



FORM 5A

Rule 5.02(1)

**IN THE SUPREME COURT OF VICTORIA
AT MELBOURNE
COMMERCIAL COURT
GROUP PROCEEDINGS LIST**

Case: S ECI 2021 04403

Filed on: 23/11/2021 04:51 PM

No. S ECI

B E T W E E N

YUE XIAO

Plaintiff

-and-

THE A2 MILK COMPANY LIMITED (ARBN 158 331 965)

Defendant

WRIT

Date of Document:	23 November 2021	Solicitors Code:	106092
Filed on behalf of:	The Plaintiff	DX:	236 Sydney NSW 2000
Prepared by:	Shine Lawyers	Telephone:	(02) 8754 7270
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TO THE DEFENDANT

TAKE NOTICE that this proceeding has been brought against you by the plaintiff for the claim set out in this writ.

IF YOU INTEND TO DEFEND the proceeding, or if you have a claim against the plaintiff which you wish to have taken into account at the trial, **YOU MUST GIVE NOTICE** of your intention by filing an appearance within the proper time for appearance stated below.

YOU OR YOUR SOLICITOR may file the appearance. An appearance is filed by—

- (a) filing a "Notice of Appearance" in the Prothonotary's office, 436 Lonsdale Street, Melbourne, or, where the writ has been filed in the office of a Deputy Prothonotary, in the office of that Deputy Prothonotary; and
- (b) on the day you file the Notice, serving a copy, sealed by the Court, at the plaintiff's address for service, which is set out at the end of this writ.

IF YOU FAIL to file an appearance within the proper time, the plaintiff may **OBTAIN JUDGMENT AGAINST YOU** on the claim without further notice.

***THE PROPER TIME TO FILE AN APPEARANCE** is as follows—

- (a) where you are served with the writ in Victoria, within 10 days after service;
- (b) where you are served with the writ out of Victoria and in another part of Australia, within 21 days after service;
- (c) where you are served with the writ in Papua New Guinea, within 28 days after service;
- (d) where you are served with the writ in New Zealand under Part 2 of the Trans-Tasman Proceedings Act 2010 of the Commonwealth, within 30 working days (within the meaning of that Act) after service or, if a shorter or longer period has been fixed by the Court under section 13(1)(b) of that Act, the period so fixed;
- (e) in any other case, within 42 days after service of the writ.

IF the plaintiff claims a debt only and you pay that debt, namely, \$ and \$ for legal costs to the plaintiff or the plaintiff's solicitor within the proper time for appearance, this proceeding will come to an end. Notwithstanding the payment you may have the costs taxed by the Court.

FILED 23 November 2021

Prothonotary

THIS WRIT is to be served within one year from the date it is filed or within such further period as the Court orders.

**IN THE SUPREME COURT OF VICTORIA
AT MELBOURNE
COMMERCIAL COURT
GROUP PROCEEDINGS LIST**

No. S ECI

BETWEEN

YUE XIAO

Plaintiff

and

THE A2 MILK COMPANY LIMITED (ARBN 158 331 965)

Defendant

STATEMENT OF CLAIM

Date of Document:	23 November 2021	Solicitors Code:	106092
Filed on behalf of:	The Plaintiff	DX:	236 Sydney NSW 2000
Prepared by:	Shine Lawyers	Telephone:	(02) 8754 7270
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NOTE AS TO TERMINOLOGY

- A. In this Statement of Claim, the following conventions are used:
- (i) **FY20, FY21**, etc refer to the financial years ended 30 June 2020, 30 June 2021, etc;
 - (ii) **1H, 2H** refer to the first half and second half of the relevant financial year (1H21 being the six month period ended 31 December 2020, 2H21 being the six month period ended 30 June 2021, etc);
 - (iii) **1Q, 2Q, 3Q, 4Q** refer to the quarters of the relevant financial year (2Q20 being the three month period ended 31 December 2019, 3Q20 being the three-month period ended 31 March 2020, etc.)
- B. All references to currency (including the symbol ‘\$’) are to New Zealand Dollars unless otherwise stated.
- C. The defined terms have been summarised in Annexure C to this Statement of Claim.

PARTIES

Plaintiff and group members

1. Yue Xiao (**Plaintiff**) commences this proceeding as a group proceeding pursuant to Part 4A of the *Supreme Court Act 1986* (Vic) on his own behalf and on behalf of all persons (**Group Members**) who:

- (a) at any time during the period from 19 August 2020 to 9 May 2021 inclusive (**Relevant Period**) held an interest in ordinary shares in the Defendant (**A2M**), being:
- (A) an interest they acquired on the ASX or the NZX before 19 August 2020, and retained until a date after 28 September 2020 (such interest being **Pre-Period Shares**, and such persons are **Retention Claimants** as defined below); or
 - (B) an interest they acquired on the ASX or the NZX during the Relevant Period (**Period Shares**, and such persons are **Acquisition Claimants** as defined below); and

Particulars

Particulars of the Plaintiff's shareholdings are set out in Annexure A. Particulars of the shareholdings of the Group Members will be provided following the trial of the common questions.

- (b) are alleged to have suffered loss and damage by reason of the matters set out in this Statement of Claim; and
- (c) are not, at the date of the commencement of this proceeding:
 - (i) directors or officers, or a close associate (as defined by s 9 of the *Corporations Act 2001* (Cth) (**Corporations Act**) of A2M; or
 - (ii) a related party (as defined by s 228 of the *Corporations Act*) of A2M; or
 - (iii) a related body corporate (as defined by s 50 of the *Corporations Act*) of A2M; or
 - (iv) an associated entity (as defined by s 50AAA of the *Corporations Act*) of A2M; or
 - (v) a Chief Justice, Justice, Associate Justice or Registrar of the Supreme Court of Victoria or the High Court of Australia.

2. As at the date of the commencement of this proceeding, there are seven or more persons who have claims against A2M in respect of the matters set out in this Statement of Claim.

Defendant – A2M

3. At all material times, A2M:

- (a) was and is a company registered under the *Companies Act 1993* (NZ);

- (b) was and is carrying on a business within Australia and engaged in conduct outside Australia within the meaning of s 5(1)(g) of the *Competition and Consumer Act 2010* (Cth);
- (c) was and is registered as a foreign company under Part 5B.2 of the Corporations Act;
- (d) was and is a corporation listed on a financial market operated by the Australian Securities Exchange (the **ASX**);
- (e) had and has on issue ordinary shares (**Securities**) which were and are:
 - (i) traded on the ASX under the designation “A2M”;
 - (ii) ED securities within the meaning of s 111AE of the Corporations Act;
 - (iii) quoted ED securities within the meaning of s 111AM of the Corporations Act;
- (f) was and is a listed disclosing entity within the meaning of s 111AL(1) of the Corporations Act;
- (g) was and is subject to and bound by the Listing Rules of the ASX (**ASX Listing Rules**); and
- (h) is, and was at all material times a person within the meaning of:
 - (i) s 1041H of the Corporations Act;
 - (ii) s 12DA of the *Australian Securities and Investments Act 2001* (Cth); and/or
 - (iii) s 18 of the Australian Consumer Law set out in Schedule 2 of the *Competition and Consumer Act 2010* (Cth), as applicable pursuant to:
 - (A) s 7 of the *Fair Trading (Australian Consumer Law) Act 1992* (ACT);
 - (B) s 28 of the *Fair Trading Act 1987* (NSW);
 - (C) s 12 of the *Australian Consumer Law and Fair Trading Act 2012* (Vic);
 - (D) s 16 of the *Fair Trading Act 1989* (Qld);
 - (E) s 6 of the *Australian Consumer Law (Tasmania) Act 2010* (Tas);
 - (F) s 19 of the *Fair Trading Act 2010* (WA);
 - (G) s 14 of the *Fair Trading Act 1987* (SA); and/or
 - (H) s 27 of the *Consumer Affairs and Fair Trading Act 1990* (NT),
 (together and severally the **ACL**);
- (i) was and is a corporation listed on the Main Board of the New Zealand Exchange (**NZX**);
- (j) had on issue ordinary shares that were:
 - (i) listed for trading on the NZX under the ticker “ATM”; and
 - (ii) at all material times, likely to be affected, as to their trading price, by the information available in respect of A2M as a result of announcements made by A2M to either the ASX or the NZX.

A2M's officers

4. At all material times, David Hearn (**Hearn**) was:
 - (a) a director of A2M;
 - (b) the Chairman of A2M; and
 - (c) an officer of A2M within the meaning of s 9 of the Corporations Act and r 19.12 of the ASX Listing Rules.

5. From the commencement of the Relevant Period until about 8 February 2021, Geoffrey Babidge (**Babidge**) was:
 - (a) the Chief Executive Officer of A2M;
 - (b) an officer of A2M within the meaning of s 9 of the Corporations Act and r 19.12 of the ASX Listing Rules.

6. At all material times from about 8 February 2021, David Bortolussi (**Bortolussi**) was:
 - (a) an executive director of A2M;
 - (b) the Managing Director and Chief Executive Officer of A2M; and
 - (c) an officer of A2M within the meaning of s 9 of the Corporations Act and r 19.12 of the ASX Listing Rules.

7. At all material times, Julia Hoare (**Hoare**) was:
 - (a) a director of A2M;
 - (b) a member of the Audit and Management Committee; and
 - (c) an officer of A2M within the meaning of s 9 of the Corporations Act and r 19.12 of the ASX Listing Rules.

8. At all material times, Warwick Every-Burns (**Every-Burns**) was:
 - (a) a director of A2M;
 - (b) a member of the Audit and Management Committee; and
 - (c) an officer of A2M within the meaning of s 9 of the Corporations Act and r 19.12 of the ASX Listing Rules.

9. At all material times, Pip Greenwood (**Greenwood**) was:
 - (a) a director of A2M; and
 - (b) an officer of A2M within the meaning of s 9 of the Corporations Act and r 19.12 of the ASX Listing Rules.

10. From the commencement of the Relevant Period to about 26 February 2021, Jesse Wu (**Wu**) was:
 - (a) a director of A2M;
 - (b) a member of the audit and risk management committee; and
 - (c) an officer of A2M within the meaning of s 9 of the Corporations Act and r 19.12 of the ASX Listing Rules.

11. At all material times from about 26 February 2021 Bessie Lee (**Lee**) was:
 - (a) a director of A2M;
 - (b) a member of the audit and risk management committee; and
 - (c) an officer of A2M within the meaning of s 9 of the Corporations Act and r 19.12 of the ASX Listing Rules.

12. At all material times, Race Strauss (**Strauss**) was:
 - (a) the Chief Financial Officer of A2M; and
 - (b) an officer of A2M within the meaning of s 9 of the Corporations Act and r 19.12 of the ASX Listing Rules.

13. At all material times, Peter Nathan (**Nathan**) was:
 - (a) the Chief Executive Officer of Asia Pacific; and
 - (b) an officer of A2M within the meaning of s 9 of the Corporations Act and r 19.12 of the ASX Listing Rules.

14. At all material times, David Akers (**Akers**) was:
 - (a) the Head of Investor Relations; and
 - (b) an officer of A2M within the meaning of s 9 of the Corporations Act and r 19.12 of the ASX Listing Rules.

15. By reason of the matters pleaded in paragraphs 4 to 14 above, any information of which any of the persons referred to therein (together the **A2M Officers**) became aware, or which reasonably ought to have come into his or her possession, in the course of the performance of his or her duties as an officer of A2M, was information of which A2M was aware (as aware is defined within the meaning of r 19.12 of the ASX Listing Rules).

A2M SECURITIES MARKET

Characteristics of markets for A2M Securities

16. During the Relevant Period, the market of investors and potential investors in A2M (**A2M Securities Market**) was a market:
- (a) regulated in Australia by, inter alia:
 - (i) the ASX Listing Rules,
 - (ii) ss 674(2) and 1041H of the Corporations Act, and
 - (iii) s 12DA of the ASIC Act; and
 - (b) in which the prices at which A2M Securities traded on:
 - (i) the ASX; and
 - (ii) the NZX;

(together and severally **Trading Prices**) quickly adjusted to reflect all material information concerning A2M that was disclosed by it in accordance with *inter alia* the Australian requirements in (a) above, or that otherwise became publicly available.

Particulars

*Further particulars, including particulars of the effects that information releases to the ASX had on information available to investors and potential investors in A2M (**A2M Investors**) dealing through the NZX, will be provided following discovery and receipt of experts' reports.*

A2M's Australian disclosure obligations

17. At all material times Rule 3.1 of the ASX Listing Rules provided to the effect that once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must, unless the exceptions in ASX Listing Rule 3.1A apply, immediately tell the ASX that information.
18. At all material times the ASX Listing Rules provided:
- (a) by Rule 19.12 – that an entity becomes aware of information if an officer has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity; and
 - (b) by Rule 19.13(a), together with s 677 of the Corporations Act – that for the purpose of Rule 3.1, a reasonable person would be taken to expect information to have a material effect on the price or value of ED securities of a disclosing entity if the information would, or would likely be to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the ED securities.
19. At all material times s 674(2) of the Corporations Act applied to A2M by reason of:
- (a) the matters set out in paragraphs 3 to 18 above; and
 - (b) ss 111AP(1) and/or 674(1) of the Corporations Act.

Corporations Act and 'Coronavirus Determinations'

20. From the beginning of the Relevant Period until 22 March 2021, s 674(2) of the Corporations Act was modified:
- (a) initially by the *Corporations (Coronavirus Economic Response) Determination (No. 2) 2020*; and
 - (b) then by the *Corporations (Coronavirus Economic Response) Determination (No. 4) 2020*;
- such that an entity was required to disclose to the ASX information meeting the requirements of Rule 3.1 (**Coronavirus Determinations**) if:
- (i) that information was not generally available; and
 - (ii) the entity knew or was reckless or negligent with respect to whether that information would, if it were generally available, have a material effect on the price or value of ED securities of the entity.

21. From the beginning of the Relevant Period until 22 March 2021, the Coronavirus Determinations modified s 677 of the Corporations Act such that for the purpose of s 674, an entity knew or was reckless or negligent with respect to whether information would have a material effect on the price or value of ED securities of the entity if the entity knew or was reckless or negligent with respect to whether the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the ED securities.
22. From 23 March 2021 until the end of the Relevant Period, s 674(2) of the Corporations Act required an entity to notify ASX Limited of information within the meaning of Rule 3.1 of the ASX Listing Rules if:
 - (a) that information was not generally available; and
 - (b) that information was information that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of ED securities of the entity.
23. From 23 March 2021 until the end of the Relevant Period, s 677 of the Corporations Act provided that, for the purposes of s 674, a reasonable person would be taken to expect information to have a material effect on the price or value of ED securities of a disclosing entity if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the ED securities.

A2M'S BUSINESS

24. At all material times A2M:
 - (a) carried on a business of, *inter alia*, selling to wholesale customers branded milk products made with milk from cows specifically selected to produce milk that naturally contained only the A2 protein type;
 - (b) was organised into four operating segments as follows:
 - (i) Australia and New Zealand segment (**ANZ Segment**), which received external revenue from sales of infant formula, milk and other dairy products along with royalty and licence fee income;
 - (ii) China and Other Asia segment (**China Segment**), which received external revenue from sales of infant formula, milk and other dairy products;
 - (iii) USA segment, which received external revenue from milk sales; and
 - (iv) UK segment, the operation of which ceased during FY20.

Particulars

A2M's NZX/ASX announcement dated 19 August 2021 entitled "Building from Strength – 2020 Annual Report – The a2 Milk Company Limited" (FY20 Annual Report), p 68.

25. At all material times the majority of A2M's revenue was derived from sales of its infant nutrition products, comprising predominantly:
- (a) infant formula products labelled in English script (English Language Infant Formula or **ELIF** Products); and
 - (b) infant formula products labelled in Chinese script (China Language Infant Formula or **CLIF** Products).

Particulars

FY20 Annual Report, p 70, recorded that:

- i. approximately 82% of A2M's revenue in FY20 was derived from sales of infant formula.*
- ii. approximately 19.4% of A2M's revenue in FY20 was derived from sales of CLIF Product in the China Segment.*
- iii. approximately 62.7% of A2M's revenue in FY20 was derived from the sale of English and other label products in the ANZ Segment and China Segment;*
- iv. A2M understood that a significant portion of the infant formula sales to customers in the ANZ Segment (which comprised approximately 43% of A2M's revenue in FY20) were ultimately consumed in China.*

26. At all material times demand for A2M's ELIF Products primarily depended on sales to end-consumers achieved by:
- (a) Australian and New Zealand retailers;
 - (b) resellers ("**daigou**") who purchased the products in Australia and New Zealand and on-sold the products to end consumers in China, comprising:
 - (i) retail daigou; and
 - (ii) corporate daigou; and
 - (c) cross border e-commerce (**CBEC**) channels, which sold the products to end-consumers in China.

Particulars

- i. FY20 Annual Report, p 16.*

ii. *A2M's NZX/ASX Market Release, entitled, "Annual Meeting presentation", dated 18 November 2020, (November Release) p 10.*

27. At all material times demand for A2M's CLIF Products primarily depended on sales to end-consumers in China achieved by:
- (a) mother and baby stores (**MBS**) in China;
 - (b) supermarkets in China; and
 - (c) Chinese domestic e-commerce retail channels.

Particulars

FY20 Annual Report, p 16.

