification. • Operational, claims, efficiency, digitisation & BCP – enhancements. • Pacific Parametric. • Plain English policies. • 1st sustainability strategy period/Forsyth-Barr "Fast Follower" C&ESG rating.	 Transform & innovate • Expand risk-based pricing & customer transparency. • Supply chain digitisation & procurement strategy uplift. • Government policy & public engagement. • Scope 1 & 2 emissions reduction plan, Scope 3 data visibility. • 2nd Sustainability strategy FY26 – FY30.	 Climate resilient value chain • Expand risk-based pricing customer transparency. • Evolve products & propositions. • Proposition to support adaptation/managed retreat. • Implement emissions reduction plan. • Climate adaptation public engagement. • Demonstrate improvement in operational footprint.	 Low emissions value chain • Propositions to support low emissions & resilient NZ & Pacific economies. • Propositions to support continued provision of affordable insurance. • Further improve systems & data collection, to improve value chain visibility & resilience.	 Low emissions value chain • Low emissions & climate resilient: • operations • underwriting portfolios • supply chain • Investment portfolio supports low emissions economy.
			Climate innovation	
		Innovative, adaptive, flexible culture		
Climate hazard data & capability				

The transition planning work and development of Tower's approach supported the existing business strategy direction in providing a good foundation for a climate-resilient future. In the Tower Business Model and Strategy section of this climate statement we highlight four main approaches which remain the core components of the transition planning aspects of our strategy:

Time horizon	Detail
FY26-FY29  Transform & innovate	Over this four-year period, Tower intends to build on its existing strategic direction to support a low-emissions, climate-resilient future. In the first 12 months, Tower will continue implementing its expanded risk-based pricing model, which now includes sea surge and landslide risks. As customers renew their policies, they receive updated pricing aligned to their individual property's sea surge and landslide risks. Alongside this, we will continue to enhance customer transparency by providing individual property risk ratings through our online quote tool. At launch Tower communicated with a range of stakeholders including representatives from local and central government to help broaden understanding of risk-based pricing and advocate for improved climate change adaptation planning and will continue these conversations. Tower also plans to investigate further enhancements to risk-based pricing, including the potential inclusion of windstorm risk, a rollout of the pricing strategy across Pacific markets, and the extension of risk-based pricing for natural hazards to contents insurance. This period is expected to see continued investment in digitisation and streamlining the customer experience across the insurance lifecycle. Tower plans to maintain active engagement with government agencies and policymakers. Tower is committed to providing expert advice and insurance insights to government representatives on the likely impacts of proposed interventions in New Zealand and the Pacific and support informed decision making. We intend to advocate for sensible actions that safeguard our customers and communities. In the latter part of this strategy period, Tower intends to continue evolving its product and proposition offerings to incorporate low-emissions and climate-resilient features. We will also explore new opportunities for innovation and collaboration that support climate adaptation. Alongside this, Tower expects to advance its data and technology capabilities to improve pricing, underwriting, and operational efficiency—particularly during large-scale events—and continue developing initiatives that help address affordability challenges.
FY30-FY39  Climate resilient value chain	This period has been identified for the continued development of initiatives introduced in the prior period, with a focus on enhancing products and propositions that support customer and community resilience across all operating regions. Potential initiatives developed in the prior period will be reviewed and refined periodically to enable implementation when market conditions are appropriate. In this period Tower expects to also step up its focus on exploring opportunities to reduce emissions within its supply chain, with further detail to be developed over the coming period.
FY30-FY40  Low emissions value chain	Tower's long term ambition is to support a low emissions value chain from customer policies to our claims and operational supply chains. We expect that the foundations to support a low emissions economy will have been established in our FY20 to FY25 period as illustrated above and will be continued over the subsequent strategy periods.

Underlying each period of transition planning are key internal capability uplift and innovation periods. Looking forward these are:

Climate hazard data and capability – Tower continues to invest in up to date hazard data in order to uplift our risk based pricing approach and customer transparency. Alongside our customer focused work we will continue to build our internal capability, skills and understanding. This includes providing and supporting employee training and upskilling relating to climate science, large events, risk-based pricing and customer communication.

Innovative, adaptive and flexible culture – Tower recognises that a key element of climate resilience and low emissions operations is an informed and adaptive culture. This requires us to support innovative thinking and the capability to move swiftly with a changing climate and the potential for large and frequent weather events or changes in policy and regulation.

Climate innovation – in order to move towards a low emission future it will be crucial to find innovative and novel methods to remove emissions from Tower's value chain. We will continue to monitor opportunities in this area.

Tower will continue with our existing core business model and strategy with the key elements integrated into our transition planning. Initiatives included in time horizons beyond FY28 will be reviewed alongside strategic planning development.

Capital expenditure and investment

As a general insurer, managing climate-related risk is a core component of Tower's business as usual activities. Tower invests in enhancing our natural hazard modelling and pricing capabilities annually.

During Tower's annual strategic planning process, executive leaders evaluate material risks and opportunities, and strategic decisions. These are then escalated to the Board for oversight, guidance and investment decisions. This process includes assessing climate-related risks and opportunities, which in recent years has led to investments in parametric insurance and risk-based pricing. The Board approves funding for further proposition, investigation and development, and considers initiatives for inclusion in the business strategy and annual business plan.

Tower's transition plan includes initiatives that require capital expenditure or project funding, which is allocated as part of Tower's annual planning cycle. Transition aspects of Tower's strategy that are aligned with its internal capital deployment and funding decision-making processes will likely change annually but are expected to include: investments that improve Tower's ability to respond to insurance claims arising from weather related events, purchase of reinsurance to mitigate insurance risks of weather related events, investments in developing risk-based pricing and climate related product innovation, memberships and subscriptions to groups that advocate for climate related policies, investment in upgrades to Tower's workspaces or equipment to lower emissions, expenditure on systems that allow for better climate-related reporting and changes to procurement policies and processes to better engage with supply chains on climate-related matters.

The annual purchase of reinsurance to manage the financial impacts of large events, including potential climate-related events, is considered under Tower's reinsurance strategy and approved by the Board.

Tower's capital level is influenced by loss history, which in turn can be influenced by climate related risks and impacts. Capital requirements are determined by the products we develop and sell, and the risk levels associated with those assets. For instance, a house insurance policy requires Tower to hold more capital than a motor insurance policy, due to higher replacement costs. As the industry transitions to a low-emissions, climate resilient future, expanding into different asset classes, will result in different capital requirements. These decisions are made in accordance with Tower's capital management process.

Tower has an annual operational budget for sustainability initiatives and compliance with the Climate-related Disclosures (CRD) regime. This includes the costs of measuring emissions, consultancy support, and climate and sustainability training.

Our greenhouse gas (GHG) emissions

Tower has been measuring its GHG emissions since FY20 in accordance with the requirements of the 'Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (2004)'. Tower applies the operational control consolidation approach to account for emissions, with emissions reported in tonnes of CO₂ equivalents, in line with the requirements of the Aotearoa New Zealand Climate Standards.

Updates to the GHG Inventory methodology in FY25¹

To date our GHG inventory has included Scope 1 and 2 emissions for New Zealand and Pacific operations and selected Scope 3 emissions as detailed below. During FY25, the data quality and methodologies associated with the development of our FY20 base year and subsequent periods were reviewed and the associated improvements and restatements are detailed in Appendix 4. This review has allowed us to understand key trends in our emissions value chain and identify opportunities for future efficiencies and reductions. A Greenhouse Gas Management Framework and Standard Operating Procedures have also been developed to improve the control environment surrounding the collection, and processing of activity data. We have continued to apply adoption provision 4 of NZCS 2 which exempts Tower from disclosing all Scope 3 material GHG emissions. Tower has chosen to disclose a subset

of Scope 3 emissions in line with previous annual report inclusions – please see Appendix 4 for the sources that have been excluded this year. The methods, assumptions and estimations used in calculating our GHG emissions are also included in Appendix 4.

Boundary approach

Tower applies the operational control approach to its organisation and includes emissions generating activities from all operating countries. This approach has been developed in line with the guidance outlined in the Greenhouse Gas Protocol. With respect to leased buildings, Tower has included the direct emissions under its operational control.

Materiality

During FY25 a materiality assessment was conducted to understand our value chain further, this has allowed us to identify material emission sources and develop methodologies to obtain data for future reporting periods. We have set our materiality threshold at 5% of total emissions for the applicable Scope.



¹ Total Scope 1 and Total Scope 2 GHG emissions for the year ended 30 September 2025 as disclosed in the table on page 32, are subject to limited assurance by PwC. Refer to the PwC assurance report on page 59.

The following illustration summarises relevant emissions sources for Tower's operations (it does not depict all potential emissions sources and includes sources that may be reported in future years).



Legend for icons provided in following tables.

Scope 3 Upstream indirect emissions

	Business travel: flights and accommodation – NZ and Pacific, taxis and rental vehicles – NZ only
	Employee commute – NZ and Pacific
	Work from home – NZ and Pacific
	Waste – NZ only
	Purchased goods and services: paper use – NZ only
	Water supply – NZ and Pacific

Scope 3 Downstream indirect emissions

	Calculation of emissions relating to our underwriting portfolio
	Purchased goods and services – ICNZ collaboration to pilot the assessment of motor repair provisions related to claims
	Assessment of investment emissions
	Purchased goods and services – assessment of supply chain emissions

GHG emissions

The following table summarises Tower's Greenhouse gas emissions (tCO₂e¹) from our FY20 baseline year to the FY25 reporting period.

	FY20	FY21	FY22	FY23	FY24	FY25
Scope 1						
Mobile Combustion	129	115	120	140	136	131
Stationary Combustion	19	17	-	-	-	
Fugitive Emissions	-	-	-	-	28	11
Total Scope 1²	148	132	120	140	164	142
Scope 2						
Purchased Electricity (location-based)	217	176	146	158	147	136
Total Scope 2²	217	176	146	158	147	136
Total Scope 3^{3,4}	209	295	202	183	742	859

1 Tonnes of Carbon Dioxide equivalent (tCO₂e) - unit of measurement for combined GHG emissions represented as carbon dioxide.

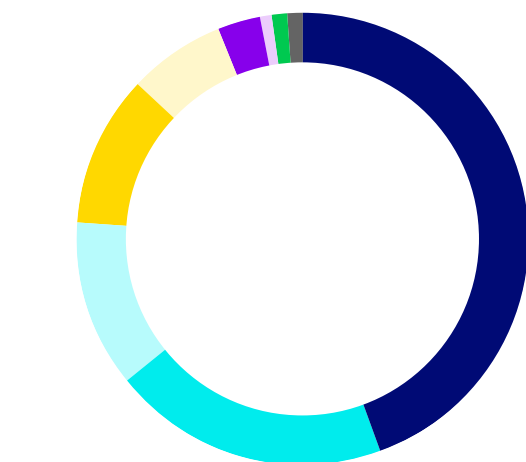
2 Total Scope 1 and Total Scope 2 GHG emissions for the year ended 30 September 2025 as disclosed in above table, are subject to limited assurance by PwC. Refer to the PwC assurance report on page 59.

3 NZCS 2 Adoption Provision 4 has been applied, with Scope 3 Categories 2, 4, 8 and 15 excluded and Scope 3 category 1 partially excluded due to current data limitations, evolving methodologies, and standards.

