NZX FULL YEAR 2021 RESULTS & CAPITAL RAISING INVESTOR PRESENTATION

17 February 2022

Not for release or distribution in the United States

New Zealand's Exchange
Te Paehoko O Aotearoa

Disclaimer

Important notice

This investor presentation has been prepared by NZX Limited (NZX) in relation to:

(i) the annual results of NZX for the year ended 31 December 2021; and

(ii) the accelerated pro-rata renounceable entitlement offer (Offer) of new shares in NZX (New Shares[1]).

This presentation should be read in conjunction with the financial statements in the 2021 Annual Report, which provides additional information on many areas covered in this presentation.

Information

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This presentation contains certain 'forward-looking statements' such as indications of, and guidance on, future earnings and financial position and performance.

This includes statements regarding NZX's current assumptions, which are subject to market outcomes, particularly with respect to market capitalisation, total capital listed and raised, secondary market value and derivatives volumes traded, funds under management and administration growth, acquisition integration costs and technology costs.

Additionally they assume no material adverse events, significant one-off expenses, major accounting adjustments, other unforeseeable circumstances, or future acquisitions or divestments.

Any indications of, or guidance or outlook on, future earnings or financial position or performance and future distributions are also forward-looking statements.

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Investors are strongly cautioned not to place undue reliance on forward-looking statements.

NZX does not guarantee its performance or any return on the New Shares or any of its securities.

Notes:

1 The pro-rata accelerated renounceable entitlement offer, announced today alongside our 2021 annual result, gives all eligible shareholders the opportunity to purchase 1 new share ("New Share") for every 9 NZX shares you held at 5.00pm NZ time on the Record Date of Friday, 18 February 2022, at an Offer Price of NZ$1.42 per New Shares

Disclaimer (continued)

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Refer to the section of this presentation titled "International Offer Restrictions" for information on restrictions on eligibility criteria to participate in the Offer.

Financial data

All dollar values are in New Zealand dollars (NZ$ or NZD) unless otherwise stated.

Investors should be aware that certain financial data included in this presentation are 'non-GAAP financial measures'. Investors are cautioned not to place undue reliance on any non-GAAP financial measures included in this presentation. They do not have a standardised meaning prescribed by New Zealand Generally Accepted Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with New Zealand Generally Accepted Accounting Standards.

Information concerning the financial impact of the GDT transaction for NZX is solely NZX's assessment and has not been provided or verified by Fonterra Co-operative Group Limited or GDT.

Disclaimer

None of UBS New Zealand Limited (as Joint Lead Manager and underwriter of the Offer), nor Craigs Investment Partners Limited (as Joint Lead Manager only) (UBS New Zealand Limited and Craigs Investment Partners Limited together being the Joint Lead Managers) nor any of their or NZX's respective affiliates, related bodies corporate, directors, officers, partners, employees and agents, make any statement in this presentation or have authorised, permitted or caused the issue, submission, dispatch or provision of this presentation. To the maximum extent permitted by law, NZX, the Joint Lead Managers and underwriter and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this presentation, and exclude and disclaim all liability, for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

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Statements made in this presentation are made only as the date of this presentation. The information in this presentation remains subject to change without notice.

NZX reserves the right to withdraw the Offer or vary the timetable for the Offer without notice.

Today's Agenda

Executive Summary

FY21 results highlights

Strong growth in market activity continued in 2021, particularly for capital listed and raised, and total value traded. Smartshares and Wealth Technologies continued to gain scale providing greater earnings diversity and a platform for further growth

Highlights

Net Profit After Tax	Operating Earnings[1] excl. acquisition costs	Dividend (total fully imputed)
$15.0 Million	$35.8 Million	6.1 cps
NPAT excluding acquisition costs $16.4 million	Operating Earnings after acquisition costs $34.4 million	Final dividend 3.1 cps Interim dividend 3.0 cps

- **Revenue of $88m (12.2% increase on FY20)** driven by continued high levels of market activity reflecting the step change in our markets observed in 2020 and our growing Funds Management and Wealth Technologies platforms
- **Operating earnings[1]** ahead of guidance at **$35.8 million** excluding one-off acquisition costs (**4.0% increase on FY20 on a like for like basis**). Operating earnings after acquisition costs at $34.4 million
- **Operating margin of 40.7%**, excluding one-off acquisition costs, impacted by continued investment across growth businesses and costs incurred to further strengthen our security and increase trading and clearing system capacity and resilience
- **Net Profit After Tax (NPAT)** of **$15.0m** ($16.4m excluding one-off acquisition costs) impacted by increased amortisation associated with investment into our Wealth Technologies platform arising in advance of the expected uplift in operating earnings
- Increased **Capex** to support IT capacity, resilience and security, growth in our Smartshares and Wealth Technologies platforms and create NZX's Auckland offices as a home for the Capital Markets in New Zealand
- Fully imputed **dividend of 6.1 cents per share** (Final dividend of 3.1 cps; interim of 3.0 cps)

Performance relative to 2021 Targets[2]

2021 deliverables exceeded across all divisions other than Dairy

	FY21 Targets	FY21 Actuals	
Operating earnings[1]	$32.0m-$35.5m	**$35.8m** *(excl. acquisition costs)* *($34.4m after acquisition costs)*	✓
Capital listed and raised	$10bn	**$19.8bn**	✓
Total value traded	$45bn	**$52.4bn**	✓
Data & insights revenue	5% avg. growth	**8.1% growth**	✓
Funds under Mgmt.	14% avg. growth	**28.8% growth**	✓
Funds under Admin.	Migrate new clients onto the platform	**53.2% growth** *(three new clients)*	✓
Dairy derivatives lots traded	0.4m – 0.5m lots	**305,937 lots traded**	✗

Notes:
1 Operating earnings (EBITDA) are before net finance expense, income tax, depreciation, amortisation, loss on disposal of assets, and gain on lease modification. Operating earnings is not a defined performance measure in NZ IFRS. The Group's definition of operating earnings may not be comparable with similarly titled performance measures and disclosures by other entities.
2 The 2021 Targets are detailed in the management commentary section of the 2021 Annual Report. Data is "for the year ended 31 December 2021," or "as at 31 December 2021" (as applicable). Percentage changes represent the movement for the year 2020 to 2021, except Funds Under Management and Funds Under Administration which are the movement in balances as at 31 December 2020 to 31 December 2021.

Delivering on our growth strategy

We have made significant progress in delivering on our strategy and remain committed to building an integrated business to support growth in New Zealand's capital markets

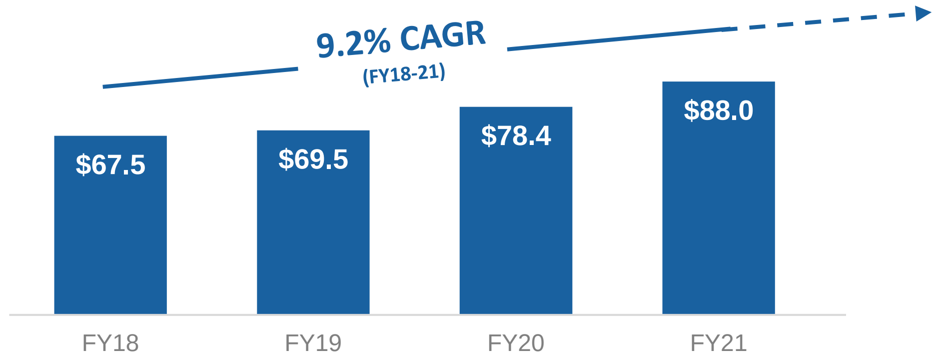
Growth strategy	FY21	FY22 & beyond
Grow **markets**	9 new equity issuers, 1 new debt issuer, 21 new debt issues from exiting issuers including $800m in green bonds raised as well as $750m in sustainable / ethical capital raised	Continue to drive new listings across all listing pathways via NZX's true origination model
	Traded value +18.5% up on 5 year rolling average, depository assets under custody +32.7%	Continue to drive greater participation and on-market liquidity, NZX DARK functionality
	NZX SGX partnership commenced to grow NZX's dairy derivatives market, NZX EEX carbon managed auction service launched	Acquire stake in Global Dairy Trade, develop further carbon managed related services,[1] relaunch S&P/NZX20 Index Futures
Maximise **financial services**	Smartshares FUM +28.8% and operating earnings excluding acquisition costs +64.2%, KiwiSaver Default status obtained	Integrate ASB Superannuation Master Trust and continuing to explore potential acquisition opportunities, Asian Region Funds Passport obtained, drive further organic growth
	Wealth Technologies FUA +53.2%, new clients onboarded and operating earnings positive	Continue to transition clients to new platform and execute on client acquisition pipeline to deliver on FY23 target of between $35-$50 billion FUA. Drive to be cash flow positive
Empower **performance**	Enhanced NZX's IT capabilities, security services improved to mitigate impact of cyber attacks, implemented Bloomberg in SMS, completed development and went live with new trading system, completed actions required of plan agreed with the FMA	Continue to enhance the capacity, resilience, security and efficiency of our operating platforms; growth investments in depository automation, Wealth Technologies and Smartshares planned for FY22

Notes:
1 Performance against FY21 deliverables is summarised on Slide 6 and FY22 targets are outlined in slide 52.
2 Data is "for the year ended 31 December 2021," or "as at 31 December 2021" (as applicable). Percentage changes represent the movement for the year 2020 to 2021, except Funds Under Management and Funds Under Administration which are the movement in balances as at 31 December 2020 to 31 December 2021. 5 year average percentage changes represent the movement against the rolling average for the preceding 5 years.

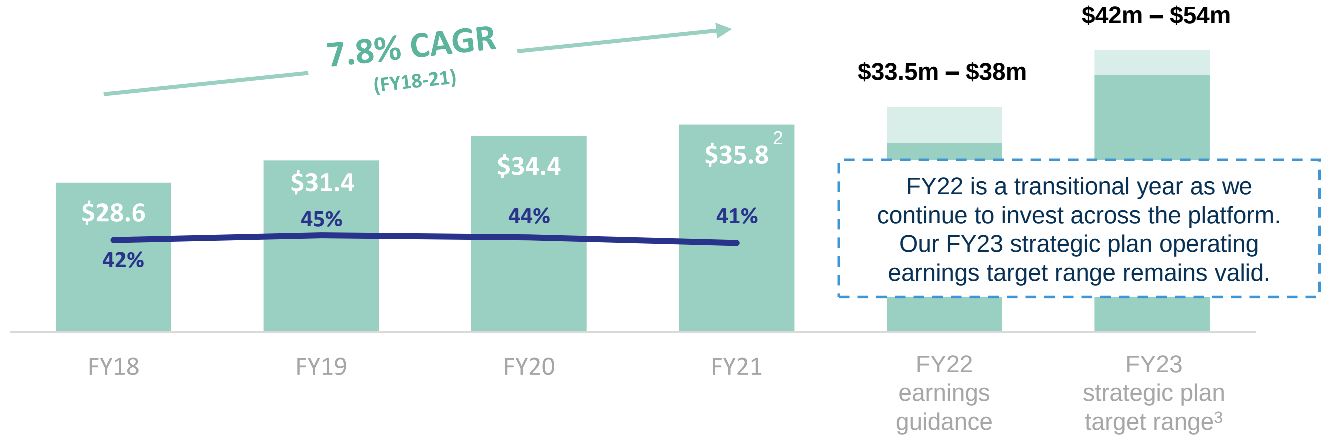
NZX is on track to deliver on our 5-year aspirational targets

Our revenues continue to grow strongly with some margin compression reflecting our commitment to growth and building a more resilient exchange

Operating revenue (NZ$m)



Operating earnings[1] (NZ$m) and margin (%)



NZX is positioned for growth

- Market development and origination activity driving structurally higher levels of market activity in core exchange business
- Investing to support scale in Funds Management and Wealth Technologies and execute on a pipeline of other growth opportunities, including Equity and Carbon Index Futures
- Partnering to access global growth opportunities in Dairy
- Executing on strategic M&A, exploring acquisition opportunities as they arise
- Balance sheet capacity to support continued growth
- Building out our global exchange network with a global partnership that will offer value to issuers, and increased access for investors
- Ability to leverage significant CAPEX in FY21, which has provided NZX with a strong foundation for growth

Notes:
1 Operating earnings (EBITDA) is not a defined performance measure in NZ IFRS. The Group's definition of operating earnings may not be comparable with similarly titled performance measures and disclosures by other entities.
2 Excludes acquisition costs.
3 The five year aspirational target range (FY23) is as presented in previous Investor Presentations and are not financial forecasts.

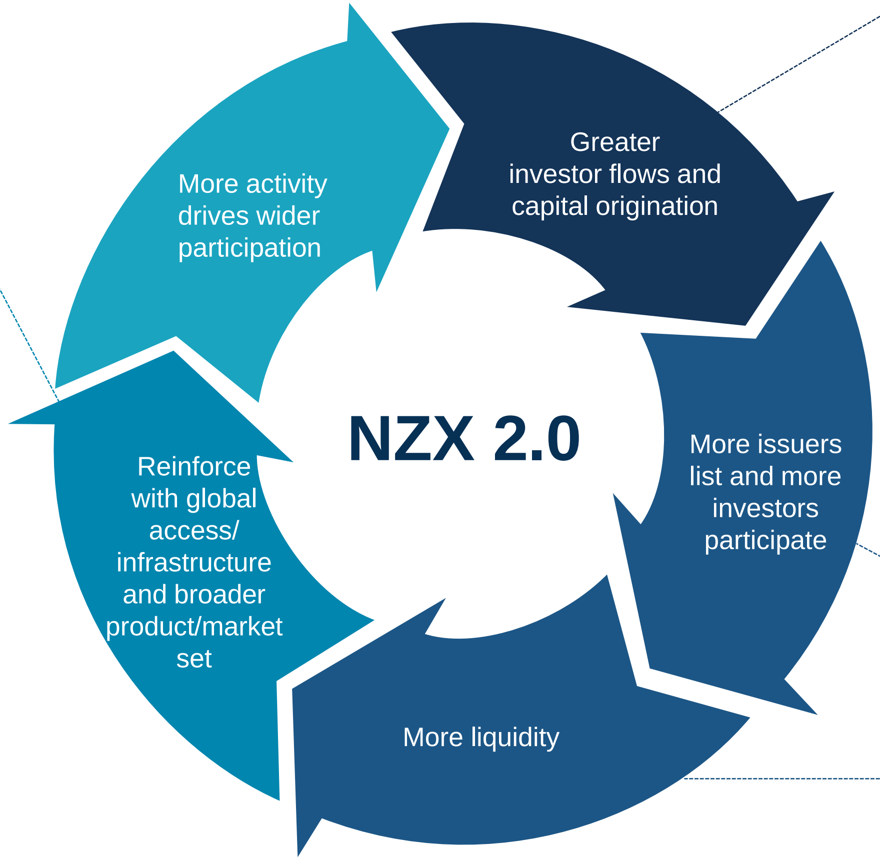
NZX 2.0 – scale in capital flows drives complementary opportunities and growth

Product/Markets and Access:

Increased capital flows and liquidity support a broadened product set, while world class infrastructure drives access and efficiencies

Business priorities:

- Launch **new Fund Products** – NZ Equities large, mid and small cap equity product – sector products – agri, tech, renewables **(2.0)**
- **Broaden data sets and insights**
- **Additional products/markets** driving increased activity e.g. dairy, carbon, S&P/NZX20, ESG
  - **Dairy:** SGX partnership, deliver market growth expectations
  - **Relaunch S&P/NZX20 Index Futures**
- Accelerate transition of clients onto Wealth Technologies



Capital Flows

Unlock the value opportunity contained in the symbiotic relationship between a larger pool of listed companies and a larger pool of investors

Business priorities:

- Drive capital origination:
  - **New equity listings** through strong origination and capturing momentum through **brand, marketing, PR**
- Drive investor flows **(2.0):**
  - Organic and inorganic FUM growth
  - Scale up KiwiSaver off the back of default status
  - Support IPO's and secondary listings

Liquidity

Driving liquidity through increased participation

Business priorities:

- **Drive new participation investors, brokers and clearers e.g. BNP**
- **Grow depository**

Empowered by: Platform, Efficiency, Resilience and Risk

NZX – an integrated financial services business helping build New Zealand's tomorrow

NZX business units

	Business unit	Description	Revenue model / key drivers	FY21 Revenue contribution (%)
Markets	Capital Markets Origination	The Capital Markets Origination team manages issuer relationships, creating a compelling and attractive proposition for our current and prospective equity, fund and debt customers	Listing fees, driven by: • Annual Listing fees – market capitalisation; and • Total primary and secondary capital issued or raised across equity, funds and debt	18.1%
Markets	Secondary Markets	The Secondary Markets business unit aims to drive market development across the cash markets, manages participant relationships, and delivers on our contracted service provider offerings	• Trading and Clearing fees, driven by total value traded / cleared • Contractual arrangements with Electricity Authority, Fonterra and the Ministry for the Environment • Consulting and development activity	30.1%
Markets	Secondary Markets – Dairy derivatives	The dairy derivatives team are focused on growing the global dairy derivatives market, increasing trading and clearing participants through the Singapore Stock Exchange dairy partnership, enabling proprietary and speculative firms to participate in the global dairy derivatives market	Growth in dairy derivatives lots traded	1.4%
Markets	Data & Insights	The Data & Insights business unit is tasked with growing existing revenues from the sale of market data and insights and turning raw data into insights that supports market development	Growth in royalties from terminals, subscriptions, licences and dairy subscriptions	19.9%
Financial Services	Funds Management (Smartshares)	Smartshares is a funds management business comprising the SuperLife superannuation and KiwiSaver products and Smartshares Exchange Traded Funds	Fees on funds under management and on member / investor numbers	21.4%
Financial Services	Wealth Technologies	Wealth Technologies is a platform that enables advisers and brokers to manage client investments	Fees on funds under administration	5.0%
Non-commercial	Regulatory	NZ RegCo performs all of NZX's frontline regulatory functions, resulting in the structural separation of the Group's commercial and regulatory roles	NZ RegCo is targeted to operate on a cost-neutral basis	4.1%

NZX to raise ~$44m to fund continued growth and keep the balance sheet conservatively positioned

Equity raising	• ~$44m equity raise via a fully underwritten pro-rata accelerated renounceable entitlement offer ("Offer") • ~31.2 million new shares to be issued (equivalent to ~11.1% of current issued capital) • Participation in the Equity Raising is subject to key risks, summarised on slide 12 (and detailed in slides 45-49)
Use of proceeds	• Replenish NZX's balance sheet post the ASB Superannuation Master Trust acquisition announced in November 2021, and which completed on 11 February 2022 • Fund NZX's investment into GDT ($12.5m) and NZX's proportion of planned additional growth investment into GDT ($3.2m) [1] • Provide capacity to support potential investment across our platform as we continue to scale our growth businesses
ASB SMT Acquisition and GDT investment ("Acquisitions")	• Acquired the management rights to the ASB Superannuation Master Trust ("ASB SMT Acquisition") for cash consideration of $25m. The acquisition of 17,000 members and $1.8 billion of retirement savings, moves Smartshares' share of the Superannuation Master Trust market from 17% to 38% • NZX has signed a commercial term sheet to acquire a 33.3% stake in GDT from Fonterra for total consideration of $12.5m ("GDT Acquisition")[1]. GDT is the leading global physical trading platform for dairy and is pivotal to the creation of the reference prices for dairy commodities that underpin the NZX's dairy derivatives markets • The ASB SMT Acquisition was announced last year. Together, the ASB SMT Acquisition and GDT Acquisition are expected to be mid single digits EPS accretive, before acquisition and integration costs, for NZX shareholders in FY22[2]

Notes:

1 Subject to the approval of Boards, clearance from any relevant competition law authorities (including European), 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 GDT.