Role of daigou sales in A2M business

28. By no later than 19 August 2020:
- (a) daigou, through sales and marketing activities of ELIF Products, played a key role in driving overall consumer engagement, and recruiting new customers, including in the CBEC channel;
 - (b) daigou derived profit from the margin between the price at which they purchased ELIF Products in Australia or New Zealand, and the sale price at which they sold the ELIF Products to end-consumers in China;
 - (c) the ability of daigou to sell ELIF Products to end-consumers in China depended on the prices offered by them being competitive with the price of the ELIF Products sold to end-consumers in China via other sales channels, such as the CBEC channel;
 - (d) an increase in supply of ELIF Products by A2M to the CBEC channels was likely to:
 - (i) reduce the sales price of the said Products on the CBEC channels;
 - (ii) reduce the prices at which daigou could compete within CBEC supplies;
 - (iii) in the premises in (ii) – reduce daigou profit margins;
 - (e) a reduction in the profitability of daigou sales of ELIF Products to end-consumers in China was likely to reduce the sales and marketing activities undertaken by daigou to end-consumers in China;
 - (f) a reduction in sales and marketing activities by daigou as described in (e) was likely to:
 - (i) reduce end-consumer demand in China for A2M's ELIF Products;
 - (ii) by reason of (i) - reduce the volume of sales of ELIF Products to end-consumers in China via the CBEC channel;

- (iii) apply downward pressure to the prices charged for A2M's ELIF Products on CBEC channels in China; and
- (iv) exacerbate the phenomena described in 1(d) above;
- (g) in the premises set out above:
 - (i) there was an interdependency between A2M's daigou channels and its CBEC channels; and
 - (ii) it was important to the success of A2M's business that it manage the total and relative volumes of ELIF Products supplied through the CBEC and daigou channels into China.

Particulars

So far as the plaintiff is able to say prior to discovery and receipt of experts' reports:

- i. the said matters are to be inferred from the circumstances that they were referred to in, inter alia:*
 - A. A2M's November Release, at p 15;*
 - B. A2M's NZX/ASX market release, dated 18 December 2020 entitled "Updated 1H21 and FY21 guidance" (**December Release**), which discussed:*
 - 1. the impact the disruption in the daigou channel is having on the CBEC channel (p 1); and*
 - 2. the reactivation of the daigou channel in the second half of the year (p 2);*
 - C. A2M's NZX/ASX market release, dated 25 February 2021 entitled "Fundamentals remain strong despite significant COVID-19 disruption" (**February Release**), p 3, which described the important role daigous play in stimulating demand across multiple points of distribution and the interdependence of CBEC with the daigou/reseller channel being relevant to performance in the CBEC channel; and.*
 - D. Refinitiv transcript of A2M's call with analysts, investors, 18 December 2020, attended inter alia by Babidge, Nathan and Strauss (**December Analyst Call**), p 5, reiterating the relationship between the two channels and highlighting that daigou remains, first and foremost, the lead channel. A copy of the said transcript is available on request from the plaintiff's solicitors.*
- ii. The above matters were observable by and known to A2M in the period prior to the dates on which A2M referred to them in public announcements; and*

iii. *The above matters related to structural features of the products and markets in which A2M operated, that are likely to have been evident by not later than 19 August 2020.*

Further particulars will be provided following discovery and receipt of expert evidence.

AUGUST 2020 – FY20 RESULTS ANNOUNCEMENTS

29. Prior to the opening of trading on the ASX and NZX on 19 August 2020, A2M published and lodged with the ASX and NZX:
- (a) its **FY20 Annual Report**;
 - (b) a presentation entitled “*Building from Strength 2020 Annual Results – 19 August 2020*” (**FY20 Results Presentation**); and
 - (c) a NZX/ASX market release, entitled “*Results commentary FY20: Strong financial results and execution continuing*” (**19 August Market Release**);
- (collectively the **August Announcements**).
30. A2M in the August Announcements publicly stated that or to the effect that:
- (a) in FY20 it had achieved:
 - (i) revenue of \$1.73bn, representing an increase of 32.8% from FY19;
 - (ii) EBITDA of \$549.7m, representing an increase of 32.9% from FY19;
 - (iii) EBITDA to sales margin of 31.7%;
 - (iv) revenue from the sale of all infant formula products of \$1.42bn, representing an increase of 33.8% from FY19;
 - (v) total ELIF Product sales of \$1.09bn (representing 62.8% of A2M’s total sales of all products);
 - (vi) total ANZ Segment sales of \$965m, including ELIF Product sales of \$745m (the latter figure representing 43.1% of A2M’s total sales of all products); and
 - (vii) total China Segment sales of \$699.39m, including:
 - (A) ELIF Product sales of \$341.1m (representing 19.7% of A2M’s total sales from all products)
 - (B) CLIF Product sales of \$337.7m (representing 19.4% of A2M’s total sales from all products); and

Particulars

FY20 Annual Report, pp 12, 69, 70.

FY20 Results Presentation, p 5-7, 13.

19 August Market Release, pp 1, 4.

- (b) A2M had enjoyed robust performance throughout FY20 and its business had demonstrated significant resilience in the face of the COVID-19 global pandemic;
- (c) in relation to A2M's sales in the China Segment:
 - (i) growth in sales of CLIF products had effectively doubled, coupled with continued growth in ELIF products;
 - (ii) sales in 3Q20 were above expectations due to, *inter alia*, increased holdings of stocks by end-consumers (**pantry stocking**), particularly via CBEC and daigou channels;
 - (iii) sales of ELIF Products through CBEC channels were up 40.3% yoy, but despite a growth result for sales through daigou channels the latter were nevertheless impacted by reduced travel between Australia and China;
 - (iv) in A2M's view, a proportion of the pantry-stocking in (ii) had unwound in 4Q20 but it was a dynamic situation that A2M would continue to monitor;

Particulars

FY20 Annual Report, pp 2, 13, 17.

19 August Market Release, pp.2, 4, 5.

- (d) in relation to A2M's forecast for FY21:
 - (i) all reasonable care had been taken by A2M in the preparation of its forward-looking statements;
 - (ii) notwithstanding uncertainties resulting from COVID-19, A2M anticipated "continued strong revenue growth" in FY21; and
 - (iii) FY21 EBITDA margin was expected to be in the order of 30% to 31% (together and severally the **August Forecasts**).

Particulars

FY20 Annual Report, pp 21, 69 and 70.

FY20 Results Presentation, pp.2, 28.

19 August Market Release, p 9.

31. A2M's actual FY20 performance was below market consensus as to A2M's expected FY20 performance.

Particulars

Auerbach Grayson report, entitled "The a2 Milk Company", dated 12 August 2020, at p 3, reported that market consensus for expected FY20 revenue was \$1.75 billion, representing an increase of approximately 34.2% from FY19. A copy of the said report is available on request from the plaintiff's solicitors.

Further particulars will be provided following discovery and receipt of experts' reports.

32. Further, on 19 August 2020, on an earnings call with analysts and investors (**August Earnings Call**), A2M stated to the effect that:
- (a) it was comfortable with levels of inventory of infant formula in China, in supply chains down to pantry stocks; and
 - (b) reports of 3 to 4 months' inventory of infant formula held in Chinese supply chains, compared to usual levels of 1 to 2 months' inventory, was "off".

(**August Earnings Call Statements**).

Particulars

Refinitiv transcript of August Earnings Call attended by Babidge, Nathan, Strauss and Akers, p.6-7 per Nathan. A copy of the said transcript is available on request from the plaintiff's solicitors.

33. By the August Forecasts, and the August Earnings Call Statements, A2M represented to the A2M Securities Market that or to the effect that:
- (a) A2M had reasonable grounds for the August Forecasts;
 - (b) A2M had:
 - (i) adequate systems for monitoring inventory levels of infant formula in supply chains into and within the Chinese market; and
 - (ii) based on the said systems – reasonable grounds for the August Earnings Call Statements.

(together and severally, the **August Implied Representations**).

34. On and from 19 August 2020, save as alleged further below:
- (a) A2M took no or no adequate step to withdraw or correct:

- (i) the August Forecasts;
 - (ii) August Earnings Call Statements; further or alternatively
 - (iii) the August Implied Representations; and
- (b) the said Statements and Representations were accordingly continuing conduct.

9 September Release

35. Further, on or about 9 September 2020 A2M:

- (a) published to the ASX and the NZX a market release entitled “CLSA Investors’ Forum Presentation” (**9 September Release**);
- (b) in the 9 September Release A2M announced that or to the effect that:
 - (i) COVID-19 had caused disruptions and changes to consumer behaviour including pantry stocking of infant nutrition products in 3Q20 across both CBEC and daigou channels;
 - (ii) a proportion of the pantry stocking had unwound in 4Q20 but A2M was unable to estimate the full extent of the unwind;
 - (iii) there continued to be uncertainties resulting from COVID-19 that could impact consumer behaviour in core markets as well as participants in supply chains, most notably in China;
 - (iv) despite the said uncertainties, A2M affirmed the August Forecasts; and
 - (v) A2M had taken all reasonable care in preparing the 9 September Release.

Particulars

9 September Release pp. 9, 18, 20.

A2M’s true position – August/September 2020

36. By no later than 19 August 2020, alternatively 9 September 2020:

- (a) A2M had increased the volume of ELIF Products supplied to CBEC channels for sale into China;
- (b) demand for ELIF Products in China was not sufficient to absorb the increased volume in (a);
- (c) the matters in (b) were likely to cause downward pressure on the sales price of the ELIF Products offered via CBEC channels in China; and
- (d) the matters in (c) were likely to cause a material reduction in sales of ELIF Products:
 - (i) by the daigou channel; and therefore

- (ii) by A2M to daigou;
- (e) A2M had not taken any or adequate steps to consider the matters in (d) in preparing the August Forecasts; and
- (f) A2M:
 - (i) did not have adequate systems for monitoring inventory levels of infant formula already held in supply chains directed at or within China (**channel inventory**);
 - (ii) by reason of the matters in (i) – was not able to assess, with reasonable accuracy, the existence or extent of the risk that increased sales during FY20 might have caused elevated inventories in China that would need to clear before A2M could expect renewed demand for fresh supplies into those supply chains; and
 - (iii) in the premises – did not have reasonable grounds for:
 - (A) the August Earnings Call Statements; or
 - (B) the August Forecasts.

Particulars

So far as the plaintiff is able to say prior to discovery and receipt of experts' reports, the said matters are to be inferred from the circumstances that:

- i. the December Analyst Call, p 8, disclosed difficulty in monitoring inventory levels;*
- ii. A2M in its February Release, at p 4, stated that it was actively rebalancing inventory in the CBEC channel and identified that subdued online pricing and channel inventory unwinding had resulted in daigou being slower to fully re-enter the market to promote the brand;*
- iii. A2M in the February Release, p 4, and document published by A2M titled "Interim Results 2021 Half year interim results", dated 25 February 2021, (**February Results Presentation**), pp 16-17, stated that it was aiming to re-activate the daigou channel, including by improving traceability through the channel;*
- iv. A2M in its NZX/ASX market release, entitled "Trading update and revised FY21 outlook Growth strategy and capital management review commenced", dated 10 May 2021, (**May Announcement**), stated that:*
 - A. A2M had conducted a Board-initiated comprehensive inventory review, following which it was clear that challenges in the daigou and CBEC channels were exacerbated by excess inventory and difficulties with visibility, p 1;*

- B. *visibility into third party inventory levels is generally challenging and the data is incomplete, p 3;*
- C. *A2M would work with its customers and distributors to improve the dating of (channel) inventory, p 3;*
- D. *would continue to rebalance inventory by further reducing sell-in to the daigou and CBEC channels to reduce channel inventory to target levels, p 3;*
- v. *A2M in its “2021 Annual Results”, dated 26 August 2021 (FY21 Annual Report), at p 5, disclosed that higher than anticipated level of channel inventory was primarily due to difficulties with the visibility that arises as a result of the highly complex and multi-layered Chinese distribution systems; and*
- vi. *the above matters were likely to have required weeks or months to develop, with the result that they were likely to have been indicated in information available to A2M by 19 August 2020, alternatively 9 September 2020.*

Further particulars will be provided following discovery and the filing of expert reports.

- (g) by reason of the matters set out in paragraphs (a) – (f) above, there was a material risk that A2M:
 - (i) as to revenue:
 - (A) would not in FY21 achieve strong revenue growth over its FY20 result of \$1.73bn; and instead
 - (B) would achieve in FY21 revenue materially less than its FY20 result;
 - (ii) as to EBITDA margin:
 - (A) would not in FY21 achieve an EBITDA margin of 30% to 31%; and instead
 - (B) would achieve an EBITDA margin materially less than 30%.

(the matters in (a) to (g) being together and severally the **August Information**).

Particulars

So far as the plaintiff is able to say prior to discovery and receipt of expert reports, variances of 10% or more were material to the A2M Securities Market.

Further particulars as to the said risks, and as to the likely reasonable forecasts (counterfactuals) will be provided following completion of discovery and receipt of expert reports.

37. By no later than 19 August 2020, alternatively 9 September 2020:

- (a) A2M knew or ought reasonably to have known the August Information; and
- (b) in the premises had the August Information within the meaning of:
 - (i) Rules 3.1 and 19.12 of the ASX Listing Rules; and
 - (ii) s 674(2) of the Corporations Act.

Particulars

One or more of the A2M Officers ought reasonably to have known the said information because:

- i. the information related to the subject matter of the August Forecasts and the August Earnings Call Statements;*
- ii. the information could reasonably have been expected to affect assessments made by A2M Investors as to the accuracy or reliability of the August Forecasts and the August Earnings Call Statements;*
- iii. A2M had represented that it had taken reasonable care in the preparation of the August Forecasts and the August Earnings Call Statements;*
- iv. by reason of (ii) and (iii), the information could reasonably have been expected to influence A2M Investors in their decisions whether to acquire or dispose of A2M Securities;*
- v. A2M was subject to the Listing Rules and was required to provide information to the ASX regarding its financial performance, including as to forecasts like the August Forecasts.*

Further particulars may be provided following discovery and receipt of expert reports, including as to which A2M Officers knew or ought reasonably to have known the said matters.

AUGUST CONTRAVENTIONS

August misleading conduct

38. Each of:
- (a) the August Forecasts;
 - (b) the August Earnings Call Statements; and

(c) the August Implied Representations;

(together and severally the **August Conduct**):

- (i) was made in trade or commerce;
- (ii) was made in relation to a financial product within the meaning of s 763A(1)(a) and s 764A(1)(a) of the Corporations Act, namely A2M's Securities;
- (iii) was made in relation to financial services within the meaning of:
 - (A) s 766A(1)(a) and s 766B(1) of the Corporations Act; and
 - (B) s 12BAB(1)(a) and (5) of the ASIC Act;
- (iv) concerned information that a reasonable person would expect to have a material effect on the price or value of A2M's Securities.

Particulars

The matters in (iv) are to be inferred from the matters alleged in paragraphs 47, 51, 79, 96 and 110 below.

Further particulars may be provided following discovery and receipt of experts' reports.

39. By reason of the matters set out in paragraph 36, on and from 19 August 2020, alternatively 9 September 2020:

(a) A2M had not taken all reasonable care in the preparation of:

- (i) the August Forecasts; further or alternatively
- (ii) the 9 September Release; and

(b) A2M did not have reasonable grounds for:

- (i) the August Forecasts;
- (ii) the August Earnings Call Statements; further or alternatively
- (iii) the August Implied Representations.

Particulars

Insofar as the representations the subject of the August Conduct were representations as to future matters, the Plaintiff refers to and relies on s 769C of the Corporations Act s 12BB of the ASIC Act and s 4 of the ACL.

40. In the premises, the August Conduct was misleading or deceptive or likely to mislead or deceive in contravention of:

- (a) s 1041H(1) of the Corporations Act;
 - (b) s 12DA of the ASIC Act; and/or
 - (c) s 18 of the ACL;
- (August Misleading Conduct).**

August continuous disclosure contraventions

- 41. On and from 19 August 2020 the the August Information was not generally available, within the meaning of s 676 of the Corporations Act.
- 42. On and from 19 August 2020 up to 22 March 2021, A2M:
 - (a) knew that information about future sales into the Chinese infant formula market was likely to influence A2M Investors in deciding whether to acquire or dispose of A2M Securities;

Particulars

So far as the plaintiff is able to say prior to discovery, the knowledge of one or more of the A2M Officers can be inferred from the circumstance that the said topic was a subject of each of the September Update, the December Announcements, the February Announcements (as defined below) and the May Announcement.

- (b) knew or ought reasonably to have known the matters set out in:
 - (i) paragraph 28 above (as to the importance and interdependency of A2M's sales channels into China);
 - (ii) paragraph 1(d) above (as to the effects of increased supplies to CBEC channels into China);
 - (iii) paragraph 1(f) above (as to monitoring inventories); further or alternatively
 - (iv) paragraph 38 above (as to reasonable grounds for the August Conduct); and

Particulars

The plaintiff repeats the particulars in paragraphs 28 and 37 above.

Further particulars may be provided following discovery and receipt of expert reports.

- (c) despite (a) and (b) – made the representations the subject of the August Conduct while:
 - (i) the matters in paragraph 1(d) above existed; further or alternatively

- (ii) the matters in paragraph 1(f) above existed; and
- (d) in the premises in (a) to (c) – was within the meaning of s 674(2)(c) of the Act (as modified by the Coronavirus Determinations):
 - (i) reckless, alternatively
 - (ii) negligent,
 as to whether the August Information would have a material effect on the price or value of A2M Securities, if the August Information were generally available.

43. Further, during the Relevant Period on and from 23 March 2021 the August Information was information that a reasonable person would have expected to have a material effect on the price or value of A2M Securities within the meaning of:
- (a) Rule 3.1 of the ASX Listing Rules; and
 - (b) s 674(2) of the Corporations Act.