4 FY20-23 no employee commute emissions, work from home, Pacific water, Pacific wastewater, and Pacific T&D losses. FY20-24 no well-to-tank emissions.

Scope 3 emissions have been aggregated to provide a total for our reported subset of operational emissions. This includes paper usage, water supply, wastewater, business travel, employee commute and work from home and fuel and energy related activities not included in Scope 1 & 2.

The chart below shows the breakdown of Tower's GHG emissions by source.



- Employee commute
- Business travel
- Purchased electricity
- Vehicle fleet
- Fuel- and energy-related activities (Scope 3)
- Working from home
- Refrigerants
- Paper
- Waste and water

In FY25 the largest proportion of Tower's GHG emissions were related to how we travel. In our second year of undertaking an employee commute survey we calculated associated emissions at 45% of our total footprint. The operation of our New Zealand and Pacific fleet vehicles accounted for 11% of total emissions while 20% is associated with business travel including flights, accommodation, taxis and rental cars.

We also added well-to tank emissions for purchased electricity and fuel this year which increased fuel and energy related activities not included in Scope 1 and 2 to 7% of total emissions.

Our fleet vehicles are crucial for our claims and assessing teams to meet the needs of our customers. Our business travel enables us to remain connected across our geographical locations with colleagues and business partners and our employee commute emissions reflect our people's journeys to work. As a result, our approach to emissions reduction needs to maintain our service value in these areas. Initiatives to reduce emissions associated with these sources are provided in the table on page 35.

Scope 1 and 2 emissions are also calculated as an intensity figure using our total risk numbers as the key indicators¹. The intensity results from our baseline year, FY24 and FY25 are outlined in the table below.² The Group emissions intensity per policy show a gradual decrease to FY25. The decrease is related to maintaining policy numbers while reducing emissions.

Emissions intensity in tCO ₂ e/risks insured (000s)	FY20	FY24	FY25
NZ intensity	0.32	0.22	0.21
Pacific intensity	4.48	4.74	4.03
Group intensity	0.66	0.50	0.44

¹ Calculated as Scope 1 & 2 emissions divided by average risk count for the year. In this context risk refers to the specific addressable property or risk covered by an insurance policy, e.g., the house, the motor vehicle, or a period of overseas travel. The Pacific intensity figures include emissions for the Suva hub which provides services in relation to NZ policies.

² Intensity figures for the financial year FY21 to FY23 were included in the FY24 Climate Statement. In FY25 Tower has decided to disclose the required base year, current and previous years figures. Tower do not believe the intervening years add materially to primary users' understanding of performance.

In Tower's FY24 Climate Statement we outlined our participation in an ICNZ/Cogo pilot to calculate claims emissions from motor repair services. The pilot with Cogo has been concluded and the working group is considering the next stage of the collaboration.

GHG emissions target

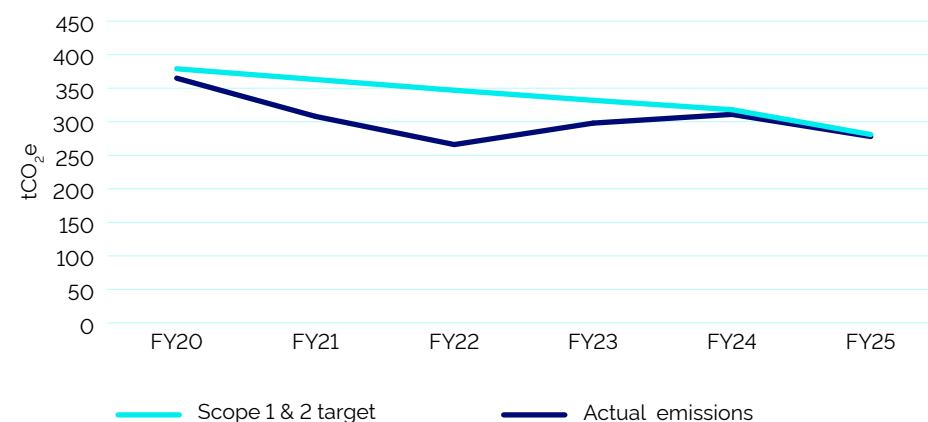
Tower set an absolute, science-aligned reduction target of 21% for our Scope 1 and 2 emissions by the end of FY25, using FY20 as the base year. We are happy to report we have met our reduction target, with a 24% reduction of Scope 1 and 2 emissions from the FY20 base year and an 11% reduction since FY24.

During FY25 we revised our target for the period FY26 to FY35 against a 1.5°C global warming ambition using a science-based methodology. Our new absolute target for FY26 to FY35 is a 63% reduction of Scope 1 and 2 emissions on a base year of FY20. The nine year target period was selected to enable us to adopt evolving technologies and capabilities particularly in our Pacific territories.

Our FY20-25 target and our new FY26-FY35 target were established based on the Paris Agreement goal to limit global warming to 1.5°C. The Paris Agreement goal (UNFCCC 2015) requires emissions to peak before 2025 at the latest and decline 42% by 2030. Tower calculated our reduction trajectory to 2035 on the basis of this ambition and utilising the Science-based Target Initiative publicly available Corporate Near-Term Target Setting Tool (version 2.3).

In taking responsibility for our emissions, our preferred approach is to invest in initiatives to reduce gross emissions as much as possible. Therefore, there are no offsets applied to our FY20-FY25 target, and our revised FY26 target does not rely on offsets.

Current GHG target and tracking scopes 1 & 2



In our FY24 Climate Statement Tower indicated that we would explore the viability of an intensity-based metric and target and consider extension to Scope 3 emissions. In the development of our FY26 to FY35 target intensity-based options were considered but were not found to adequately represent Tower's operational footprint. Tower has opted to use the extended adoption provisions related to Scope 3 emissions and will not be setting targets against these.

Our emissions reductions initiatives

Tower has continued working towards reducing our Scope 1 & 2 emissions. A key focus of FY25 was to improve the quality of emissions reporting to drive future efficiencies and reductions. Since 2022, Tower has had a policy commitment to purchase and lease only EVs or hybrid vehicles in New Zealand. In our Pacific locations, our fleet remains primarily internal combustion engine (ICE) vehicles.

We recognise that electricity generation in the Pacific Islands is primarily fossil fuel-based and therefore conversion to hybrid or EVs is unlikely to generate the same emission reductions as our New Zealand fleet. However, there are parallel benefits to moving away from petrol or diesel vehicles in all locations, including lower running costs and supporting improvements in local air quality.

The table below outlines completed or ongoing emissions calculation and reductions initiatives for FY24 and FY25. Initiatives slated for completion in financial year FY25 and disclosure in our second climate statement are highlighted in cyan.

Scope	Inventory item	Detail	FY24	FY25
1	Vehicle fleet fuel	Tower Policy to only purchase or lease hybrid, plug in hybrid or fully electric vehicles. NZ vehicles fully transitioned to hybrid in FY25. This corrects our disclosure of FY24 in which we indicated full transition to hybrid following the availability of more detailed information regarding leased vehicles within our contract. Pacific Island vehicles partially transitioned. Full transition in the Pacific is limited by the current cost of hybrid vehicles as well as charging and servicing infrastructure for EVs and a requirement to access isolated areas.	136 tCO ₂ e	131 tCO ₂ e
2	Electricity	Greenstar Auckland office, Suva meter recently installed and actual data obtained for all offices since April 2025.	147 tCO ₂ e	136 tCO ₂ e
3	Business travel	Tower's Sustainable Travel Policy includes an intention (without a target) to reduce air travel. Tower makes efforts to travel to the Pacific only when necessary.	197 tCO ₂ e	228 tCO ₂ e
	Waste (landfill)	Employee initiatives such as Plastic Free July to encourage waste minimalisation. Permanent soft plastic recycling, bottle cap and lid recycling now available at the Fanshawe Street office. Waste volumes have increased in line with increased staff numbers and office attendance.	8 tCO ₂ e	7 tCO ₂ e
	Employee commute/ WFH	Second year employee commute survey completed providing average emissions per employee related to both commute and work from home.	501 tCO ₂ e (employee commute) 29 tCO ₂ e (WFH)	521 tCO ₂ e (employee commute) 38 tCO ₂ e (WFH)
	2nd & 3rd year supply chain	In FY24 we indicated a review of existing ESG supplier requirements to include material emissions reporting. This work is progressing through engagement with key suppliers to support year 3 disclosures.		
	2nd & 3rd year underwriting	In FY24 we disclosed our work to develop underwriting emissions with Generate Zero. This work is progressing in preparation for future disclosure requirements.		

Measuring our performance

Tower uses various metrics and tools to manage our business risk indicators, including those relevant to climate-related risks and opportunities and our GHG emissions. Our approach to establishing metrics is described in our FY24 Climate Statement.

The metrics remain unchanged and have been updated for the FY25 period. There are no New Zealand insurance industry based metrics.

Targets related to GHG emissions are provided in Section 5 above.

