2026 FONTERRA SHAREHOLDERS FUND SPEECH

FONTERRA CHAIRMAN

Thank you MJ and good morning everyone.

Performance

Today I will make some comments about Fonterra's performance over the previous year, then briefly detail recent changes we made to the rules for ceased shareholders of Fonterra Co-operative Group.

While those changes don't impact unit holders directly, we do still think it's important for you to understand any changes to Fonterra's Capital Structure.

Performance is first and foremost, so we will start there.

In the context of global volatility and uncertainty, we know that consistency is highly valued by unit holders.

We're proud of the collective effort that has delivered another strong set of financial results, at the top end of our expectations.

In FY26 our underlying earnings per share were 71 cents, up from 54 cents the prior year and above our earnings guidance range of 60-70 cents per share.

That headline result is an excellent start to our new era as a business-to-business Co-op. It's driven by improvements in both our high value Ingredients and Foodservice businesses.

The underlying return on capital for Ingredients was 13.5% and Foodservice was 16.3%, both strong numbers.

We were also pleased to report a 36.9% reduction in net debt, which benefited from the partial retention of proceeds from the sale of Mainland Group.

These are all strong numbers in the context of our lower risk business post-divestment.

In short, our risk is down and our returns are up.

Succession

Despite the potential for a major distraction with the sale and separation of Mainland and Miles' time as CEO coming to an end, Fonterra didn't skip a beat.

That's a testament to Richard, his team, and to Miles.

It also highlights the value of strong internal succession pathways.

Richard was able to hit the ground running and our people and customers knew and respected him. Just as importantly, it shows our people that, if you work hard and live up to our values, there's a genuine pathway to becoming a leader of Fonterra.

Capital Structure changes

Moving now to the Capital Structure changes we announced last Thursday.

I want to repeat my earlier comment that these changes are specific to Fonterra Co-operative Group shares, not to the Fonterra Shareholders' Fund.

The changes we announced last week will require ceased suppliers to sell down their shareholding via a staged reduction over time.

From next season, which is 1 June 2027, ceased suppliers will need to choose to either:

• Sell their shares progressively each year over their reduction period – either 3, 5, or 10 years – as set out on the slide you see now; or

• Waive their right to receive dividends going forward on shares they would otherwise be required to sell progressively each year – noting that all shares must still be sold before their reduction period ends in 3, 5 or 10 years.

We believe this more structured approach to share sell-downs for ceased shareholders better balances the interests of supplying and ceased shareholders, while supporting a healthy, liquid share market for the future.

As I say, none of this directly impacts the Fund, but it is a meaningful change to Fonterra's Capital Structure settings that is worth noting.

Outlook

Looking to the future now, we remain confident in the outlook for New Zealand dairy, and Fonterra.

While we've maintained a stable 78% share of New Zealand milk this past year, competition is increasing in key regions. There is also an opportunity for future growth, especially in the South, off the back of new conversions.

The Co-op is monitoring the potential impact of the forecast El Nino weather pattern, which could put pressure on New Zealand milk supply, bringing into play our flexible manufacturing footprint and the strategic decisions Richard and the team make each day to maximize the value from every drop of milk.

Globally, we can expect volatility and uncertainty in our key markets to continue. But we are confident that, thanks to our strong partnerships with high-quality customers, and our strategic supply chain relationship, including with Kotahi, we can continue to manage most risks that come our way.

Thank you for your time this morning.

ENDS