Particulars

The said characteristics are to be inferred from:

- i. the features of the market for A2M Securities as set out in paragraph 16 above;*
- ii. the circumstances that the August Information could rationally affect the assessments made by A2M Investors as to the accuracy or reliability of the August Conduct.*

Further particulars may be provided following discovery and receipt of experts' reports.

44. In the premises set out in paragraph 41 and:
- (a) paragraph 42 in respect of the Relevant Period up to and including 22 March 2021; and
 - (b) paragraph 43 in respect of the Relevant Period on and from 23 March 2021;
- A2M was obliged, on and at all times from 19 August 2020 alternatively 9 September 2020, immediately to tell the ASX the August Information pursuant to:
- (i) Rule 3.1 of the ASX Listing Rules and
 - (ii) s 674(2) of the Corporations Act.
45. In contravention of Rule 3.1 of the ASX Listing Rules, A2M did not tell the ASX the August 2020 Information at any time prior to 10 May 2021, save as alleged below.

46. In the premises set out in the preceding paragraph, A2M contravened s 674(2) of the Corporations Act (**August Continuous Disclosure Contravention**).

Market effects of August Contraventions

47. By reason of:
- (a) the matters set out in paragraphs 31 and 35 above:
 - (i) A2M reported FY20 results that were below market consensus;
 - (ii) by reason of (i), A2M Investors:
 - A. who held A2M Securities – reduced the price at which they were willing to dispose of the Securities;
 - B. who were considering acquiring A2M Securities – reduced the price at which they were willing to purchase the Securities;
 - (b) the **August Contraventions** being (together and severally):
 - (i) the August Misleading Conduct; further or alternatively
 - (ii) the August Continuous Disclosure Contravention;

the reductions in (a) were materially smaller than they otherwise would have been; and
 - (c) in the premises in (b) – the August Contraventions caused the Trading Price of A2M Securities to be higher on and from 19 August 2020, alternatively 9 September 2020, than the Trading Price otherwise would have been (**Inflation**).

Particulars

The said effects are to be inferred from:

- i. the character of the market for A2M Securities as set out in paragraph 16 above;*
- ii. the changes in the Trading Prices following the release of the August Announcements, namely that:*
 - A. on 18 August 2020, the closing Trading Price:*
 - 1. on the ASX was AUD\$19.49;*
 - 2. on the NZX was \$21.50;*
 - B. on 19 August 2020, immediately following the August Announcements:*
 - 1. on the ASX the opening Trading Price was AUD\$18.95 and the closing Trading Price was AUD\$18.25 (a decline of approximately 7% from the closing Trading Price on 18 August 2020; and*

2. *on the NZX the opening Trading Price was \$20.80 and the closing Trading Price was \$20.35 (a decline of approximately 5% from the closing Trading Price on 18 August 2020);*
- iii. *the changes in Trading Price following the release of the 9 September Release, namely that:*
 - A. *on 8 September 2020, the closing Trading Price:*
 1. *on the ASX was AUD\$16.76;*
 2. *on the NZX was \$18.28;*
 - B. *on 9 September 2020, immediately following the 9 September Release:*
 1. *on the ASX the opening Trading Prices was AUD\$16.50 and closing price was AUD\$16.33 (a decline of approximately 2.5%); and*
 2. *on the NZX was \$18.16 and closing price was \$17.84 (a decline of approximately 2.5% from the closing Trading Price on 8 September 2020); and*
- iv. *the changes in the Trading Price following the partial disclosures and eventual corrective disclosure referred to below, some or all of which reflected the A2M Securities Market's response to the disclosure or correction of information not disclosed or not accurately disclosed (being disclosure failures, as defined below) by reason of the August Contraventions.*

Further particulars may be provided following discovery and receipt of experts' reports.

SEPTEMBER 2020

September Update

48. Prior to the opening of trading on the ASX and NZX on 28 September 2020 in a release to the ASX and NZX titled "*Updated FY21 Outlook*" (**September Update**) A2M stated publicly that or to the effect that:
 - (a) A2M in September 2020 had started to observe additional disruption in the corporate daigou/reseller market, particularly due to the Stage 4 lockdown in Victoria;
 - (b) A2M was, as a result of (a), witnessing a contraction in the daigou channel beyond its previous expectations;

- (c) the said disruption was impacting September sales, and A2M now expected ANZ revenue to be materially below plan for 1H21;
- (d) performance in all other areas of the A2M business remained strong, and importantly in China and notably in MBS;
- (e) increasingly strong underlying brand health metrics in Chinese infant milk formula sales confirmed the effectiveness of A2M's continued significant investment in marketing;
- (f) the factors in (d) and (e) underpinned A2M's confidence of a significant improvement in overall Group performance in 2H21 once the disruption in the daigou channel is reduced;
- (g) notwithstanding significant uncertainty and volatility in market conditions as a result of COVID-19, A2M forecast:
 - (i) group revenue for 1H21 of \$725m to \$775m;
 - (ii) group revenue for FY21 of \$1.8bn to \$1.9bn; and
 - (iii) group EBITDA margin for FY21 in the order of 31%;

(September Forecasts);

(together and severally, September Update Statements).

Particulars

September Update, p 2.

49. By giving the September Update, A2M impliedly represented to the market of A2M Investors that or to the effect that:
- (a) A2M had adequate systems for monitoring its business, sufficient to enable it to draw reasonably reliable conclusions as to the matters the subject of its statements to the market; and
 - (b) A2M had reasonable grounds for the September Update Statements and each of them;
- (September Implied Representations).**

Particulars

Insofar as the September Update Statements (including but not limited to the September Forecasts) were representations as to future matters, the plaintiff relies on s 769C of the Corporations Act, s 12BB of the ASIC Act and s 4 of the ACL.

50. On and from 28 September 2020, save as alleged further below:
- (a) A2M took no or no adequate step to withdraw or correct:
 - (i) the September Update Statements; further or alternatively

- (ii) the September Implied Representations; and
- (b) the said Statements and Representations were accordingly continuing conduct.

September – partial corrective disclosures

51. The information the subject of the September Forecasts:

- (a) was information that a reasonable person would expect to have a material effect on the price or value of A2M Securities;
- (b) related to the information the subject of the August Forecasts;
- (c) operated to partly correct the information available to the market concerning the August Forecasts;
- (d) by partly correcting the said information, caused A2M Investors:
 - (i) who held A2M Securities – to reduce the price at which they were willing to dispose of the Securities; or
 - (ii) who were considering acquiring A2M Securities – to reduce the price at which they were willing to purchase the Securities;

Particulars

The said effects are to be inferred from:

- i. the character of the market for A2M Securities as set out in paragraph 16 above and*
- ii. the changes in Trading Price following the release of the September Update, namely that:*

A. on 25 September 2020, the closing Trading Price:

- 1. on the ASX was AUD\$17.16;*
- 2. on the NZX was \$18.44;*

B. on 28 September 2020, immediately following the September Update:

- 1. on the ASX the opening Trading Price was AUD\$15.41 and closing Trading Price was AUD\$15.31 (a decline of approximately 11% on the closing Trading Price on 25 September 2020); and*
- 2. on the NZX the opening Trading Price was \$16.49 and the closing Trading Price was \$16.65 (a decline of approximately 10% on the closing Trading Price on 25 September 2020);*

Further particulars may be provided following discovery and receipt of experts' reports.

- (e) by reason of the matters set out in the preceding subparagraph, caused the Trading Prices to adjust downward toward the Trading Prices that would have existed but for the August Contraventions; and
- (f) in the premises, removed some of the Inflation.

Particulars

Particulars of the Inflation effects of the September Update will be provided following discovery and receipt of experts' reports.

A2M's true position – 28 September 2020

52. As at 28 September 2020,

- (a) the matters set out at paragraphs 36 to 37 above were continuing;
- (b) there was an excess of channel inventory of A2M's ELIF Products, in its ANZ and China segments;
- (c) in the premises in (a) and (b), there was a material risk that A2M would need to recognise a stock provision in respect of its own inventory (**stock inventory**);

Particulars

- i. In the FY20 Annual Report, p 14, A2M stated that it had inventory of \$147.3m at the end of FY20.*
- ii. In the February Release, p 2, A2M stated that:*
 - A. inventory at the end of 1H21 was \$198.6m, \$51.2m higher than at the end of FY20; and*
 - B. a stock provision of \$23.3m was booked in 1H21 because running down of inventory in the daigou and CBEC channels had been slower than expected.*
- iii. In the May Announcement, A2M stated that a stock provision of \$80m to \$90m (in addition to the abovementioned \$23.3m stock provision) would be booked in FY21 as a consequence of rebalancing inventory by further reducing sell-in to the daigou/reseller and CBEC channels and which is also aimed at reducing customer and distributor inventory to target levels, pp 3 and 4.*
- iv. By reason of the above matters, it can be concluded that an excess of inventory in ELIF Products would have existed.*

Further particulars will be provided following discovery and receipt of experts' reports.

- (d) A2M's lack of adequate systems for monitoring channel inventory meant that it failed to identify the matters in (b) above;
- (e) there was a material risk that strong sales into A2M's MBS channels during 2H20 and 1H21 reflected a build-up of channel inventory in the MBS channel and would not be maintained into 2H21;

Particulars

So far as the plaintiff is able to say prior to discovery and receipt of experts' reports, the said matters are to be inferred from the circumstances that:

- i. A2M, in the May Announcement, stated that the rate of decline in CLIF in 3Q21, relative to 2Q21, was mainly due to increasing distributor inventory to mitigate the risk of the potential of a second wave of COVID-19 in 1H21; and*
- ii. the above matter was likely to have been indicated in information available to A2M by 28 September 2020.*

Further particulars will be provided following discovery and expert evidence.

- (f) A2M had no adequate systems to enable it reliably to assess the risk in (f);
- (g) by reason of the matters in:
 - (i) subparagraph (a) above (regarding the continuing effects of the matters in paragraphs 36 to 40 above); further or alternatively
 - (ii) subparagraphs (b) to (d) above (regarding the risk that excessive channel inventory would cause elevated stock inventory);
 - (iii) subparagraphs (e) to (f) above (regarding the risk that strong sales into A2M's MBS channels would not be maintained in 2H21);

there was a material risk that A2M:

- (i) as to revenue:
 - (A) would not achieve group revenue for FY21 of \$1.8bn to \$1.9bn; and instead
 - (B) would achieve in FY21 revenue materially less than its FY20 result (of \$1.73bn);
- (ii) as to EBITDA margin:
 - (A) would not in FY21 achieve an EBITDA margin in the order of 31%; and instead
 - (B) would achieve an EBITDA margin materially less than 30%;

(the matters in (a) to (g) being together and severally the **September Information**).

Particulars

So far as the plaintiff is able to say prior to discovery and receipt of expert reports, variances of 10% or more were material to the A2M Securities Market.

Further particulars as to the said risks and counterfactuals will be provided following completion of discovery and receipt of experts' reports.

53. By no later than 28 September 2020, A2M:
- (a) ought reasonably to have known the September Information; and
 - (b) in the premises, had the September Information within the meaning of:
 - (i) Rules 3.1 and 19.12 of the ASX Listing Rules; and
 - (ii) s 674(2) of the Corporations Act.

Particulars

One or more of the A2M Officers ought reasonably to have known the said information because:

- i. it related to the subject matter of the August Forecasts, the August Earnings Call Statements and the September Forecasts;*
- ii. it could reasonably have been expected to affect assessments made by A2M Investors as to the accuracy or reliability of the August Forecasts, the August Earnings Call Statements and the September Forecasts;*
- iii. A2M had represented that it had taken reasonable care in the preparation of the August Forecasts, the August Earnings Call Statements and the September Forecasts;*
- iv. by reason of (ii) and (iii), it could reasonably have been expected to influence A2M Investors in their decisions whether to acquire or dispose of A2M Securities;*
- v. A2M was subject to the Listing Rules and was required to provide information to the ASX regarding its financial performance, including as to forecasts like the August Forecasts and the September Forecasts.*

Further particulars may be provided following discovery and receipt of experts' reports, including as to which A2M Officers knew or ought reasonably to have known the said matters.

September misleading conduct

54. Each of:

- (a) the September Update Statements; further or alternatively
- (b) the September Implied Representations;

(together and severally **September Conduct**):

- (i) was made in trade or commerce;
- (ii) was made in relation to a financial product within the meaning of s 763A(1)(a) and s 764A(1)(a) of the Corporations Act, namely A2M's Securities;
- (iii) was made in relation to financial services within the meaning of s 766A(1)(a) and s 766B(1) of the Corporations Act and s 12BAB(1)(a) and (5) of the ASIC Act; and
- (iv) concerned information that a reasonable person would expect to have a material effect on the price or value of A2M's Securities.

Particulars

The matters in (iv) are to be inferred from the matters alleged in paragraphs 51, 63, 79, 96 and 110 below.

Further particulars may be provided following discovery and receipt of experts' reports.

55. By reason of the matters set out in paragraph 52 above A2M:

- (a) did not have reasonable grounds for the September Update Statements that:
 - (i) underlying brand health metrics in Chinese infant milk formula sales confirmed the effectiveness of its significant investment in marketing in China;
 - (ii) the matters in (i) provided an underpinning for A2M to be confident of a significant improvement in overall Group performance in 2H21 once the disruption in the daigou channel was reduced;
- (b) did not have reasonable grounds to expect that A2M sales into the MBS channel would continue in 2H21 at levels comparable to 1H21;
- (c) did not have reasonable grounds for the September Forecasts; and
- (d) did not have reasonable grounds for the September Implied Representations.

56. In the premises, the September Conduct was misleading or deceptive or likely to mislead or deceive in contravention of:

- (a) s 1041H(1) of the Corporations Act;
 - (b) s 12DA of the ASIC Act; and/or
 - (c) s 18 of the ACL;
- (September Misleading Conduct).**

September continuous disclosure contraventions

57. On and from 28 September 2020 the September Information was not generally available, within the meaning of s 676 of the Corporations Act.
58. On and from 28 September 2020 up to 22 March 2021:
- (a) the matters set out in paragraph 52 were continuing;
 - (b) despite (a) – A2M made the representations the subject of the September Conduct;
 - (c) in the premises in (a) and (b) – A2M was within the meaning of s 674(2)(c) of the Act (as modified by the Coronavirus Determinations):
 - (i) reckless, alternatively
 - (ii) negligent,
 as to whether the September Information would have a material effect on the price or value of A2M Securities, if the Information were generally available.
59. Further, during the Relevant Period on and from 23 March 2021 the September Information was information that a reasonable person would have expected to have a material effect on the price or value of A2M Securities within the meaning of:
- (a) Rule 3.1 of the ASX Listing Rules; and
 - (b) s 674(2) of the Corporations Act.

Particulars

The said characteristics are to be inferred from:

- i. the features of the market for A2M Securities as set out in paragraph 16 above;*
- ii. the circumstances that the September Information could rationally affect the assessments made by A2M Investors as to the accuracy or reliability of the August Conduct, further or alternatively the September Conduct.*

Further particulars may be provided following discovery and receipt of experts' reports.

60. In the premises set out in paragraph 57 and:

- (a) paragraph 58 in respect of the Relevant Period up to and including 22 March 2021; and
- (b) paragraph 59 in respect of the Relevant Period on and from 23 March 2021;

A2M was obliged on and at all times from 28 September 2020 immediately to tell the ASX the September Information pursuant to:

- (i) Rule 3.1 of the ASX Listing Rules; and
- (ii) s 674(2) of the Corporations Act.

61. In contravention of Rule 3.1 of the ASX Listing Rules, A2M did not tell the ASX the September Information at any time prior to 10 May 2021, save as alleged below.

62. In the premises set out in the preceding paragraph, on and from 28 September 2020 A2M contravened s 674(2) of the Corporations Act (**September Continuous Disclosure Contravention**).

Market effects of September Contraventions

63. By reason of:

- (a) the matters set out in paragraph 51 above A2M investors:
 - (i) who held A2M Securities – reduced the price at which they were willing to dispose of the Securities;
 - (ii) who were considering acquiring A2M Securities – reduced the price at which they were willing to purchase the Securities;

(b) the **September Contraventions** being (together and severally),

- (i) the September Misleading Conduct; further or alternatively
- (ii) the September Continuous Disclosure Contravention;

the reductions in (a) were materially smaller than they otherwise would have been; and

(c) in the premises in (b) – the September Contraventions were a cause of Inflation in the Trading Price of A2M Securities on and from 28 September 2020.

Particulars

The said effects are to be inferred from:

- i. the character of the market for A2M Securities as set out in paragraph 16 above; and*
- ii. the changes in the Trading Prices following the release of the September Update, namely:*
 - A. on 25 September 2020, the closing Trading Price:*
 - 1. on the ASX was AUD17.16;*
 - 2. on the NZX was \$18.44;*
 - B. on 28 September 2020, immediately following the September Update:*
 - 1. on the ASX the opening Trading Price was AUD\$15.59 and the closing Trading Price was AUD\$15.59 (a decline of approximately 11% from the closing Trading Price on 25 September 2020); and*
 - 2. on the NZX the opening Trading Price was \$16.49 and the closing Trading Price was \$16.65 (a decline of approximately 10% from the closing Trading Price on 25 September 2020);*
- iii. the changes in the Trading Price following the partial disclosures and eventual corrective disclosure referred to below, some or all of which reflected the A2M Securities Market's response to the disclosure or correction of information not disclosed or not accurately disclosed (being disclosure failures, as defined below) by reason of the September Contraventions.*

Further particulars may be provided following discovery and receipt of experts' reports.