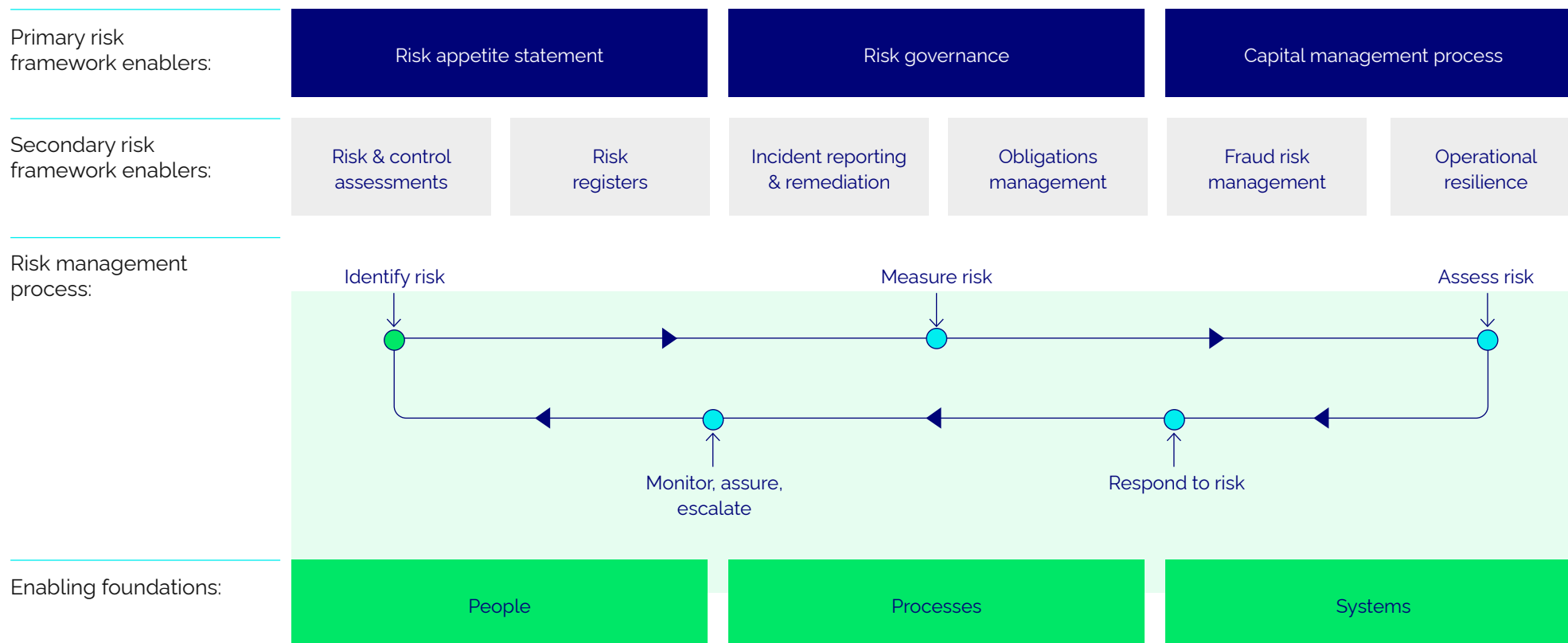
Type	Description	Metric	FY24 estimates	FY25 estimates
Transition risks	Amount or % of assets or business activities vulnerable to transition risks	% of vehicles insured that are internal combustion engines (ICEs)	91%	88%
Physical risks	Amount or % of assets or business activities vulnerable to physical risks.	% of homes insured that are high flood risk ¹	3%	2.6%
Opportunities – Current	Amount or percentage of assets, or business activities aligned with climate-related opportunities.	% of electric vehicle (EV) and plug-in hybrid (PHV) vehicles covered	9%	12%
Capital deployment	Capital deployment has been calculated as the operational and capital expenditure in FY25 on specific projects/initiatives that the Sustainability and Climate Steerco has determined as being climate-related activities, including the expansion of risk-based pricing to cover sea surge and landslide perils, the transition of Tower's motor vehicle fleet and the preparation of climate-related disclosures. This expenditure does not include salaries for permanent staff who may spend part of their time generally working on sustainability and climate topics.	Capital or operating expenditure deployed towards: • Risk Based Pricing • Parametric • Sustainability • CRD • Fleet transition	Approx \$769K	Approx \$4.1m
Internal emissions price	Price per metric tonne of CO ₂ e used internally by an entity.	In FY24 Tower indicated that no internal emissions price was established. Following review in FY25 no internal emission price will be set.		
Remuneration	Management remuneration linked to climate-related risks and opportunities in the current period – %, weighting, description or amount of overall management remuneration.	ELT objectives and targets include climate-related measures where relevant to the responsibilities of their business units. Select executives' short-term incentives incorporate climate-related objectives, including delivery of climate-related financial disclosures, integration of ESG goals into procurement and supplier management, development of risk-based pricing for climate hazards, and creation of sustainable insurance products for Pacific markets. A proportion of select executives' remuneration is also linked to initiatives that reduce emissions, improve climate data reporting, and help to model future climate impacts on portfolios. A specific weighting, percentage or amount is not provided as this varies according to the executive role and responsibilities.		

¹ Limitation for use of flood risk ratings - the definition of "High Flood Risk" is Tower's own definition and not necessarily a consistent definition with any other public source. Specifically, it relates to insurance risk and cost to repair or replace property relative to the risk of flooding and not just the chances of flooding happening alone. It also relates to Tower's own risk appetite and what we consider is "High", which may differ to others risk appetites or interpretation of the level of risk.

Risk management

Risk management is central to Tower's strategic and operational activities and is underpinned by Tower's enterprise-wide Risk Management Framework (RMF). The RMF is approved by the Tower Board and applies to all Tower employees and operations. The RMF was reviewed in October 2024 with minor updates made.

The RMF sets out guiding principles to enable Tower to identify, assess, monitor and manage its risk exposures to pursue its strategic objectives. The RMF and its key components are depicted below:



Fundamental to the application of the RMF is Tower's Risk Appetite Statement (RAS), which outlines the Board's risk appetite against key categories defined in the RMF. Tower's Board Risk Committee is responsible for monitoring the adequacy of the RMF, receiving reports on key risks, exposures and their management against the RAS.

The primary executive governance forum for the RMF is the Tower Management Risk and Compliance Committee (MRCC) which meets monthly and is governed by an annually reviewed Charter overseen by the Chief Risk Officer (CRO).

The RMF is implemented through risk, compliance, conduct and internal audit processes across each business function. The executive, senior management and staff must demonstrate that reasonable steps have been taken to effectively manage Tower's risks in line with the RMF. Responsibilities are assigned to individuals to manage identified risks, and material changes to Tower's risk profile are monitored.

Each business unit within Tower maintains a risk register that records the likelihood and consequence of risks, actively identifying, assessing and monitoring the risks and associated controls. These risks are recorded, maintained and managed within our Protecht risk management software platform with clear identification of the risk owner, inherent risk, risk mitigation(s) and residual risk scores.

Risk owners are responsible for updating their risks whenever changes occur that may alter the inherent or residual risk score. To ensure regular reviews, each risk is assigned an agreed time period for review. These time periods may range between 6-monthly and 2-yearly.

The Protecht platform also enables the prioritisation of all risks, ensuring appropriate escalation in a timely manner. Risks are prioritised as Low, Medium or High residual risk status. High residual risks are given priority for suitable mitigation and raised to the Board for acceptance or deployment of capital if the risk cannot be effectively mitigated, and then closely monitored.

Integration of climate risks in Tower's Risk Management Framework

Tower revised its RMF in February 2024 to include climate-related physical and transition risks as a specific risk category along with the other key risks facing Tower across its full value chain. Tower also introduced a dedicated Climate Risk Forum to regularly review and monitor its climate risk profile. Additionally, in early 2025 Tower revised its risk assessment matrix to enable a more focused approach to risk assessment across the business.

In FY25, the process undertaken by Tower to assess climate-related risks followed the approach outlined under the RMF, as follows:

1. Identify
2. Measure and Assess
3. Respond
4. Monitor, assure and escalate

Identify

In 2024, Tower conducted a cross-functional workshop to consider the climate risks and opportunities as part of the climate scenario development and analysis. The workshop and subsequent internal analysis included all material elements of Tower's value chain, covering both New Zealand and Pacific-based operations, as well as our core supply chain. Some 42 climate related risks and opportunities were identified during this exercise.

Measure and assess

The identified risks served as the basis for further internal stakeholder meetings to:

- Refine the risks
- Assign ownership
- Identify key impacted business units
- Complete initial risk and control assessments across the short, medium and long-term time horizons with the same duration outlined in the Strategy section.
- Agree appropriate controls against each risk to mitigate the impact of the risks occurring

The data was also divided into specific areas to illustrate Tower's overall climate risk profile across each scenario and time horizon (as detailed within the Strategy section):

- Key Impacted Business Units – by climate related risks
- Climate Risk Categories – Transition & Physical Risks
- Climate Risk Ratings – high, medium, low
- High Inherent Risks – measured under the three climate-related scenarios and three time horizons.

Respond

Tower's response considered each of the climate-related risks and assigned controls against them to arrive at a residual risk rating. In line with Tower's RMF, where a residual risk is High and cannot be managed through the control environment, it is reported to the Tower Board for risk acceptance or otherwise. No climate-related risks have been identified as unable to be managed effectively through appropriate controls and actions.

Accountability for managing these risks is assigned to Tower's executives and senior management. The suite of risks provides an overall climate-related risk profile for Tower and facilitates the monitoring of those risks over time. Where the nature of the risk changes, the response to managing that risk may change also.

Monitor, assure and escalate

Due to the nature of Tower's business and our risk-based pricing approach, climate-related risks make up five of our high residual risks. All five of these climate-related risks have actions in place to monitor and help mitigate.

All material climate-related risks across each of the identified scenarios and time horizons (as detailed within the Strategy section) have been recorded in Protecht and are reviewed as part of the usual cycle of risk reviews within each business unit. The Climate Risk Forum will assist in regular monitoring of the climate risk landscape and is described on the right.

A comprehensive review of identified risks and opportunities will be undertaken annually and following any updates to Tower's climate-related scenarios.

The Climate Risk Forum

The purpose of the Climate Risk Forum (CRF) is to facilitate discussion, collaboration, and action on climate-related risks and opportunities.

The CRF convenes internal stakeholders from various teams to review and share knowledge, best practices, and innovative solutions. Its goal is to ensure identified climate-related risks and opportunities remain current and relevant, and to address the challenges posed by climate.

The CRF is composed of climate risk owners and the Sustainability Manager, with subject matter experts (SMEs) attending as required. In FY25 The CRF met on two occasions to review Tower's climate-related risks and opportunities. As identified on page 18 the review resulted in minor updates to risk ownership and mitigation tools. In addition low and medium risks were consolidated to reduce the overall number of risks from 26 to 22.

Climate-related risks are considered over the short, medium and long-term time horizons identified in the Strategy section page 5.

Governance

Strong governance underpins our management of climate-related risks and opportunities.

Tower's Board of Directors provides leadership within a framework of prudent and effective controls, enabling the assessment and management of Tower's risks and opportunities, including those that are climate-related. The Board composition is provided in our 2025 Annual Report.

Details of our governance of climate-related topics in FY25 are detailed in the table on page 42.