2 Calculated with reference to the dividend adjusted theoretical ex-rights price (TERP) for an NZX share and assuming a 10.5-month contribution from ASB SMT and 8-month contribution from GDT, excludes one-off acquisition and integration costs expected to be incurred in relation to the ASB SMT Acquisition in FY22. The ASB SMT Acquisition and GDT Acquisition are expected to be low single digit earnings per share accretive in FY22 inclusive of one-off acquisition and integration costs.

Summary of Key Risks

NZX is subject to several key risks that investors should familiarise themselves with before deciding to invest in New Shares.

Set out below is a summary of certain key risks.

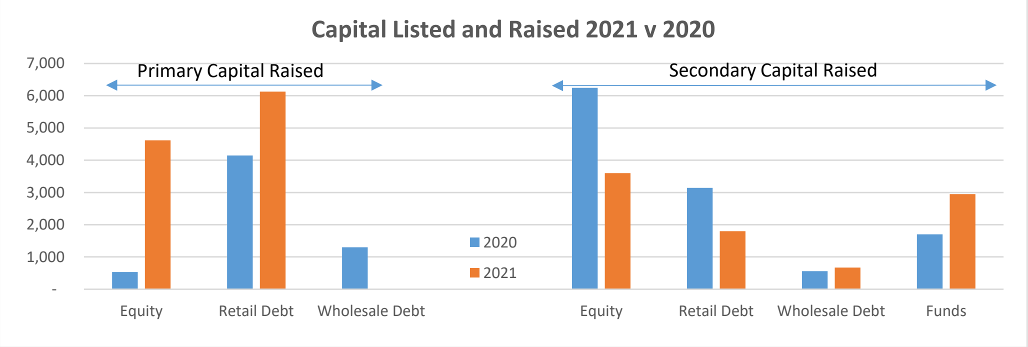
Investors are also encouraged to refer to the further information provided on key risks in this investor presentation at slide 45. These risks may affect NZX's future operating and financial performance and the value of the New Shares and NZX's existing ordinary shares. Before deciding whether to invest in New Shares, you must make your own assessment of the risks associated with an investment in NZX and consider whether such an investment is suitable for you having regard to publicly available information (including in this presentation), your personal circumstances and following consultation with a financial or other professional adviser.

- Acquisition Risks relating to the acquisitions of GDT and ASB SMT: In particular, NZX's acquisition of a 33.3% interest in GDT is subject to clearance from any relevant competition law authorities and the agreement of binding documentation between NZX, Fonterra and EEX. Even if the GDT acquisition does not proceed for any reason, the Offer is expected to proceed and applications under the Offer will remain binding.
- Clearing House Risks: A subsidiary of NZX acts as the clearing house for the NZX. It is subject to risks including counterparty default, liquidity risks, and required levels of clearing capital, which may also be affected by future regulation.
- Business interruption risks which could arise from:
    - Risks of cyber-attacks and other IT events and associated disruption to NZX's markets and other services.
    - Risks relating to COVID, the availability of key personnel and the potential implications of natural disasters on operating NZX's markets and other services without disruption.
- Regulatory, Legal and Compliance Risks: These primarily relate to NZX's license holder obligations as a market operator, and the risk of adverse regulatory action if there is a compliance failure.
- General financial risks: These include general adverse market risks, including geopolitical risks, which could affect the number of issuers that list on NZX and revenues associated with the Smartshares and Wealth Technologies business.
- Risks relating to entitlements: The market price of NZX shares may rise and fall over the period of the offer. If you renounce your entitlement for New Shares, there is no guarantee that you will receive any value for your renounced entitlement through the bookbuild processes.

Business Unit Highlights

Capital Markets Origination – Capital Listed and Raised

Another strong performance for the year, with the capital listed and raised mix adjusting to suit a more settled economic environment over the period



Capital listed and raised (new and secondary capital raisings)	$19.8 billion
• Relative to 5 year rolling average	+34.1%
• Relative to 2020	+12.1%

Listings – 10 new equity and debt issuers listed during 2021:	
IPO	• My Food Bag Limited (MFB) • Winton Land Limited (WIN)
Debt IPO	• Arvida Group Limited (ARV)
Direct Listings	• Third Age Health Services Limited (TAH) • NZ Automotive Investments Limited (NZA) • Greenfern Industries Limited (GFI) • Trade Window Holdings Limited (TWL)
Foreign Exempt Listing	• DGL Group Limited (DGC) • Vulcan Steel Limited (VSL) • Ventia Services Group (VNT)
21 new debt issues from existing issuers:	
Green Bonds	• Mercury NZ $200 million (supporting NZ's transition to a low emissions future) • PPNZ $150 million (to finance or refinance energy efficient buildings) • Kiwi Property $150 million (added to their green bond programme) • Auckland Council $300 million (in accordance with the Council's Sustainable Finance Framework)
Sustainable and ethical investment capital listed and raised	• Housing New Zealand (Kāinga Ora) issuing further 2028 Wellbeing bonds ($600m) supporting the development of good quality, affordable housing • Christchurch City Holdings Limited issued first sustainable bond ($150m) for projects identified for positive environmental and/or social outcomes • Metlifecare launched a Sustainable Finance Programme and designated their MET010 bonds as sustainability bonds from October 2021

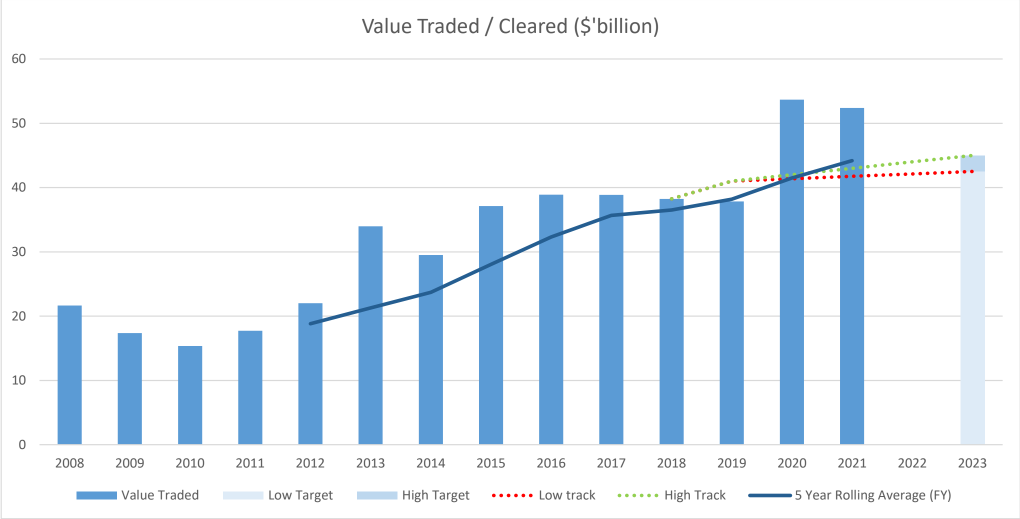
Macro drivers of capital listed and raised fees:

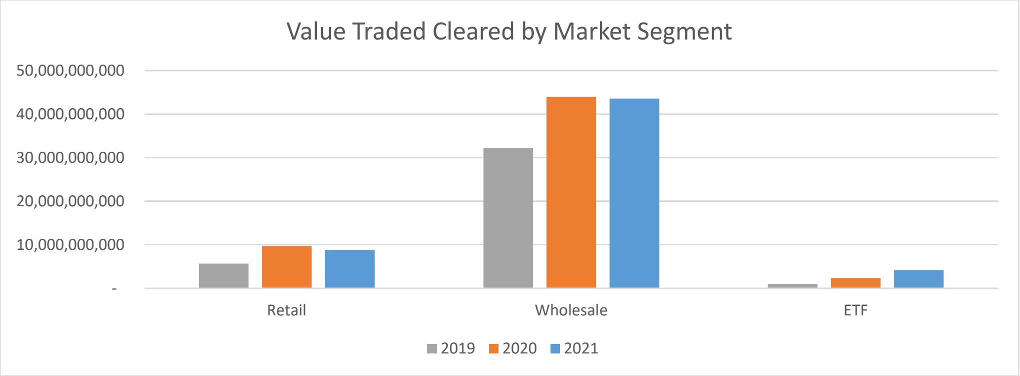
- Primary listing fees driven by equity and retail debt listings
- Secondary issuance fees reflect a lower level of equity recapitalisations and retail debt issuances compared to the 2020 COVID period

The team of 7 FTEs is operating a ***true origination model*** – with active pipeline development and conversion. Interest levels are high with the team having origination conversations with approx. 28% of the companies approached in 2021.

Secondary Markets – Value Traded / Cleared

Value traded levels were close to the record levels of last year





Note – total valued traded / cleared is the total of the retail and wholesale market segments. The ETF segment value traded / cleared is a subset of both the retail or wholesale segments depending on the client classification.

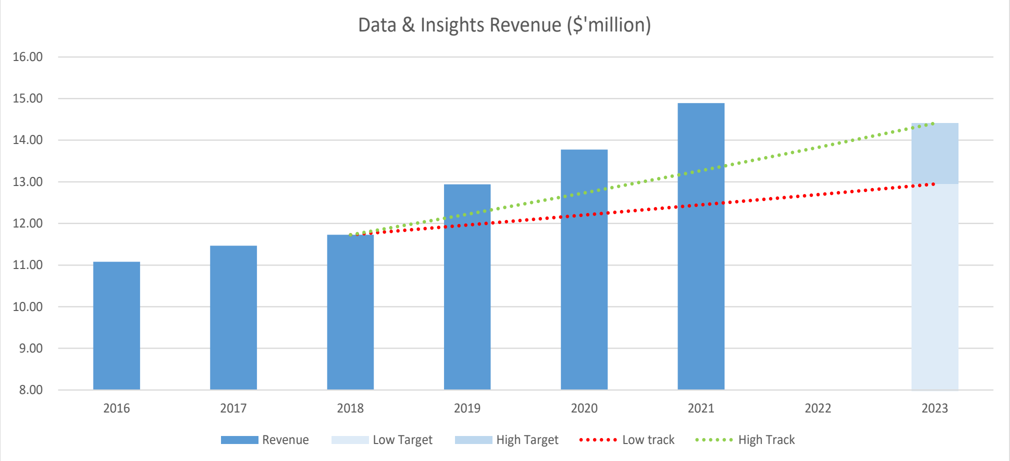
Traded Value	$52.4 billion
• Relative to 5 year rolling average	+18.5%
• Relative to 2020	(2.4)%

Macro Drivers	
Continued elevated levels of value traded / cleared ($52.4 billion) and on-market liquidity (62.1%)	• Highlights the structural changes implemented in prior years have reset the baseline for secondary markets, with increased liquidity across all participants and market segments
20.9% of all value traded is executed through the exchange's closing auction	• This is the largest liquidity event each trading day • Total number of trades increased 27.4%. This reflects the growing level of activity across all investor types
Continued growth in the NZX Depository business	• Depository OTC transactions +2.9% and assets under custody +32.7% to $6.36 billion • This is to increase efficiencies of the NZ market and participate in the last leg of securities settlement value chain

Market Development	
New Trading System went live in August 2021	• Ensures NZX Trading architecture is fit for purpose and delivers the ability to provide further increased trade reporting functionality (including Self-Match Prevention (SMP) functionality and Negative Yield Trading in NZX Debt products) • Introduces new message protocols to enhance accessibility
NZX DARK development continues	• Target launch of 2023
BNP Paribas expected to become a General Clearing Participant by mid 2022	• Has the potential to unlock remote broker participation and greater access to the exchange's Secondary Markets

Data & Insights revenue

Solid continuation of business growth driven by professional terminal numbers lifting, offset partly by retail terminals settling back after the extremes of 2020



Note: Data & Insights Revenue in graph excluding connectivity revenue to ensure comparability with 2018 strategic targets

Data & Insights Revenue	$17.5 million
Relative to FY20	+ 8.1%
Split by revenue type:	
Royalties, subscriptions, licenses and indices	+ 7.5%
Audits and back dated licenses	+ 15.9%
Connectivity	+ 8.0%

Recurring revenue (i.e. excluding audit and back dated licenses revenue) increased 7.5%

Royalty revenue grew by 13.2%	A mix of professional terminals (higher value - increased 10.5%) and retail terminals (lower value - decreased 27.4% from their 2020 COVID initial lockdown peak)
Subscription and licenses revenue grew by 2.1%	Continued growth in non-display applications and ability to capture licence revenue streams post audit (resulting in increased license numbers)
Connectivity revenue	Reflects changing client connectivity requirements

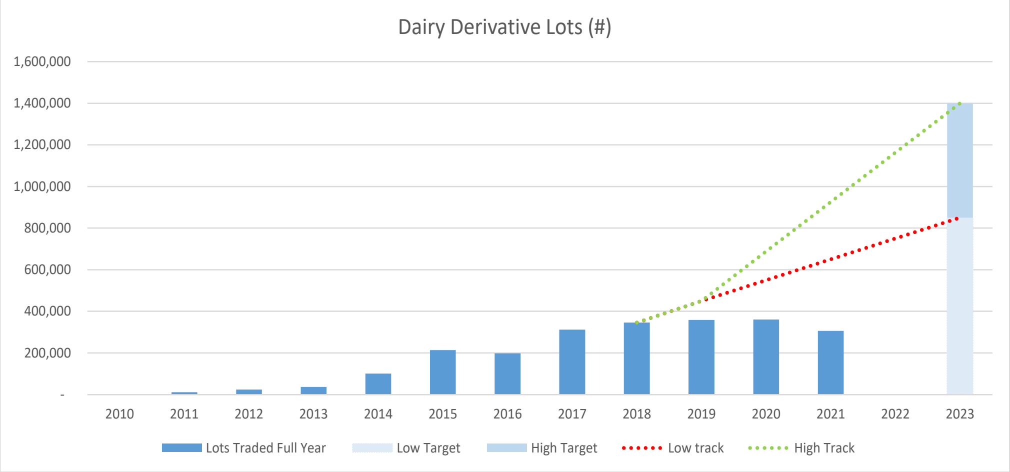
Audit revenue continues to be high, driven by high level of one-off audit and back dated licencing revenue

Future revenue growth driven by:

- Focus on product offering for market data and connectivity
- Developing value added services for issuers (e.g. collection of ESG metrics)
- Supporting S&P indices revenue growth (e.g. Carbon Efficiency Indices launched, in conjunction with S&P, during the year)

Dairy Derivatives

Period of enormous structural change to the dairy derivatives business with the Singapore Exchange strategic partnership and the Global Dairy Trade acquisition. NZX is now extremely well positioned for a step change to the dairy derivatives growth profile



Dairy Derivatives Lots traded	305,937
Relative to FY20	(15.2)%
Notional Value traded (USD)	$1.91 billion
Relative to FY20	+ 29.8%

NZ Price Derivatives volumes increased by 34%	Rising prices and local development activities drawing increased farmer participation
Global Dairy Ingredients volumes decreased by 18%	Lower volatility on GDT, and COVID travel restrictions continue to inhibit global marketing and event activity
Total notional value traded increased by 30%	Growth in NZ Milk Price derivatives trading which is a larger contract size with an associated higher fee setting per lot