NOVEMBER 2020

AGM announcements

- 64. On 18 November 2020 A2M:
 - (a) at its Annual Meeting of Shareholders (**November AGM**); and
 - (b) prior to the opening of trading on the ASX and NZX, A2M provided to the market the November Release;

stated publically that or to the effect that A2M:

- (i) had experienced a challenging 1H21 with its daigou/reseller channels impacted by COVID-19 related issues;
- (ii) expected that the said impact would moderate over the course of FY21;
- (iii) remained committed to its daigou channel, which *inter alia* built brand awareness in China that stimulated demand across multiple [sic] sales channels;
- (iv) was maintaining the September Forecasts;
- (v) acknowledged that its forecast provided for a significant increase in revenue in 2H21, dependent on a number of key assumptions including an improvement in the daigou channel and continued growth in A2M's China label business;

(together and severally **November AGM announcements**).

Particulars

A copy of the November Release is available on request from the plaintiff's solicitors.

65. By the November AGM announcements, A2M impliedly represented to the A2M Securities Market that or to the effect that:

- (a) A2M had adequate systems for monitoring its business, sufficient to enable it to draw reasonably reliable conclusions as to the matters the subject of its statements to the market; and
- (b) A2M had reasonable grounds for the November AGM announcements and each of them;

(together and severally **November Implied Representations**).

Particulars

Insofar as the November AGM announcements (including but not limited to the September Forecasts) were representations as to future matters, the plaintiff relies on s 769C of the Corporations Act, s 12BB of the ASIC Act and s 4 of the ACL.

66. On and from 18 November 2020, save as alleged further below:

- (a) A2M took no or no adequate step to withdraw or correct:
 - (i) the November AGM announcements; further or alternatively
 - (ii) the November Implied Representations; and
- (b) the said Announcements and Representations were continuing conduct.

A2M's true position – 18 November 2020

67. As at 18 November 2020,
- (a) the matters set out at paragraphs 36 to 37 above were continuing or had deteriorated;
 - (b) the matters set out in paragraphs 52(c) to 52(g) were continuing or had deteriorated;
 - (c) by reason of the matters in (a), further or alternatively (b), there was a material risk that A2M:
 - (i) as to revenue:
 - A. would not achieve group revenue for FY21 of \$1.8bn to \$1.9bn; and instead
 - B. would achieve in FY21 revenue materially less than its FY20 result (of \$1.73bn);
 - (ii) as to EBITDA margin:
 - A. would not in FY21 achieve an EBITDA margin in the order of 31%; and instead
 - B. would achieve an EBITDA margin materially less than 30%;
- (together and severally, **November Information**).

Particulars

So far as the plaintiff is able to say prior to discovery and receipt of expert reports, variances of 10% or more were material to the A2M Securities Market.

Further particulars as to the said risks and counterfactuals will be provided following completion of discovery and receipt of expert reports.

68. By no later than 18 November 2020, A2M:
- (a) ought reasonably to have known the November Information; and
 - (b) in the premises, had the November Information within the meaning of:
 - (i) Rules 3.1 and 19.12 of the ASX Listing Rules; and
 - (ii) s 674(2) of the Corporations Act.

Particulars

One or more of the A2M Officers ought reasonably to have known the said information because:

- i. the information related to the subject matter of the August Forecasts, the August Earnings Call Statements, the September Forecasts and the November Forecasts;*

- ii. *the information could reasonably have been expected to affect assessments made by A2M Investors as to the accuracy or reliability of the August Forecasts, the August Earnings Call Statements, the September Forecasts and the November Forecast;*
- iii. *A2M had represented that it had taken reasonable care in the preparation of the August Forecasts, the August Earnings Call Statements, the September Forecasts and the November Forecast;*
- iv. *by reason of (ii) and (iii), the information could reasonably have been expected to influence A2M Investors in their decisions whether to acquire or dispose of A2M Securities;*
- v. *on or about 11 November 2020 the company known to the parties as Synlait had downgraded its forecast for sales for FY21, in circumstances where:*
 - A. *Synlait was A2M's largest supplier of milk feedstocks;*
 - B. *A2M was Synlait's largest customer for milk feedstocks; and*
 - C. *A2M provided Synlait with rolling forecasts of A2M's expected feedstock requirements; and*
 - D. *in the premises, a downgrade in expected sales by Synlait implied an expectation of reduced feedstock demand from A2M, further implying reduced sales (alternatively, excessive inventory) by A2M;*
- vi. *A2M was subject to the Listing Rules and was required to provide information to the ASX regarding its financial performance, including as to forecasts like the August Forecasts, the September Forecasts and the November Forecast.*

Further particulars may be provided following discovery and receipt of expert reports, including as to which A2M Officers knew or ought reasonably to have known the said matters.

November misleading conduct

69. Each of:
- (a) the November AGM announcements; further or alternatively
 - (b) the November Implied Representations;
- (together and severally **November AGM Conduct**):
- (i) was made in trade or commerce;

- (ii) was made in relation to a financial product within the meaning of s 763A(1)(a) and s 764A(1)(a) of the Corporations Act, namely A2M's Securities;
- (iii) was made in relation to financial services within the meaning of s 766A(1)(a) and s 766B(1) of the Corporations Act and s 12BAB(1)(a) and (5) of the ASIC Act; and
- (iv) concerned information that a reasonable person would expect to have a material effect on the price or value of A2M's Securities.

Particulars

The matters in (iv) are to be inferred from the matters alleged in paragraphs 51, 72, 79, 96 and 110.

Further particulars may be provided following discovery and receipt of experts' reports.

70. By reason of the matters set out in paragraph 67, on and from 18 November 2020 A2M did not have reasonable grounds:
- (a) to expect that the impacts of COVID-related issues on its daigou/reseller channels would moderate in a way that would materially contribute to A2M's financial performance over FY21;
 - (b) to maintain the September Forecasts; further or alternatively
 - (c) to assume that sales through its daigou channels would improve sufficiently to achieve the 2H21 performance necessary to achieve the September Forecasts.
71. In the premises, the November AGM Conduct was misleading or deceptive or likely to mislead or deceive in contravention of:
- (a) s 1041H(1) of the Corporations Act;
 - (b) s 12DA of the ASIC Act; and/or
 - (c) s 18 of the ACL;
- (November Misleading Conduct).**

Market effects of November Contraventions

72. By reason of:
- (a) the November Misleading Conduct; further or alternatively
 - (b) the ongoing September Continuous Disclosure Contravention;
- (together and severally the **November Contraventions**) A2M investors:

- (i) who held A2M Securities – maintained the price at which they were willing to dispose of the Securities, or did not reduce the said price as far as they otherwise would have done;
- (ii) who were considering acquiring A2M Securities – maintained the price at which they were willing to acquire of the Securities, or did not reduce the said price as far as they otherwise would have done.

Particulars

The said effects are to be inferred from:

- i. the character of the market for A2M Securities as set out in paragraph 16 above;*
- ii. the price sensitivity of the November Information; and*
- iii. the circumstance that the Trading Prices following the November AGM announcements remained higher than they would have been if the A2M Securities Market had been aware of the November Information.*

Further particulars may be provided following discovery and receipt of experts' reports.

73. By reason of the matters set out in the preceding paragraph, the November Contraventions were a cause of Inflation in the Trading Price of A2M Securities on and from 18 November 2020.

DECEMBER 2020

December Downgrade

74. On 17 December 2020 prior to the opening of trading on the ASX, and at 10.06am on the NZX, A2M's Securities were placed into a trading halt at A2M's request, pending an announcement by it (**Trading Halt**).
75. On or about 18 December 2020, during the Trading Halt and prior to the resumption of trading in A2M Securities:
- (a) A2M issued the December Release; and
 - (b) A2M conducted an analyst briefing, being the December Analyst Call.
76. By the December Analyst Call and the December Release (together and severally **December Announcements**) A2M stated to the A2M Securities Market that or to the effect that:

- (a) the effects on A2M’s business from disruption in its daigou channels had proved to be more significant and protracted than previously anticipated;
- (b) the said disruptions had predominantly affected infant nutrition sales, but had begun to impact other nutritional segments;
- (c) an anticipated improvement in the daigou channel during 2Q21 had been slower than expected;
- (d) notwithstanding A2M’s recent focus on activating the CBEC channel “in a manner which complements our daigou business”, the disruption in (a) was now having a more significant impact on the CBEC channel;
- (e) sales in the CBEC channel had been below expectations;
- (f) given the strategically important role of the daigou channel, including in new user recruitment, A2M intended to strengthen its focus on reactivating the daigou channel in 2H21;
- (g) A2M did not believe that channel inventory was ‘excessive’, meaning ‘beyond normal levels’;
- (h) A2M had not been able to get pricing to the levels needed for sales to the daigou channel to meet its forecasts, and CBEC sales were not enough to make up the shortfall;
- (i) A2M was getting financial information on an accurate and timely basis;
- (j) A2M was comfortable that daigou channel inventory was of an appropriate age and A2M had no need or intention to buy back channel inventory, but daigou channels were not drawing down stock inventory as fast as A2M had hoped;
- (k) A2M intended to support price levels and daigou margins by restricting supply to CBEC channels;
- (l) the December Release reflected much more conservative assumptions in respect of restoration of daigou channel demand in 2H21 than had been adopted previously;
- (m) A2M expected:
 - (i) group revenue for 1H21 in the order of \$670m, noting that 2Q21 will be higher than 1Q21;
 - (ii) group EBITDA margin for 1H21 in the order of 27%;
 - (iii) group revenue for FY21 of \$1.4bn to \$1.55bn;
 - (iv) group EBITDA margin for FY21 of between 26% and 29%;

(December Forecasts),

(together and severally the **December Downgrade Statements**).

Particulars

- i. December Release, pp.1-3.*
- ii. Copies of the December Release and the December Analyst Call transcript are available on request from the plaintiff’s solicitors.*

- iii. *As to subpar (g), see December Analyst Call at pp.4.3, 5.6.*
- iv. *As to subpar (h), see December Analyst Call at pp.5.6, 6.6-8.*
- v. *As to subpar (i), see December Analyst Call at p.7.9-8.1.*
- vi. *As to subpar (j), see December Analyst Call at p.12.9.*
- vii. *As to subpar (k), see December Analyst Call at p.14.9.*

Insofar as the December Downgrade Statement (including but not limited to the December Forecasts) were representations as to future matters, the plaintiff relies on s 769C of the Corporations Act, s 12BB of the ASIC Act and s 4 of the ACL.

77. By the December Announcements, A2M impliedly represented to the A2M Securities Market that or to the effect that:

- (a) A2M had adequate systems for monitoring its business, sufficient to enable it to draw reasonably reliable conclusions as to the matters the subject of its statements to the market;
- (b) A2M had adequate systems for monitoring channel inventory, sufficient to enable it to draw reasonably reliable conclusions as to likely demand from and sales to its various channels during FY21;
- (c) A2M had reasonable grounds to expect that it could:
 - (i) restrict sales to its CBEC channels;
 - (ii) thereby promote a restoration of prices for its products into the Chinese market;
 - (iii) thereby restore daigou margins;
 - (iv) thereby restore daigou demand for A2M's products; and
 - (v) thereby 'reboot' the daigou channel sufficient to enable A2M to achieve its December Forecasts;
- (d) A2M had adequate systems for monitoring the conditions affecting its daigou channel, sufficient to enable it to characterise as "conservative" its assumptions regarding restoration of demand from that channel during FY21; further or alternatively
- (e) A2M had reasonable grounds for the December Forecasts;

(December Implied Representations).

78. On and from 18 December 2020, save as alleged further below:

- (a) A2M took no or no adequate step to withdraw or correct:
 - (i) the December Downgrade Statements; further or alternatively

- (ii) the December Implied Representations; and
- (b) the said Announcements and Representations were accordingly continuing conduct.

December – partial corrective disclosure

79. The information the subject of the December Downgrade Statements:

- (a) was information that a reasonable person would expect to have a material effect on the price or value of A2M Securities;
- (b) related to the subject matter of:
 - (i) the subject matter of the August Earnings Call Statements;
 - (ii) the subject matter of:
 - A. the August Information;
 - B. the September Information;
 - C. the December Information;
 - (iii) the subject matter of the December Downgrade Statements, so far as they concerned channel inventory and stock inventory; and
 - (iv) the Forecasts prior to 18 December 2020;
- (c) operated to partly correct the information available to the market concerning the matters in (b) above;
- (d) by partly correcting the said information, caused A2M Investors:
 - (i) who held A2M Securities – to reduce the price at which they were willing to dispose of the Securities; or
 - (ii) who were considering acquiring A2M Securities – to reduce the price at which they were willing to purchase the Securities;

Particulars

The said effects are to be inferred from:

- i. the character of the market for A2M Securities as set out in paragraph 16 above; and*
- ii. the changes in Trading Price following the release of the December Announcements, namely that:*

A. on 16 December 2020, the closing Trading Price:

- 1. on the ASX was AUD\$13.28;*

2. on the NZX was \$14.12;
- B. on 18 December 2020, following the resumption of trading in A2M Securities after the Trading Halt:
1. on the ASX the opening Trading Price was AUD\$10.34 and the closing Trading Price was AUD\$10.14 (reflecting a decline of approximately 24% from the closing Trading Price on 16 December 2020); and
 2. on the NZX the opening Trading Price was \$11.45 and the closing Trading Price was \$11.00 (reflecting a decline of approximately 22% from the closing Trading Price on 16 December 2020);

Further particulars may be provided following discovery and receipt of experts' reports.

- (e) by reason of the matters set out in the preceding subparagraph, caused the Trading Prices to adjust downward toward the Trading Prices that would have existed but for the September Forecasts and the November Forecasts; and
- (f) in the premises, removed some of the Inflation.

Particulars

Particulars of the Inflation effects of the December Announcements will be provided following discovery and receipt of experts' reports.

A2M's true position – 18 December 2020

80. As at 18 December 2020:
- (a) the matters set out at paragraphs 36 to 37 above were continuing or had deteriorated;
 - (b) the matters set out in paragraphs 52(c) to 52(g) were continuing or had deteriorated;
 - (c) there was a material risk that existing channel inventory in the CBEC channel would:
 - (i) limit the effectiveness of A2M's efforts to restrict sales into the CBEC channel; and
 - (ii) enable CBEC vendors to continue to offer A2M products at prices that were too low to drive a 'reboot' of daigou margins and therefore daigou demand;

Particulars

So far as the plaintiff is able to say prior to discovery and receipt of experts' reports, the said matters are to be inferred from the circumstances that:

- i. A2M in the February Release, p 4, and February Results Presentation, stated it was aiming to reactivate the daigou channel, including by improving traceability through the channel;*
- ii. A2M in the May Announcement, stated that:*
 - A. A2M had conducted a Board-initiated comprehensive inventory review, following which it was clear that challenges in the daigou and CBEC channels were exacerbated by excess inventory and difficulties with visibility, p 1;*
 - B. visibility into third party inventory levels is generally challenging and the data is incomplete, p 3;*
 - C. A2M would work with its customers and distributors to improve the dating of inventory, p 3; and*
 - D. A2M would continue to rebalance inventory by further reducing sell-in to the daigou and CBEC channels to reduce channel inventory to target level, p 3.*
- iii. A2M in its FY21 Annual Report, at p 5, disclosed that higher than anticipated level of channel inventory was primarily due to difficulties with the visibility that arises as a result of the highly complex and multi-layered Chinese distribution systems; and*
- iv. the above matters were likely to have required weeks or months to develop, with the result that they were likely to have been indicated in information available to A2M by 18 December 2020.*

- (d) there was a material risk that, to the extent that A2M restricted sales into the CBEC channel, it would need to recognise a stock provision in respect of a resulting increase in stock inventory;

Particulars

The plaintiff repeats the particulars in paragraphs 52(c) and 80(c) above.

- (e) A2M had no adequate systems to enable it reliably to assess the risks in (c) and (d);
- (f) by reason of the matters in (a) to (e) (together or in any combination) there was a material risk that A2M:

- (i) as to revenue:
 - A. would not achieve group revenue for FY21 of \$1.4bn to \$1.55bn; and instead
 - B. would achieve in FY21 revenue materially less than \$1.4bn;
- (ii) as to EBITDA margin:
 - A. would not in FY21 achieve an EBITDA margin between 26% and 29%; and instead
 - B. would achieve an EBITDA margin materially less than 26%;

(the matters in (a) to (f) being together and severally the **December Information**).

Particulars

So far as the plaintiff is able to say prior to discovery and receipt of expert reports, variances of 10% or more were material to the A2M Securities Market.

Further particulars as to the said risks and counterfactuals will be provided following completion of discovery and receipt of expert reports.

81. By no later than 18 December 2020:

- (a) A2M knew or ought reasonably to have known the December Information; and
- (b) in the premises, had the December Information within the meaning of:
 - (i) Rules 3.1 and 19.12 of the ASX Listing Rules; and
 - (ii) s 674(2) of the Corporations Act.

Particulars

One or more of the A2M Officers ought reasonably to have known the said information because:

- i. the information related to the subject matter of the August Forecasts, the August Earnings Call Statements, the September Forecasts, the November Forecasts and the December Forecasts;*
- ii. the information could reasonably have been expected to affect assessments made by A2M Investors as to the accuracy or reliability of the August Forecasts, the August Earnings Call Statements, the September Forecasts, the November Forecasts and the December Forecasts;*
- iii. A2M had represented that it had taken reasonable care in the preparation of the August Forecasts, the August Earnings Call Statements, the September Forecasts, the November Forecasts and the December Forecasts;*

- iv. *by reason of (ii) and (iii), the information could reasonably have been expected to influence A2M Investors in their decisions whether to acquire or dispose of A2M Securities;*
- v. *A2M was subject to the Listing Rules and was required to provide information to the ASX regarding its financial performance, including as to forecasts like the August Forecasts, the September Forecasts, the November Forecasts and the December Forecasts.*

Further particulars may be provided following discovery and receipt of expert reports, including as to which A2M Officers knew or ought reasonably to have known the said matters.