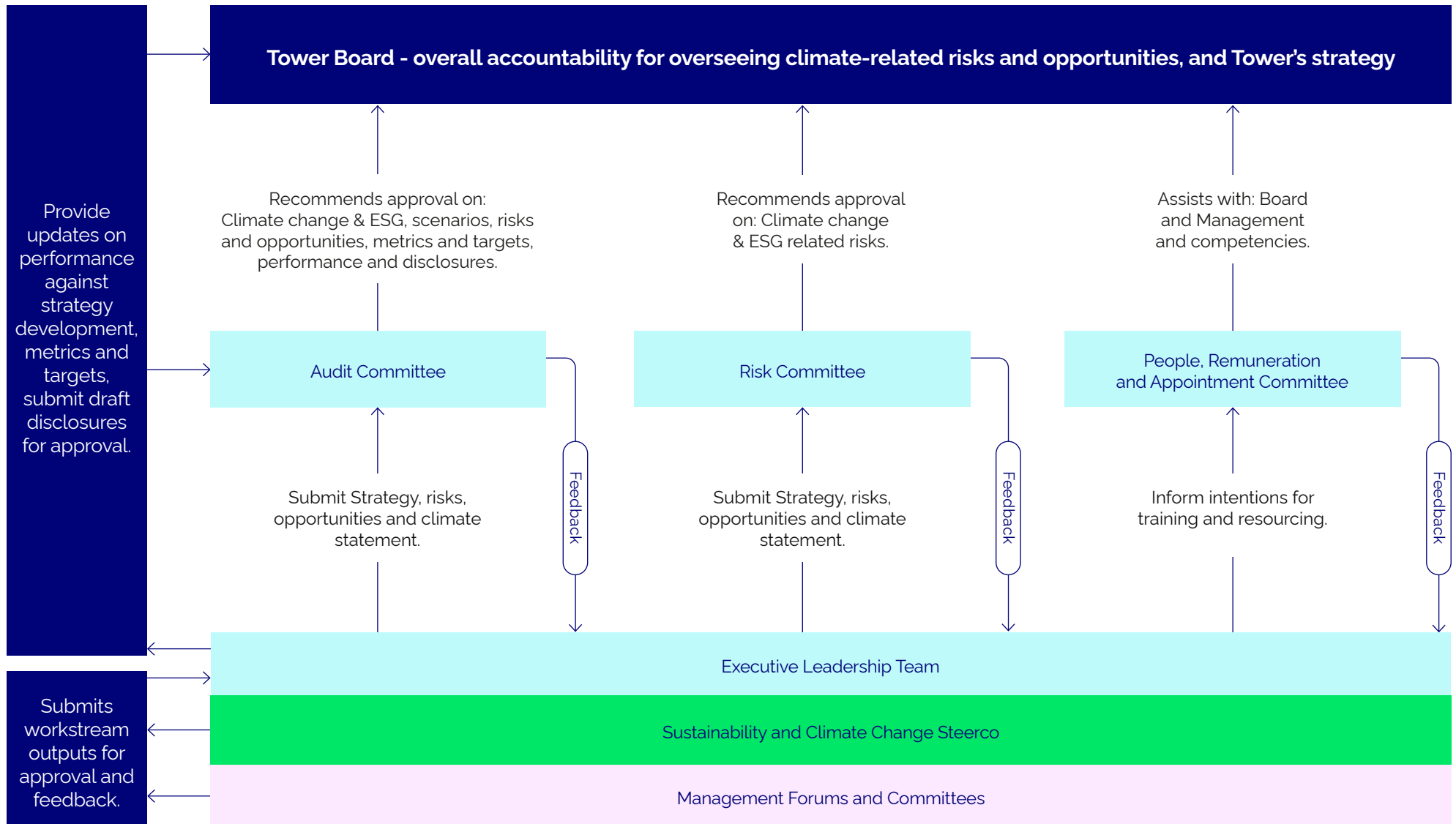
Governance framework

The Board is responsible for approving and overseeing Tower's ESG strategy and reporting. This includes considering sustainability strategies and oversight of Tower's climate-related risks, including physical and transition risks, and climate-related opportunities as relevant to Tower's broader business strategy. Our material climate-related risks and opportunities were included in the July Board Strategy sessions through discussions relating to risk based pricing, large events preparedness and transition planning. The Board retains overall accountability for the development and ownership of climate-related strategy, transition planning, metrics and targets and climate-related disclosures.

The Board is assisted in its oversight by its Audit, Risk and People, Remuneration and Appointments Committees. Additionally, Tower's Executive Leadership Team (ELT) led by our CEO, and topic specific management committees and forums, sponsor and direct key elements of our climate statement development. The roles and responsibilities of each of these bodies, along with key milestones over the reporting period are provided in the table on page 42.

In FY24, the Board approved a Climate and Sustainability Governance Framework, establishing the Company's structures and processes for effective oversight and management of climate-related risks and opportunities. The framework was revised in FY25 to reflect changes to management forums and approved in March with the addition of the Portfolio Performance and Investment Committee (PPIC). The following diagram illustrates the key roles, responsibilities, communication, and decision-making processes that support the Board in fulfilling its climate-related governance obligations.

Climate, sustainability governance framework



The Board reviewed and approved an updated Climate and Sustainability Governance Framework in March 2025. Throughout the year, the full Board considered elements of the climate-related disclosure development on behalf of its committees to ensure progress within desired timeframes. The requirements of the framework were put in place in FY25.

Table of Governance bodies, frequency of meetings, their roles and responsibilities

Governance body	Roles and responsibilities	Activity
Tower Limited Board of Directors	Provide oversight and approval for the Company's environmental and social governance obligations, including consideration of sustainability strategies, climate-related physical and transitional risks and opportunities and all disclosures in the company's Climate Statement.	Monthly progress update on sustainability and CRD through regular content in the CEO report. This includes updates on workstream activities, risks, opportunities, strategy and transition planning, resourcing, and updates from the Steerco on performance against metrics and targets. March 2025 CRD update including intended FY25 Board and Committee schedule, progress to delivering FY25 Climate Statement, approach to transition planning approval of reviewed CRD Governance Framework and delivery of Board training material on Tower's climate-related legal requirements and GHG emissions requirements. May 2025 Update on Sustainability, Climate and GHG emissions progress against plan. July 2025 Draft transition planning aspects of Tower's strategy submitted for approval. Director annual skills and capabilities survey (including ESG and climate capabilities) completed. November 2025 Approval of the FY25 Climate Statement, transition planning, metrics and targets on the recommendation of the Audit Committee.
Tower Limited Pacific subsidiary Boards	Part of Tower Group GHG emissions reporting covers Pacific activities. As Tower's approach matures, Management is increasing its engagement with the Tower Limited Pacific subsidiary Boards on climate-related topics.	May 2025 Overview of CRD and Sustainability provided which included legislative obligations and key climate and sustainability updates for Tower Limited.
Audit Committee	The Audit Committee assists the Board by: - Overseeing climate-related disclosures and the adequacy of control systems for climate-related reporting. - Reviewing climate-related scenarios, risks and opportunities, metrics and targets, and disclosures, and recommending Board approval. - Agreeing on the scope of the external auditor's limited assurance of GHG emissions for the climate statement.	May 2025 Approval of GHG assurance auditor appointment. November 2025 Recommend approval of FY25 transition planning, metrics and targets and GHG restatements and disclosures to the Tower Board. No reviews or approvals were required for climate-related scenarios, risks and opportunities in FY25 as no material changes were made.

Governance body	Roles and responsibilities	Activity
Risk Committee	The Risk Committee assists the Board by: - Monitoring climate-related risks. - Assessing the effectiveness of Tower's Risk Management Framework, strategy, risk appetite, and risk profile. Ensuring compliance with relevant prudential regulatory requirements, including climate-related transition risks.	Monthly Chief Risk Officer (CRO) report to Risk Committee or Board includes climate and increased frequency of large events as both a key strategic risk and a compliance risk. This report provides updates on work on climate-related risks. November 2025 Update provided on amendments to climate related risks and opportunities.
People, Remuneration and Appointment Committee	The People, Remuneration and Appointment Committee assists the Board in its oversight of remuneration strategy by: - Recommending whether climate metrics should be included in reward frameworks, and recommending potential metrics. - Recommending required skills, capabilities and experience for Board members to ensure the Board can effectively manage risks and opportunities arising from climate.	May 2025 Results of Tower's Sustainability and Climate Skills and Capabilities Assessment for employees provided to the Committee, along with an update on Management's approach to ensuring appropriate climate-related skills and capabilities. Information provided on the disclosure requirements for incorporating climate-related targets into executive remuneration. Climate-related performance metrics included in Executive remuneration where the roles are central to our climate-related disclosures as included on page 36.
Executive Leadership Team	With respect to the Climate Statement, the Executive Leadership Team is responsible for: - The development and execution of Tower's climate strategy and transition plan; - Ensuring that sustainability and climate-related risks and opportunities are considered as part of investment, underwriting, product design, customer experience, pricing, supply chain and claims processes; - Ensuring that all employees are aware of their responsibilities for the identification of climate risks and opportunities; - Ensuring that employees have relevant climate and sustainability skills and capabilities.	Monthly updates on climate and sustainability progress via the People and Capability dashboard report to the ELT. These include GHG inventory development and performance, transition planning development, climate-related risks and opportunities and disclosure developments. February 2025 First Transition Planning workshop June 2025 Second Transition Planning workshop May/June 2025 Sustainability Materiality Assessment workshops (including climate)
Management		
Sustainability and Climate Steerco	This Executive-level committee is chaired by the Head of Corporate Affairs and Sustainability and includes the CRO, Chief Underwriting Officer and Deputy CFO. It oversees: - Tower's progress and performance against sustainability strategy and climate strategy/ transition plan/ metrics and targets. - The assignment of resources to ensure sustainability and climate outcomes are achieved. - Delivery of Tower's sustainability reporting and climate-related disclosures to the Board and its Committees.	Minimum monthly meeting. In FY25 the position of chair was transferred from the acting CFO to the Head of Corporate Affairs and Sustainability. Updates on Steerco activities are provided to the Board in the monthly CEO report. Key climate-related decisions and information are raised through appropriate governance committees as required.

Governance body	Roles and responsibilities	Activity
Management Risk and Compliance Committee	The Management Risk and Compliance Committee (MRCC) assists Tower Limited to discharge its management and governance responsibilities for risk including climate-related risk. The primary purpose of the MRCC is to oversee, manage and approve Tower-wide risk, compliance, and conduct management practices.	Monthly meetings with summary of Board CRO report discussed. Climate-related matters were included in the MRCC agenda on two occasions in August and September. The roll out of Risk Based Pricing to seasurge and landslide was considered as part of the climate elements of our adaption strategy.
Climate Risk Forum	The Climate Risk Forum is comprised of senior leaders from key functions including claims, sales and service, underwriting, pricing, finance and technology. In FY25 the Forum met twice and is dedicated to identifying, assessing, and monitoring climate-related risks and opportunities and ensuring appropriate mitigating actions are incorporated into Tower's strategy and operating plan.	May and June 2025 Two sessions held with risk owners to complete review of climate-related risks. Follow up sessions with risk owners were undertaken to complete revisions.
Product, Pricing & Underwriting Committee	This Committee oversees monitoring, reporting and management of emissions from Tower's underwriting portfolios. It will be responsible for: • Recommending targets for underwriting portfolio emissions reduction to the Sustainability & Climate Steering Committee. • Directing underwriting, product and pricing actions to achieve Tower's sustainability strategy, climate strategy, and transition plan. • Ensuring alignment of sustainability and climate underwriting and pricing actions with Tower's business strategy and operations.	Monthly meeting The roll out of Risk Based Pricing to seasurge and landslide and Pacific Parametric cover was considered by this committee as part of the climate adaptation elements of our strategy.
Claims Committee	The Claims Committee will oversee monitoring, reporting and management of emissions from Tower's claims supply chain. It will: • Recommend targets for claims supply chain emissions reduction to the Sustainability & Climate Steering Committee. • Recommend claims actions that will achieve Tower's sustainability strategy and climate strategy, and transition plan (once developed) to the ELT/Sustainability Steering Committee.	Monthly meeting The Claims committee considered and responded on the development and roll out of the Large Event Response Plan and Risk Based Pricing to seasurge and landslide as part of the climate adaptation elements of our strategy throughout FY25. This committee's contribution to climate-related disclosures is expected to be largely related to measurement, management and disclosure of claims supply chain related Scope 3 emissions. In line with amendments to adoption provisions for Scope 3 emissions the committee's contribution was deferred from FY25 and will commence when Tower's approach to claims supply chain related emissions is more evolved.
Portfolio Performance and Investment Committee (PPIC)	The PPIC is an Executive-level committee that was established in FY25 responsible for enterprise-wide project governance. It prioritises and oversees investment decisions across key investment categories, balancing priorities, including incorporating transition risk considerations into decision-making.	Climate related reporting to be undertaken on an as need basis. No reports in FY25. However the roll out of Risk Based Pricing to seasurge and landslide was considered as part of the climate adaptation elements of our strategy.

Climate-related skills and capabilities

Board climate skills and capabilities

The Board aims to have an appropriate mix of relevant skills, with particular competencies in the insurance and financial services sector.