Singapore Exchange (SGX) strategic partnership

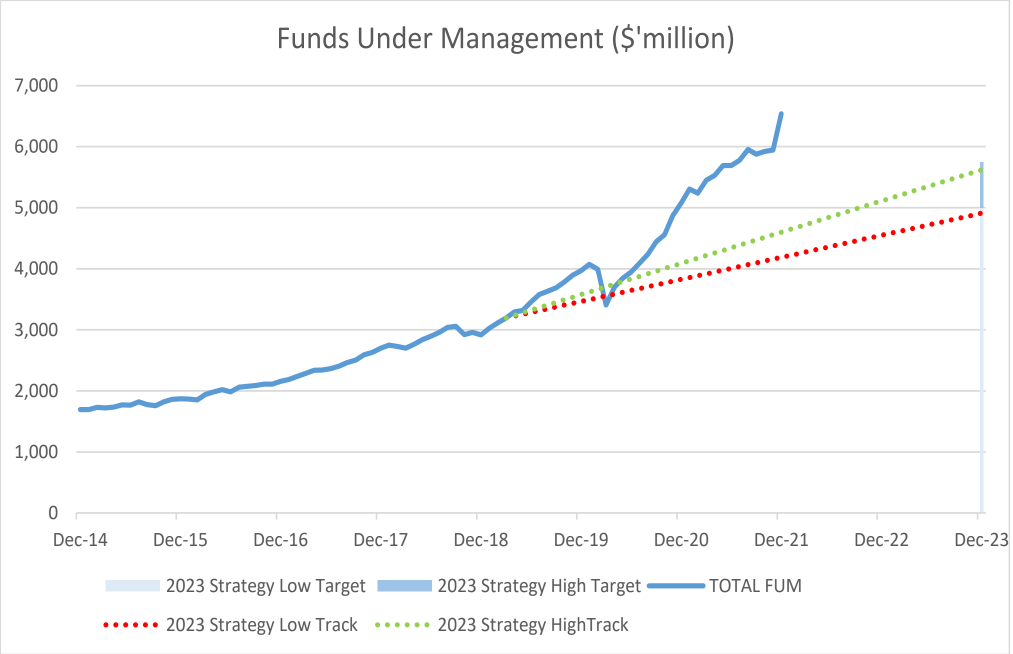
- Commenced a strategic partnership with SGX in late Nov 2021 to grow NZX's dairy derivatives market
- Partnership extends market distribution and expands global access by:
  - Increasing potential trading and clearing members from four to >70, enabling proprietary and speculative firms to connect more easily
  - Increasing independent software providers from two to >25
  - Providing a more global platform and presence in the dominant region for dairy imports (Asia)
  - Partnership is a revenue share agreement - NZX retains a base level of revenue
- Lots traded in the first month of the partnership structure were up 32% compared to December 2020, with 77% of volume traded on screen
- Access to SGX's network of global sales offices and resources

Global Dairy Trade

- The GDT Acquisition (discussed in detail on slides 37 to 39) represents further opportunity to accelerate the growth of the NZX-SGX Dairy Derivatives markets

Smartshares – Funds Under Management (FUM)

Continues to drive growth; we look to further scale this business through both organic and inorganic growth opportunities



Funds Under Management	$6.54 billion
Relative to 2020	+ 28.8%
Cash Flows	$1.01 billion
Relative to 2020	+ 26.0%

- Including KiwiSaver Default transfers of approx. $385m in December 2021

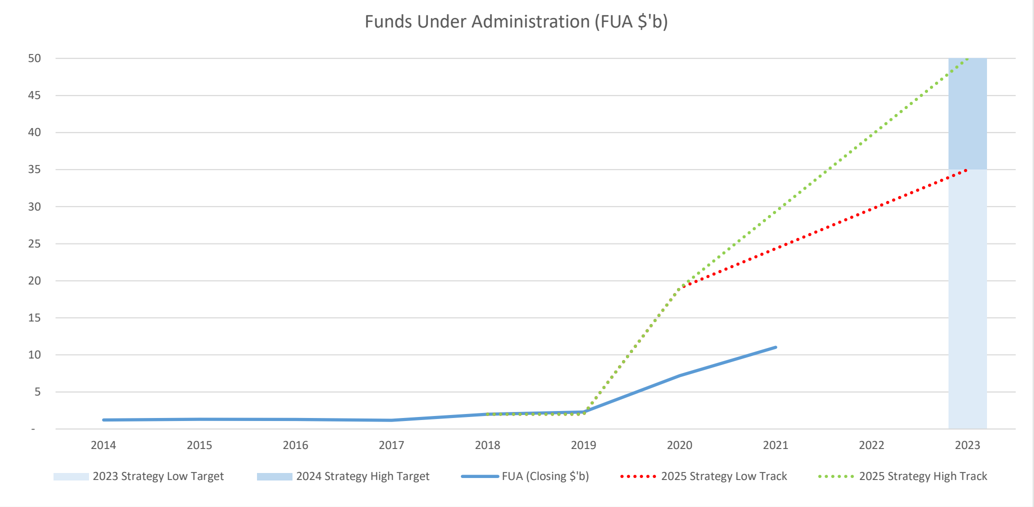
Macro drivers of the ETF market trajectory	• ETF penetration rate is low compared to US/Europe • KiwiSaver future growth profile
FUM growth target 14% p.a. is being overachieved	• **Net FUM inflow**: $1,011m is approx. 19.9% of opening FUM • **Market return**: $451m is approx. 8.9% of opening FUM

Strategic step change

- We continue to mature the operations (particularly in the IT environment), as well as investing for further growth including:
    - **KiwiSaver Default provider status** from December with the initial FUM transfer of approx. $385m, and the implementation of new digital tools implementing transformational customer service change to a more automated environment
    - **Transitional Financial Advice Provider licence** obtained in March 2021
    - **Bloomberg implemented** for ETF Basket Creation/Redemption (BSKT) and order management (AIM) i.e. front and middle office
    - **Asian Regional Fund Passport (ARFP) application** was approved by the FMA in January 2022, allowing simpler access to large pools of retail investors in Australia, Japan, Thailand and Korea.
- Smartshares ETF trading now accounts for 8% of NZX traded value
- ASB SMT Acquisition – the acquisition of the management rights (which includes approx. 17k members and over $1.8 billion FUM) completed on 11 February 2022 and moves Smartshares’ share of the Superannuation Master Trust market from 17% to 38%

Wealth Technologies – Funds Under Admin (FUA)

Client transitions have driven the growth, and there is a positive outlook for this to continue



Funds Under Administration	$11.02 billion
Relative to 2020	+ 53.2%

Macro Drivers

- The Wealth Technologies SaaS offering becomes attractive, as increased compliance obligations force large advisor firms to upgrade their internal platforms
- The increasing cost to service clients also impacts medium adviser firms making the Wealth Technologies option cost efficient, allowing scalable growth and reducing operational and compliance risks

Platform and Operations

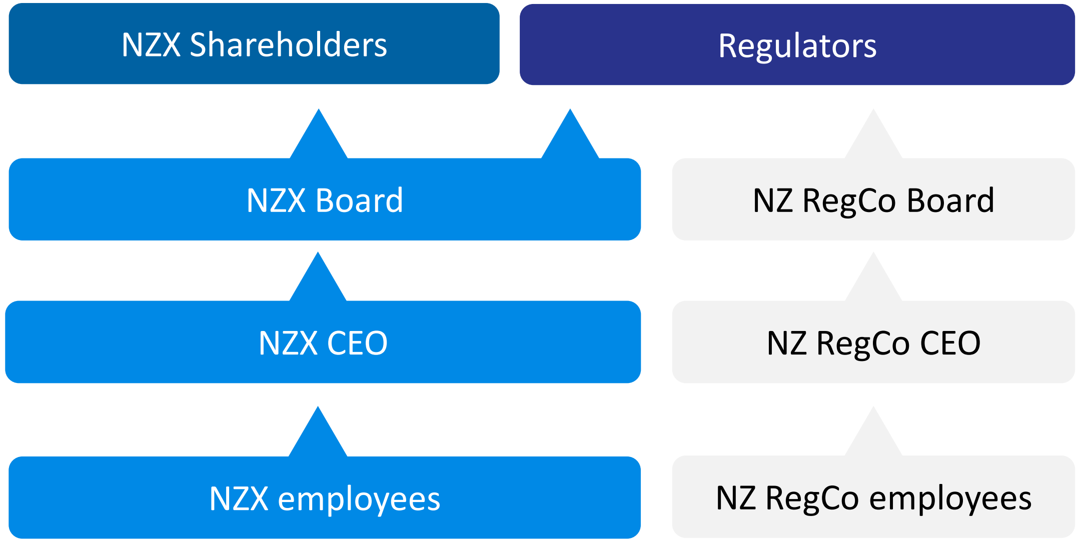
- NZX Wealth Technologies is now operating earnings positive
- Now have a scalable platform with a highly skilled operational team
- Historic clients have started transitioning off the legacy platform on to the new platform and we expect this to be completed in 2022
- Enhanced structure and increased resourcing to enable strong operational excellence while continuing aggressive growth trajectory

Clients

- Funds Under Administration at $11.02 billion, up 53.2%
- 8 clients on the new platform (and 6 on the legacy platform)
- 3 new clients on-boarded in 2021 (and migrated 1 legacy platform client to the new platform)
- Strong pipeline for 2022. The 2023 aspirational targets remain valid, albeit the FUA growth trajectory to get to it has taken a different shape

Regulation (NZ RegCo)

Regulatory operating and governance model aligns to global best practice, with structural separation of regulatory activities from NZX's commercial activities, to deliver first class regulatory services, on a cost neutral basis



NZX Regulation Limited (NZ RegCo)

- NZ RegCo is structurally separate from NZX's commercial and operational activities
- Governed by a separate board with:
  - an independent Chair - Trevor Janes; and
  - the majority of members independent of the NZX Group:
    - Elaine Campbell (NZX Director)
    - Annabel Cotton (Independent)
    - John Hawkins (Independent); and
    - Michael Heron QC (Independent)
  - The establishment board was made permanent during 2021
- NZ RegCo CEO is Joost van Amelsfort
- Targeting to operate on a cost-neutral basis

People

Our people continue to show enormous commitment, resilience and flexibility as they deliver further growth across the Group. Every area of our business is pushing forward to grow the capacity and capability to deliver these strategic priorities.

Building Capacity

- To support business growth across the group and market stability, our workforce (excluding vacancies) grew from 257.3 full-time equivalent employees at December 2020 to 292.7 at December 2021
- Capital markets teams bolstered capacity in operations, risk management, markets technology, project management, surveillance and information security
- Smartshares and Wealth Technologies added capacity in customer service, operations, onboarding and technical teams to serve new clients such as KiwiSaver Default
- Now have a scalable platform with a highly skilled operational team
- Strong competition for skilled people has been experienced given labour market constraints, however, our strong brand, culture and growth opportunities continue to attract skilled people; wage inflation tracked at approximately 4%
- A new recruitment software tool was launched which improves the impact and efficiency of recruitment efforts

Growing Capability

- A reshaped executive team focuses the business to deliver the next wave of growth, while also lifting capability in key areas such as risk management, policy, and ESG
- Organisational capability in IT functions has been a particular focus including in automation, testing, IT performance monitoring and reporting, and information security

Culture and Engagement

- Employee engagement has dipped slightly in 2021 after our highest engagement result ever last year. Our ambition remains to be top quartile globally
- Keeping our workforce connected, supported and informed through successive lockdowns has protected wellbeing and morale
- Ability to support flexible and remote working has enabled our people to balance work and life commitments through a challenging year

Health, Safety & Wellbeing

- Active management of COVID-19 risks has supported a healthy workforce through the pandemic to date
- Excellent safety record, with Total Recordable Injury Rate (TRIR) of 0.49 incidents per 200,000 hours worked

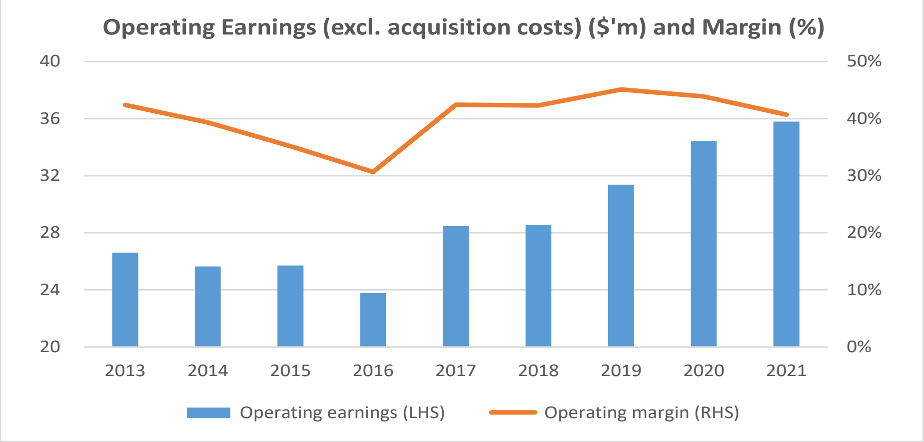
Diverse Workforce, Inclusive Workplace

- Through our graduate programme and IT summer internships we continue to grow a pipeline of diverse and talented new employees
- Commitment to gender pay equity continues; our current pay gap of 15.9% is approximately half the financial & insurance industry average
- Increasing the number of women in senior roles is a goal and will further close the gap. Three NZX leaders participated in the Global Women Activate Leaders Programme this year

Financial Performance

Income Statement

	2021 $000	2020 $000	Change Fav/(unfav)
Operating Revenue	87,955	78,426	12.2%
Operating Expenses (excl. acquisition costs)	(52,176)	(44,030)	(18.5)%
Operating earnings[1] (excl. acquisition costs)	**35,779**	**34,396**	**4.0%**
Acquisition costs	(1,352)	-	N/A
Operating earnings[1]	**34,427**	**34,396**	**0.1%**
Net finance expenses	(2,507)	(2,037)	(23.1)%
Loss on disposal of assets	(145)	-	N/A
Depreciation and amortisation expenses	(10,404)	(8,293)	(25.5)%
Gain on lease modification	-	558	N/A
Income tax expense	(6,356)	(7,038)	9.7%
Profit for the year	**15,015**	**17,586**	**(14.6)%**
Operating Margin (excl. acquisition costs)	**40.7%**	**43.9%**	**(7.2)%**



Operating earnings of $35.8 million, excluding one-off acquisition costs, (2020: $34.4 million) is 4.0% higher, with:

Operating revenue increasing 12.2% to $88.0 million:

- Data & Insights, Energy (including development revenue relating to the implementation of new carbon managed auction service), Funds Management and Wealth Technologies business units revenues have increased;
- which is partially offset by Secondary listing fees, securities trading and securities clearing revenues reducing from their 2020 COVID peaks

Operating expenses, excluding acquisition costs, increasing 18.5% to $52.2 million:

- the Markets businesses have supplemented the Securities IT team with additional skills and resources and have also invested to increase trading and clearing system capacity, improve resilience and strengthen further our cyber defences;
- the new carbon managed auction service was implemented; and
- we continue to invest for growth in the Funds Management and Wealth Technologies business units (to service new clients)

The **operating margin** at 40.7%, excluding acquisition costs (2020: 43.9%), which is lower than our peers[2] due to the diverse nature of NZX (i.e. non-markets businesses and NZ RegCo) relative to peers. For example, the operating margin of NZX's commercial activities (i.e. excluding NZ RegCo) is 42.2% excluding acquisition costs (2020: 45.6%).

Operating revenue, operating expenses and non-operating expenses are discussed in detail on the following slides.

Segmental analysis by business unit is provided in detail in Appendix 1.

Notes:

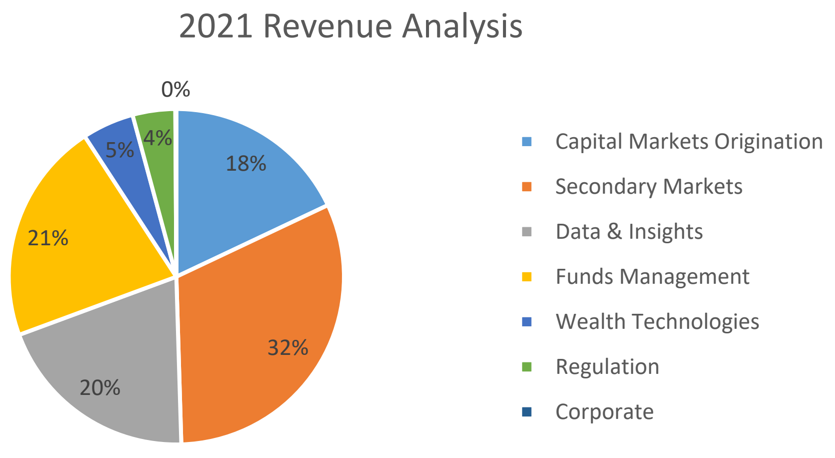
1 Operating earnings (EBITDA) is not a defined performance measure in NZ IFRS. The Group's definition of operating earnings may not be comparable with similarly titled performance measures and disclosures by other entities.

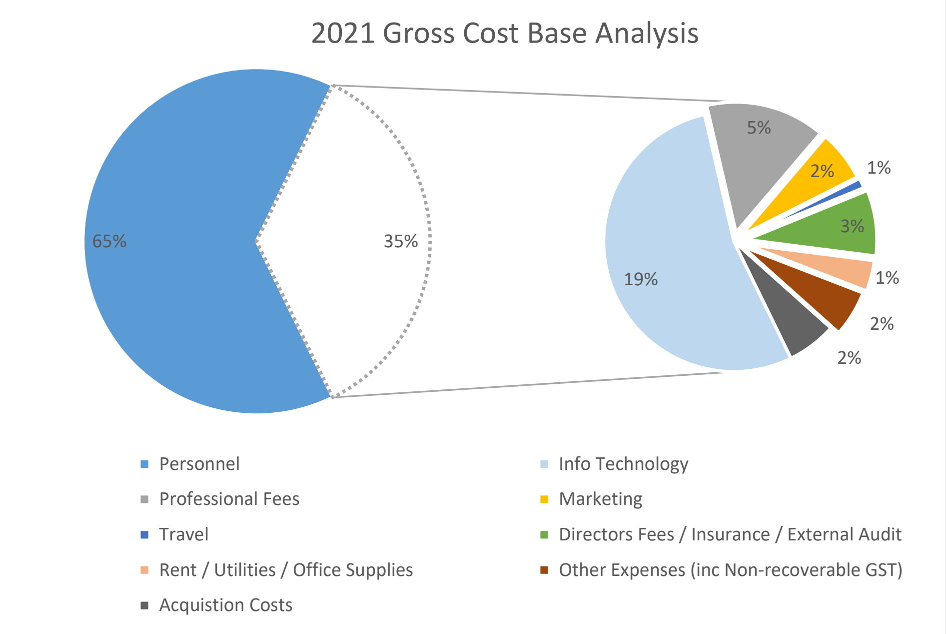
2 Finance Technology Partners (January 2022) EBITDA Margins (median) information for Regional/Country Based Exchanges is estimated at 2021: 44%.