December misleading conduct

82. Each of:

- (a) the December Downgrade Statements; further or alternatively
- (b) the December Implied Representations;

(together and severally **December Conduct**):

- (i) was made in trade or commerce;
- (ii) was made in relation to a financial product within the meaning of s 763A(1)(a) and s 764A(1)(a) of the Corporations Act, namely A2M's Securities;
- (iii) was made in relation to financial services within the meaning of s 766A(1)(a) and s 766B(1) of the Corporations Act and s 12BAB(1)(a) and (5) of the ASIC Act; and
- (iv) concerned information that a reasonable person would expect to have a material effect on the price or value of A2M's Securities.

Particulars

The matters in (iv) are to be inferred from the matters alleged in paragraphs 51, 79, 96, 108 and 110.

Further particulars may be provided following discovery and receipt of experts' reports.

83. By reason of the matters set out in paragraph 80, on and from 18 December 2020 A2M did not have reasonable grounds:

- (a) to expect that:
 - (i) A2M's efforts to restrict supplies into the CBEC channel; or

(ii) pricing behaviour by CBEC vendors;

would result in a sufficient restoration of price levels in China to restore daigou margins and demand;

- (b) to expect that it would not need to recognise a provision stock inventory;
- (c) to expect that it would achieve the December Forecasts.

84. In the premises, the December Conduct was misleading or deceptive or likely to mislead or deceive in contravention of:

- (a) s 1041H(1) of the Corporations Act;
- (b) s 12DA of the ASIC Act; and/or
- (c) s 18 of the ACL;

(December Misleading Conduct).

December continuous disclosure contraventions

85. On and from 18 December 2020 the December Information was not generally available within the meaning of s 676 of the Corporations Act.

86. On and from 18 December 2020 up to 22 March 2021:

- (a) the matters set out in paragraph 80 were continuing;
- (b) despite (a) – A2M made the representations the subject of the December Conduct;
- (c) in the premises in (a) and (b) – A2M was within the meaning of s 674(2)(c) of the Act (as modified by the Coronavirus Determinations):
 - (i) reckless, alternatively
 - (ii) negligent,

as to whether the December Information would have a material effect on the price or value of A2M Securities, if the Information were generally available.

87. Further, during the Relevant Period on and from 23 March 2021 the December Information was information that a reasonable person would have expected to have a material effect on the price or value of A2M Securities within the meaning of:

- (a) Rule 3.1 of the ASX Listing Rules; and

- (b) s 674(2) of the Corporations Act.

Particulars

The said characteristics are to be inferred from:

- i. the features of the market for A2M Securities as set out in paragraph 16 above;*
- ii. the circumstances that the December Information could rationally affect the assessments made by A2M Investors as to the accuracy or reliability of the August Conduct, the September Conduct, further or alternatively the December Conduct.*

Further particulars may be provided following discovery and receipt of experts' reports.

88. In the premises set out in paragraph 85 and:

- (a) paragraph 86 in respect of the Relevant Period up to and including 22 March 2021; and
- (b) paragraph 87 in respect of the Relevant Period on and from 23 March 2021;

A2M was obliged on and at all times from 18 December 2020 immediately to tell the ASX the December Information pursuant to:

- (i) Rule 3.1 of the ASX Listing Rules and
- (ii) s 674(2) of the Corporations Act.

89. In contravention of Rule 3.1 of the ASX Listing Rules, A2M did not tell the ASX the December Information at any time prior to 10 May 2021, save as alleged below.

90. In the premises set out in the preceding paragraph, A2M contravened s 674(2) of the Corporations Act (**December Continuous Disclosure Contravention**).

Market effects of December Contraventions

91. By reason of:

- (a) the matters set out in paragraph 79, A2M investors:
 - (i) who held A2M Securities – reduced the price at which they were willing to dispose of the Securities;
 - (ii) who were considering acquiring A2M Securities – reduced the price at which they were willing to purchase the Securities;
- (b) the **December Contraventions** being (together and severally):

- (i) the December Misleading Conduct; further or alternatively
 - (ii) the December Continuous Disclosure Contravention;
- the reductions in (a) were materially smaller than they otherwise would have been; and
- (c) in the premises in (b) – the December Contraventions were a cause of Inflation in the Trading Price of A2M Securities on and from 18 December 2020.

Particulars

The said effects are to be inferred from:

- i. the character of the market for A2M Securities as set out in paragraph 16 above; and*
- ii. the changes in the Trading Prices following the release of the December Release, namely:*
 - A. on 16 December 2020, the closing Trading Price:*
 - 1. on the ASX was AUD\$13.28;*
 - 2. on the NZX was \$14.12;*
 - B. on 18 December 2020, following the resumption of trading in A2M Securities after the Trading Halt*
 - 1. on the ASX the opening Trading Price was AUD\$10.34 and the closing Trading Price was AUD\$10.14 (reflecting a decline of approximately 24% from the closing Trading Price on 16 December 2020); and*
 - 2. on the NZX the opening Trading Price was \$11.45 and the closing Trading Price was \$11.00 (reflecting a decline of approximately 22% from the closing Trading Price on 16 December 2020);*
- iii. the changes in the Trading Price following the partial disclosures and eventual corrective disclosure referred to below, some or all of which reflected the A2M Securities Market's response to the disclosure or correction of information not disclosed or not accurately disclosed (being disclosure failures, as defined below) by reason of the December Contraventions.*

Further particulars may be provided following discovery and receipt of experts' reports.

FEBRUARY 2021**February Update**

92. On 25 February 2021:

- (a) prior to the opening of trading on the ASX and NZX, A2M released to the ASX and NZX:
 - (i) the February Results Presentation containing its 1H21 Interim Results;
 - (ii) the February Release; and
 - (iii) its 1H21 Interim Report for the six months ended 31 December 2020 (**February Report**); and
- (b) A2M conducted an analyst briefing (**February Analyst Call**), (together and severally, **February Announcements**).

93. In the February Announcements A2M stated that or to the effect that:

- (a) total 1H21 revenue was down 16% (at \$677.4m) and EBITDA margin was down 32.2% (at 27.0% normalised);
- (b) infant nutrition revenue in A2M's ANZ Segment declined 40.5% in 1H21, impacted by:
 - (i) pantry destocking in China, in the aftermath of strong sales in 3Q20;
 - (ii) reduced student numbers and reduced tourism from China into Australia; and
 - (iii) subdued online pricing and channel inventory unwinding, resulting in daigou being slower to fully re-enter the market;
- (c) A2M was aiming to re-activate the daigou channel, including by providing temporary support to the daigou and rebalancing inventory levels and improving traceability through the channel,
- (d) running down of higher levels of stock inventory in 1H21 had been slower than expected due to challenges in daigou and CBEC channels;
- (e) A2M was booking a stock provision of \$23.3m in 1H21;
- (f) A2M expected:
 - (i) group revenue for FY21 in the order of \$1.4bn;
 - (ii) group EBITDA margin for FY21 of 24% to 26%;**(February Forecasts);**

(together and severally the **February Statements**).

Particulars

- i. February Results Presentation, pp 9, 16, 17, 27, 28.*
- ii. February Release, pp 1, 2, 4, 8.*
- iii. February Report, summary, and pp 2, 4, 6, 19.*

94. By the February Announcements, A2M impliedly represented to the A2M Securities Market that or to the effect that:

- (a) A2M had adequate systems for monitoring its business, sufficient to enable it to draw reasonably reliable conclusions as to the matters the subject of its statements to the market;
- (b) A2M had adequate systems for monitoring channel inventory, sufficient to enable it to draw reasonably reliable conclusions as to likely demand from and sales to its various channels during FY21;
- (c) A2M had reasonable grounds to expect that it could:
 - (i) provide ‘temporary support to the daigou/resellers’ and restrict sales to its CBEC channels;
 - (ii) thereby promote a restoration of prices for its products into the Chinese market;
 - (iii) thereby restore daigou margins;
 - (iv) thereby restore daigou demand for A2M’s products; and
 - (v) thereby revive the daigou channel sufficient to enable A2M to achieve its February Forecasts; further or alternatively
- (d) A2M had reasonable grounds for the February Forecasts;

(February Implied Representations).

Particulars

Insofar as the February Announcements (including but not limited to the February Forecasts) were representations as to future matters, the plaintiff relies on s 769C of the Corporations Act, s 12BB of the ASIC Act and s 4 of the ACL.

95. On and from 25 February 2021, save as alleged further below:

- (a) A2M took no or no adequate step to withdraw or correct:
 - (i) the February Announcements; further or alternatively
 - (ii) the February Implied Representations; and
- (b) the said Announcements and Representations were accordingly continuing conduct.

February partial corrective disclosures

96. The information the subject of the February Announcements:
- (a) was information that a reasonable person would expect to have a material effect on the price or value of A2M Securities;
 - (b) related to:
 - (i) the subject matter of the August Earnings Call Statements;
 - (ii) the subject matter of:
 - A. the August Information;
 - B. the September Information;
 - C. the December Information;
 - D. the February information;
 - (iii) the subject matter of the December Downgrade Statements, so far as they concerned channel inventory and stock inventory; and
 - (iv) the Forecasts prior to 25 February 2021;
 - (c) operated to partly correct the information available to the market concerning the matters in (b) above;
 - (d) by partly correcting the said information, caused A2M Investors:
 - (i) who held A2M Securities – to reduce the price at which they were willing to dispose of the Securities; or
 - (ii) who were considering acquiring A2M Securities – to reduce the price at which they were willing to purchase the Securities;

Particulars

The said effects are to be inferred from:

- i. the character of the market for A2M Securities as set out in paragraph 16 above; and*
- ii. the changes in Trading Price following the release of the February Announcements, namely that:*
 - A. on 24 February 2020, the closing Trading Price:*
 - 1. on the ASX was AUD\$10.45;*
 - 2. on the NZX was \$11.13;*

B. on 25 February 2020, immediately following the February Announcements:

- 1. on the ASX the opening Trading Price was AUD\$8.85 and closing price was AUD\$8.77 per share (reflecting a decline from 24 February of approximately 16%); and*
- 2. on the NZX was \$9.34 per share (reflecting a decline from 24 February of approximately 16.1%);*

Further particulars may be provided following discovery and receipt of experts' reports.

- (e) by reason of the matters set out in the preceding subparagraph, caused the Trading Prices to adjust downward toward the Trading Prices that would have existed but for the Forecasts prior to 25 February 2021; and
- (f) in the premises, removed some of the Inflation.

Particulars

Particulars of the Inflation effects of the February Announcements will be provided following discovery and receipt of experts' reports.

A2M's true position – February 2021

97. On and from 25 February 2021:

- (a) the matters set out at paragraphs 36 to 37 above were continuing or had deteriorated;
- (b) the matters set out in paragraphs 52(c) to 52(g) were continuing or had deteriorated;
- (c) the matters set out in paragraphs 80(c) to 80(f) were continuing or had deteriorated;
- (d) A2M had no adequate systems to enable it to assess:
 - (i) the levels of channel inventory held by CBEC vendors, in particular resulting from the increased sales made by A2M up to 3Q20;
 - (ii) the levels of channel inventory held by daigou;
 - (iii) the levels of channel inventory held by MBS vendors;
 - (iv) the capacity of CBEC vendors to draw on extant channel inventory in lieu of fresh supplies from A2M;
 - (v) the likely effectiveness of steps taken by A2M to restrict fresh supplies to CBEC vendors, in order to:
 - A. create upward price pressure for CBEC vendors; and

- B. restore daigou margins and demand; and
- (vi) the extent to which aggressive restriction of fresh sales to CBEC vendors might impact A2M's revenues and stock inventories in FY21 and subsequent periods;
- (e) there were material risks that, by reason of the matters in (a) to (d) above, A2M:
 - (i) would not be able to 'support' a restoration of daigou margins and demand sufficient to enable A2M to achieve its February Forecasts;
 - (ii) would experience continued suppressed demand, requiring it to recognise a further provision in respect of stock inventories; and
 - (iii) had no reliable basis for the February Forecasts; and
- (f) by reason of the matters in (a) to (e) (together or in any combination), there was a material risk that A2M:
 - (i) as to revenue:
 - A. would not achieve group revenue for FY21 of \$1.4bn; and instead
 - B. would achieve in FY21 revenue materially less than \$1.4bn;
 - (ii) as to EBITDA margin:
 - A. would not in FY21 achieve an EBITDA margin of 24% to 26%, and instead
 - B. would achieve an EBITDA margin materially less than 24%;

(the matters in (a) to (f) being together and severally the **February Information**).

Particulars

So far as the plaintiff is able to say prior to discovery and receipt of experts' reports, the said matters are to be inferred from the circumstances that:

i. A2M in the May Announcement, stated that:

- A. A2M had conducted a Board-initiated comprehensive inventory review, following which it was clear that challenges in the daigou and CBEC channels were exacerbated by excess inventory and difficulties with visibility, p 1;*
- B. visibility into third party inventory levels is generally challenging and the data is incomplete, p 3;*
- C. A2M would work with its customers and distributors to improve the dating of inventory, p 3;*
- D. A2M would continue to rebalance inventory by further reducing sell-in to the daigou and CBEC channels to reduce channel inventory to target levels, p 3;*

E. A2M would need to book a further stock provision of approximately \$80m to \$90m in addition to the earlier stock provision recognised in 1H21;

- ii. A2M in its FY21 Annual Report, at p 5, disclosed that higher than anticipated level of channel inventory was primarily due to difficulties with the visibility that arises as a result of the highly complex and multi-layered Chinese distribution systems; and*
- iii. the above matters were likely to have been indicated in information available to A2M by 25 February 2021.*

So far as the plaintiff is able to say prior to discovery and receipt of expert reports, variances of 10% or more were material to the A2M Securities Market.

Further particulars as to the said risks and counterfactuals will be provided following completion of discovery and receipt of expert reports.

98. By no later than 25 February 2020:

- (a) A2M knew or ought reasonably to have known the February Information; and
- (b) in the premises, had the February Information within the meaning of:
 - (i) Rules 3.1 and 19.12 of the ASX Listing Rules; and
 - (ii) s 674(2) of the Corporations Act.

Particulars

One or more of the A2M Officers ought reasonably to have known the said information because:

- i. the information related to the subject matter of the August Forecasts, the August Earnings Call Statements, the September Forecasts, the November Forecasts, the December Forecasts and the February Forecasts (together and severally the **Prior Forecasts**);*
- ii. the information could reasonably have been expected to affect assessments made by A2M Investors as to the accuracy or reliability of the Prior Forecasts;*
- iii. A2M had represented that it had taken reasonable care in the preparation of the Prior Forecasts;*
- iv. by reason of (ii) and (iii), the information could reasonably have been expected to influence A2M Investors in their decisions whether to acquire or dispose of A2M Securities;*

- v. *A2M was subject to the Listing Rules and was required to provide information to the ASX regarding its financial performance, including as to forecasts like the Prior Forecasts.*

Further particulars may be provided following discovery and receipt of expert reports, including as to which A2M Officers knew or ought reasonably to have known the said matters.

February misleading conduct

99. Each of:

- (a) the February Announcements; further or alternatively
- (b) the February Implied Representations;

(together and severally **February Conduct**):

- (i) was made in trade or commerce;
- (ii) was made in relation to a financial product within the meaning of s 763A(1)(a) and s 764A(1)(a) of the Corporations Act, namely A2M's Securities;
- (iii) was made in relation to financial services within the meaning of s 766A(1)(a) and s 766B(1) of the Corporations Act and s 12BAB(1)(a) and (5) of the ASIC Act; and
- (iv) concerned information that a reasonable person would expect to have a material effect on the price or value of A2M's Securities.

Particulars

The matters in (iv) are to be inferred from the matters alleged in paragraphs 51, 79, 96, 108 and 110.

Further particulars may be provided following discovery and the receipt of experts' reports.

100. By reason of the matters set out in paragraph 97, on and from 25 February 2021 A2M did not have reasonable grounds:

- (a) for its estimates of channel inventory held by CBEC vendors for supply into or within China;
- (b) to expect that restricting fresh supplies to CBEC vendors would:
 - (i) apply sufficient upward pressure on the prices charged by CBEC vendors during 2H21;

- (ii) by reason of (i) – have a sufficient impact on the sales prices offered by CBEC vendors or able to be charged by daigou during 2H21;
- (iii) by reason of (ii) – have a sufficient impact on daigou margins or daigou demand for A2M’s products during 2H21;
- (c) to enable A2M to meet the February Forecasts;
- (d) to expect that restricting fresh supplies to CBEC vendors would not have the incidental effect of increasing A2M’s stock inventory such as to require it to recognise a further stock provision in its FY21 financial statements;
- (e) to consider that the risk that A2M would not achieve its February Forecasts was not of sufficient magnitude to require disclosure to the A2M Securities Market;
- (f) to expect that it would achieve the February Forecasts.

101. In the premises, the February Conduct was misleading or deceptive or likely to mislead or deceive in contravention of:

- (a) s 1041H(1) of the Corporations Act;
- (b) s 12DA of the ASIC Act; and/or
- (c) s 18 of the ACL;

(February Misleading Conduct).

February continuous disclosure contraventions

102. On and from 25 February 2021 the December Information was not generally available within the meaning of s 676 of the Corporations Act.