In FY25, Tower Directors received refresher climate legal obligations and greenhouse gas emissions training material as part of the March Board paper, having received formal training in FY24 and having completed a survey on ESG and climate capabilities. These combine to provide the Board with appropriate knowledge to consider all climate-related communications and provide the required oversight.

In FY25, Directors completed an annual skills matrix including ESG and climate-related topics.

Management climate-related skills and capabilities

As an insurer, Tower's teams have existing skills and capabilities that are highly relevant to managing climate-related risks and opportunities including general risk management, actuarial, data management, natural hazard modelling, finance, governance, and strategy.

Tower has dedicated sustainability roles, including within senior management. Reporting to the Sustainability and Climate Steering Committee, Tower's Head of Corporate Affairs and Sustainability is responsible for:

- Developing and delivering Tower's sustainability strategy, incorporating climate-related goals and initiatives for the period 2020-2025.
- Leading the delivery of climate-related disclosures, with support from Tower's Sustainability Manager and the new Sustainability Analyst role.

ELT and Senior Leaders received climate training material as part of the transition planning workshop and foundational sustainability (including basic climate science, GHG emissions sources, calculation and reporting) training as part of the FY25 materiality assessment workshops. Three Climate Fresks (IPCC based climate science training) have been held for employees during the course of FY25 providing an in depth insight into climate science.

Senior leaders actively working on Tower's Climate Statement have included objectives in their FY25 performance plans related to resourcing and completing their contributions.

Tower also has access to a range of external consultants for specialist expertise and advice which has been noted in Board updates throughout the year as appropriate.

Appendices

Appendix 1

Index – CRD way finder

CRD sections	CRD disclosures	Tower disclosure	Adoption provisions
NZ CS 1			
Governance - To enable primary users to understand both the role an entity's governance body plays in overseeing climate-related risks and climate-related opportunities, and the role management plays in assessing and managing those climate-related risks and opportunities.	7 (a) the identity of the governance body responsible for oversight of climate-related risks and opportunities; (b) a description of the governance body's oversight of climate-related risks and opportunities (see paragraph 8); and (c) a description of management's role in assessing and managing climate-related risks and opportunities (see paragraph 9).	Governance framework pg 40	
Strategy - To enable primary users to understand how climate is currently impacting an entity and how it may do so in the future. This includes the scenario analysis an entity has undertaken, the climate-related risks and opportunities an entity has identified, the anticipated impacts and financial impacts of these, and how an entity will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future.	11 (a) a description of its current climate-related impacts; (b) a description of the scenario analysis it has undertaken (c) a description of the climate-related risks and opportunities it has identified over the short, medium, and long term (d) a description of the anticipated impacts of climate-related risks and opportunities; and (e) a description of how it will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future state.	Strategy Pg 10 Pg 12 Pg 18-24 Pg 25 Pg 26-29	Adoption provision 2: Anticipated Financial impacts

CRD sections	CRD disclosures	Tower disclosure	Adoption provisions
Risk management - To enable primary users to understand how an entity's climate-related risks are identified, assessed, and managed and how those processes are integrated into existing risk management processes.	18 (a) a description of its processes for identifying, assessing and managing climate-related risks (see paragraph 19); and (b) a description of how its processes for identifying, assessing, and managing climate related risks are integrated into its overall risk management processes. 19 An entity must include the following information when describing its processes for identifying, assessing and managing climate-related risks: (a) the tools and methods used to identify, and to assess the scope, size, and impact of, its identified climate-related risks; (b) the short-term, medium-term, and long-term time horizons considered, including specifying the duration of each of these time horizons; (c) whether any parts of the value chain are excluded; (d) the frequency of assessment; and (e) its processes for prioritising climate-related risks relative to other types of risks.	Risk management pg 37	
Metrics and Targets: To enable primary users to understand how an entity measures and manages its climate-related risks and opportunities. Metrics and targets also provide a basis upon which primary users can compare entities within a sector or industry.	21 To achieve the disclosure objective, an entity must disclose: (a) the metrics that are relevant to all entities regardless of industry and business model; (b) industry-based metrics relevant to its industry or business model used to measure and manage climate-related risks and opportunities; (c) any other key performance indicators used to measure and manage climate-related risks and opportunities; and (d) the targets used to manage climate-related risks and opportunities, and performance against those targets	GHG emissions pg 30 Measuring our performance pg 36	Adoption provision 4: Scope 3 GHG emissions Adoption provision 5: Comparatives for Scope 3 GHG emissions Adoption provision 6: Comparatives for metrics Adoption provision 7: Analysis of trends Adoption provision 8: Scope 3 GHG emissions assurance
NZ CS 3			
Methods and assumptions, and data and estimation uncertainty	49 (a) a description of the methods and assumptions used in the preparation of its climate-related disclosures where they are not apparent, including the limitations of those methods. (b) aspects of its disclosure (including amounts) that involve data and estimation uncertainty, disclosing the sources and nature of data and estimation uncertainties.	Appendix 5 pg 58	

CRD sections	CRD disclosures	Tower disclosure	Adoption provisions
NZ CS 3			
Scenario analysis methods and assumptions	51 (a) the climate-related scenarios it has used, including: - i a brief description of each scenario narrative; ii. the time horizons considered, including endpoints and whether the endpoints are determined by a year or a temperature target; iii. a description of the various emissions reduction pathways in each scenario and the assumptions underlying pathway development over time, including the scope of operations covered, policy and socioeconomic assumptions, macroeconomic trends, energy pathways, carbon sequestration from afforestation and nature-based solutions and technology assumptions including negative emissions technology; iv. an explanation of why the entity believes the chosen scenarios are relevant and appropriate to assessing the resilience of the entity's business model and strategy to climate-related risks and opportunities; and v. the sources of data used to construct each scenario. (b) how the scenario analysis process has been conducted, including: vii. whether scenario analysis is a standalone analysis or integrated within the entity's strategy processes; viii. the governance process used to oversee and manage the scenario analysis process, including the role of the governance body and management; ix. if modelling has been undertaken, a clear description of what modelling was undertaken and why the model was chosen as the appropriate model; and x. which external partners and stakeholders are involved	Understanding our Possible Futures pg 12 Appendix 3 Scenario Development pg 49	
GHG emissions methods, assumptions and estimation uncertainty	52 a description of the methods and assumptions used to calculate or estimate GHG emissions, and the limitations of those methods. When choices between different methods are allowed, or entity-specific methods are used, an entity must disclose the methods used and the rationale for doing so. 53 uncertainties relevant to the entity's quantification of its GHG emissions, including the effects of these uncertainties on the GHG emissions disclosures. 54 an explanation for any base year GHG emissions restatements.	Our greenhouse gas (GHG) emissions pg 30 Appendix 4 GHG emissions methodology, restatements and notes to restatements pg 52	
Statement of compliance	55 An entity whose climate-related disclosures comply with Aotearoa New Zealand Climate Standards must include an explicit and unreserved statement of compliance.	Executive summary pg 4	

Appendix 2

Consideration of materiality

The NZ Climate Standards require disclosure of information if it is material according to the definition in NZ CS 3.

The information provided in our climate disclosure is material to Tower's primary users, who we have defined as existing and potential shareholders and asset managers. Contextual information is also provided as it supports the key elements of the climate statement.

Considerations we use when determining materiality:

- Primary users – existing and potential shareholders and asset managers
- Geographical distribution of our operations
- Level of influence
- Level of impact or anticipated impact
- Combined effects

Appendix 3

Scenario sources of data

		Boundary condition factor	2022-2025	2026-2035	2036-2050	Data source
ORDERLY: NET ZERO 2050 – NEW ZEALAND	Physical climate changes (RCP 2.6)	Average NZ temperature (1986-2006 baseline + 7° C)	+1.3° C	+1.5° C	+1.6° C	NGFS Climate impact explorer. 'Absolute change in air temperature in New Zealand. RCP 2.6'.
		Labour productivity due to heat stress (lower bound)	-0.1%	-0.2%	-0.3%	NGFS Climate impact explorer. 'Change in labour productivity due to heat stress in New Zealand. RCP 2.6'.
		NZ land exposed to flooding (1986-2006 baseline) (upper bound)	0.08%	0.15%	0.2%	NGFS Climate impact explorer. 'Change in land annually exposed to river floods in New Zealand RCP 2.6'.
		Snowfall (1986-2006 baseline)	-41%	-45%	-48%	NGFS Climate impact explorer. 'Relative change in snowfall in New Zealand RCP 2.6'. Retrieved from: https://www.ngfs.net/en/assessments/2022/01/05/assessments/ass

		Boundary condition factor	Location	2025 (short-term)	2035 (medium-term)	2050 (long-term)	Data Source
ORDERLY: NET ZERO 2050 – PACIFIC	Physical risk data	Mean Annual Temperature Change (Average annual temperature (°C) change from pre-industrial baseline)	Pacific ¹	1.5°C	1.7°C	1.8°C	NGFS Climate impact explorer. 'Absolute change in mean air temperature in Fiji.' RCP 2.6'. Retrieved from: NGFS Climate Impact Explorer plus 0.87 °C (Global average temperature change pre-industrial baseline)
		Temperature Days Above 35.0°C (Annual average number)	Pacific	0.25	0.52	2.06	Climate change knowledge portal (World bank). Projected Days with Heat Index Exceeding 35°c – Fiji RCP2.6.
		Precipitation (Median) (% increase in precipitation per year vs 1986-2006 baseline)	Pacific	+6.1%	+6.1%	+6.2%	NGFS Climate impact explorer. 'Relative change in precipitation (%) in Fiji. RCP 2.6'.
		Mean Sea Level Rise (Centimetres vs 1986-2006 baseline)	Pacific	5.5cm	10.4cm	20.4cm	The IPCC AR6 Sea-Level Rise Projections. SSP1-2.6 2020, 2030 and 2050 Fiji (Suva) . Retrieved from: Sea Level Projection Tool – NASA Sea Level Change Portal
		Expected Damage from River Flooding (% change vs 2015 baseline) ²	Pacific	-8.4%	23.7%	38.3%	NGFS Climate impact explorer. 'Relative change in annual expected damage from river floods in Fiji. RCP 2.6'.
	Socioeconomic data	Population (Millions)	Pacific	0.89m	0.88m	0.82m	Fiji population, SSP1.
		GDP (Billion US\$2005/year)	Pacific	\$5.07(NZD 8.57b)	\$7.71b (NZD 13.04b)	\$14.02b (NZD 23.71b)	Fiji GDP, OECD Env-Growth – SSP1. Exchange rate of 1.69 was used to convert US dollar to NZ dollar
		Productivity due to Heat Stress (lower bound) (% change vs 1986-2006 baseline)	Pacific	-5.2%	-6.5%	-8.1%	NGFS Climate impact explorer. 'Relative change in labour productivity due to heat stress in Fiji.'