Operating Earnings

	2021 $000	2020 $000	Change Fav/(unfav)
Operating Revenue			
Capital Markets Origination	15,815	15,192	4.1%
Secondary Markets	27,747	27,343	1.5%
Data & Insights	17,453	16,146	8.1%
Funds Management	18,838	13,669	37.8%
Wealth Technologies	4,397	2,425	81.3%
Regulation	3,620	3,446	5.0%
Corporate	85	205	(58.5)%
Total operating revenue	**87,955**	**78,426**	**12.2%**
Operating Expenses			
Gross personnel costs	39,785	34,015	(17.0)%
Less capitalised labour	(6,624)	(5,925)	11.8%
Personnel costs	33,161	28,090	(18.1)%
Information technology	11,753	9,292	(26.5)%
Professional fees	3,259	3,300	1.2%
Marketing	1,389	1,076	(29.1)%
Other expenses	4,169	3,630	(14.8)%
Capitalised overheads	(1,555)	(1,358)	14.5%
Operating Expenses (excl. acquisition costs)	**52,176**	**44,030**	**(18.5)%**
Operating earnings[1] (excl. acquisition costs)	**35,779**	**34,396**	**4.0%**
Acquisition costs	1,352	-	N/A
Operating earnings[1]	**34,427**	**34,396**	**0.1%**

The Operating Revenue and Operating Expenses are discussed in the following slides, with further detailed Segmental Analysis by Business Unit provided in Appendix 1



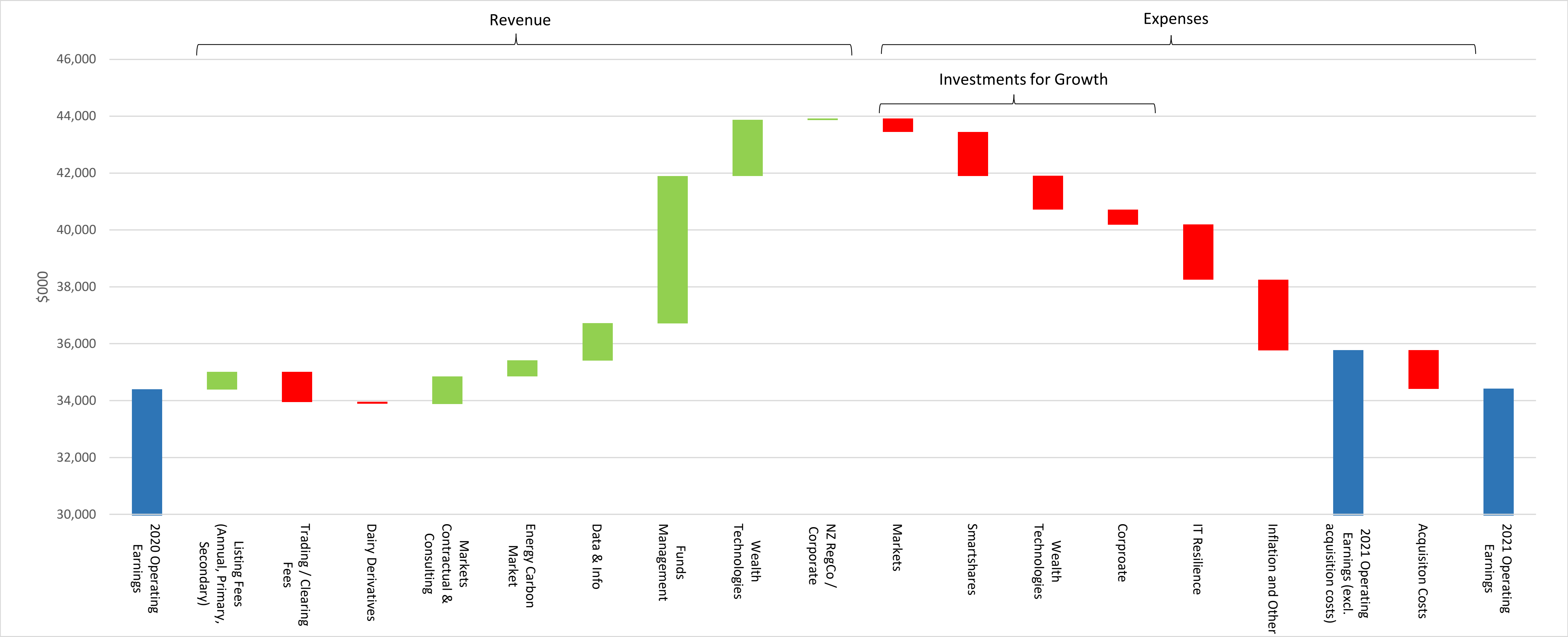


Notes:

1 Operating earnings (EBITDA) is not a defined performance measure in NZ IFRS. The Group's definition of operating earnings may not be comparable with similarly titled performance measures and disclosures by other entities.

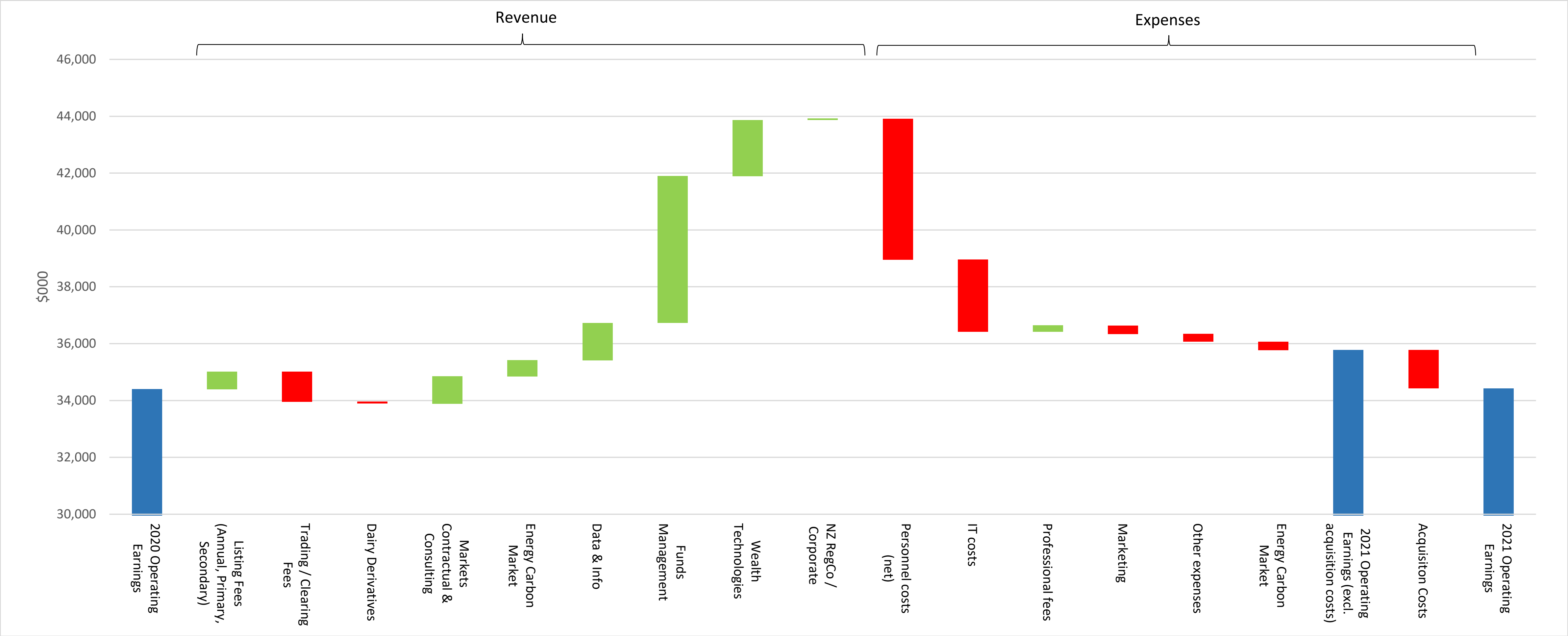
Operating Earnings Waterfall

Separating out investments for growth and IT resilience costs



Operating Earnings Waterfall

Analysed by expense category



Operating Revenue

Non-Recurring Revenue

Consulting and development revenue includes revenue relating to the development of the new carbon managed auction service for the Ministry for the Environment that was fully completed (non- recurring revenue $0.9m)

Capital Markets Origination (formerly Issuer Relationships):

Annual listing fees (ALF) were positively impacted by the growth in equity market capitalisation and the value of debt instruments

Primary listing fees driven by equity and retail debt listings

Secondary issuance fees reflect a lower level of equity recapitalisations and retail debt issuances

Secondary Markets:

Securities trading and clearing revenues decreased due to lower market activity levels, as well as:

- higher levels of uncharged value traded (i.e. exceeded fee cap), at 10.1% (2020: 7.5%); and
- lower levels of clearing margin and clearing penalties, partially offset by higher levels of depository registry transfer fees

Dairy derivatives revenue decreased in line with lots traded being down 15.2%

Consulting and development revenue earned through

- a higher level of enhancements to the electricity market systems, including the market real time pricing project, which is due for completion in 2023; and
- development of the carbon managed auction service for the Ministry for the Environment bi-monthly auctions which was completed in 2021

Data & Insights:

Royalties from terminals revenue increase relates to higher professional terminal numbers, partially offset by lower retail terminals numbers

Subscriptions and licences revenue growth reflects continued growth in clients' data usage and ability to capture licence revenue streams post audit (resulting in increased higher value license numbers)

Dairy subscription revenue has stablised post the disposal of the agri-businesses in 2018

Indices revenue growth has as grown over the last few years, driven through an increase in funds using the indices as benchmarks across the funds management market and additional index data clients

Audit and back dated licencing revenue continues to have high levels of audit activity

Connectivity revenue has increased in line with increased connectivity requirements from both market participants and data vendors

Corporate Services:

Corporate Services revenue related to commission fees on Kaplan NZX related courses, the short-term sub lease of part of the Wellington premises (ceased June 2020) and NZX.com advertising revenue (ceased May 2020)

Funds Management:

FUM based revenue has increased 36.6% driven by increased average FUM (+37.0%)

Member based revenue has increased, reflecting a mix of increased investor / member numbers, a reduction in some annual admin fees from 1 April 2021, and the prior year including a historical pricing provision

Other revenue is slightly down on the prior year, being impacted by the low OCR rate partially offset by higher levels of stock lending

Wealth Technologies:

Administration (FUA based) fees driven by:

- New platform – revenue increased due to 3 new clients migrated in 2021; and
- OE platform – one client has been migrated new platform, otherwise customer numbers are unchanged, with 3% growth in FUA

Development revenue included some client specific (non-recurring) in the current period

Regulation (NZ RegCo):

Regulatory fees relate to issuer regulation, market conduct, participant compliance and surveillance activities, plus an internal allocation of Annual Listing Fees and Annual Participants Fees, set in advance based on the services expected to be provided by NZ RegCo. Regulatory fees generating activity has been higher than last year

Operating Expenses

Non-Recurring costs

Development of the new carbon managed auction service for the Ministry for the Environment was fully completed (non-recurring expenses $0.7m) and bi-monthly auctions commenced

Personnel costs

Personnel costs are driven by the average FTEs in the period and the capitalisation of internal development resources

Personnel costs increased 18.1% due to a combination of:

- *wage inflation* – driven by a highly competitive and the tightening labour market, which we expect to continue in 2022;
- *recruitment costs* – driven by higher than normal vacancy rates as a result of the tight labour market, resulting in the need to use external recruiters;
- lower *levels of annual leave* taken (a COVID lockdown impact); and
- *increasing FTEs* – FTEs, excluding vacancies, were 292.7 at year end (2020: 257.3), resulting in a higher level of average FTEs in 2021.

Growth focused roles account for approx. 85% of the FTE increase across the group. Our growth focused financial services businesses account for approx. 75% of the FTE increase:

- *Smartshares* additional sales and customer services resources to support client and FUM growth (including the new KiwiSaver Default Scheme), as well as project resources for the ASB Superannuation Master Trust management rights acquisition; and
- *Wealth Technologies* additional client facing, on boarding and technical staff to service new clients;

In our Markets businesses the FTE increase is focused on:

- Securities IT team additional resources to deliver technology solutions to increase trading and clearing system capacity and resilience, and maintain market stability;
- Capital Markets Origination additional sales role focused on origination, with active pipeline development and conversion;
- Secondary Markets product resource to support growth in the depository business and the dairy derivative business;
- Energy contractors delivering increased levels of consulting and development revenue including the electricity market real time pricing project and the carbon managed auction service;
- Corporate Services additional legal, HR and communications resources to support the Smartshares and Wealth Technologies businesses; and
- Project management resources related to the current elevated level of project activities

Capitalisation of internal development resources (2021: $6.62 million; 2020: $5.93 million) primarily relates to Wealth Technologies' core platform, NZX's new trading system and the Network Transformation project

Information Technology

IT costs include additional costs from:

- Cyber security – additional license costs to improve resilience of NZX's clearing and settlement system (BaNCS), plus the modification and strengthening of existing security services and the implementation of additional cyber defence capabilities and security services to mitigate the impact of any future cyber attacks. As a result, the cost base has risen approx. $1.4m over the last couple of years, with additional Security Operation Centre (SOC) implementation costs and security testing costs expected in 2022
- Carbon – costs associated with the development and ongoing operation of the new carbon managed auction service for the Ministry for the Environment
- Dairy derivatives – NZX's share of IT costs under the SGX strategic partnership
- Energy Electricity Market – utilising third party specialist support to assist with the increased level of development (which is generating additional consulting and development revenue);
- Trading and clearing system costs – impacted by movements in FX rates and contractual inflation rates;
- Data & Insights IT costs – increases in software licences associated with the delivery of customer management data platforms;
- Smartshares Bloomberg AIM and BSKT costs (front and middle office operating system) now reflect a full period after being implemented in Q4-20;
- Smartshares additional IT costs relating to the new KiwiSaver Default Scheme; and
- Wealth Technologies additional data feeds, data hosting and software license costs relating to new clients

Operating Expenses (continued)

Professional Fees

Professional fees include those relating to:

- set up costs for:
  - the dairy derivatives partnership with SGX;
  - the development of the new carbon managed auction service for the Ministry for the Environment; and
  - the new KiwiSaver Default Scheme
- EEX royalty fees relating to the carbon managed auction service which commenced in 2021;
- terminal royalty audit fees have increased, these vary in proportion to audit revenue; with costs and revenues recognised on a gross basis;
- the assurance programme – internal audits, internal control reports, energy audits and consulting obligations under the Electricity Authority contracts, annual conflicts review, corporate governance review etc; and

Marketing

Marketing spend increased for:

- Capital Markets Origination – additional sponsorship of various industry groups to identify listing opportunities and marketing of the exchange; and
- Smartshares – with increased online advertising

Marketing spend remains low for the Investor relations program

Other expenses

Other expenses include premises related costs (i.e. electricity, rates etc), insurance, directors fees, travel, external audit costs, outsourced payroll system, statutory / compliance costs and non recoverable GST (on the Clearing House, Smartshares and Wealth Technologies businesses)

The increase relates to higher insurance premiums, compliance costs and non-recoverable GST (relating to the growth in the Smartshares and Wealth Technologies businesses)

Capitalised overheads

The portion of all expense categories which relate to capital activities (e.g. relating to Wealth Technologies core platform, NZX's new trading system and the KiwiSaver Default Scheme set up) has increased (2021: $1.56 million; 2020: $1.36 million)

Acquisition costs

Relate to the Smartshares acquisition of the ASB Superannuation Master Trust management rights

2022 Operating expenses

- Operating expenses are expected to increase in FY22 due to the current inflationary environment and planned investment to:
  - — support the continued growth of our growth focused financial services businesses, Smartshares and Wealth Technologies
    - approximately $4.0-4.5m incremental spend expected in FY22, primarily relating to additional staff and IT costs to service new clients and support FUM / FUA revenue growth associated with the ASB Superannuation Master Trust acquisition (including integration costs), the new KiwiSaver default scheme and the new Wealth Technologies clients
  - — grow our markets business through the relaunch of S&P/NZX20 Index Futures and further develop our dairy derivatives partnership with SGX (~$0.6-0.7m)
  - — Complete out IT resilience improvement program and additional cyber defences capabilities, including implementing a Security Operation Centre (SOC) and undertaking additional security testing (~$1.5-$1.8m)
- Operating margins are expected to improve in FY23 onwards as we complete our current investment cycle and begin to realise the expected revenue uplift from recent growth investment

Non-operating Income and Expenses

	2021 $000	2020 $000	Change Fav/(unfav)
Interest income	395	839	(52.9)%
Interest on lease liabilities	(374)	(395)	5.3%
Other interest expense	(2,394)	(2,377)	(0.7)%
Amortised borrowing costs	(81)	(77)	(5.2)%
Realised gain on investment	-	2	N/A
Net loss on foreign exchange	(53)	(29)	(82.8)%
Net finance expense	**(2,507)**	**(2,037)**	**(23.1)%**
Depreciation of PP&E	(1,112)	(949)	(17.2)%
Amortisation of lease assets	(1,358)	(1,236)	(9.9)%
Amortisation of intangibles	(7,934)	(6,108)	(29.9)%
Total depreciation and amortisation	**(10,404)**	**(8,293)**	**(25.5)%**
Loss on disposal of assets	(145)	-	N/A
Gain on lease modification	-	558	N/A
Tax expense	(6,356)	(7,038)	9.7%
Total net other expenses	**(19,412)**	**(16,810)**	**(15.5)%**

