



Market Announcement



17 February 2022

Fonterra, NZX and EEX enter GDT partnership for future growth

Fonterra has agreed a 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.

Subject to the approval of Boards, clearance from European or any other relevant competition law authorities, and finalisation of transaction documentation, the partnership is expected to be completed mid-2022, with Fonterra, NZX and EEX each holding an equal one-third (33.33%) shareholding in the global dairy auction platform.

Fonterra Chief Executive Miles Hurrell says the move to a broader ownership structure marks the next step in the evolution of GDT – further enhancing the standing of GDT as an independent, neutral, and transparent price discovery platform, giving it a presence in prominent international dairy producing regions, and creating future growth opportunities.

"This is good news for our farmer owners, unit holders, and all dairy industry participants and is expected to lead to greater volumes being traded on GDT. It will bring more participants and transactions, stimulating further growth of risk management contracts available on financial trading platforms.

"We all know that dairy is one of the most volatile traded commodities," he says. "This partnership is another step in helping to manage this risk for everyone – from the farmer through to the customer at the end of the supply chain. A more liquid dairy trading environment allows for the growth of financial tools which can be used by all participants to better manage price volatility.

"Our focus has been about securing the best partners, and NZX and EEX share our vision for a stronger, more liquid auction platform that benefits all involved. We are also closely aligned on future possibilities for GDT as the world's most trusted reference point for dairy commodity prices."

NZX Chief Executive Mark Peterson says the price discovery that GDT provides the international dairy industry is crucial for dealing with volatility and its associated risks.

"We see the expansion of the physical trading environment as both further strengthening existing financial contracts and enabling the creation of new tools and opportunities for dairy processors and end-users to

manage price volatility. These offer clear benefits for New Zealand dairy farmers and customers around the world,” he said.

EEX Chief Strategy Officer Dr Tobias Paulun says “becoming a shareholder of Global Dairy Trade is perfectly in line with the EEX strategy of taking asset classes which we already successfully serve to a global dimension. With our experience in operating Europe’s leading trading platform for dairy futures, but also with multiple spot contracts in the energy space, we believe that we can be of value supporting GDT’s growth vision.

“At the same time, we can create value for the global dairy value chain by further improving price discovery and price risk management instruments.”

GDT Director Dr Eric Hansen says “GDT is excited that the addition of NZX and EEX as shareholders alongside Fonterra will enable us to build on our success in establishing a global brand and expertise in price discovery to create more opportunities for our customers.

“The strong alignment of all three shareholding partners to GDT’s purpose of credible price discovery will support initiatives to increase liquidity on GDT, attract new supply from prominent dairy producing regions, and will strengthen GDT’s linkages to financial trading platforms.”

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.