103. On and from 25 February 2021 up to 22 March 2021:

- (a) the matters set out in paragraph 97 were continuing;
- (b) despite (a) – A2M made the representations the subject of the February Conduct;
- (c) in the premises in (a) and (b) – A2M was within the meaning of s 674(2)(c) of the Act (as modified by the Coronavirus Determinations):
 - (i) reckless, alternatively
 - (ii) negligent,

as to whether the February Information would have a material effect on the price or value of A2M Securities, if the Information were generally available.

104. Further, during the Relevant Period on and from 23 March 2021 the February Information was information that a reasonable person would have expected to have a material effect on the price or value of A2M Securities within the meaning of:
- (a) Rule 3.1 of the ASX Listing Rules; and
 - (b) s 674(2) of the Corporations Act.

Particulars

The said characteristics are to be inferred from:

- i. the features of the market for A2M Securities as set out in paragraph 16 above;*
- ii. the circumstances that the February Information could rationally affect the assessments made by A2M Investors as to the accuracy or reliability of the August Conduct, the September Conduct, the December Conduct, further or alternatively the February Conduct.*

Further particulars may be provided following discovery and receipt of experts' reports.

105. In the premises set out in paragraph 102 and:
- (a) paragraph 103 in respect of the Relevant Period up to and including 22 March 2021; and
 - (b) paragraph 104 in respect of the Relevant Period on and from 23 March 2021;
- A2M was obliged on and at all times from 25 February 2021 immediately to tell the ASX the February Information pursuant to:
- (i) Rule 3.1 of the ASX Listing Rules; and
 - (ii) s 674(2) of the Corporations Act.
106. In contravention of Rule 3.1 of the ASX Listing Rules, A2M did not tell the ASX the February Information at any time prior to 10 May 2021.
107. In the premises set out in the preceding paragraph, on and from 25 February 2021 A2M contravened s 674(2) of the Corporations Act (**February Continuous Disclosure Contravention**).

Market effects of February Contraventions

108. By reason of:

- (a) the matters set out in paragraph 96 above, A2M Investors:
 - (i) who held A2M Securities – reduced the price at which they were willing to dispose of the Securities;
 - (ii) who were considering acquiring A2M Securities – reduced the price at which they were willing to purchase the Securities;
- (b) the **February Contraventions** being (together and severally);
 - (i) the February Misleading Conduct; further or alternatively
 - (ii) the February Continuous Disclosure Contravention;

the reductions in (a) were materially smaller than they otherwise would have been; and
- (b) in the premises in (b) – the February Contraventions were a cause of Inflation in the Trading Price of A2M Securities on and from 25 February 2021.

Particulars

The said effects are to be inferred from:

- i. the character of the market for A2M Securities as set out in paragraph 16 above; and*
- ii. the changes in the Trading Prices following the February Announcements, namely:*
 - A. on 24 February 2021, the closing Trading Price:*
 - 1. on the ASX was AUD\$10.45;*
 - 2. on the NZX was \$11.13;*
 - B. on 25 February 2021, immediately following the February Announcements:*
 - 1. on the ASX the opening Trading Price was AUD\$9.00 and the closing Trading Price was AUD\$8.76 (a decline of approximately 17% from the closing Trading Price on 24 February 2021); and*
 - 2. on the NZX the opening Trading Price was \$9.60 and the closing Trading Price was \$9.34 (a decline of approximately 16% from the closing Trading Price on 24 February 2021);*

iii. the changes in the Trading Price following the partial disclosures and eventual corrective disclosure referred to below, some or all of which reflected the A2M Securities Market's response to the disclosure or correction of information not disclosed or not accurately disclosed (being disclosure failures, as defined below) by reason of the December Contraventions.

Further particulars may be provided following discovery and receipt of experts' reports.

MAY 2021 CORRECTIVE DISCLOSURE

109. Prior to the opening of trading on the ASX and NZX on 10 May 2021, A2M in the May Announcement release to the ASX and NZX stated that or to the effect that:

- (a) it was clear to A2M that the actions taken by it to address challenges in the daigou and CBEC channels would not result in sufficient improvement in pricing, sales and inventory levels in 3Q21 to meet the February Forecasts;
- (b) the matters in (a) were “based on April sales being well below plan”;
- (c) a comprehensive review by A2M management had indicated that channel inventory was higher than had been anticipated;
- (d) the review in (c) had made clear that the challenges in the daigou/reseller and CBEC channels had been exacerbated by excess channel inventory and difficulties with A2M’s “visibility” over channel inventory;
- (e) in the interests of the long-term health of the A2M brand and the medium-term trading outlook for the business, more aggressive action to address excess channel inventory would be taken which would impact revenue and EBITDA in FY21 and potentially 1Q22;
- (f) A2M would cease its daigou/reseller margin support program, reduce sell-in to the daigou/reseller channels and reduce sell-in to the CBEC channels to “rebalance inventory” and reduce channel inventory to target levels;
- (g) the actions in (f) would:
 - (i) significantly reduce sales for FY21; and
 - (ii) result in a further stock provision of approximately \$80m-\$90m, in addition to the \$23m stock provision recognised in 1H21;
- (h) sales of CLIF Products in 3Q21 were 21% lower than 2Q21; and
- (i) A2M now forecast:

- (i) FY21 revenue in the order of \$1.2bn to \$1.25bn; and
- (ii) FY21 EBITDA margin in the order of 11% to 12%;
- (j) it would take time to rebalance inventory levels and “restore channel health” and an update regarding implications for FY22 would be provided in August 2021;

(May Corrective Disclosures).

110. The information the subject of the May Corrective Disclosures:

- (a) was information that a reasonable person would expect to have a material effect on the price or value of A2M Securities;
- (b) related to:
 - (i) the subject matter of the August Earnings Call Statements;
 - (ii) the subject matter of:
 - A. the August Information;
 - B. the September Information;
 - C. the December Information;
 - D. the February information; and
 - (iii) the Prior Forecasts;
- (c) operated to correct the information available to the A2M Securities Market concerning the matters in (b) above;
- (d) by correcting the said information, caused A2M Investors:
 - (i) who held A2M Securities – to reduce the price at which they were willing to dispose of the Securities; or
 - (ii) who were considering acquiring A2M Securities – to reduce the price at which they were willing to purchase the Securities;

Particulars

The said effects are to be inferred from:

- i. the character of the market for A2M Securities as set out in paragraph 16 above;*
and
- ii. the changes in Trading Price following the release of the May Corrective Disclosures, namely that:*

A. on 7 May 2021, the closing Trading Price:

1. on the ASX was AUD\$7.00;
 2. on the NZX was \$7.59;
- B. on 25 February 2020, immediately following the February Announcements:
1. on the ASX the opening Trading Price was AUD\$6.05 and the closing price was AUD\$6.09 per share (reflecting a decline from close on 7 May of approximately 13%); and
 2. on the NZX was \$6.62 per share (a decline of approximately 12.8% from close on 7 May);

Further particulars may be provided following discovery and receipt of experts' reports.

- (e) by reason of the matters set out in the preceding subparagraph, caused the Trading Prices to adjust downward; and
- (f) in the premises, removed some or all of the remaining Inflation.

Particulars

Particulars of the Inflation effects of the May Corrective Disclosures will be provided following discovery and receipt of experts' reports.

CAUSATION AND LOSS

Acquisition Claimants

Market-based causation

111. The plaintiff and some Group Members (**Acquisition Claimants**):
- (a) acquired the Period Shares; and
 - (b) at the time of one or more of:
 - (i) the September partial corrective disclosures;
 - (ii) the December partial corrective disclosures;
 - (iii) the February partial corrective disclosures; further or alternatively

(iv) the May Corrective Disclosures;

(together and severally **Disclosure Events**) still held the said interests acquired earlier in the Relevant Period.

Individual reliance

112. Further or alternatively to paragraph 111, the plaintiff and some or all of the other Acquisition Claimants acquired and thereafter retained their Period Shares in reliance upon:

- (a) the August Conduct;
- (b) the September Conduct;
- (c) the November Conduct;
- (d) the December Conduct; further or alternatively
- (e) the February Conduct;

(the said statements, implied representations and omissions being together and severally the **Disclosure Failures**).

Acquisition Claimants – loss and damage

113. By reason of the Inflation in the Trading Price of A2M Securities during the Relevant Period, the Acquisition Claimants paid a higher price to acquire Period Shares than they would have paid but for:

- (a) the August Contraventions;
- (b) the September Contraventions;
- (c) the November Contraventions;
- (d) the December Contraventions; further or alternatively
- (e) the February Contraventions;

(together and in any combination, the **Contraventions**).

114. By reason of the matters set out in:

- (a) paragraph 111; alternatively
- (b) paragraphs 111 and 112;

and paragraph 113, each of the Acquisition Claimants suffered loss or damage when the market effects of a Disclosure Event caused the removal of some or all of the Inflation from the Trading Price of the Period Shares earlier acquired by each Acquisition Claimant.

Particulars

The loss suffered by the Acquisition Claimants is the greater of:

- i. the difference between the price at which each Acquisition Claimant acquired Period Shares and the value of the Period Shares “left in hand” at trial, or as realised upon a sale of those A2M Securities following a Disclosure Event (**Left-in-hand Loss**);*
- ii. alternatively, the amount of the difference in (i) attributable to the correction of information effected by the Contraventions, net of market movements or unrelated movements in the Trading Price (**Peak Inflation loss**);*
- iii. alternatively, Peak Inflation loss on Period Shares, less any inflation recovered upon a sale of any A2M Securities during the Relevant Period (**Net Inflation loss**);*
- iv. alternatively, the difference between the price at which they acquired their interest in A2M Securities during the Relevant Period and the price at which the Securities would have traded at that time had the Contraventions not occurred (**Potts v Miller loss**);*
- v. alternatively, for the Plaintiff and those Acquisition Claimants who, but for the Contraventions, would have retained or acquired an alternative investment – the difference, at the date of hearing, between:*
 - A. their actual position as a result of having acquired an interest in A2M Securities during the Relevant Period; and*
 - B. the position in which they would have been had they made or retained the alternative investment;*

*(being “**No Transaction**” loss).*

Particulars of the Plaintiff’s loss will be provided following receipt of expert reports.

Particulars of the individual losses of other Acquisition Claimants will be provided following the trial of common questions or otherwise as the Court may direct.

Retention Claimants

115. Further or in the alternative to the preceding Section, some Group Members (**Retention Claimants**):

- (a) acquired the Pre-Period Shares; and
- (b) retained the said interests after the September partial corrective disclosures.

Retention Claimants – ‘compliance assumption’

116. Some or all of the Retention Claimants retained their Pre-period Shares as a result of holding and acting upon the assumption, being an assumption generally made in the A2M Securities Market and on which they were entitled to act, that the prices at which the Securities traded represented the market price in a market:
- (a) that had been informed of all material information concerning A2M that was required to be disclosed by it in accordance with:
 - (i) the ASX Listing Rules; and
 - (ii) sections 674(2), 1041E and 1041H of the Corporations Act; and
 - (b) in which A2M had not made any statements or representations that were likely to influence A2M Investors, but that were false or misleading in a material particular, or misleading or deceptive or likely to mislead or deceive.

Particulars

A2M Investors are generally aware that there is a complex and comprehensive regulatory regime including, inter alia, the ASX Listing Rules and sections 674(2), 1041E and 1041H of the Corporations Act, which has as one of its purposes to ensure that the market is promptly informed of all information which is relevant to the price at which securities are traded.

Further particulars, including particulars of loss, for Retention Claimants will be provided following discovery and receipt of expert reports, and otherwise as the Court may direct.

Retention Claimants – reliance on Disclosure Failures

117. Further or alternatively to the preceding paragraph, the Retention Claimants retained an interest in Pre-period Shares after 20 August 2020, in reliance upon one or more of the Disclosure Failures.
118. But for:
- (a) the August Contraventions;
 - (b) the September Contraventions;

- (c) the November Contraventions;
- (d) the December Contraventions; further or alternatively
- (e) the February Contraventions;

the Retention Claimants would have disposed of their Pre-Period Shares before the September or subsequent Disclosure Events.

119. In the premises in the preceding paragraph, by reason of the Contraventions the Retention Claimants lost the opportunity to avoid the losses resulting from the matters the subject of:

- (a) the September Information;
- (b) the December Information; further or alternatively
- (c) the February Information;

so far as those losses were caused by matters arising after the matters the subject of the August Information.

ENTITLEMENT TO RELIEF

120. By reason of the matters set out in paragraphs 111 to 119 above, the Claimants may recover from A2M the amount of the loss and damage suffered by them and referred to therein (**Claimants' Losses**), pursuant to:

- (a) s 1041I of the Corporations Act;
- (b) s 12GF of the ASIC Act; and
- (c) s 236 of the ACL.

121. Further or alternatively, by reason of the matters set out in paragraphs 111 to 119 above, A2M is obliged pursuant to s 1317HA of the Corporations Act to compensate the Claimants for the Claimants' Losses that resulted from its contravention of s 674(2).

COMMON QUESTIONS OF LAW OR FACT

122. The common questions of law or fact arising in the claims of the Claimants are:

- (a) in relation to the alleged August Contraventions:

- (i) whether A2M made the representations the subject of the August Conduct;
 - (ii) whether and if so at what times the August Information existed;
 - (iii) whether A2M engaged in the August misleading conduct and if so how;
 - (iv) whether A2M made in the August continuous disclosure failures and if so how;
- (b) in relation to the alleged September Contraventions:
- (i) whether A2M made the representations the subject of the September Conduct;
 - (ii) whether and if so at what times the August Information existed;
 - (iii) whether A2M engaged in the September misleading conduct and if so how;
 - (iv) whether A2M made in the September continuous disclosure failures and if so how;
- (c) in relation to the alleged November Contraventions:
- (i) whether A2M made the representations the subject of the November Conduct;
 - (ii) whether A2M engaged in the November misleading conduct and if so how;
- (d) in relation to the alleged December Contraventions:
- (i) whether A2M made the representations the subject of the December Conduct;
 - (ii) whether and if so at what times the December Information existed;
 - (iii) whether A2M engaged in the December misleading conduct and if so how;
 - (iv) whether A2M made in the December continuous disclosure failures and if so how;
- (e) in relation to the alleged February Contraventions:
- (i) whether A2M made the representations the subject of the February Conduct;
 - (ii) whether and if so at what times the February Information existed;
 - (iii) whether A2M engaged in the February misleading conduct and if so how;
 - (iv) whether A2M made in the February continuous disclosure failures and if so how;
- (f) if any of the Contraventions occurred:
- (i) whether the Contraventions caused any and if so what Inflation in the Trading Price of A2M Securities;
 - (ii) for the Acquisition Claimants – whether causation of loss can be established by market-based causation as alleged;
 - (iii) in respect of:
 - (A) Acquisition Claimants (if Question (f)(ii) is answered No); and
 - (B) Retention Claimants;

- what are the principles for establishing causation of loss;
- (iv) what is the proper method for measuring compensable loss suffered by:
 - (A) a Retention Claimant in respect of Pre-Period Shares; and
 - (B) an Acquisition Claimant in respect of Period Shares

AND THE PLAINTIFF CLAIMS, for himself and on behalf of the Group Members:

- A. Declarations.
- B. Damages and/or statutory compensation pursuant to:
 - a. s 1317HA of the Corporations Act,
 - b. s 1041(1) of the Corporations Act,
 - c. s 12GF(1) of the ASIC Act, further or alternatively
 - d. s 236 of the ACL.
- C. Interest pursuant to statute.
- D. Costs.
- E. Such further or other orders as the Court deems fit.

Date: 23 November 2021



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Shine Lawyers
Solicitors for the Plaintiff

This pleading was prepared by Anna Batrouney of counsel and settled by Lachlan Armstrong QC.

1. Place of trial— Melbourne.
2. Mode of trial— Judge alone.
3. This writ was filed—for the plaintiff by Shine Lawyers, solicitor, of Level 6, 277 William Street, Melbourne VIC 3000.
4. The address of the plaintiff is— 25 Falaise Place, Sunnybank Hills QLD 4109, Australia
5. The address for service of the plaintiff is— Level 6, 277 William Street, Melbourne VIC 3000.
6. The email address for service of the plaintiff is— callsopp@shine.com.au
7. The address of the defendant is— Level 12, 680 George Street, Sydney NSW 2000

ANNEXURE A

PARTICULARS OF THE PLAINTIFF'S SHAREHOLDING IN A2M DURING THE RELEVANT PERIOD

The Plaintiff acquired an interest in A2M shares as outlined in the following table:

Date of Purchase	Number of A2M shares	Average price per share (\$)	Amount paid (not incl. brokerage) (\$)
28 September 2020	33	AUD\$15.65	AUD\$516.45

The Plaintiff did not dispose of his interest in A2M shares acquired during the Relevant Period.