Net Finance Costs include

- Interest income on operational cash balances, Clearing House risk capital and regulatory working capital; which have been impacted by decreased interest rates
- Interest expenses (including amortised borrowing costs) on the subordinated notes and lease liabilities
- Net gain / (loss) on foreign exchange

Depreciation and Amortisation increased due to

- Wealth Technologies – increased amortisation of the core platform and new client migrations completed
- NZX's new trading system – increased amortisation of the system with phase 2 completed in 2021
- Auckland office – depreciation on the fit out of the new Auckland office commenced in August 2021

Effective tax rate is higher than statutory rate of 28% due to non-deductible items

2022 Non-Operating income and expenses

- Interest income is impacted by changes in interest rates
- Amortisation will increase for the full year impact of :
  - Wealth Technologies FY21 core platform enhancements and new client migrations (approx. $1.0m)
  - IT improvements in FY21 to improve IT resilience (including the new trading system and the network transformation) and digital tools for KiwiSaver Default Scheme (approx. $900k)
- Additionally amortisation will commence on acquired ASB Superannuation Master Trust management rights (from 11 February 2022 the impact is approx. $1.25m) and any Wealth Technologies further core platform enhancements and new client migrations
- Depreciation will increase for the full year impact of the new Auckland office fit out and Smartshares infrastructure additions to support the KiwiSaver Default Scheme (approx. $250k)

It is estimated that FY22 Operating Earnings in the upper half of our Earnings Guidance range, would offset the increases in non-operating expenses, resulting in the FY22 Net Profit After Tax to be around the FY21 level (subject to market outcomes and material events / one offs - refer to statements on Slide 51)

Financial Position and Cash Flows

New Zealand's Exchange
Te Paehoko O Aotearoa

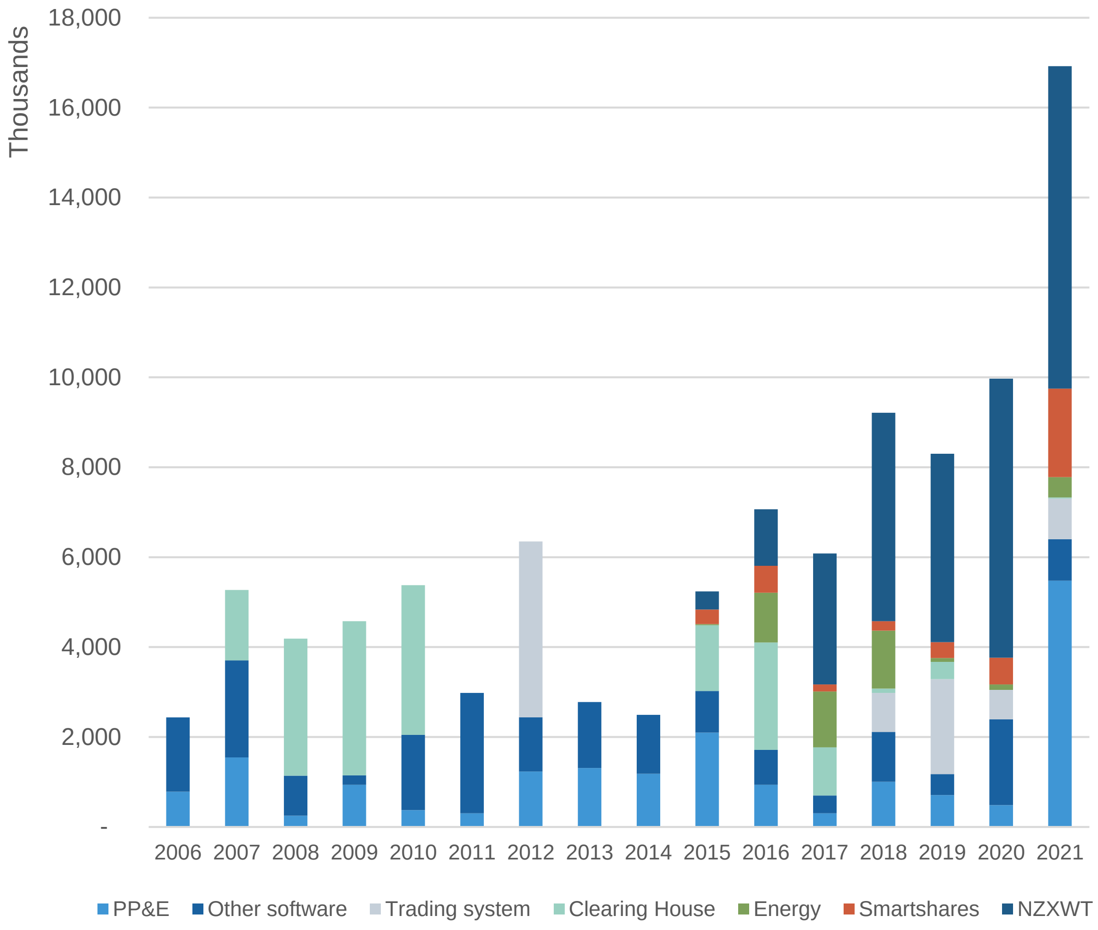
Balance Sheet as at 31 December 2021

	2021 $000	2020 $000	Change Fav/(unfav)
Current assets			
Cash and cash equivalents	49,062	52,775	(7.0)%
Receivables and prepayments	11,270	10,840	4.0%
Funds held on behalf of third parties	28,025	104,684	(73.2)%
Total current assets	**88,357**	**168,299**	**(47.5)%**
Non-current assets			
Right-of-use lease assets	11,299	5,108	121.2%
Other non-current assets	80,974	73,247	10.5%
Total non-current assets	**92,273**	**78,355**	**17.8%**
Current liabilities			
Trade payables	6,814	6,689	(1.9)%
Other current liabilities	18,907	17,445	(8.4)%
Lease liabilities	1,175	1,388	15.3%
Funds held on behalf of third parties	28,025	104,684	73.2%
Total current liabilities	**54,921**	**130,206**	**57.8%**
Non-current liabilities			
Interest bearing liabilities	38,971	38,911	(0.2)%
Lease liabilities	12,378	5,716	(116.6)%
Other non-current liabilities	3,754	4,190	10.4%
Total non-current liabilities	**55,103**	48,817	**(12.9)%**
Net assets/equity	**70, 606**	67,631	**4.4%**

Note: balance sheet presented is pre-acquisitions and equity raising

Cash and cash equivalents	• Clearing House risk capital ($20 million) which is not available for general use; • Clearing House complies with International Organisation of Securities Commissions principles requiring retention of sufficient working capital (including cash of approximately $3.4 million); and • Smartshares maintains sufficient net tangible assets in accordance with its license requirements (including cash of approximately $3.9 million)
Funds held on behalf of third parties (assets and liabilities) offset	• Relate to issuer bond deposits, participants' collateral deposits and deposited funds (including those held in the Mutualised Default Fund) • Amounts are repayable to issuers and participants and not available for general use • Reduced levels of Funds held on behalf of third parties (assets and liabilities) is due to the dairy derivatives trading on NZX transferring to the Singapore Stock Exchange in November 2021 resulting in the return of participants mutualised default fund contributions
Right-of-use lease assets and lease liabilities	• Relate to leased premises and IT equipment
Other non-current assets	• Consist of property, plant & equipment, intangible assets and goodwill
Other current liabilities	• Includes income in advance related to annual listing (billed on 30 June each year), data subscriptions, employee benefits payable, and tax payables
Other non-current liabilities	• Mainly relates to deferred tax

CAPEX



Core Markets

- CAPEX driven by specific system life cycles which result in large multi-year projects, plus the normal life cycle replacements for IT equipment and software
- As expected CAPEX spend in 2021 is higher than prior years as it included:
  - Technology upgrades and enhancements – of the NZX technology architecture and the Network Transformation project which strengthens NZX's cyber security;
  - The establishment of a Capital Markets Centre in Auckland; and
  - New trading system

Growth Businesses / Financial Services

- **Wealth Technologies CAPEX** relates primarily to customization for new clients migrating onto the platform
- **Smartshares CAPEX** relates to the delivery of digital tools for the new KiwiSaver Default Scheme to ensure improved client servicing / experience and automation / efficiency

2022 CAPEX

- CAPEX is expected to be lower in 2022 although elevated relative to historical levels due to:
  - Auckland Capital Markets Centre – replacement of the old ticker and the fit out of additional accommodation requirements as the business grows;
  - Depository automation to enable further growth;
  - Wealth Technologies continuing to migrate new clients onto the platform; and
  - Smartshares expanding the use of digital tools to improve client servicing and efficiency

Cash Flows

	2021 $000	2020 $000	Change Fav/ (unfav)
Operating activities	**27,392**	31,234	(12.3)%
Investing activities	**(16,920)**	(9,970)	(69.7)%
Financing activities	**(14,185)**	(16,229)	12.6%
Net increase in cash and cash equivalents	**(3,713)**	**5,035**	**(173.7)%**

Operating Activities

- Cash flow from operating activities includes net interest and income tax paid
- The decrease reflects a lower Net Profit After Tax and working capital movements (e.g. timing of receivables receipts and trade payables payments)

Investing Activities

- Investing activities relate to CAPEX, which is primarily:
  - Wealth Technologies software development;
  - The fit out of the Capital Markets Centre in Auckland;
  - The new trading system; and
  - Technology upgrades and enhancements, including to the NZX technology architecture, the Network Transformation project and the new KiwiSaver Default Scheme digital tools

Financing Activities

- Financing activities includes dividends which are net of participation in the dividend reinvestment plan, and payment of lease liabilities

Growth Initiatives and Equity Raise

New Zealand's Exchange
Te Paehoko O Aotearoa

NZX is positioned for growth via NZX 2.0

We have good growth momentum across our key business areas of Capital Markets, Smartshares and Wealth Technologies

Our NZX 2.0 strategy sees all of these areas as core, with material cross synergies, and has identified further growth opportunities by having greater scale – particularly in Smartshares and Wealth Technologies – the ASB SMT Acquisition supports this objective

Partnering with leading global exchanges, EEX and SGX, and the world's largest dairy exporter, Fonterra, to develop the dairy market and access global growth opportunities. Our proposed equity stake in GDT will secure influence on decision making that drives growth in the physical market upon which our derivatives market is based

The equity raise is to fund these two acquisitions, whilst retaining appropriate strength in the balance sheet. Important information about the key risks relating to the Offer are set out on pages 46 to 49

Acquisition – Global Dairy Trade (GDT) (1/2)

NZX to acquire a 33.3% stake in GDT[1]

Overview	• For more than a decade, NZX has been developing a global dairy derivatives market which has the potential to grow into a liquid, global commodity derivatives franchise. Our recently launched partnership with SGX combines the complementary capabilities of the NZX and SGX to scale up market distribution and liquidity • NZX has now signed a commercial term sheet[1] to acquire a 33.3% stake in Global Dairy Trade ("GDT") from Fonterra for cash consideration of \$12.5m, excluding near term capital commitments of \$3.2m. GDT is the leading global physical trading platform for dairy and is pivotal to the creation of the reference prices for dairy commodities that underpin the NZX's dairy derivatives markets • Alongside NZX, the European Energy Exchange (EEX) is expected to acquire an equal 33.3% stake, with Fonterra retaining the residual 33.3% shareholding[1]
Transaction rationale	• NZX's investment into GDT is strategically and financially compelling for NZX shareholders and provides a sustainable foundation for NZX's dairy derivatives business – NZX and EEX's involvement in GDT further enhances GDT's role as an independent, neutral and transparent auction platform, gives it a presence in prominent international dairy producing regions and creates future growth opportunities – The expansion of the physical trading environment, including potentially through more frequent GDT auctions, would both further strengthen our SGX/NZX dairy derivatives financial market contracts and enable the creation of new tools and opportunities for dairy processors and end-users to manage price volatility – NZX and its partners see a clear opportunity ahead to evolve GDT to be a truly global auction platform, with the potential to grow financial products to many multiples of the physical dairy market
Financial impact on NZX	• NZX's share of profit/loss in a period will be recognised after operating earnings as "share of profit of an associate" • While GDT had pro forma FY21 EBITDA before growth initiatives of \$5.1m[2], GDT's contribution to NZX as "share of profit of an associate" is expected to be minimal in FY22 as GDT invests to pursue its strategic growth plan. An increase in non-Fonterra volumes is expected in the medium term • No dividends are expected to be paid by GDT over the initial 3-year investment period
Transaction funding	• NZX's stake will be wholly funded by equity raised as part of the \$44 million equity raising announced today
Completion	• NZX's GDT investment remains subject to clearance from relevant competition law authorities (including European) and binding transaction documentation, which is targeted to be signed by mid 2022, with completion expected to occur shortly thereafter

Notes:
1 Subject to the approval of Boards, clearance from any relevant competition law authorities (including European), 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 GDT
2 NZX's assessment of pro forma EBITDA adjusted for one-off items and estimated standalone costs, July year end.

Acquisition[1] – Global Dairy Trade (GDT) (2/2)

Investment in GDT provides a sustainable foundation for our Dairy Derivatives business

GDT is the leading global physical trading platform for dairy

- GDT is the pre-eminent pricing platform that the globe looks to for physical dairy prices (i.e., the market leader in discovering credible market-based reference prices for core dairy export commodities)
- GDT runs a pure auction process rather than a survey process with >600,000 MT traded annually on platform
- Leading global footprint
- Leading technology platform

Established and scalable platform

- Track record of market development and innovation
- New shareholding structure enhances Global Dairy Trade's role as an independent, neutral and transparent trading platform
- Strong global growth opportunities under new shareholding structure, with increase in non-Fonterra volumes expected
- To support the success of GDT under the new ownership structure, Fonterra has provided a multi-year commitment as a seller on GDT.

Sustainable foundation for NZX's dairy derivatives business

- GDT's trading platform is pivotal to reference prices for dairy commodities that underpin NZX's dairy derivatives markets
- NZX's direct investment and involvement in the future of GDT provides the opportunity to develop new tools and financial products to manage price risk and volatility across the entire dairy value chain
- NZX to retain exclusivity to settlement prices for its existing financial contract suite

World class partners

- Fonterra – one of the world's largest dairy exporters
- NZX – deep dairy experience and global distribution through SGX partnership
- EEX – a global exchange with deep connectivity into one of the largest dairy exporting markets and leading technological capability

Notes:

1 Subject to the approval of Boards, clearance from any relevant competition law authorities (including European), 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 GDT

NZX is now positioned to unlock growth across all components of the global Dairy market

Physical market

GLOBAL DAIRY TRADE

Leading global physical trading platform for dairy

NZX [1] + eex [1] + Fonterra [1]

Core dairy expertise built up over 10+ years of market development

Global exchange, deep connectivity into Europe, the worlds largest dairy producing region

One of the world's largest dairy exporters and provider of NZX/SGX reference prices on GDT

Non-producer shareholders enhance GDT's role as an independent, neutral and transparent platform

Financial market

NZX / SGX

Dairy derivatives

Combines NZX dairy expertise with SGX's Asian presence and global distribution capability to grow financial products to many multiples of the physical dairy market.

Data & Insights

NZX

High quality data and insight offering with global reputation. Complements the Physical and Financial market offering.