		Boundary condition factor	2022-2025	2026-2035	2036-2050	Data source	
DISORDERLY: DELAYED TRANSITION – NEW ZEALAND	Physical climate changes (RCP 4.5)	Average NZ temperature (1986-2006 baseline + .7° C)	+1.3° C	+1.6° C	+1.8° C	NGFS Climate impact explorer. 'Absolute change in air temperature in New Zealand. RCP 4.5'.	
		Labour productivity due to heat stress (lower bound)	-0.1%	-0.2%	-0.4%	NGFS Climate impact explorer. 'Change in labour productivity due to heat stress in New Zealand. RCP 4.5'.	
		NZ land exposed to flooding (1986-2006 baseline) (upper bound)	0.06%	0.1%	0.2%	NGFS Climate impact explorer. 'Change in land annually exposed to river floods in New Zealand RCP 4.5'.	
		Snowfall (1986-2006 baseline)	-41%	-45%	-56%	NGFS Climate impact explorer. 'Relative change in snowfall in New Zealand RCP 4.5'.	
		Sea level rise NZ (1996-2006 baseline)	10cm	17cm	25cm	Ministry for the Environment. (2017). 'Coastal Hazards and Climate Change. Guidance for Local Government'. pp.105.	
		Days above 25° C	Estimated.	Estimated.	Estimated.	Ministry for the Environment.(2018). Climate Change Projections for New Zealand: Atmosphere Projections Based on Simulations from the IPCC Fifth Assessment, 2nd Edition. Wellington: Ministry for the Environment. Table 1. pp.17.	
	Social, economic factors	NZ GDP (Billion US\$2022/year)	220.57 (NZD 337.05)	247.22 (NZD 377.78)	293.11 (NZD447.9)	Climate Change Commission. (2021). 'Draft advice report charts data and scenario dataset. Headwinds'.	
		NZ population (million)	5.3	5.8	6.2		
		Carbon price (NZ\$ 2021)	\$99	\$173	\$343	New Zealand Treasury.(2021). CBAX Tool User Guidance. CBAX Tool User Guidance - September 2021 (treasury.govt.nz) (Disorderly follows a central price path till 2035 then high price path onwards) (Assumptions taken from price path noting this is not a market indication of supply and demand)	
		Travel by EVs (light passenger vehicles)	2%	28%	94%	Climate Change Commission.(2021). 'Draft advice report charts data and scenario dataset. Headwinds'.	
		Change in person-km travel (greatest modal increase)	Public rail	Public rail	Cycle	As above	
		Global governance and institutions	Global and national institutions make slow progress towards SDGs.				
		Market access and trade settings	Current trends, intermediate globalization.				
		Lifestyle	Current trends, some consumerism but also lifestyle				
		Consumer preferences	Current trends, general push for ESG and climate but intention to action gap				
		Technology and innovation	Moderate technology development, disparities between regions.				
		Land use	Current trends, land use incompletely regulated				
		Tiriti o Waitangi	Ad-hoc protection for indigenous rights				
		Frame, B. et al.(2018). 'Adapting global shared socio-economic pathways for national and local scenarios'. Climate Risk Management. Volume 21. Retrieved from: https://doi.org/10.1016/j.crm.2018.05.001 (Disorderly follows 'Kicking, screaming').					

DISORDERLY: DELAYED TRANSITION - PACIFIC		Boundary condition factor	Location	2025 (short-term)	2035 (medium-term)	2050 (long-term)	Data source
Physical risk data		Mean Annual Temperature Change (Average annual temperature (°C) change from pre-industrial baseline)	Pacific ¹	1.5°C	1.7°C	2.0°C	NGFS Climate impact explorer. 'Absolute change in mean air temperature in Fiji.' RCP 4.5. Retrieved from: NGFS Climate Impact Explorer plus 0.87 °C (Global average temperature change pre-industrial baseline)
		Temperature Days Above 35.0°C (Annual average number)	Pacific	0.55	1.47	3.18	Climate change knowledge portal (World bank). Projected Days with Heat Index Exceeding 35°c – Fiji RCP4.5. Retrieved from: https://climateknowledgeportal.worldbank.org/country/fiji/cmp5
		Precipitation (Median) (% increase in precipitation per year vs 1986-2006 baseline)	Pacific	+6.1%	+6.1%	+7.8%	NGFS Climate impact explorer. 'Relative change in precipitation (%) in Fiji. RCP 4.5'.
		Mean Sea Level Rise (Centimetres vs 1986-2006 baseline)	Pacific	5.3cm	10.1cm	22cm	The IPCC AR6 Sea-Level Rise Projections. SSP2-4.5 2020, 2030 and 2050 Fiji (Suva). Retrieved from: Sea Level Projection Tool – NASA Sea Level Change Portal
		Expected Damage from River Flooding (% change vs 2005 baseline) ²	Pacific	-8.4%	23.7%	57.9%	NGFS Climate impact explorer. 'Relative change in annual expected damage from river floods in Fiji.' RCP 4.5'.
Socioeconomic data		Population (Millions)	Pacific	0.94m	0.97m	0.97m	Fiji GDP, OECD Env-Growth – SSP2.
		GDP (Billion US\$2005/year)	Pacific	\$5.01b (NZD 8.47b)	\$7.01b (NZD 11.85b)	\$11.33b (NZD 19.16b)	Fiji GDP, OECD Env-Growth – SSP2. Exchange rate of 1.69 was used to convert US dollar to NZ dollar.
		Productivity due to Heat Stress (lower bound) (% change vs 1986-2006 baseline)	Pacific	-5.2%	-6.5%	-9.7%	NGFS Climate impact explorer. 'Relative change in labour productivity due to heat stress in Fiji.' RCP 4.5.

1.Fiji used as an index for the Pacific to avoid gaps in data availability
2.Expected Damage from River Flooding 1986-2006 baseline data was not available

HOT HOUSE WORLD: CURRENT POLICIES – NEW ZEALAND		Boundary condition factor			2022-2025		2026-2035	2036-2050	Data source
Physical climate changes (RCP 6.0)	Average NZ temperature (1986-2006 baseline + 7° C)				+1.3° C		+1.6° C	+2.0° C	NGFS Climate impact explorer. 'Absolute change in air temperature in New Zealand. RCP 6.0'.
	Labour productivity due to heat stress (lower bound)				-0.1%		-0.2%	-0.4%	NGFS Climate impact explorer. 'Change in labour productivity due to heat stress in New Zealand. RCP 6.0'.
	NZ land exposed to flooding (1986-2006 baseline) (upper bound)				0.06%		0.09%	0.2%	NGFS Climate impact explorer. 'Change in land annually exposed to river floods in New Zealand RCP 6.0'.
	Snowfall (1986-2006 baseline)				-41%		-45%	-56%	NGFS Climate impact explorer. 'Relative change in snowfall in New Zealand RCP 6.0'.
	Sea level rise NZ (1996-2006 baseline)				10cm		17cm	30cm	Ministry for the Environment. (2017). 'Coastal Hazards and Climate Change. Guidance for Local Government'. pp.105.
	Days above 25° C				Estimated.		Estimated.	Estimated.	Ministry for the Environment. (2018). Climate Change Projections for New Zealand: Atmosphere Projections Based on Simulations from the IPCC Fifth Assessment, 2nd Edition. Wellington: Ministry for the Environment. Table 1. pp.17.
Social, economic factors	NZ GDP (Billion US\$2005/yr)				242.77 (NZD 370.98)		339 (NZD 518.03)	577.33 (NZD 882.22)	Riahi, K et al. (2017). 'The Shared Socioeconomic Pathways and their energy use, land use and greenhouse gas emissions implications: an overview. Global Environmental Change, Volume 42.
	NZ population (million)				5.3		5.9	6.9	New Zealand Treasury. (2021). CBAX Tool User Guidance. CBAX Tool User Guidance - September 2021 (treasury.govt.nz)
	Carbon price				\$67		\$116	\$173	(Hot House World follows a low price path) (Assumptions taken from price path noting this is not a market indication of supply and demand)
	Travel by EVs (light passenger vehicles)				2%		15%	81%	Climate Change Commission. (2021). 'Draft advice report charts data and scenario dataset. Current Policy Reference'. Retrieved from: Climate Change Commission
	Change in person-km travel (greatest modal increase)				Public rail		Public rail	Public rail	As above
	Global governance and institutions								
	Market access and trade settings								
	Lifestyle								
	Consumer preferences								
	Technology and innovation								
	Land use								
	Tiriti o Waitangi								

HOT HOUSE WORLD: CURRENT POLICIES – PACIFIC		Boundary condition factor			Location	2025 (short-term)	2035 (medium-term)	2050 (long-term)	Data source
Physical risk data	Mean Annual Temperature Change (Average annual temperature (°C) change from pre-industrial baseline)				Pacific ¹	1.5°C	1.7°C	1.9°C	NGFS Climate impact explorer. 'Absolute change in mean air temperature in Fiji. RCP 6.0'.
	Temperature Days Above 35.0°C (Annual average number)				Pacific	0.28	0.26	4.34	Climate change knowledge portal (World bank). Projected Days with Heat Index Exceeding 35°C – Fiji RCP6.0.
	Precipitation (Median) (% increase in precipitation per year vs 1986-2006 baseline)				Pacific	+6.1%	+6.1%	+7.1%	NGFS Climate impact explorer. 'Relative change in precipitation (%) in Fiji. RCP 6.0'.
	Mean Sea Level Rise (Centimetres vs 1986-2006 baseline)				Pacific	5.1cm	10cm	23cm	The IPCC AR6 Sea-Level Rise Projections. SSP3-7.0 2020, 2030 and 2050 Fiji (Suva). Retrieved from: Sea Level Projection Tool – NASA Sea Level Change Portal
	Expected Damage from River Flooding (% change vs 2005 baseline) ²				Pacific	-8.4%	23.7%	55.9%	NGFS Climate impact explorer. 'Relative change in annual expected damage from river floods in Fiji.' RCP 6.0'.
Socioeconomic data	Population (Millions)				Pacific	0.97m	1.04m	1.12m	FUJ GDP, OECD Env-Growth – SSP3.
	GDP ((Billion US\$2005/year)				Pacific	\$5.07b (NZD 8.57b)	\$6.52b (NZD 11.02b)	\$9.17 (NZD 15.51b)	FUJ GDP, OECD Env-Growth – SSP3. Exchange rate of 1.69 was used to convert US dollar to NZ dollar
	Productivity due to Heat Stress (lower bound) (% change vs 1986-2006 baseline)				Pacific	-4.7%	-6.5%	-9.2%	NGFS Climate impact explorer. 'Relative change in labour productivity due to heat stress in Fiji.' RCP 6.0.

1. Fiji used as an index for the Pacific to avoid gaps in data availability
2. Expected Damage from River Flooding 1986-2006 baseline data was not available

Appendix 4

Measurement standards and consolidation approach

Tower has been measuring its GHG emissions since FY20 in accordance with the requirements of the 'Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (2004)'.¹ Tower applies the operational control consolidation approach¹ to account for emissions, with emissions reported in tonnes of CO₂ equivalents, in line with the requirements of the Aotearoa New Zealand Climate Standards.

Guidance from the following sources has also been used to develop our GHG inventory methodology:

- Greenhouse Gas Protocol – Scope 2 Guidance¹
- Greenhouse Gas Protocol – Categorising GHG Emissions Associated with Leased Assets Appendix F to the GHG Protocol Corporate Accounting and Reporting Standard – Revised Edition June 2006 (version 1.0)¹
- Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- Greenhouse Gas Protocol -Technical Guidance for Calculating Scope 3 Emissions (version 1.0)

GHG emissions methodology

Tower has contracted the services of Bravegen to assist with the collation and loading of emissions source data into their online Corporate Sustainability Reporting (CSR) tool.

