



Media Release



30 June 2022

Fonterra, NZX, EEX confirm GDT strategic partnership

Fonterra today confirms the finalisation of the strategic partnership with New Zealand's Exchange (NZX) and the European Energy Exchange (EEX) to each take ownership stakes in Global Dairy Trade (GDT) alongside the Co-op.

As announced in February 2022, the partnership was subject to the approval of Boards, clearance from relevant competition law authorities, and finalisation of transaction documentation. With those approvals now received, Fonterra, NZX and EEX each hold an equal one-third (33.33%) shareholding in the global dairy auction platform GDT as of 30 June 2022.

CFO Marc Rivers says the confirmation of the strategic partnership is an important milestone for Fonterra and global dairy participants.

"The move to a broader ownership structure marks the next step in the evolution of GDT – giving it a presence in prominent international dairy producing regions, with greater participation expected at GDT events.

"It will bring more participants and transactions, stimulating further growth of risk management contracts available on financial trading platforms.

"This creates opportunities for the growth of financial tools to better manage price volatility – which is something many industry participants, from farmers through to customers, are exposed to," says Mr Rivers.

GDT Chief Executive Dr Eric Hansen said: "The GDT team is looking forward to working with EEX and NZX as strategic partners with strong interests in dairy and established reputations as regulated exchanges to enhance GDT's role as an independent, neutral and transparent price discovery platform."

NZX Chief Executive Mark Peterson says the strategic partnership will strengthen GDT's market reach benefiting New Zealand dairy farmers and customers.

"At a time of geopolitical and macroeconomic instability, GDT's vision to expand its global reach and provide better transparency in dairy commodity prices, is more important than ever for dairy market stakeholders," says Mr Peterson.

“It aligns with NZX’s strategy of growing capital markets, connecting with more businesses, and creating greater value for shareholders and investors. In GDT, NZX is excited to be working with the best partners to achieve this.”

EEX Chief Strategy Officer Dr Tobias Paulun adds “Being a shareholder of GDT fits perfectly to our strategy of taking asset classes which we already successfully serve to a global dimension.

“EEX looks forward to supporting GDT’s growth vision with NZX and Fonterra with the aim to create value for the global dairy value chain by further improving price discovery and price risk management instruments.”

Next steps for GDT include appointing a new board and planning strategic growth initiatives, such as more frequent auctions and bringing more sellers onto the platform.

Fonterra’s transaction proceeds on sale total NZD \$35m. Final transaction proceeds will be subject to customary post-completion adjustments.

As with previous one-off transactions, Fonterra’s FY22 announced forecast earnings range will continue to reflect only the underlying performance of the business.

ENDS

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About Fonterra

We're an Aotearoa, New Zealand dairy co-operative owned by 10,000 farming whānau (families). Through the spirit of co-operation and a can-do attitude, Fonterra's farmers, along with 20,000 employees around the world, share the goodness of our milk through innovative consumer, foodservice and ingredient brands. Sustainability is at the heart of everything we do, and we're committed to leaving things in a better way than we found them. Everyday people working hard to be Good Together in the community.

About NZX

For more than 150 years we have been creating opportunities for Kiwis to grow their personal wealth and helping businesses prosper. As New Zealand's Exchange, we are proud of our record in supporting the growth and global ambitions of local companies. NZX operates New Zealand's equity, debt, funds, derivatives and energy markets. To support the growth of our markets, we provide trading, clearing, settlement, depository and data services for our customers. We also own Smartshares, New Zealand's only issuer of listed Exchange Traded Funds (ETFs), and KiwiSaver provider SuperLife. NZX Wealth Technologies is a 100%-owned subsidiary delivering rich online platform functionality to enable New Zealand investment advisors and providers to efficiently manage, trade and administer their client's assets. Learn more about us at: www.nzx.com

About EEX

The European Energy Exchange (EEX) is the leading energy exchange which builds secure, successful and sustainable commodity markets worldwide – together with its customers. As part of EEX Group, a group of companies serving international commodity markets, it offers contracts on Power, Natural Gas and Emission Allowances as well as Freight and Agricultural Products. EEX also provides registry services as well as auctions for Guarantees of Origin, on behalf of the French State. More information: www.eex.com

About GDT

Global Dairy Trade (GDT) is the world leader in developing and operating dairy trading platforms, and actively supports the development of efficient dairy derivative trading. Our GDT Events auction service is the world's pre-eminent price discovery platform for globally-traded dairy products, bringing together buyers and sellers of dairy ingredients from 70 countries to trade US\$2-3 billion annually. GDT's credible, market-based reference prices play an important role in allowing buyers and sellers to trade with confidence in global and regional dairy markets. Data generated from the auction process is available through our GDT Insight subscription service to support the global dairy industry and associated financial trading.