Creation of truly global reference prices to drive financial market

Notes:

1 NZX, EEX and Fonterra participation in GDT is subject to the approval of Boards, clearance from any relevant competition law authorities (including European), 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 GDT

Acquisition - ASB Superannuation Master Trust

Acquisition completed on 11 February 2022

Investment summary	• Acquisition of the management rights of the ASB Superannuation Master Trust completed on 11 February 2022
Transaction rationale	• Drives scale in Smartshares, the passive funds management business, with FUM increasing approx. $1.8m to approx. $8.3 billion as at 31 January 2022; and • Aligned with NZX Group strategy to capture complementary opportunities that greater scale in the Smartshares and Wealth Technologies businesses provides to both NZ Capital Markets and our Markets business

Key metrics	• Funds Under Management of $1.8 billion in retirement savings:
	    • ~18,000 members across 136 schemes
	    • 3rd largest provider of Corporate Superannuation in NZ
	    • 1 of 2 providers to the State Sector Retirement Scheme
	    • Passively managed
	• Total cash consideration of $25 million

Financial impact on NZX	• Operating Earnings – expected to contribute between $4.0m and $4.3m annually to operating earnings (excluding integration costs, amortisation, interest expenses and tax expense)
	• Integration into the Smartshares business in several phases over 15 months
	• Integration costs expected to be between $0.8m-$1.6m across 2022/2023
	• The management rights assets:
	    • are a definite life asset and will be amortised on a straight-line basis over 25 years for accounting purposes;
	    • the amortisation will be non-deductible for tax purposes;
	    • requiring the initial recognition to include a deferred tax liability, with a corresponding grossing up of the management right asset value. A summary of the initial recognition is:
	        • Intangible asset – definite life (management rights) $34.7m
	        • Deferred tax liability ($9.7m)
	        • Net investment ($25.0m)

Other Growth Initiatives

Funds management	• Continuing to explore potential opportunities to drive further scale, building on the successful ASB SMT Acquisition
Carbon managed auction service	• During 2021 NZX, in partnership with the European Energy Exchange (EEX), successfully launched a carbon managed auction service for the Ministry for the Environment • 2021 includes non-recurring development revenue (\$0.9m) and related costs (\$0.7m) • Ongoing financial impact is expected to be approximately \$0.2m annually to operating earnings • Long term opportunity is the Carbon derivatives market

S&P/NZX20 Index Futures	• Consultation with the market has resulted in the formation of a 'Cornerstone Group' of users who are willing to indicate their support for the relaunch of S&P/NZX20 Index Futures
	• In 2022 we are planning to relaunch S&P/NZX20 Index Futures, which:
	  ◦ builds liquidity of both the Derivatives and Cash markets with complementary products and arbitrage opportunities;
	  ◦ expands the ecosystem of products; and
	  ◦ grows liquidity in the secondary market
	• The initial start up phase is expected to adversely impact 2022 operating earnings by approximately \$0.4m to \$0.5m
	• Ongoing financial impact is expected to be positive from 2025 onwards

Equity Raise Details

Offer size and structure	• ~$44[1] million equity raising, comprising a 1 for 9 pro-rata accelerated renounceable entitlement offer • ~31.2 million new shares to be issued (equivalent to ~11.1% of current issued capital)
Offer price	• Issue price of NZ$1.42 per share representing: – a 15.0% discount to the dividend adjusted theoretical ex-rights price (“TERP”) of NZ$1.67[1] on 16 February 2022 – a 16.4% discount to the dividend adjusted last close price on 16 February 2022 of NZ$1.70
Institutional entitlement offer	• Institutional entitlement offer opens today and closes on 18 February 2022 • Institutional entitlements not taken up and entitlements of ineligible institutional shareholders will be sold in the institutional shortfall bookbuild which will take place on 18 February 2022[2]
Retail entitlement offer	• Retail Entitlement Offer open from 22 February 2022 to 11 March 2022 • Retail entitlements not taken up and entitlements of ineligible retail shareholders will be sold in the retail shortfall bookbuild which will take place on 16 March 2022[3]
Ranking and dividend	• Each new share will rank equally with existing shares on issue following allotment and are not entitled to the 2021 final dividend of 3.1 cps • New shares to be quoted on NZX following settlement
Underwriting	• The Entitlement Offer is fully underwritten • UBS New Zealand Limited (“UBS”) and Craigs Investment Partners Limited are acting as Joint Lead Managers and UBS as Sole Underwriter[3]
Purpose	• Replenish NZX’s balance sheet post the ASB SMT Acquisition announced in November 2021, and which completed on 11 February 2022 • Fund NZX’s investment into GDT and NZX’s proportion of planned additional growth investment into GDT ($3.2m) • Provide capacity to support potential investment across our platform as we continue to scale our growth businesses • The ASB SMT Acquisition was announced last year. Together, the ASB SMT Acquisition and GDT Acquisition are expected to be mid single digits EPS accretive, before acquisition and integration costs, for NZX shareholders in FY22[2]

Notes:

1 TERP is the theoretical price at which an NZX share will trade immediately after the ex-date for the entitlement offer. It is a theoretical calculation only and the actual price at which NZX shares will trade will depend on many factors and may differ from TERP. TERP is calculated by reference to the NZX’s closing price of $1.73 on 16 February 2022 and is adjusted for the 2021 final dividend of 3.1 cps.

2 These entitlements will be offered for sale in the relevant shortfall bookbuild and any premium (being any amount paid in respect of the sale of the entitlements) will be paid to non-participating and ineligible shareholders, net of any applicable withholding tax.

3 The Underwriting Agreement contains customary indemnities, termination rights and other obligations in favour of UBS as underwriter. UBS as underwriter and the Joint Lead Managers will be paid an agreed fee for their services in connection with the Offer.

4 Calculated with reference to the dividend adjusted theoretical ex-rights price (TERP) for an NZX share and assuming a 10.5-month contribution from ASB SMT and 8-month contribution from GDT, excludes one-off acquisition and integration costs expected to be incurred in relation to the ASB SMT Acquisition in FY22. The ASB SMT Acquisition and GDT Acquisition are expected to be low single digit earnings per share accretive in FY22 inclusive of one-off acquisition integration costs.

Funding and pro forma capitalisation

NZX's gearing[6] will reduce from 19.6% to 12.9% following the acquisitions and Equity Raising

Sources	
Equity Raising	$44.3m
Total	**$44.3m**

Uses	
Acquisition of ASB SMT[1]	$25.0m
Acquisition of GDT	$12.5m
Planned additional investment in GDT[2]	$3.2m
Transaction costs[3]	$3.3m
General corporate purposes	$0.3m
Total	**$44.3m**

NZD000s	31-Dec	31-Dec PF[4]
Interest bearing liabilities	38,971	38,971
Unrestricted cash & cash equivalents	21,762	21,191
Net debt	**17,209**	16,780
Book value of equity	70,606	112,945[5]
Gearing (unrestricted)[6]	**19.6%**	**12.9%**

Notes:
1 Completed on 11 February 2022 using pre-Equity Raising liquidity.
2 Relates to NZX's proportionate share of planned additional GDT growth initiatives and investment into the platform
3 Estimated total transaction costs (in 2021 and 2022) for the Equity Raising, the ASB SMT acquisition and the GDT acquisition.
4 Pro forma for the Equity Raising, ASB SMT Acquisition and GDT investment, including planned additional investment in GDT
5 Book equity has been adjusted for the change in net cash (consistent with the sources and uses table, net of restricted cash). The actual change to book equity following the completion of the acquisitions and equity raise is likely to differ, following acquisition accounting rules and accounting treatment of equity raising costs. Pro forma book equity is included for illustrative purposes only and is used in the pro-forma gearing calculation.
6 Net Debt / (Net Debt + Equity), excludes restricted cash from Net Debt.

Equity Raise Timetable / Key dates

Institutional Entitlement Offer	Date / Time
Trading halt and Institutional Entitlement Offer opens	Thursday, 17 February 2022
Institutional shortfall bookbuild	Friday, 18 February 2022
Announcement of results of Institutional Entitlement Offer and trading halt lifted	Monday, 21 February 2022
Settlement	Friday, 25 February 2022
Allotment and commencement of trading of new shares on NZX	Friday, 25 February 2022

Retail Entitlement Offer	Date / Time
Record date	Friday, 18 February 2022 (5:00pm NZT)
Despatch of offer document and application form for Retail Entitlement Offer	Tuesday, 22 February 2022
Retail Entitlement Offer opens	Tuesday, 22 February 2022 (9:00am NZT)
Retail Entitlement Offer closes	Friday, 11 March 2022 (7:00pm NZT)
Announcement of results of Retail Entitlement Offer	Tuesday, 15 March 2022
Allotment of shares	Friday, 18 March 2022
Commencement of trading of new shares on NZX	Friday, 18 March 2022

Key risks

Key Risks

This Section sets out the key risks NZX has identified relating to an investment in the New Shares under the Offer. These risks may affect NZX's future operating and financial performance and position of NZX and the value of the New Shares and NZX's existing ordinary shares. This Section does not (and does not purport to) set out all of the key risks related to an investment in NZX, its business or general market or industry risks. Before deciding whether to invest in New Shares, you must make your own assessment of the risks associated with an investment in NZX and consider whether such an investment is suitable for you having regard to publicly available information (including in this presentation), your personal circumstances and following consultation with a financial or other professional adviser.

Risk	Details
Acquisition risks relating to GDT and ASB SMT	*Global Dairy Trade Limited acquisition (**GDT**)* NZX has signed a commercial term sheet to acquire a 33.3% stake in GDT from Fonterra, along with EEX. The next step is to negotiate the agreement of binding transaction documentation. The transaction is also subject to clearance from any relevant competition law authorities (including European). There is a risk the transaction does not complete. If the GDT transaction does not complete, NZX would retain the equity raised from this Offer to provide balance sheet capacity to support continued investment across NZX's growth platforms and provide flexibility to explore other potential growth opportunities which may arise. *ASB Superannuation Master Trust Acquisition (**ASB SMT**)* NZX completed the acquisition of the management rights of ASB SMT on 11 February 2022. NZX is proceeding with post acquisition integration of ASB SMT with NZX. Integration is expected to occur in several phases over a 15-month period with costs of \$0.8-\$1.6m. There is a risk that this integration could take longer or cost more than expected.

Key Risks

Risk	Details
Clearing House Risk	New Zealand Clearing and Depository Corporation Limited (NZCL or Clearing House) is a subsidiary of NZX and is the central counterparty to trades occurring on NZX's markets. Trades that enter the Clearing House are immediately novated with the clearing participants such that the Clearing House becomes the buyer to every sell trade and the seller to every buy trade. As the buy and sell settlements resulting from all transactions that are novated to the Clearing House offset each other, the Group is not directly exposed to price movements in the underlying equities or derivatives, unless a clearing participant defaults. On the equity market, for the period between trade date and settlement date, the Clearing House is exposed to credit risk as a clearing participant may become unable to meet its obligations to the Clearing House, for example if it became insolvent. If a buying participant fails to pay, the Clearing House must still meet its obligations to buy the financial products from the selling participant. In these circumstances, the Clearing House is subject to market price risk on the financial products acquired as if the price of the financial products falls, the Clearing House may incur a loss on the disposal of those financial products. In addition, the Clearing House also faces liquidity risk, as it may be unable to realise sufficient cash on the scheduled settlement date to pay for the financial products it is acquiring. Where the defaulting participant has outstanding sell trades to settle, the Clearing House will purchase those financial products in order to deliver them to the buying participant. In so doing, the Clearing House is again exposed to market and liquidity risk. NZX manages Clearing House risk to ensure the market remains operational in the occurrence of a ‘extreme but plausible’ market event. The way in which NZX manages Clearing House credit risk, liquidity risk and market risk are summarised in the financial statements (see note 23g in the FY2021 annual report). Further information on the key risk management measures are available on https://www.nzx.com/services/nzx-clearing/the-role-of-nzx-clearing. There remains a risk that an extreme ‘black swan’ market event could result in the loss of risk capital or the need to recapitalise the Clearing House. If market practices change (for example large users of over the counter (OTC) or exchange traded derivatives become direct clearing participants) more clearing capacity and an associated increase in the level of capital NZCL needs to hold would be required. The completion of the Financial Markets Infrastructures Act 2021 process in 2022 may lead to additional regulatory compliance burdens on NZCL and associated cost.

Key Risks

Risk	Details
Business continuity risk	• Cyber and IT: NZX is subject to the risk of cyber attacks and risks relating to its IT systems. IT and cyber security risks arise when the technology is not reliable or available and/or does not operate accurately. The technology environment must also be secure and resilient to external cyber threats, which are evolving at an ever-increasing pace. The technology environment is also dependent on other capital markets participants. Upgrades and enhancements are constantly required. In response to the 2020 dedicated denial of service attacks against NZX, NZX has focused on increasing trading and clearing system capacity, improving security and resilience, and maintaining stability of its market platforms. Due to the rapidly evolving cyber threat-scape there remains a risk NZX may be subject to further cyber-attacks in the future. If a cyber attack is successful or there is another IT event, this could affect NZX's ability to operate its markets without disruption, to provide data and/or other services to customers (such as those through Smartshares or the Wealth Technologies business operates), cause reputational damage to NZX, affect NZX's regulatory compliance position and lead NZX to incur costs to remedy and mitigate these effects. • Personnel Risk: NZX requires highly specialised and skilled staff to perform many of its core business functions. There is a risk that sufficient staff are not available to perform key activities. The availability of skilled staff is challenged by a constrained labour market and ongoing restrictions on bringing in international talent due to the COVID-19 border restrictions. To mitigate this risk, NZX has succession plans in place and all key roles are currently staffed. • Natural Disaster Risk: NZX is primarily located in central Wellington and exposed to earthquake risks. NZX has detailed business continuity plans in place to respond to a natural disaster. In a large-scale disaster where large portions of the national power grid are down NZX's ability to operate its markets without disruption, provide data, and/or to provide services to customers of Smartshares or the Wealth Technologies business. • COVID Risk: NZX has detailed COVID response plans in place and has operated throughout the pandemic to date. However, there remains a risk that a COVID-19 outbreak could impact on the availability of key staff and the effective operation of NZX's markets.
Regulatory, legal and compliance risk	NZX operates in a highly regulated environment and is subject to extensive regulation and oversight. NZX’s operations must comply with various license obligations and requirements (for example, NZX’s licensed market operator license and Smartshares’ Managed Investment Scheme manager license). NZX has extensive controls in place to ensure compliance with all regulatory and legislative requirements. There remains a risk that NZX breaches its compliance, legal and ethical conduct obligations leading to reputational damage, adverse regulatory outcomes, fines or breach of contract.

Risks Relating to the Equity Raising (continued)

Risk	Details
Financial risks	NZX regularly monitors and assesses financial risks and has in place a governance and control framework to mitigate these risks. Financial risks can arise through various sources including: • General market risk (including the macro-economic environment, geopolitical risks etc) – adverse market movements could result in lower numbers of listed issuers, less listing and capital raisings, lower levels of trading activity, market capitalisation declines. These could impact NZX's revenues and in extreme circumstances impair NZX's goodwill and intangible assets. Market capitalisation declines would also negatively impact the revenues of the Smartshares and Wealth Technologies businesses, where services are predominantly charged based on the value of funds under management or administration; • Long-term contracts – NZX has long term contracts to operate markets for the Electricity Authority, Fonterra, the Ministry for the Environment, Wealth Technologies clients and Smartshares institutional clients. There is financial risk arising from either a breach of contractual requirements, adverse impacts from price negotiations, unexpected withdrawal of FUM or FUA from early termination of contracts, or failure to renew or extend a contract; • Labour market pressures – financial risks arise through wage inflation and vacancy rates, which is driven by the current highly competitive and the tightening labour market; and • Insurance risk – NZX maintains insurance coverage to levels that NZX believes are appropriate, however not all risks are insurable or insured due to availability of insurance market capability and capacity (for example cyber risks). The significant occurrence of a financial risk could have a material adverse impact on NZX's operating earnings, net profit after tax and dividend levels.
Risks associated with renouncement entitlements under the Offer	Investors under the Offer should be aware that the market price of NZX shares may rise and fall over the entitlement trading period. If you renounce your entitlement, there is no guarantee that you will receive any value for your renounced entitlement through the bookbuild processes. The ability to sell entitlements under the bookbuilds will depend on market conditions and the bookbuild price may not necessarily be the highest price available, but will be determined having regard to factors including having bona fide binding offers which, in the reasonable opinion of the underwriter, will, if accepted result in otherwise acceptable allocations to clear the entire book.

Final Dividend and 2022 Earnings Guidance

New Zealand's Exchange
Te Paehoko O Aotearoa

Final Dividend

2022 Earnings Guidance

Final Dividend

- The Board has declared a fully imputed final dividend of 3.1 cents per share
- Dividend to be paid on 10 March 2022 to shareholders registered as at the record date of 24 February 2022
- New shares issued under the equity raising announced today will be issued after the record date, and hence not be entitled to the 2021 final dividend
- Total dividends for the 2021 financial year are 6.1 cents per share fully imputed

Fully imputed dividends (CPS)	FY 2021	FY 2020
Interim dividend	3.0	3.0
Final dividend	3.1	3.1
Total dividends	**6.1**	6.1

Dividend Policy

- The policy is to pay between 80% to 110% of adjusted Net Profit After Tax over time, subject to maintaining a prudent level of capital to meet regulatory requirements
- Adjustments include reversing the impact of intangible asset impairments (if any)

Dividend reinvestment plan suspended

- The dividend reinvestment plan will temporarily be suspended in respect of the 2021 final dividend, given the equity raising. It is expected to be reinstated and operate for the 2022 interim dividend

2022 Earnings Guidance

The Board notes the increased market volatility from the start of the year, and a general tightening in financial conditions, accordingly we have conservatively positioned our expectations for the full year 2022 Operating Earnings (EBITDA) to be in the range of **$33.5 million to $38.0 million**, with the intent to review this range as the year progresses

The guidance is subject to market outcomes, particularly with respect to market capitalisation, total capital listed and raised, secondary market value and derivatives volumes traded, funds under management and administration growth, acquisition related integration costs and technology costs

Additionally, this guidance assumes no material adverse events, significant one-off expenses, major accounting adjustments, other unforeseeable circumstances, or future acquisitions or divestments. This guidance should be read together with and subject to the risks in the 'Key Risks' section on slide 45

The next slides shows the KPI assumptions in arriving at the Earnings Guidance

The Earnings Guidance excludes the expected impact of the GDT investment as this is recognised as "share of profit of an associate" (i.e. after Operating Earnings)

Notes:

1 Operating earnings (EBITDA) is not a defined performance measure in NZ IFRS. The Group's definition of operating earnings may not be comparable with similarly titled performance measures and disclosures by other entities.

2022 what Success looks like

We remain on track to deliver on our 2023 targets

		External dependencies	2022 Targets		Five-year aspirational target range (2023) [3]	
					LOW	HIGH
NZX Group	Total shareholder return (%) [1]	Dependent on external factors outlined below			TSR average of 9.29% to 11.29% p.a. by December 2022	
	Earnings per share [1]	Dependent on external factors outlined below			EPS average of 8% to 16% p.a. by December 2022	
	Operating Earnings [2]	See earnings guidance	$33.5 - $38.0 million		$42 million	$54 million
Grow Markets						
- Capital Markets Origination	Capital listed and raised (total primary and secondary capital issued or raised for equity, funds and debt)	• Listing ecosystem is dependent on other market participants • No major market correction	$14.8 billion		Three year rolling average: $11 billion	Three year rolling average: $12 billion
- Secondary Markets	Total value traded	• Participant activity levels drive value traded • No major market correction	$52.5 billion		$42.5 billion	$45.0 billion
	Dairy derivatives lots traded	• Participant activity levels and dairy market price volatility drive lots traded	0.45 - 0.55 million lots		0.85 million lots	1.4 million lots
- Data & Insights	Revenue growth (in subscriptions, licences and dairy subscriptions)	• Dependent on markets growth	Average revenue growth: 6.5%		Three year rolling average revenue growth: 2.0%	Three year rolling average revenue growth: 4.2%
Funds Management (Smartshares)	Total funds under management	• Investment market returns • No major market correction	Average FUM growth: 14% (excluding acquired FUM)		FUM December 2023: $5.0 billion	FUM December 2023: $5.75 billion
Wealth Technologies	Total funds under administration	• Investment market returns • No major market correction	Migrate new clients and OE clients onto the platform		FUA December 2023: $35 billion	FUA December 2023: $50 billion

Notes:
1 Consistent with CEO Long Term Incentive Plan (2018), see share based payments note in the financial statements for more information.
2 Operating earnings is not a defined performance measure in NZ IFRS. The Group's definition of operating earnings may not be comparable with similarly titled performance measures and disclosures by other entities.
3 The five year aspirational target range (2023) as presented in previous Investor Presentations are not financial forecasts.
4 Additionally, NZX's business is subject to inherent risks and uncertainties, including the 'Key Risks' outlined on slide 45.