Bravegen CSR has been developed to meet the requirements of the GHG Protocol.

The CSR software uses a calculation methodology for quantifying the emissions inventory using emissions source activity data multiplied by emission or removal factors.

Emission factors are utilised from a range of sources to calculate our GHG emissions:

- Ministry for the Environment (MfE) 2023 'Measuring Emissions: A guide for organisations' (NZ)
- Ministry for the Environment (MfE) 2025 'Measuring Emissions: A guide for organisations' (NZ)
- Department for Environment Food & Rural Affairs (DEFRA) 2025 'Greenhouse gas reporting: conversion factors' (UK)
- International Energy Agency (IEA) 2025 'IEA Emission Factors – 2025 Edition'
- Environment Protection Authority Victoria (EPA) 2021 'Greenhouse Gas Emission Factors for Office Copy Paper'

The emission factor sources are based on global warming potentials (GWPs) varying from AR4-AR6. The time horizon is 100 years.

¹ Subject to assurance. As relevant to Scope 1 and Scope 2 GHG emissions, the disclosures of the measurement standards applied and the consolidation approach used are subject to assurance.

Restatements

FY20-24 emissions disclosures have been restated to correct errors and to enhance the consistency of comparative information between reporting periods. In line with NZ CSs, Tower has restated all material changes which have occurred due to mix of changes in organisational structure, changes in calculation methodologies, errors, and improvements in data accuracy. As required by NZ CS 3 paragraph 54, we have provided an explanation for FY20 base year GHG emissions restatements totaling -21 tCO₂e Scope 1: Mobile Combustion and 10 tCO₂e Scope 2 as presented in column FY20 Adjustment in the table below, and as described in the accompanying Notes to restatements on page 54. We have also provided explanations for restatements to other comparative periods. However, only the numerical restatements and supporting descriptions to the base year are subject to assurance.

	Note	FY20 Base Year (Restated)	FY20 Adjustment	FY20 Base Year (Previously reported)	FY21 (Restated)	FY21 Adjustment	FY21 (Previously reported)	FY22 (Restated)	FY22 Adjustment	FY22 (Previously reported)	FY23 (Restated)	FY23 Adjustment	FY23 (Previously reported)	FY24 (Restated)	FY24 Adjustment	FY24 (Previously reported)
Scope 1: Mobile Combustion	1, 2a, 3, 4, 5	129	-21	150	115	17	98	120	-180	300	140	-25	165	136	-24	160
Scope 1: Stationary Combustion		19	-	19	17	-	17	-	-	-	-	-	-	-	-	-
Scope 1: Fugitive Emissions	2b	-	-	-	-	-	-	-	-	-	-	-	-	28	28	-
Total Scope 1		148	-21	169	132	17	115	120	-180	300	140	-25	165	164	4	160
Scope 2 Purchased Electricity	1, 2c, 2d, 5, 6, 7	217	10	207	176	-3	179	146	-	146	158	-8	166	147	5	142
Total Scope 2		217	10	207	176	-3	179	146	-	146	158	-8	166	147	5	142
Total Scope 1 & Scope 2		365	-11	376	308	14	294	266	-180	446	298	-33	331	311	9	302
Scope 3 (all categories)	4b, 5	209	-	209	295	-	295	202	-	202	183	-	183	742	-117	859

Notes to the restatements

1. Structural changes due to divestment

Certain subsidiaries were divested in previous periods. In accordance with the GHG Protocol Corporate Standard, emissions from these facilities should have been removed from the amounts reported in the year of disposal and base year. Restating amounts for periods between the base year and the disposal year is optional under the protocol but is to be applied consistently. Tower have corrected this error for base year and the years of disposal and have determined our policy is to restate the intervening years. This resulted in the following adjustments:

Scope 1: Mobile combustion

- Papua New Guinea (Sold 27/10/2022); -23tCO₂e in FY20, -9tCO₂e in FY21, -9tCO₂e in FY22, and -1tCO₂e in FY23.
- Soloman Islands (Sold 29/01/2024); -4tCO₂e in FY20, -4tCO₂e in FY21, -10tCO₂e in FY22, -36tCO₂e in FY23, and -13tCO₂e in FY24.
- Vanuatu (Sold 30/08/2024); -81tCO₂e in FY20.

Scope 2: Purchased electricity

- Papua New Guinea (Sold 27/10/2022); -3tCO₂e in FY20, -5tCO₂e in FY21, -8tCO₂e in FY22, and -1tCO₂e in FY23.
- Soloman Islands (Sold 29/01/2024); -14tCO₂e in FY20, -15tCO₂e in FY21, -14tCO₂e in FY22, -7tCO₂e in FY23, and -3tCO₂e in FY24.
- Vanuatu (Sold 30/08/2024); -3tCO₂e in FY20, -9tCO₂e in FY22, -7tCO₂e in FY23, and -4tCO₂e in FY24.

2. Omitted emission sources

- Restatement to correct and include fuel suppliers identified in Fiji and New Zealand that were previously unreported in Scope 1: Mobile Combustion. This resulted in a correction of 81tCO₂e in FY20, 34tCO₂e in FY21, and 6tCO₂e in FY23.
- Restatement to correct and include refrigerants from Scope 1: Fugitive Emissions for the Rotorua office in FY24 which were previously unreported, this resulted in an adjustment of 28tCO₂e.
- Purchased heating and cooling from landlord-controlled HVAC systems was previously excluded from Tower's Scope 2 GHG inventory. Tower has estimated the electricity used for the generation of heating and cooling for the period of FY20-FY24. This resulted in a correction of 21tCO₂e in FY20, 17tCO₂e in FY21, 22tCO₂e in FY22, 27tCO₂e in FY23, and 22tCO₂e in FY24.
- Restatement to correct and include electricity from the Fanshawe Street office in FY22 which was previously unreported, this resulted in an adjustment of 9tCO₂e.

3. Activity data conversion error

Fleet fuel for American Samoa was previously calculated assuming a metric system volume. The volumes invoiced are measured using an imperial measure, which led to Scope 1: Mobile Combustion emissions being understated. This resulted in a correction of 6tCO₂e in FY20, 7tCO₂e in FY21, 4tCO₂e in FY22, 5tCO₂e in FY23, and 6tCO₂e in FY24.

4. Transposition error

- Restatement of fleet fuel usage to correct manual transposition errors, this resulted in a Scope 1: Mobile

Combustion correction of -11tCO₂e in FY21, -165tCO₂e in FY22, 1tCO₂e in FY23, and -12tCO₂e in FY24.

- Wastewater for Fanshawe Street was previously calculated on the basis data was provided as m3 however it was reported in litres causing an overstatement. This resulted in a correction of -99tCO₂e in FY24.

5. Emission factor correction

Following the release of the FY24 Climate Related Disclosures, an error in the updating of emission factors by the carbon accounting software was identified by Tower. This resulted in the 'Ministry for the Environment (MfE) 2023 'Measuring Emissions: A guide for organisations' being applied to the inventory, instead of the 2024 updated factors. This resulted in an overstatement of Scope 1: Mobile Combustion and a correction of -5tCO₂e in FY24.

Scope 3 was overstated due to the error in emission factors, with a correction of -18tCO₂e.

6. Incorrect classification of emission source

Reclassification of shared space electricity not under direct control from Scope 2 to Scope 3 Category 8, this resulted in an adjustment of Scope 2 of -20tCO₂e in FY23, and -30tCO₂e in FY24. Scope 3 Category 8 has been excluded from reporting in FY25.

7. Improvement in methodology

Restatement of FY24 purchased electricity in Suva offices to improve accuracy following enhanced data collection and estimation methods. Actual metered data was used where available, and updated estimation methods were applied for one unmetered site. This resulted in an adjustment of Scope 2 of 20tCO₂e in FY24.

Methodology, assumptions, uncertainties and emissions factors for all Scopes

Category	GHG emissions source	Country	Data source	Calculation methodology, assumptions and uncertainty (Qualitative)	Source of Emission Factor
Scope 1					
Mobile Combustion	Vehicle fleet fuel	All countries	Supplier data	NZ – Fuel-based method. Low uncertainty. Fiji, Cook Islands, & American Samoa – Fuel-based method. Low uncertainty. Tonga & Samoa – Spend-based method. Supplier fuel spend is obtained from finance system with the average fuel price for each month obtained from government sources. Low uncertainty.	MfE (2025) GWP: AR5
Fugitive Emissions	Refrigerants	All countries	Supplier data	Top-up method. Top-ups of HVAC systems under Tower's operational control. Low uncertainty.	MfE (2025) GWP: AR5
Scope 2					
Electricity	Electricity consumption	All countries	Supplier data & estimation	Location-based method. Where possible, metered kwh of electricity consumption and location-specific emissions factors are used to measure emissions. In FY25, electricity consumption for the Suva Head Office was estimated for the first six months, prior to the installation of a meter on one floor. For the remaining six months, metered data from that floor was used to estimate electricity consumption for the second floor. The Oceania total emission factor from IEA is used for all Pacific nations, this is an average of emissions factor of Australia; New Zealand; Cook Islands; Fiji; French Polynesia; Kiribati; New Caledonia; Palau; Papua New Guinea; Samoa; the Solomon Islands; Tonga; Vanuatu. Low uncertainty.	NZ – MfE (2025) GWP: AR5 Pacific – IEA (2025) GWP: AR6
Heating and cooling	Electricity consumption	NZ (Fanshawe Street) & Fiji (Suva Head Office)	Estimation	Location-based method. Heating and cooling acquired from central HVAC systems under landlord control. Fanshawe Street was estimated as 45% of shared space usage (which includes central HVAC). For Suva Head Office, Fanshawe Street was used as a proxy to obtain the proportion of energy from central HVAC to metered electricity. This proportion was applied to Suva to obtain the estimated HVAC electricity based on the metered electricity. High uncertainty.	NZ – MfE (2025) GWP: AR5 Fiji – IEA (2025) GWP: AR6