ANNEXURE B
CHRONOLOGY OF A2M'S SHARE TRADING PRICE HISTORY
DURING THE RELEVANT PERIOD

(ASX trading)

Date	Open (\$)	High (\$)	Low (\$)	Close (\$)	Volume
18/08/2020	19.54	19.75	19.45	19.49	4,572,915
19/08/2020	18.95	18.98	18.18	18.25	10,719,902
20/08/2020	18.42	18.61	18.14	18.16	4,720,979
21/08/2020	18.51	18.85	18.33	18.37	4,728,323
24/08/2020	18.45	18.64	18.32	18.63	4,656,607
25/08/2020	18.69	18.71	18.12	18.18	3,989,808
26/08/2020	18.2	18.345	18	18.24	3,278,197
27/08/2020	18.38	18.695	17.93	18.02	6,143,727
28/08/2020	18	18.03	17.39	17.47	6,806,462
31/08/2020	17.47	17.52	16.96	17.01	5,126,617
1/09/2020	16.9	16.97	16.53	16.6	5,860,884
2/09/2020	16.78	16.95	16.65	16.84	3,182,697
3/09/2020	17.1	17.37	16.95	17.15	4,336,638
4/09/2020	16.95	17.05	16.67	16.7	4,012,074
7/09/2020	16.7	16.86	16.63	16.79	2,239,516
8/09/2020	16.88	16.97	16.69	16.76	2,115,345
9/09/2020	16.5	16.61	16.13	16.33	3,315,918
10/09/2020	16.52	16.68	16.37	16.47	3,241,974
11/09/2020	16.35	16.45	16.18	16.45	2,108,493
14/09/2020	16.54	16.6	16.25	16.32	2,682,741
15/09/2020	16.37	16.6	16.3	16.55	2,591,085
16/09/2020	16.6	16.77	16.57	16.65	3,048,392
17/09/2020	16.6	16.68	16.34	16.43	2,502,203
18/09/2020	16.59	16.59	16.27	16.39	2,667,470
21/09/2020	16.36	16.54	16.33	16.43	1,376,009
22/09/2020	16.38	16.54	16.32	16.4	1,935,587
23/09/2020	16.54	17.13	16.53	17.02	2,805,234
24/09/2020	16.86	16.94	16.74	16.74	1,480,813
25/09/2020	17.02	17.24	16.96	17.16	2,752,570
28/09/2020	15.59	15.89	15.2	15.2	12,339,069
29/09/2020	15.15	15.18	14.49	14.59	14,191,123
30/09/2020	14.52	14.62	13.96	14.05	15,106,256
1/10/2020	14.32	14.39	13.87	14.02	8,085,546
2/10/2020	14.1	14.15	13.91	13.98	4,018,722
5/10/2020	14.13	14.29	14.02	14.23	2,479,353
6/10/2020	14.45	14.49	14.16	14.16	2,657,821
7/10/2020	14.29	14.49	14.24	14.34	3,574,322
8/10/2020	14.55	14.59	14.35	14.38	2,444,664
9/10/2020	14.45	14.49	14.28	14.35	2,079,359
12/10/2020	14.49	14.59	14.43	14.54	2,580,999
13/10/2020	14.68	14.98	14.61	14.85	2,728,236
14/10/2020	14.95	15.29	14.91	14.91	3,642,164
15/10/2020	15.15	15.15	14.605	14.67	3,717,907
16/10/2020	14.72	14.76	14.58	14.63	2,988,514
19/10/2020	14.63	14.69	14.5	14.62	2,784,516
20/10/2020	14.62	14.75	14.55	14.7	2,981,504
21/10/2020	14.65	14.69	14.31	14.35	3,777,398
22/10/2020	14.3	14.52	14.22	14.47	3,182,187

Date	Open (\$)	High (\$)	Low (\$)	Close (\$)	Volume
23/10/2020	14.48	14.54	14.28	14.45	2,985,649
26/10/2020	14.44	14.65	14.37	14.43	3,106,819
27/10/2020	14.35	14.4	14.13	14.24	4,212,896
28/10/2020	14.2	14.41	14.18	14.3	3,790,296
29/10/2020	14.2	14.2	13.92	13.96	4,850,223
30/10/2020	14.01	14.11	13.67	13.67	3,777,496
2/11/2020	13.76	13.78	13.26	13.48	3,377,548
3/11/2020	13.44	13.51	13.28	13.4	3,148,908
4/11/2020	13.45	13.48	13.04	13.21	3,618,573
5/11/2020	13.32	13.45	13.16	13.42	2,452,875
6/11/2020	13.59	13.84	13.47	13.71	2,816,843
9/11/2020	13.99	14.53	13.9	14.3	3,809,791
10/11/2020	14.7	14.9	14.32	14.32	3,630,741
11/11/2020	14.45	14.545	14.22	14.43	2,603,489
12/11/2020	14.63	14.85	14.6	14.68	2,457,035
13/11/2020	14.8	14.84	14.45	14.45	2,158,422
16/11/2020	14.7	14.7	14.53	14.55	224,854
17/11/2020	14.65	14.8	14.52	14.69	7,338,526
18/11/2020	14.96	15.05	13.91	13.98	11,699,606
19/11/2020	13.9	13.94	13.65	13.8	5,069,006
20/11/2020	13.8	14.04	13.64	13.9	3,151,057
23/11/2020	13.89	13.89	13.64	13.65	2,427,058
24/11/2020	13.7	13.81	13.66	13.73	2,056,334
25/11/2020	13.81	13.84	13.68	13.75	2,859,910
26/11/2020	13.84	14.26	13.75	13.94	3,539,171
27/11/2020	14	14.07	13.85	13.9	2,689,609
30/11/2020	14	14.07	13.63	13.82	3,206,016
1/12/2020	13.75	13.79	13.51	13.61	3,618,727
2/12/2020	13.65	13.76	13.38	13.4	3,487,361
3/12/2020	13.38	13.47	13	13.06	4,779,301
4/12/2020	13.01	13.52	13.01	13.48	3,776,556
7/12/2020	13.55	13.59	13.29	13.3	2,049,339
8/12/2020	13.3	13.39	13.24	13.28	2,511,417
9/12/2020	13.3	13.38	13.13	13.18	2,353,325
10/12/2020	13.15	13.28	13.11	13.2	2,120,192
11/12/2020	13.2	13.31	13.06	13.06	2,007,111
14/12/2020	13.07	13.31	12.95	13.16	2,853,790
15/12/2020	13.25	13.4	13.24	13.28	2,470,295
16/12/2020	13.35	13.41	13.17	13.28	1,997,974
17/12/2020	13.28	13.28	13.28	13.28	0
18/12/2020	10.34	10.62	9.82	10.14	26,203,979
21/12/2020	10.01	10.5	9.9	10.26	11,004,101
22/12/2020	10.44	10.84	10.25	10.77	10,432,095
23/12/2020	11.16	11.28	10.95	11.03	9,473,156
24/12/2020	11.3	11.39	10.92	10.95	4,726,216
29/12/2020	11.28	11.61	11.18	11.59	5,386,693
30/12/2020	11.69	11.75	11.3	11.44	3,566,273
31/12/2020	11.5	11.55	11.34	11.45	1,691,679
4/01/2021	11.5	11.69	11.48	11.65	1,997,377
5/01/2021	11.6	11.6	11.36	11.42	3,369,105
6/01/2021	11.42	11.47	10.9	10.95	6,812,208
7/01/2021	11.06	11.1	10.88	10.92	3,036,999
8/01/2021	10.92	10.98	10.8	10.94	2,800,278
11/01/2021	10.96	10.98	10.53	10.62	2,604,687
12/01/2021	10.65	10.755	10.525	10.58	3,070,261

Date	Open (\$)	High (\$)	Low (\$)	Close (\$)	Volume
13/01/2021	10.51	10.56	10.41	10.5	6,215,438
14/01/2021	10.55	10.57	10.3	10.3	3,307,263
15/01/2021	10.31	10.38	10.16	10.21	4,382,027
18/01/2021	10.18	10.2	10	10.09	2,975,345
19/01/2021	10.08	10.24	10.03	10.19	2,291,078
20/01/2021	10.22	10.365	10.175	10.22	2,434,724
21/01/2021	10.3	10.34	10.09	10.1	3,052,717
22/01/2021	10.1	10.24	10.05	10.14	2,973,797
25/01/2021	10.2	10.24	10.09	10.19	1,684,831
27/01/2021	10.32	10.75	10.31	10.66	5,716,666
28/01/2021	10.65	10.99	10.43	10.65	8,529,471
29/01/2021	10.85	10.9	10.67	10.7	5,102,266
1/02/2021	10.75	10.94	10.71	10.79	3,861,777
2/02/2021	10.85	10.87	10.28	10.45	6,724,212
3/02/2021	10.45	10.68	10.43	10.47	3,361,511
4/02/2021	10.55	10.56	10.31	10.4	5,199,873
5/02/2021	10.44	10.48	10.27	10.36	4,466,875
8/02/2021	10.35	10.39	10.23	10.23	1,641,840
9/02/2021	10.23	10.5	10.22	10.37	4,705,237
10/02/2021	10.38	10.38	10.16	10.2	2,425,744
11/02/2021	10.16	10.2	10.05	10.05	2,049,045
12/02/2021	10.05	10.08	9.925	9.96	2,762,989
15/02/2021	10	10.03	9.8	9.83	3,055,794
16/02/2021	9.84	10.12	9.68	10.1	4,722,727
17/02/2021	10.07	10.26	9.87	10.14	3,697,184
18/02/2021	10.14	10.27	10.07	10.19	2,943,456
19/02/2021	10.2	10.58	10.2	10.35	4,834,369
22/02/2021	10.45	10.575	10.39	10.53	3,408,879
23/02/2021	10.5	10.57	10.32	10.54	3,552,328
24/02/2021	10.59	10.66	10.33	10.45	4,497,126
25/02/2021	9	9.29	8.33	8.76	31,077,780
26/02/2021	8.67	9.09	8.51	8.99	12,821,854
1/03/2021	9	9.19	8.87	8.87	6,456,612
2/03/2021	8.87	9.67	8.86	9.54	10,587,866
3/03/2021	9.67	9.68	9.28	9.4	3,706,053
4/03/2021	9.28	9.39	9.2	9.36	3,226,938
5/03/2021	9.35	9.59	9.24	9.31	5,576,221
8/03/2021	9.51	9.57	9.2	9.2	2,245,245
9/03/2021	9.3	9.34	9.07	9.12	2,933,313
10/03/2021	9.19	9.22	8.99	8.99	2,999,585
11/03/2021	8.99	9.05	8.85	8.89	3,142,545
12/03/2021	8.8	8.86	8.67	8.77	4,551,736
15/03/2021	8.83	8.9	8.76	8.78	2,347,915
16/03/2021	8.78	8.84	8.68	8.69	4,205,804
17/03/2021	8.73	8.77	8.64	8.65	2,692,672
18/03/2021	8.6	8.7	8.415	8.46	5,781,634
19/03/2021	8.42	8.54	8.36	8.45	5,186,182
22/03/2021	8.51	8.55	8.37	8.43	3,138,562
23/03/2021	8.41	8.43	8.32	8.39	2,511,881
24/03/2021	8.39	8.4	8.24	8.33	3,966,607
25/03/2021	8.3	8.31	8.07	8.15	4,845,794
26/03/2021	8.1	8.11	7.86	8.04	7,143,949
29/03/2021	7.97	8.05	7.895	7.94	5,179,848
30/03/2021	8	8.02	7.78	7.81	3,815,023
31/03/2021	7.82	7.95	7.75	7.83	4,276,391

Date	Open (\$)	High (\$)	Low (\$)	Close (\$)	Volume
1/04/2021	7.9	7.91	7.725	7.75	3,298,812
6/04/2021	7.8	7.855	7.69	7.73	3,907,386
7/04/2021	7.71	7.93	7.68	7.91	3,241,814
8/04/2021	7.95	8.21	7.9	8.15	4,162,754
9/04/2021	8.24	8.3	7.89	7.9	6,276,241
12/04/2021	7.95	8.12	7.87	7.91	3,580,867
13/04/2021	8.03	8.33	8.03	8.29	6,130,142
14/04/2021	8.41	8.45	8.14	8.26	5,563,066
15/04/2021	8.24	8.32	8.13	8.28	3,566,696
16/04/2021	8.32	8.37	8.115	8.15	4,202,191
19/04/2021	8.22	8.33	8.16	8.17	3,362,484
20/04/2021	8.17	8.19	7.92	7.94	4,001,484
21/04/2021	7.91	7.92	7.67	7.71	5,515,540
22/04/2021	7.68	7.75	7.58	7.64	4,579,347
23/04/2021	7.52	7.53	7.31	7.38	7,024,834
26/04/2021	7.4	7.42	7.13	7.15	5,020,450
27/04/2021	7.06	7.11	6.83	6.92	7,794,273
28/04/2021	6.92	7.11	6.91	7.05	7,014,397
29/04/2021	7.08	7.25	7.03	7.24	6,203,964
30/04/2021	7.21	7.25	7.04	7.22	6,090,929
3/05/2021	7.17	7.27	7.14	7.22	2,913,326
4/05/2021	7.18	7.46	7.08	7.45	5,019,027
5/05/2021	7.34	7.54	7.25	7.43	5,921,656
6/05/2021	7.44	7.46	7.095	7.18	6,119,646
7/05/2021	7.17	7.21	6.975	7.02	4,359,094
10/05/2021	6.1	6.47	5.93	6.1	22,737,348



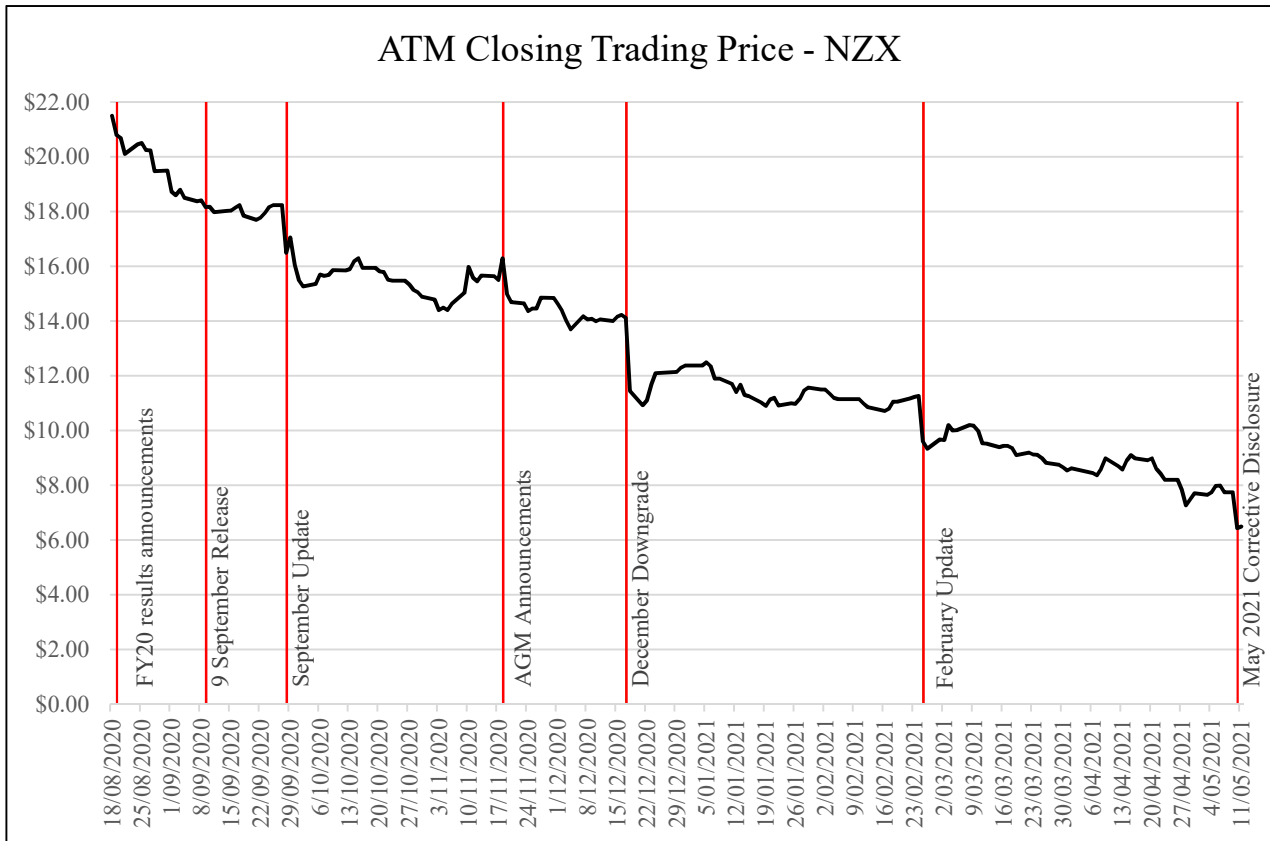
(NZX trading)