Questions?

Appendices

Appendix 1: Segmental Analysis

Operating Earnings By Business Unit

2021 $000	Capital Markets Origination[1]	Secondary Markets[1]	Data & Insights[1]	Markets Sub-total	Funds Management[2]	Wealth Technologies[3]	Corporate Services[4]	NZX Commercial Operations Sub-total	Regulation (NZ RegCo)[5]	NZX Group Total
Operating revenue	15,815	27,747	17,453	61,015	18,838	4,397	85	84,335	3,620	87,955
Operating expenses (excl. acquisition costs)				(18,648)	(9,648)	(4,013)	(16,454)	(48,763)	(3,413)	(52,176)
Operating earnings[6] (excl. acquisition costs)				**42,367**	**9,190**	**384**	**(16,369)**	**35,572**	**207**	**35,779**
Acquisition costs				-	(1,352)	-	-	(1,352)	-	(1,352)
Operating earnings				**42,367**	**7,838**	**384**	**(16,369)**	**34,220**	**207**	**34,427**
FTEs				81.9	68.4	65.8	59.3	275.4	17.3	292.7
Operating margin (excl. acquisition costs)				**69.4%**	**48.8%**	**8.7%**	**N/A**	**42.2%**	**N/A**	**40.7%**

2020 $000	Capital Markets Origination	Secondary Markets	Data & Insights	Markets Sub-total	Funds Management	Wealth Technologies	Corporate Services	NZX Commercial Operations Sub-total	Regulation	NZX Group Total
Operating revenue	15,192	27,343	16,146	58,681	13,669	2,425	205	74,980	3,446	78,426
Operating expenses				(15,451)	(8,071)	(2,689)	(14,594)	(41,085)	(3,225)	(44,030)
Operating earnings				**43,230**	**5,598**	**(264)**	**(14,389)**	**34,175**	**221**	**34,396**
FTEs				75.4	52.8	55.7	55.9	239.8	17.5	257.3
Operating margin				**73.7%**	**41.0%**	**(10.9%)**	**N/A**	**45.6%**	**N/A**	**43.9%**

Notes:

1 Markets is the integrated business that supports the growth of NZ capital markets with the revenue generating BUs being:

- Capital Markets Origination – provider of issuer services for current and prospective customers;
- Secondary Markets – provider of trading and post-trade services for securities and derivatives markets operated by NZX, as well as the provider of a central securities depository and Market operator for Fonterra Co-Operative Group, the Electricity Authority and the Ministry for the Environment; and
- Data & Insights – provider of data services for the securities and derivatives markets, and analytics for New Zealand's dairy sector.

Additionally, the Markets business cost base includes the IT costs specific to providing NZ capital markets services.

2 Funds Management (Smartshares Limited) – comprises the SuperLife superannuation and KiwiSaver products and Smartshares Exchange Traded Funds

3 Wealth Technologies (NZX Wealth Technologies Limited) – provides a platform that enables advisers and brokers to manage client investments

4 Regulation (NZX Regulation Limited – is the independently-governed agency which performs all of NZX's frontline regulatory functions, this ensures structural separation of the Group's commercial and regulatory roles.

5 Corporate Services provides accommodation, legal, accounting, IT, HR and communications and marketing support to the other business units and subsidiaries. Related costs are currently not recharged to the commercial business units and subsidiaries (other than NZ RegCo)

6 Operating earnings (EBITDA) is not a defined performance measure in NZ IFRS. The Group's definition of operating earnings may not be comparable with similarly titled performance measures and disclosures by other entities.

Appendix 1: Markets – Capital Markets Origination

Tasked with creating a compelling and attractive proposition for our current and prospective equity, fund and debt customers

Strategic metrics	2021	2020	Change Fav/(unfav)
Equity market capitalisation	$182.238 billion	$185.495 billion	(1.8)%
Funds market capitalisation	$7.999 billion	$6.237 billion	28.3%
Debt market capitalisation	$44.408 billion	$40.984 billion	8.4%
Total Market Capitalisation	$234.645 billion	$232.716 billion	0.9%
Primary capital listed and raised	$10.749 billion	$5.981 billion	79.7%
Secondary capital raised	$9.019 billion	$11.649 billion	(22.6)%
Total capital listed and raised	$19.768 billion	$17.630 billion	12.1%

Operating Revenue	2021 $000	2020 $000	Change Fav/(unfav)
Annual listing fees (net of internal revenue allocation)	10,125	9,715	4.2%
Primary listing fees	1,950	1,108	76.0%
Secondary issuance fees	3,740	4,369	(14.4)%
Total operating revenue	**15,815**	**15,192**	**4.1%**

Highlights

- Total capital (primary and secondary) listed and raised $19.8 billion
- 10 new equity and debt issuers during the year were:
  - IPO - My Food Bag Limited (MFB) and Winton Land Limited (WIN);
  - Debt IPO – Arvida Group Limited (ARV);
  - Direct Listings – Third Age Health Services Limited (TAH), NZ Automotive Investments Limited (NZA), Greenfern Industries Limited (GFI) and Trade Window Holdings Limited (TWL); and
  - Foreign Exempt Listing – DGL Group Limited (DGC), Vulcan Steel Limited (VSL) and Ventia Services Group (VNT)

Highlights (continued)

- Plus 21 new debt issues from existing issuers including:
  - Green Bonds – Mercury NZ $200 million (supporting NZ’s transition to a low emissions future), PPNZ $150 million (to finance or refinance energy efficient buildings) and Kiwi Property $150 million added to their green bond programme and Auckland Council $300 million allocated in accordance with the Council’s Sustainable Finance Framework;
  - Other sustainable and ethical investment capital raised included Housing New Zealand (Kāinga Ora) issuing a further 2028 Wellbeing bonds ($600m) to support the development of good quality, affordable housing. Christchurch City Holdings Limited also issued their first sustainable bond ($150m) for projects with positive environmental and/or social outcomes. Additionally, Metlifecare launched a Sustainable Finance Programme and designated their MET010 bonds as sustainability bonds from October 2021.
- Team very active contacting new companies and engaging with the ecosystem across investment banks, law firms, accounting firms, private equity and sponsorship partners to drive new listings opportunities
- A number of “Listing your company” and “Raising capital in New Zealand” events are scheduled for 2022, with partners including NZTE, ASB and Syndex

Operating revenue

- The Annual listing fee year runs from 1 July to 30 June, with fees based on:
  - H1-21 fees are based on market capitalisation at 31 May 2020; and
  - H2-21 fees are based on market capitalisation at 31 May 2021
- Annual listing fees have been positively impacted by the growth in both equity market capitalisation and the value of debt instruments
- Primary listing fees driven by increased levels of equity and retail debt listings
- Secondary listing fees driven by lower levels of equity recapitalisations and retailed debt issuances

Appendix 1: Markets – Secondary Markets

Tasked with driving secondary market development across all markets and managing participant relationships, and delivering on our contracted service provider offerings

Strategic metrics	2021	2020	Change Fav/(unfav)
Number of trades	15.43 million	12.11 million	27.4%
Total value traded	$52.4 billion	$53.7 billion	(2.4)%
Percentage of value on-market	62.1%	62.0%	0.2%
Depository assets under custody	$6,358 million	$4,790 million	32.7%
Dairy derivatives lots traded	305,937	360,887	(15.2)%
Number of participants	32	34	(5.9)%
Operating Revenue	**2021 $000**	2020 $000	**Change Fav/(unfav)**
Participant services revenue (net of internal revenue allocation)	600	738	(18.7)%
Securities trading revenue	5,208	5,532	(5.9)%
Securities clearing revenue	8,148	8,746	(6.8)%
Dairy derivatives revenue	1,241	1,305	(4.9)%
Consulting and development revenue	2,914	2,143	36.0%
Contractual revenue	9,636	8,879	8.5%
Total operating revenue	**27,747**	**27,343**	**1.5%**

Highlights

- Value traded $52.4 billion with record on-market trading activity 62.1% and record number of trades at 15.4 million for the period
- The total number of Trading, Clearing, Depository and Sponsor Participants has reduced by 2 since December 2020. NZX saw the resignation of Tiger Brokers (NZ) Limited and the amalgamation of OM Financial Limited into Jarden Securities Limited
- BNP Paribas is expected to become a General Clearing Participant by mid 2022
- NZX Clearing consultation on Recovery and Resolution planning continues

Highlights (continued)

- New trading system went live in August 2021, ensuring NZX Trading architecture is fit for purpose and delivers the ability to provide further increased trade reporting functionality (including Self-Match Prevention (SMP) functionality and Negative Yield Trading in NZX Debt products) and introduces new message protocols to enhance accessibility
- NZX DARK development (i.e. an anonymous, unlit order book that executes trades at the mid-point of the exchanges central limit order book) continues with the market with a target launch in 2023.
- NZX Depository business continues to grow with an increased value of assets under custody (+32.7%) and number of OTC transactions (+2.9%).
- Dairy derivatives – the global partnership to grow NZX's dairy derivatives market with the Singapore Exchange (SGX) went live in late November. Lots traded in the first month of the partnership structure were up by 31.9% YoY with 77% of volume traded on screen
- Energy – successfully launched a carbon managed auction service in partnership with the European Energy Exchange (EEX)
- Energy – the Real Time Pricing multi year project continues to achieve milestones

Operating revenue

- Participant services revenue relates to the reduced number of market participants (from 34 to 32; with the resignation of Tiger Brokers (NZ) Limited) and the amalgamation of OM Financial Limited into Jarden Securities Limited)
- Securities trading revenue has been adversely impacted by the lower traded value as well as uncharged value traded (mainly caused by large index rebalance trading days where fees on value traded exceeds the fee cap), which has increased to 10.1% (2020: 7.5%)
- Securities clearing revenue has been negatively impacted by the lower cleared value as well as lower levels of clearing margin and clearing penalties, partially offset by higher levels and OTC settlement / registry messaging fees
- Dairy derivatives revenue has been adversely impacted by lower lots traded, which have been impacted by the low volatility of GDT prices during the period, and with ongoing COVID travel restrictions continuing to inhibit global marketing and events activity
- Contractual revenue in line with long term contracts with the Electricity Authority, Fonterra and the carbon managed auction service for the Ministry for the Environment
- Consulting and development revenue is being earned through enhancements to the electricity market systems, including the multi year market real time pricing project. Additionally, the development of the carbon managed auction service for the Ministry for the Environment was completed in 2021 ($0.9m non- recurring revenue)

Appendix 1: Markets – Data & Insights

Tasked with growing existing data revenues and turning raw data into insights that supports growth in all markets

Strategic metrics	2021	2020	Change Fav/(unfav)
Terminal numbers – professional (3 month average)	6,867	6,214	10.5%
Terminal numbers – retail (3 month average)	1,820	2,506	(27.4)%
Licences	137	130	5.4%
Proprietary security products subscriptions	309	310	(0.3)%
Dairy data products subscriptions	445	474	(6.1)%
Operating Revenue	**2021 $000**	2020 $000	**Change Fav/(unfav)**
Royalties from terminals	7,402	6,539	13.2%
Subscriptions and licences	4,613	4,517	2.1%
Dairy data subscriptions	616	607	1.5%
Indices	1,021	1,042	(2.0)%
Audit and back dated licences	1,238	1,068	15.9%
Connectivity	2,563	2,373	8.0%
Total operating revenue	**17,453**	**16,146**	**8.1%**

Highlights

- Recurring revenue (i.e. excluding audit and back dated licenses revenue) increased 7.5% driven by:
  - Royalty revenue growth of 13.2% is a mix of professional terminals (higher value - increased 10.5%) and retail terminals (lower value - decreased 27.4% from their 2020 COVID initial lockdown peak)
  - Subscription and licences revenue growth of 2.1% reflects continued growth in non-display applications and ability to capture licence revenue streams post audit (resulting in increased license numbers)
  - Connectivity revenue reflects changing client connectivity requirements
- Audit activity continues to be high, driving the high level of one off audit and back dated licencing revenue
- Carbon Efficiency Indices launched, in conjunction with S&P
- Wide area network upgrade completed during the year providing increased bandwidth and remote monitoring capability

Operating revenue

- Royalties from terminals revenue increase relates to higher value professional terminal numbers increasing, partially offset by the lower value retail terminal numbers dropping post their peak during the 2020 COVID initial lockdown
- Subscriptions and licences revenue increase reflects the continued growth in clients' data usage and ability to capture licence revenue streams post audit (resulting in increased higher value license numbers)
- Dairy subscription revenue has stabilised after a churn period of dairy subscriptions post disposal of the agri-businesses
- Indices revenue growth has flattened with no additional index data clients during the year
- Audit and back dated licencing revenue of $1,238k (2020: $1,068k) continues to be high due to high levels of audit activity; activity levels are expected to tail off over the coming years
- Connectivity revenue has increased in line with ensuring market participants and data vendors are connected to a higher standard of performance and resilience

Appendix 1: Markets

An integrated business that supports the growth of NZ capital markets

Operating Earnings	2021 $000	2020 $000	Change Fav/(unfav)
Operating revenue			
Capital Markets Origination	15,815	15,192	4.1%
Secondary Markets	27,747	27,343	1.5%
Data & Insights	17,453	16,146	8.1%
Total operating revenue	**61,015**	**58,681**	**4.0%**
Operating expenses			
Gross personnel costs	11,051	9,739	(13.5)%
Less capitalised labour	(518)	(396)	30.8%
Personnel costs	10,533	9,343	(12.7)%
Information technology costs	5,450	4,607	(18.3)%
Professional fees	1,727	885	(95.1)%
Marketing	712	527	(35.1)%
Other expenses	425	242	(75.9)%
Capitalised overhead	(200)	(153)	30.8%
Total operating expenses	**18,648**	15,451	(20.7)%
Operating earnings	**42,367**	43,230	(2.0)%
FTEs (at 31 December)	81.9	75.4	(8.6)%

Operating expenses

Headcount movements, other than changes in vacancies, include additional roles:

- Securities IT team additional resources to deliver technology solutions to increase trading and clearing system capacity and resilience, and maintain market stability;
- Capital Markets Origination additional sales role focused on origination, with active pipeline development and conversion;
- Secondary Markets product resource to support growth in the depository business and the dairy derivative business; and
- Energy contractors delivering increased levels of consulting and development revenue including the electricity market real time pricing project and the carbon managed auction service

Operating expenses (continued)

- Personnel costs reflect the additional headcount, wage inflation, lower levels of annual leave taken and a high level of recruitment costs
- Capitalised labour levels were higher than last year as the new trading system went live during the year
- Information technology costs are higher due to:
  - Energy Carbon Market – have been using third party specialist support to assist with the development and ongoing support of the carbon managed auction service for the Ministry for the Environment;
  - Energy Electricity Market – have been using third party specialist support to assist with the increased level of development (which is generating additional consulting and development revenue);
  - Trading and clearing system – costs are impacted by movements in FX rates and contractual inflation rates;
  - Data & Insights IT – increased costs in software licences associated with the delivery of customer management data platforms; and
  - Dairy derivatives – NZX's share of IT costs under the SGX strategic partnership
- Professional fees relate to:
  - annual assurance program – including audit fees (e.g. Clearing House annual operations audit), tax advice; energy audit obligations under Electricity Authority contract (e.g. Energy Pricing Manager review and Energy Reconciliations Manager review in the current year);
  - royalty audit fees $340k (2020 $236k) – which are charged as a proportion of the royalty audit receipts. Royalty audit receipts and audit fees are recognised on a gross basis;
  - set up costs for the dairy derivatives partnership with SGX, and for the development of the new carbon managed auction service for the Ministry for the Environment; and
  - EEX ongoing royalty fees relating to the carbon managed auction service
- Marketing costs – the marketing focus has increased for the Capital Markets Origination team and includes increased membership of various industry groups to identify listing pipeline opportunities and marketing of the exchange.
- Other expenses include travel and non-recoverable GST costs which are higher than last year

Appendix 1: Smartshares

This business comprises the SuperLife superannuation and KiwiSaver products and Smartshares Exchange Traded Funds

Strategic metrics	2021	2020	Change Fav/(unfav)
Net cash flow	$1,011 million	$803 million	26.0%
Fund Under Management (external FUM)	$6.540 billion	$5.078 billion	28.8%

Operating Earnings	2021 $000	2020 $000	Change Fav/(unfav)
Operating revenue			
FUM based revenue (net of fund related expenses)	16,232	11,881	36.6%
Member based revenue	2,120	1,269	67.1%
Other revenue	486	519	(6.4)%
Total operating revenue (net of fund related expenses)	**18,838**	**13,669**	**37.8%**
Operating expenses			
Gross personnel costs	7,112	5,885	(20.8)%
Less capitalised labour	(334)	(281)	18.9%
Personnel costs	6,778	5,604	(20.9)%
Information technology costs	1,035	271	(281.9)%
Professional fees	615	1,244	50.6%
Marketing	601	419	(43.4)%
Other expenses	749	630	(18.9)%
Capitalised overhead	(130)	(97)	34.0%
Total operating expense (excl. acquisition costs)	**9,648**	**8,071**	**(19.5)%**
Operating earnings (excl. acquisition costs)	**9,190**	**5,598**	**64.2%**
Acquisition costs	1,352	-	N/A
Operating earnings	**7,838**	**5,598**	**40.0%**
FTEs (at 31 December)	68.4	52.8	(29.5)%