Category	GHG emissions source	Country	Data source	Calculation methodology, assumptions and uncertainty (Qualitative)	Source of Emission Factor
Scope 3					
Category 1: Purchased goods and services	Office paper purchased	New Zealand	Supplier data	Average-data method. Supplier report outlines total office paper purchased (kg). Moderate uncertainty.	EPA Victoria (2019) GWP: AR5
Category 1: Purchased goods and services	Water supply	All countries	Supplier data	Average-data method. Reports provided for Auckland office, water is apportioned based of net lettable area (17.3%). Moderate uncertainty	MfE (2025) GWP: AR5
Category 3: Fuel- and energy-related activities not included in Scope 1 or Scope 2	Electricity transmission and distribution losses (T&D)	New Zealand	Supplier data	Average-data method. Emissions from T&D losses are estimated based on Scope 2 data. Low uncertainty.	NZ – MfE (2025) GWP: AR5 Pacific – IEA (2025) GWP: AR6
	Electricity, T&D, and fuel well-to-tank (WTT)	New Zealand	Supplier Data	Average-data method. Emissions from WTT losses are estimated based on Scope 1 & 2 data. Low uncertainty.	DEFRA (2025) GWP: AR5
Category 5: Waste generated in operations.	Waste to landfill	All Countries	Supplier data	Average-data method. Reports provided for Auckland office, waste is attributed based of net lettable area (17.3%). For other offices waste per FTE is calculated and applied to total FTEs across all locations. Moderate uncertainty.	MfE (2025) GWP: AR5
Category 6: Business Travel	Air travel & Hotel Stays	All countries	Supplier data	Air Travel – Distance-based method used for air travel. Supplier report outlines distance, domestic and international, and class of travel. Hotel Stays – Nights-stayed method. Supplier report outlines location and length of stay. For flights and hotel stays booked outside of the primary travel agent, invoices are extracted from the finance system, and the above approach is applied.	Air Travel – MfE (2025) – With radiative forcing. GWP: AR5 Hotel stays – MfE (2025) GWP: AR5 MfE (2023) GWP: AR5
Category 6: Business Travel	Rental cars	All countries	Supplier data Finance System	Distance-based method used for rental cars. Supplier report outlines distance travelled and vehicle type. Spend-based method used for bookings made with other providers. Expense data extracted from finance system.	MfE (2025) GWP: AR5

Category	GHG emissions source	Country	Data source	Calculation methodology, assumptions and uncertainty (Qualitative)	Source of Emission Factor
Category 6: Business Travel	Taxi travel	All countries	Supplier data Finance System	Distance-based method used for Corporate Cabs & Taxi Charge. Supplier reports outline distance travelled and vehicle category. Spend-based method used for other taxis booked with other providers. Expense data extracted from finance system. Moderate uncertainty.	MfE (2025) GWP: AR5
Category 7: Employee Commuting	Employee Commute	All countries	Third-party survey	Average-data method used to calculate total employee commute emissions for each transport category. Estimated emissions per employee extrapolate to total FTEs, 48% survey response rate across NZ and Pacific. Moderate uncertainty.	MfE (2025) GWP: AR5
	Working from home	All Countries	Third-party survey	Average-data method used to calculate total WFH days based on employee commute survey. 48% response rate across NZ and Pacific. Moderate uncertainty.	MfE (2025) GWP: AR5

Footnote: There are inherent data uncertainties with emissions data due to the limited availability of information and Tower's reliance on external sources, which means that there may be a lag in the data, the data is over or understated, and/or the quantification may be unreliable. The Quality score is assigned based on the availability, certainty and completeness of data. GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Scope	GHG emission source	Reason for exclusion
1	Stationary diesel related to back up generators (Pacific) ¹	Insufficient data available to calculate related emissions.
2	Purchased heating and cooling sourced from landlord-controlled assets (Samoa & Suva Retail Branch) ¹	Insufficient data available to calculate related emissions. We do not believe this is a material emission source outside of the Fanshawe and Suva Head Offices.
3	Employee vehicle claims (NZ)	In previous years these emission sources were calculated to be less than 1% and continue to remain an immaterial emissions source.
3	Waste generated in operations (Pacific)	We have been unable to obtain data for waste generated in our Pacific Island operations as illustrated on page 8 in FY25. We do not believe this will be a significant emissions source.
3	Value chain emissions from: - Purchased goods & services - Capital goods - Upstream transport and distribution - Investments	We have not yet developed our whole of value chain reporting processes. We have included working from home and paper for our NZ operations in FY24 and FY25. In FY24, we commenced workstreams to capture broader Scope 3 and continued this work in FY25. These will include emissions from our underwriting portfolios, supply chain and investment portfolios.

¹ Scope 1 and 2 exclusions are subject to assurance.

Appendix 5

Assumptions, Methodologies and Limitations Statement

Forward-looking statements

This climate statement contains climate-related and other forward-looking statements and metrics, which are not and should not be considered guarantees, predictions or forecasts of future climate-related outcomes or financial performance.

There remains significant uncertainty in climate data, metrics, and modelling. The forward-looking statements are inherently subject to uncertainties, risks, and assumptions, many of which are beyond our control. These may include, but are not limited to, economic conditions, market trends, regulatory developments, and other known and unknown factors. The many underlying risks and assumptions may cause actual outcomes to differ materially.

As a result, readers are cautioned not to place undue reliance on any forward-looking statements contained within this climate statement. All information stated within this climate statement is relevant at the date of publication only.

Further Clarifications

Current climate-related impacts have been derived from internal categorization and quantification of claims data alongside known catastrophic and large weather events.

Climate-related risks & opportunities were developed on the basis of the ICNZ Climate-related scenarios, Tower's scenarios, internal expertise and knowledge and guidance from scenario source data. These are limited by the current lack of clear modelling.

Anticipated Impacts were derived using a combination of internal and external data sources.

- **Population growth** – Projections for scenario development as detailed in Appendix 3.
- **Dwelling growth** – Internal analysis based on forecasted population growth above.
- **Transition to EV vehicles and vehicle ownership rate** assumptions based on internal data and market trends.
- **Tower's expected market share of target markets** – Management's best estimate based on internal data and knowledge.
- **Growth of multi-unit dwellings** – Management's best estimate based on internal data and knowledge
- **Stormwater infrastructure investments** – Management's best estimate based on internal data and knowledge.
- **Potential public interventions in the general insurance market** – Management's best estimate based on internal data and knowledge.

Measuring our Performance - Metrics

- **Transition risks** – % of vehicles insured that are internal combustion engines (ICEs) derived from categorised motor policies as sourced from the underlying vehicle data obtained from RedBook.
- **Physical risks** – % of high flood risk homes insured. The definition of 'High Flood Risk' is Tower's own definition and not necessarily consistent with other public sources. Specifically it relates to insurance risk and cost to repair or replace property relative to the risk of flooding and not just the chances of flooding occurring in isolation. It also relates to Tower's own risk appetite or interpretation of the level of risk.
- **Opportunities current** – % of EV and PHV vehicles covered. Data is derived from categorised motor policies as sourced from the underlying vehicle data obtained from RedBook.
- **Capital Deployment** has been calculated based on operational expenditure on climate-related activities identified by the Sustainability and Climate Steerco.

Appendix 6



Independent Assurance Report

To the Directors of Tower Limited

Limited Assurance Report on Tower Limited's Greenhouse Gas (GHG) Disclosures

Our conclusion

We have undertaken a limited assurance engagement on the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty (the GHG Disclosures), as outlined within the *Scope of our limited assurance engagement* section below, included in the Climate Statement of Tower Limited (the Company) and its subsidiaries (the Group) for the year ended 30 September 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the GHG Disclosures are not fairly presented and are not prepared, in all material respects, in accordance with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (XRB), as explained on page 4 of the Climate Statement.

Scope of our limited assurance engagement

We have undertaken a limited assurance engagement over the following GHG Disclosures on pages 32, 52 to 55 and 57 of the Climate Statement for the year ended 30 September 2025:

- gross GHG emissions:
 - Total Scope 1 emissions of 142 tCO₂e on page 32;
 - Total Scope 2 (location-based) emissions of 136 tCO₂e on page 32;
- additional required disclosures of gross GHG emissions on pages 52, 55 and 57; and
- gross GHG emissions methods, assumptions and estimation uncertainty on pages 53 to 55

Our assurance engagement does not extend to any other information included, or referred to, in the Climate Statement on pages 1 to 54 and 56 to 58. We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it. The comparative information for the years ended 30 September 2020 (base year), 30 September 2021, 30 September 2022, 30 September 2023, and 30 September 2024 disclosed in the Group's Climate Statement is not covered by the assurance conclusion expressed in this report.

Other matter – comparative information

The comparative GHG Disclosures (that is, GHG Disclosures for the years ended 30 September 2020 (base year), 30 September 2021, 30 September 2022, 30 September 2023, and 30 September 2024) have not been subject to assurance. As such, these disclosures are not covered by our assurance conclusion.

Independent Assurance Report (continued)

Directors' responsibilities

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of the GHG Disclosures in accordance with NZ CSs. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of GHG Disclosures that are free from material misstatement whether due to fraud or error.

Inherent uncertainty in preparing GHG Disclosures

As discussed on page 57 of the Climate Statement, the GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our independence and quality management

This assurance engagement was undertaken in accordance with New Zealand Standard on Assurance Engagements 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures*, issued by the External Reporting Board (XRB) (NZ SAE 1). NZ SAE 1 is founded on the fundamental principles of independence, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have also complied with the following professional and ethical standards and accreditation body requirements:

- Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)*;
- Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*; and
- Professional and Ethical Standard 4: *Engagement Quality Reviews*.

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

Assurance practitioner's responsibilities

Our responsibility is to express a conclusion on the GHG Disclosures based on the procedures we have performed and the evidence we have obtained. NZ SAE 1 requires us to plan and perform the engagement to obtain the intended level of assurance about whether anything has come to our attention that causes us to believe that the GHG Disclosures are not fairly presented and are not prepared, in all material respects, in accordance with NZ CSs, whether due to fraud or error, and to report our conclusion to the Directors of the Company.

As we are engaged to form an independent conclusion on the GHG Disclosures prepared by management, we are not permitted to be involved in the preparation of the GHG information as doing so may compromise our independence.

Summary of work performed

Our limited assurance engagement was performed in accordance with NZ SAE 1, and ISAE (NZ) 3410 *Assurance Engagements on Greenhouse Gas Statements*. This involves assessing the suitability in the circumstances of the Group's use of NZ CSs as the basis for the preparation of the GHG Disclosures, assessing the risks of material misstatement of the GHG Disclosures whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG Disclosures.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. In undertaking our limited assurance engagement on the GHG Disclosures, we:

- Obtained, through enquiries, an understanding of the Group's control environment, processes and information systems relevant to the preparation of the GHG Disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;

Independent Assurance Report (continued)

- Evaluated the Group's assessment of organisational and operational boundaries to assess completeness of GHG sources;
- Evaluated whether the Group's methods for developing estimates are appropriate and had been consistently applied.
- Tested a limited number of items to, or from, supporting records, as appropriate;
- On a sample basis, we compared the underlying records to other information sources in the Group for consistency and to establish that emission sources had not been omitted;
- For a selection of locations, performed analytical procedures on particular emission categories by comparing the actual activity data on a quarterly basis against an average trend for the same period;
- Assessed all emission factor sources and reperformed the emissions calculations for mathematical accuracy;
- Enquired with management on the nature of the restatements to the comparative GHG Disclosures and inspected the supporting documentation and calculations that we were provided with; and
- Considered the presentation and disclosure of the GHG disclosures.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement and does not enable us to obtain assurance that we would become aware of all significant matters that we otherwise might identify. Accordingly, we do not express a reasonable assurance opinion on these GHG Disclosures.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance may occur and not be detected.

Who we report to

This report is made solely to the Company's Directors, as a body. Our work has been undertaken so that we might state those matters which we are required to state to them in our assurance 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 Directors, as a body, for our procedures, for this report, or for the conclusions we have formed.

The engagement partner on the engagement resulting in this independent assurance report is Victoria Ashplant.

For and on behalf of:



PricewaterhouseCoopers
27 November 2025

Auckland

tower.co.nz