Date	Open (\$)	High (\$)	Low (\$)	Close (\$)	Volume
18/08/2020	21.5	21.74	21.4	21.5	704,842
19/08/2020	20.8	21.38	19.95	20.35	2,749,164
20/08/2020	20.69	20.96	19.92	19.92	911,425
21/08/2020	20.11	20.77	20.11	20.27	1,008,463
24/08/2020	20.46	20.67	20.07	20.43	674,193
25/08/2020	20.5	20.64	19.99	20.03	451,350
26/08/2020	20.25	20.25	19.82	20.06	523,076
27/08/2020	20.24	20.29	20.08	20.11	41,301
28/08/2020	19.48	19.48	19.08	19.3	1,418,443
31/08/2020	19.5	19.65	18.59	18.59	1,714,245
1/09/2020	18.73	18.95	18.11	18.3	1,210,185
2/09/2020	18.6	18.7	18.18	18.3	1,568,693
3/09/2020	18.8	18.8	18.3	18.79	1,736,077
4/09/2020	18.5	18.63	18.08	18.27	1,207,223
7/09/2020	18.37	18.59	18.06	18.3	759,684
8/09/2020	18.41	18.5	18.18	18.28	705,233
9/09/2020	18.16	18.18	17.6	17.84	912,657
10/09/2020	18.18	18.23	17.86	17.88	822,091
11/09/2020	17.98	18	17.69	17.91	1,356,821
14/09/2020	18.02	18.17	17.7	17.72	786,409
15/09/2020	18.04	18.08	17.73	18.08	438,883
16/09/2020	18.14	18.23	18.02	18.17	778,284
17/09/2020	18.24	18.4	17.76	17.88	694,841
18/09/2020	17.85	18	17.57	17.7	1,275,206
21/09/2020	17.7	17.88	17.64	17.86	420,676
22/09/2020	17.78	17.93	17.65	17.65	504,954
23/09/2020	17.95	18.29	17.88	18.26	678,904
24/09/2020	18.17	18.28	18.09	18.15	626,723
25/09/2020	18.24	18.57	18.24	18.44	610,040
28/09/2020	16.49	17.1	15.7	16.65	2,132,012
29/09/2020	17.05	17.1	15.65	15.84	2,388,041
30/09/2020	16.05	16.05	15.25	15.34	2,097,453
1/10/2020	15.49	15.72	15.01	15.19	1,289,433
2/10/2020	15.26	15.49	15.03	15.2	602,188
5/10/2020	15.36	15.45	15.14	15.44	642,716
6/10/2020	15.7	15.78	15.42	15.48	831,170
7/10/2020	15.65	15.65	15.37	15.5	1,385,042
8/10/2020	15.69	15.83	15.51	15.7	841,202
9/10/2020	15.86	15.97	15.53	15.57	1,202,264
12/10/2020	15.85	15.86	15.65	15.75	952,838
13/10/2020	15.9	16.16	15.85	16.12	940,655
14/10/2020	16.18	16.45	16.1	16.26	730,084
15/10/2020	16.29	16.3	15.68	15.75	1,467,760
16/10/2020	15.94	15.94	15.66	15.66	564,050
19/10/2020	15.94	15.94	15.54	15.7	554,306
20/10/2020	15.82	15.82	15.58	15.78	893,283
21/10/2020	15.79	15.81	15.38	15.46	1,210,947
22/10/2020	15.51	15.51	15.21	15.45	1,454,568
23/10/2020	15.47	15.55	15.27	15.37	695,161
27/10/2020	15.34	15.35	15.11	15.12	671,098
28/10/2020	15.14	15.31	15.07	15.21	960,241
29/10/2020	15.05	15.05	14.81	14.86	878,968

Date	Open (\$)	High (\$)	Low (\$)	Close (\$)	Volume
30/10/2020	14.89	15	14.55	14.64	783,675
2/11/2020	14.79	14.79	14.25	14.26	829,807
3/11/2020	14.4	14.45	14.13	14.31	407,772
4/11/2020	14.49	14.5	13.96	14.2	574,737
5/11/2020	14.4	14.4	14.11	14.35	507,538
6/11/2020	14.62	14.84	14.5	14.81	993,799
9/11/2020	15.03	15.55	14.9	15.45	1,628,548
10/11/2020	15.98	16.09	15.33	15.33	1,339,243
11/11/2020	15.58	15.59	15.17	15.43	455,362
12/11/2020	15.45	15.7	15.45	15.65	928,344
13/11/2020	15.66	15.71	15.32	15.32	509,479
16/11/2020	15.64	15.64	15.3	15.3	700,094
17/11/2020	15.5	15.68	15.42	15.59	829,436
18/11/2020	16.29	16.29	14.74	14.82	1,881,531
19/11/2020	14.99	15.15	14.43	14.54	979,699
20/11/2020	14.69	14.78	14.38	14.59	577,962
23/11/2020	14.65	14.73	14.35	14.36	398,148
24/11/2020	14.36	14.53	14.33	14.38	572,105
25/11/2020	14.46	14.64	14.43	14.5	934,899
26/11/2020	14.46	14.99	14.45	14.72	1,093,656
27/11/2020	14.86	14.87	14.54	14.67	797,247
30/11/2020	14.85	14.86	14.34	14.75	3,092,458
1/12/2020	14.62	14.63	14.16	14.21	696,951
2/12/2020	14.38	14.38	14.02	14.02	956,927
3/12/2020	14.03	14.14	13.68	13.7	1,039,507
4/12/2020	13.7	14.23	13.68	14.18	978,717
7/12/2020	14.18	14.33	14.06	14.06	994,714
8/12/2020	14.06	14.18	13.97	14.07	1,458,812
9/12/2020	14.08	14.1	13.83	13.85	892,514
10/12/2020	13.99	14.07	13.81	14	948,305
11/12/2020	14.06	14.11	13.87	13.95	1,704,622
14/12/2020	14	14.11	13.76	14.06	645,917
15/12/2020	14.15	14.23	14.09	14.2	957,734
16/12/2020	14.23	14.29	14.04	14.12	767,299
17/12/2020	14.12	14.12	14.12	14.12	0
18/12/2020	11.45	11.45	10.49	11	5,787,234
21/12/2020	10.93	11.22	10.46	10.94	3,025,216
22/12/2020	11.1	11.5	10.95	11.49	2,714,806
23/12/2020	11.69	12.05	11.69	11.89	1,205,139
24/12/2020	12.1	12.2	11.98	12.06	385,940
29/12/2020	12.14	12.3	11.95	12.22	818,752
30/12/2020	12.3	12.5	12.05	12.05	848,833
31/12/2020	12.38	12.38	12.07	12.07	660,441
5/01/2021	12.49	12.5	12.14	12.17	1,047,087
6/01/2021	12.35	12.35	11.65	11.65	1,140,355
7/01/2021	11.9	11.92	11.66	11.66	562,258
8/01/2021	11.9	11.9	11.56	11.67	545,926
11/01/2021	11.7	11.79	11.31	11.41	620,744
12/01/2021	11.41	11.57	11.35	11.41	978,030
13/01/2021	11.68	11.68	11.19	11.24	630,323
14/01/2021	11.3	11.46	11.15	11.2	427,559
15/01/2021	11.25	11.28	10.95	11.01	513,767
18/01/2021	11.02	11.02	10.75	10.75	429,737
19/01/2021	10.9	11.05	10.75	11.01	718,446
20/01/2021	11.14	11.21	11.01	11.01	639,184

Date	Open (\$)	High (\$)	Low (\$)	Close (\$)	Volume
21/01/2021	11.2	11.21	10.89	10.91	948,022
22/01/2021	10.91	11.05	10.82	10.9	771,510
25/01/2021	11	11.05	10.85	10.97	572,809
26/01/2021	10.97	11.19	10.81	11.07	664,456
27/01/2021	11.16	11.5	11.05	11.5	1,152,860
28/01/2021	11.47	11.76	11.16	11.33	1,047,173
29/01/2021	11.57	11.65	11.43	11.54	888,636
1/02/2021	11.5	11.63	11.41	11.48	359,193
2/02/2021	11.5	11.6	10.97	11.1	668,759
3/02/2021	11.35	11.38	11.03	11.07	607,463
4/02/2021	11.2	11.28	10.91	10.97	536,561
5/02/2021	11.15	11.19	10.91	11.07	770,801
9/02/2021	11.15	11.19	10.91	11.07	607,600
10/02/2021	11.15	11.19	10.89	10.91	761,689
11/02/2021	10.98	10.99	10.76	10.79	1,126,278
12/02/2021	10.86	10.88	10.66	10.66	1,264,180
15/02/2021	10.75	10.8	10.54	10.55	749,741
16/02/2021	10.72	10.8	10.41	10.77	1,453,376
17/02/2021	10.8	10.98	10.64	10.98	856,085
18/02/2021	11.05	11.08	10.86	10.95	530,186
19/02/2021	11.05	11.38	10.9	11.17	1,238,223
22/02/2021	11.17	11.36	11.17	11.34	808,981
23/02/2021	11.23	11.43	11	11.3	1,416,216
24/02/2021	11.27	11.48	11.13	11.13	1,269,972
25/02/2021	9.6	9.91	8.92	9.34	6,036,705
26/02/2021	9.34	9.69	9.1	9.69	2,757,845
1/03/2021	9.68	9.79	9.41	9.5	919,717
2/03/2021	9.65	10.03	9.45	10.02	1,782,338
3/03/2021	10.2	10.45	9.97	10.1	1,152,993
4/03/2021	10	10.09	9.87	10.01	1,026,376
5/03/2021	10.02	10.3	9.91	10.13	1,019,733
8/03/2021	10.2	10.3	9.92	9.92	352,717
9/03/2021	10.18	10.18	9.75	9.82	708,171
10/03/2021	9.99	10	9.7	9.7	903,148
11/03/2021	9.53	9.75	9.5	9.55	725,000
12/03/2021	9.52	9.55	9.35	9.44	1,018,990
15/03/2021	9.4	9.62	9.4	9.52	1,627,049
16/03/2021	9.44	9.5	9.38	9.42	979,535
17/03/2021	9.44	9.49	9.32	9.36	837,524
18/03/2021	9.36	9.39	9.1	9.1	1,004,243
19/03/2021	9.1	9.28	9.01	9.19	3,521,018
22/03/2021	9.2	9.24	9.06	9.06	528,933
23/03/2021	9.12	9.14	9.01	9.09	568,043
24/03/2021	9.11	9.14	8.96	9.04	817,230
25/03/2021	9	9.03	8.77	8.87	1,426,626
26/03/2021	8.82	8.84	8.57	8.75	1,145,674
29/03/2021	8.75	8.78	8.55	8.68	649,811
30/03/2021	8.66	8.74	8.52	8.54	470,103
31/03/2021	8.54	8.66	8.42	8.62	1,339,514
1/04/2021	8.62	8.69	8.4	8.42	667,453
6/04/2021	8.45	8.51	8.28	8.36	1,045,387
7/04/2021	8.36	8.61	8.34	8.56	1,079,315
8/04/2021	8.6	8.92	8.57	8.89	1,011,538
9/04/2021	8.98	9.34	8.58	8.6	2,052,531
12/04/2021	8.71	8.79	8.53	8.57	954,411

Date	Open (\$)	High (\$)	Low (\$)	Close (\$)	Volume
13/04/2021	8.58	9.04	8.52	8.89	1,062,873
14/04/2021	8.9	9.14	8.81	8.95	919,703
15/04/2021	9.1	9.13	8.79	8.91	1,170,968
16/04/2021	8.99	9.04	8.81	8.83	725,360
19/04/2021	8.91	9.02	8.84	8.92	551,926
20/04/2021	8.98	8.99	8.57	8.62	1,291,989
21/04/2021	8.6	8.72	8.26	8.31	1,714,455
22/04/2021	8.42	8.55	8.17	8.23	983,927
23/04/2021	8.2	8.22	7.88	7.9	1,933,091
27/04/2021	7.84	7.85	7.37	7.46	1,737,831
28/04/2021	7.27	7.65	7.06	7.52	2,570,868
29/04/2021	7.5	7.7	7.5	7.65	1,388,494
30/04/2021	7.71	7.77	7.56	7.65	1,467,639
3/05/2021	7.65	7.81	7.64	7.73	887,522
4/05/2021	7.75	7.99	7.64	7.99	923,734
5/05/2021	7.98	8.12	7.81	7.98	1,179,469
6/05/2021	7.99	8.03	7.61	7.72	1,225,932
7/05/2021	7.75	7.84	7.52	7.59	1,493,677
10/05/2021	6.44	6.96	6.05	6.62	6,794,290



ANNEXURE C

DEFINITIONS

In this document, unless the context otherwise requires, the following definitions apply:

- 19 August Market Release** has the meaning given in paragraph 29(c).
- 9 September Release** has the meaning given in paragraph 35(a).
- A2M** means the defendant.
- A2M Investors** has the meaning given in the particulars to paragraph 16.
- A2M Officers** has the meaning given in paragraph 15.
- A2M Securities Market** has the meaning given in paragraph 16.
- ACL** has the meaning given in paragraph 3(h)(iii).
- Acquisition Claimants** has the meaning given in paragraph 112.
- ANZ Segment** has the meaning given in paragraph 24(b)(i).
- ASX** means the Australian Securities Exchange Ltd or the market operated by it.
- August Announcements** has the meaning given in paragraph 29.
- August Conduct** has the meaning given in paragraph 38.
- August Continuous Disclosure Contravention** has the meaning given in paragraph 46.
- August Contraventions** has the meaning given in paragraph 47(b).
- August Earnings Call** has the meaning given in paragraph 32.
- August Earnings Call Statements** has the meaning given in paragraph 32.
- August Forecasts** has the meaning given in paragraph 30(d).
- August Implied Representations** has the meaning given in paragraph 33.
- August Information** has the meaning given in paragraph 36.
- August Misleading Conduct** has the meaning given in paragraph 40.
- CBEC** means cross border e-commerce, being the meaning given in paragraph 26(c).
- Channel inventory** has the meaning given in paragraph 36(f)(i).
- China Segment** has the meaning given in paragraph 24(b)(ii).
- Claimants' Losses** has the meaning given in paragraph 120.
- CLIF** means China Language Infant Formula, being the meaning given in paragraph 25(b).
- Contraventions** has the meaning given in paragraph 114.
- Coronavirus Determinations** has the meaning given in paragraph 20.
- Corporations Act** means the *Corporations Act 2001* (Cth).
- Counterfactuals** has the meaning given in the particulars to paragraph 36.
- Daigou** has the meaning given in paragraph 26(b).

December Analyst Call means the call with analysts and investors on 18 December 2020, attended by Babidge, Nathan and Strauss from A2M as defined in the particulars to paragraph 28.

December Announcements has the meaning given in the chapeau to paragraph 76.

December Conduct has the meaning given in paragraph 83.

December Continuous Disclosure Contravention has the meaning given in paragraph 91.

December Contraventions has the meaning given in paragraph 92(b).

December Downgrade Statements has the meaning given in paragraph 76.

December Implied Representations has the meaning given in paragraph 77.

December Information has the meaning given in paragraph 81.

December Conduct has the meaning given in paragraph 83.

December Downgrade Statements has the meaning given in paragraph 76.

December Forecasts has the meaning given in paragraph 76(m).

December Misleading Conduct has the meaning given in paragraph 85.

December Release has the meaning given in the particulars to paragraph 28.

Disclosure Events has the meaning given in paragraph 112.

Disclosure Failures has the meaning given in the particulars to paragraph 113.

ELIF means English Language Infant Formula, being the meaning given in paragraph 25(a).

February Analyst Call means A2M's 1H21 earnings call with analysts and investors on 25 February 2021, attended by Bortolussi, Nathan, Strauss and Akers from A2M as defined in paragraph 93(b).

February Announcements has the meaning given in paragraph 93.

February Conduct has the meaning given in paragraph 100.

February Continuous Disclosure Contravention has the meaning given in paragraph 108.

February Contraventions has the meaning given in paragraph 109(b).

February Forecasts has the meaning given in paragraph 94(f).

February Implied Representations has the meaning given in paragraph 95.

February Information has the meaning given in paragraph 98.

February Misleading Conduct has the meaning given in paragraph 102.

February Release has the meaning given in the particulars to paragraph 28.

February Report has the meaning given in paragraph 93(a)(iii).

February Results Presentation has the meaning given in the particulars to paragraph 36.

February Statements has the meaning given in paragraph 94.

FY20 Annual Report has the meaning given in the particulars to paragraph 24.

FY20 Results Presentation has the meaning given in paragraph 29(b).

FY21 Annual Report has the meaning given in the particulars to paragraph 36.

Group Members has the meaning given in paragraph 1.

Inflation has the meaning given in paragraph 47(c).

Left-in-hand Loss has the meaning given in the particulars of paragraph 115.

May Announcement has the meaning given in the particulars of paragraph 36.

May Corrective Disclosures has the meaning given in paragraph 110.

MBS means Mother and Baby Stores, being the meaning given in paragraph 27(a).

Net Inflation loss has the meaning given in the particulars of paragraph 115.

“No Transaction” loss has the meaning given in the particulars of paragraph 115.

November AGM means A2M’s Annual Meeting of Shareholders held on 18 November 2020, being the meaning given in paragraph 64(a).

November AGM announcements has the meaning given in paragraph 64.

November AGM Conduct has the meaning given in paragraph 69.

November Contraventions has the meaning given in paragraph 72.

November Implied Representations has the meaning given in paragraph 65.

November Information has the meaning given in paragraph 67.

November Misleading Conduct has the meaning given in paragraph 71.

November Release has the meaning given in the particulars to paragraph 26.

NZX means NZX Limited or the market operated by it.

Pantry stocking means increased holdings of stocks by end-consumers as defined in paragraph 30(c)(ii).

Peak Inflation loss has the meaning given in the particulars of paragraph 115.

Period Shares has the meaning given in paragraph 1(a)(B).

Potts v Miller loss has the meaning given in the particulars of paragraph 115.

Pre-Period Shares means an interest in ordinary shares in the Defendant acquired on the ASX or the NZX before 19 August 2020 and retained until a date after 28 September 2020 as outlined in paragraph 1(a)(A).

Prior Forecasts has the meaning given in the particulars to paragraph 99.

Relevant Period means 19 August 2020 to 9 May 2021 inclusive.

Retention Claimants has the meaning given in paragraph 116.

Securities has the meaning given in paragraph 3(e).

September Conduct has the meaning given in paragraph 54.

September Continuous Disclosure Contravention has the meaning given in paragraph 62.

September Contraventions has the meaning given in paragraph 63(b).

September Forecasts has the meaning given in paragraph 48(g).

September Implied Representations has the meaning given in paragraph 49.

September Information has the meaning given in paragraph 52.

September Misleading Conduct has the meaning given in paragraph 56.

September Update has the meaning given in the chapeau of paragraph 49.

September Update Statements has the meaning given in paragraph 48.

Stock inventory has the meaning given in paragraph 52(c).

Trading Halt has the meaning given in paragraph 74.

Trading Prices has the meaning given in paragraph 16(b).