Highlights

- Operating Earnings (excluding acquisition costs) increased to $9.2m (+64.2%)
- Continued growth in member numbers / unitholders, positive cash flows ($1,011m – including KiwiSaver Default Scheme transfers of approx. $385m) and Funds Under Management (FUM) to $6.54b
- KiwiSaver Default provider status from December, including the implementation of new digital tools implementing transformational customer service change to a more automated environment
- Transitional Financial Advice Provider licence obtained during the year
- Continued maturing of the operations, particularly IT with Bloomberg implemented for ETF Basket Creation/Redemption (BSKT) and order management (AIM)
- Asian Regional Fund Passport (ARFP) application was approved by the FMA in January 2022, allowing simpler access to large pools of retail investors in Australia, Japan, Thailand and Korea
- ASB Superannuation Master Trust – the acquisition of the management rights (which includes approx. 17k members and over $1.8 billion FUM) completed on 11 February 2022

Operating revenue

- FUM based revenue positively impacted by higher average FUM +37.0% (2021: $5.693b, 2020: $4.155b) over the year which is a combination of market returns and positive net cash flows
- Member based revenue has increased, reflecting a mix of increased investor numbers, a reduction in some annual admin fees charged to members effective from 1 April 2021, and the prior year including a historical pricing provision ($748k)
- Other revenue is slightly down on the prior year, having been impacted by the low OCR rate, partially offset by higher levels of stock lending

Operating expenses

- Headcount changes include additional sales and customer services resources to support client and FUM growth (including the new KiwiSaver Default Scheme), as well as project resources for the ASB Superannuation Master Trust management rights acquisition
- Personnel costs reflect the additional headcount , wage inflation, lower levels of annual leave taken and and a high level of recruitment costs, partly offset by a higher level of capitalised labour
- Information Technology costs reflect a full year of the Bloomberg AIM and BSKT costs (front and middle office operating system) which was implemented in late 2020, as well as costs relating to the new KiwiSaver Default Scheme
- Professional fees includes the costs associated with setting up the KiwiSaver Default Scheme
- Marketing spend relates to advertising, printing and distribution costs
- Other expenses include the FMA Levies (which has increased as FUM is >$5b) and MBIE costs for lodging Product Disclosure Statement, as well as travel and non-recoverable GST
- Acquisition costs relate to the due diligence and transaction costs associated with the ASB Superannuation Master Trust acquisition

Appendix 1: Wealth Technologies

This business is a platform that enables advisers and brokers to manage client investments

Strategic metrics	2021	2020	Change Fav/(unfav)
Funds Under Administration (FUA)	11.022 billion	7.197 billion	53.2%
Operating Earnings	**2021 $000**	2020 $000	**Change Fav/(unfav)**
Operating revenue			
Administration (FUA based) fees	4,148	2,025	104.8%
Development fees / deferred income release	249	400	(37.8)%
Total operating revenue	**4,397**	**2,425**	**81.3%**
Operating expenses			
Gross personnel costs	8,964	7,607	(17.8)%
Less capitalised labour	(5,415)	(4,952)	9.3%
Personnel costs	3,549	2,655	(33.7)%
Information technology costs	1,064	701	(51.8)%
Professional fees	145	169	14.2%
Marketing	4	4	0.0%
Other expenses	334	150	(122.7)%
Capitalised overhead	(1,083)	(990)	9.4%
Total operating expenses	**4,013**	**2,689**	**(49.2)%**
Operating earnings	**384**	**(264)**	**245.5%**
FTEs (at 31 December)	**65.8**	55.7	(18.1)%

Highlights

- The 3 new clients on-boarded in 2021 have been strongly supported, with their platform operations now firmly established
- A significant adviser group has transitioned off the OE (legacy) platform on to the new platform in 2021 and we expect all others to be migrated in 2022
- Pipeline for 2022 looks strong, with another significant client onboarding project underway and expected to complete 2022
- Enhanced structure and increased resourcing to enable strong operational excellence while continuing aggressive growth trajectory

Operating revenue

- Administration (FUA based) fees driven by:
  - New platform – new clients FUA migrated onto the platform over the last 2 years; and
  - OE (legacy) platform – one client migrated to the new platform, otherwise customer numbers are unchanged, with 3% growth in FUA
- Development fees/deferred income release relates to customisation of the wealth management platform or data migration effort specific to client requirements.

Operating expenses

- Headcount is dependent at any point in time on:
  - the levels of platform investment (including migration activity) required for current and future clients, and
  - operational services provided to current clients

  The headcount has been increasing as new clients either have been or are in the process of being migrated to the platform. This is expected to continue as future new clients are won
- Personnel costs (net of capitalisation) have increased reflecting sales activity, additional client facing, onboarding and technical staff for new clients. As well as wage inflation, lower levels of annual leave taken and higher recruitment costs
- Capitalised labour $5.41m (2020: $4.95m) and capitalised overhead $1.08m (2020: $0.99m) reflects continued development and new client migration activity
- Information Technology cost increases are due to additional data hosting, data feeds and software licensing costs relating to new clients
- Professional fees include legal fees, taxation advice and internal control reviews (e.g. ISAE 3402). In 2020, there was a greater level of legal advice on contracts with new clients
- Other expenses include office costs (e.g. electricity, rates, stationery etc), travel, compliance costs and non recoverable GST

Appendix 1: Corporate Services

This function provides Accommodation, finance, HR, legal, IT and communications and marketing support to the business

Operating Earnings	2021 $000	2020 $000	Change Fav/(unfav)
Operating revenue			
Sublease revenue	-	142	(100.0)%
Other revenue	85	63	(34.9)%
Total operating revenue	**85**	**205**	**(58.5)%**
Operating expenses			
Gross personnel costs	10,463	8,596	(21.7)%
Less capitalised labour	(352)	(292)	20.6%
Personnel costs	10,111	8,304	(21.8)%
Information technology costs	4,012	3,534	(13.5)%
Professional fees	837	1,115	24.9%
Marketing	71	100	29.0%
Other expenses	2,350	2,348	(0.1)%
Capitalised overhead	(140)	(116)	20.9%
Internal allocation to Regulation	(786)	(692)	13.6%
Total operating expenses	**16,454**	**14,594**	**(12.8)%**
Operating earnings	**(16,369)**	**(14,389)**	**(13.8)%**
FTEs (at 31 December)	59.3	55.9	(6.1)%

Corporate Services provides accommodation, legal, accounting, IT, HR and communications and marketing support to all business units and subsidiaries (including the Funds Management and Wealth Technologies businesses). Related costs are currently not recharged to the commercial business units and subsidiaries

Highlights

- Completed the implementation the FMA Action plan from their NZX Market Operator Obligations Targeted Review. This is driven an uplift in personnel costs and IT costs (both recurring and non-recurring) as we enhance NZX's maturity / capabilities and interactions with the Capital Markets ecosystem participants
- Continued focus on fitness and automation, for example our Network Transformation project's VPN security optimisation, and developing our API capabilities

Operating revenue

- Revenue relates to commission fees on Kaplan NZX related courses, the sublease of spare office space (ceased June 2020) and NZX.com advertising revenue (ceased May 2020)

Operating expenses

- Headcount changes include additional IT development, project, legal, HR and communications resources to support the growth across the business and current elevated levels of project activity, including to address the FMA Action plan from their NZX Market Operator Obligations Targeted Review
- Personnel costs reflect the additional headcount, wage inflation, lower levels of annual leave taken and a high level of recruitment costs
- Capitalised labour levels have been reverted to normal levels for the project management team (with 2020 having been impacted by the COVID lockdown period)
- Corporate IT cost increases relate to additional license costs to improve IT resilience relating to NZX's clearing and settlement system (BaNCS), plus the modification and strengthening of existing security services and the implementation of additional cyber defence capabilities and security services to mitigate the impact of any future cyber attacks

  As a result, the cost base his risen approx. $1.4m over the last couple of years, with additional Security Operation Centre (SOC) implementation costs and security testing costs expected in 2022
- IT costs include project costs for the Network Transformation to strengthen NZX's cyber security
- Professional fees include internal audit fees, annual conflicts review, corporate governance review etc
- Marketing includes the investor relations programme, which has been impacted by COVID travel restriction over the last few years
- Other expenses include premises (other than rent), insurance, directors' fees, travel, external audit costs, outsourced payroll system, corporate memberships, and statutory and compliance costs, net of capitalised overhead

Appendix 1: Regulation (NZ RegCo)

Tasked with performing all of NZX's frontline regulatory functions, resulting in the structural separation of the Group's commercial and regulatory roles

Operating Earnings	2021 $000	2020 $000	Change Fav/(unfav)
Operating revenue			
Issuer compliance services	778	631	23.3%
Participant compliance services	100	157	(36.3)%
Market Conduct	82	96	(14.6)%
Surveillance	773	791	(2.3)%
Listing fees & participants services	1,887	1,771	6.5%
Total operating revenue	**3,620**	**3,446**	**5.0%**
Operating expenses			
Gross personnel costs	2,195	2,188	(0.3)%
Less capitalised labour	(5)	(4)	25.0%
Personnel costs	2,190	2,184	(0.3)%
Information technology costs	192	179	(7.3)%
Professional fees	186	111	(67.6)%
Marketing	1	26	N/A
Other expenses	60	35	(71.4)%
Capitalised overhead	(2)	(2)	0.0%
Internal costs allocation	786	692	(13.6)%
Total operating expenses	**3,413**	**3,225**	**(5.8)%**
Operating earnings	**207**	**221**	**(6.5)%**
FTEs (at 31 December)	17.3	17.5	1.1%

Highlights

- Regulation is structurally separate, in accordance with global best practice, from NZX's commercial and operational activities. Governed by a separate board with an independent Chair and the majority of members independent of the NZX Group.
- NZ RegCo is targeted to operate on a cost-neutral basis. Operating earnings before internal revenue and cost allocations was a loss of $(894)k (2020: $(858)k). NZ RegCo receives an internal allocation of:
  - revenue – relating to NZ RegCo's share, for services provided, of Annual Listing Fees and Annual Participants Fees; and
  - costs – relating to Corporate Services costs i.e. accommodation, legal, accounting, IT, HR and communications and marketing support

  The internal allocations are set at the commencement of the year based on the services expected to be provided by/to NZ RegCo, and are intended to subsidise NZ RegCo to a achieve a break-even operating result over the medium term.

  In 2021 NZ RegCo's level of recoverable fee-based revenue has remained high due to market activity levels. This has resulted in the operating earnings post internal allocations being $207k (2020: $221k)

Operating revenue

- Regulatory services fees (including Issuer Regulation, Market Conduct, Participant Compliance and Surveillance) include revenue for defined services (based on a fee schedule) and revenue for costs awards recovered from enforcement matters referred to the NZ Markets Disciplinary Tribunal. Additionally, there is a revenue allocation of Annual Listing Fees, Annual Participants Fees and internal staff fees from NZX Limited to NZ RegCo

Operating expenses

- Personnel costs are slightly higher, with wage inflation being largely offset by lower average FTEs for the year (i.e. there has been a higher level of vacancies)
- Information technology costs include SMARTS surveillance software costs
- Professional fees primarily relate to NZ RegCo independent directors' fees (commenced mid 2020)
- Other expenses relate to travel costs to perform regulatory services at issuers premises
- Internal costs allocations relate to Corporate Services costs i.e. accommodation, legal, accounting, IT, HR and communications and marketing support

Appendix 2: Operating Revenue Definitions

Capital Markets Origination

Annual listing fees paid by NZX's equity, fund and debt issuers is driven by the number of listed issuers, and equity, debt and fund market capitalisations as at 31 May each year.

Primary listing fees are paid by all issuers at the time of listing. The primary driver of this revenue is the number of new listings and the value of capital listed.

Secondary issuance fees are paid by existing issuers when a company raises additional capital through placements, rights issues, the exercise of options, dividend reinvestment plans, or subsequent debt issues. The primary driver for this revenue is the number of secondary issuances and the value of secondary capital raised.

Data & Insights

Royalties from terminals revenue relate to the provision of markets data for display on terminals (retail and professional).

Subscription and licences revenue relate to the provision of markets data to market participants and stakeholders.

Dairy data subscriptions revenue relate to the sale of dairy data and analytical products.

Indices revenue relates to the revenue generated on index licensing in partnership with S&P.

Connectivity revenue relates to the provision of connectivity and access to the NZX operated markets for market participants and data vendors, which is recognised over the period the service is provided.

Secondary Markets

Participant services revenue is charged to market participants (broking, clearing and advisory firms) that are accredited for NZX's equity, debt and derivatives market.

Securities trading revenue comes from the execution of trades on the equity and debt markets operated by NZX. Trading fees are a variable fee based on the value of the trade.

Securities clearing revenue relates to clearing and settlement activities, and a related depository services undertaken by NZX's subsidiary New Zealand Clearing and Depository Corporation. The largest component is clearing fees, which are based on the value of settled transactions.

Dairy derivatives revenue relates to trading, clearing and settlement fees for trading NZX dairy futures and options. Fees are largely charged in USD (reflecting the global nature of the market) per lot traded.

Contractual revenue arises from the operation of:

- New Zealand's electricity market, under long-term contract from the Electricity Authority;
- the Fonterra Shareholders' Market, under a long term contract from Fonterra; and
- New Zealand's Emissions Trading Scheme managed auction services, under a long term contract from the Ministry for the Environment.

Consulting and Development revenue arises on a time and materials basis for the electricity market and for the implementation of New Zealand's Emissions Trading Scheme managed auction services.

Funds Management (Smartshares)

Funds Under Management based revenue relates to variable Funds Under Management (FUM) fees, which are now received net of fund expenses for all funds. Fund expenses include a combination of fixed costs (principally outsourced fund accounting and administration costs, registry fees and audit fees), and variable costs proportionate to FUM (principally custodian fees, trustee fees, index fees, settlement costs and third party manager fees).

Member based revenue includes fixed membership administration fees and other member services.

Wealth Technologies

Administration (funds under administration based) fees relates to administration fees for the wealth management platforms and are proportionate to Funds Under Administration (FUA).

Development fees/deferred income release relates to customisation of the wealth management platform or data migration effort specific to client requirements.

Regulation (NZ RegCo)

Issuer Regulation services revenue arises from time spent by NZ RegCo reviewing listing and secondary capital raising documents, requests for listing rule waivers and rulings, and other activity subject to per hour recoveries.

Participant Compliance services revenue arises from time spent by NZ RegCo reviewing participant applications and oversight activity subject to direct recoveries.

Market Conduct revenue arises from cost awards for enforcement matters referred to the NZ Markets Disciplinary Tribunal.

Surveillance revenue arises from market surveillance activities that are recoverable from market participants.

Appendix 3: International Offer Restrictions

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside New Zealand except to the extent permitted below.

Australia

This document and the offer of New Shares under the Offer (and this document for the purposes of that offer) are being made in Australia in reliance on the Australian Securities and Investments Commission Corporations (Foreign Rights Issues) Instrument 2015/356 (as modified by an ASIC Instrument granted to NZX on or about 16 February 2022) or otherwise to persons to whom the Offer can be made without a formal disclosure document under Chapter 6D of the Corporations Act 2001 (Cth).

This document is not a prospectus, product disclosure statement or any other formal disclosure document for the purposes of Australian law or the Corporations Act 2001 (Cth) and is not required to, and does not, contain all the information which would be required in a disclosure document under Australian law or the Corporations Act 2001 (Cth). It may contain references to dollar amounts which are not Australian dollars, may contain financial information which is not prepared in accordance with Australian law or practices, may not address risks associated with investment in foreign currency denominated investments and does not address Australian tax issues. NZX is a company which is incorporated in New Zealand and the relationship between it and investors will be largely governed by New Zealand law.

This document has not been, and will not be, lodged or registered with the Australian Securities and Investments Commission or the Australian Securities Exchange and NZX is not subject to the continuous disclosure requirements that apply in Australia.

Prospective investors should not construe anything in this document as legal, business or tax advice nor as financial product advice for the purposes of Chapter 7 of the Corporations Act.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under the SFO. No person allotted New Shares may sell, or offer to sell, or enter into an agreement to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Appendix 3: International Offer Restrictions

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person other than: (i) to an “institutional investor” (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA; or (ii) to an “accredited investor” (as defined in Section 4A of the SFA) pursuant to Section 275(1) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly. These restrictions include but are not limited to that which is explained below.

Where the New Shares are subscribed or purchased under Section 275 by an “accredited investor” (as defined in Section 4A of the SFA) which is:

a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Shares pursuant to an offer made under Section 275 of the SFA except:

to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

where no consideration is or will be given for the transfer;

where the transfer is by operation of law;

as specified in Section 276(7) of the SFA; or

as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), NZX has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the New Shares are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Appendix 3: International Offer Restrictions

Switzerland

The offering of the New Shares in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act (FinSA) because such offering is made to professional clients within the meaning of the FinSA only and the New Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the New Shares.

Neither this document nor any other offering material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to professional clients within the meaning of the FinSA. This document is personal to the recipient and not for general circulation in Switzerland.

United Kingdom

Neither this document nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of Article 6 of the UK version of the Regulation (EU) 2017/1129, as amended, as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented (the "UK Prospectus Regulation")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under Article 3 of the UK Prospectus Regulation. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended (FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to NZX.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together, “relevant persons”). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

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Thank you