

ASX Announcement

7 December 2022

UK CMA Phase 1 decision on Cochlear's proposed Oticon Medical acquisition

The UK Competition and Markets Authority (CMA) has made the decision in relation to the proposed acquisition of Oticon Medical to refer the case to a further phase of review unless the parties offer acceptable undertakings to address their concerns. The CMA's competition concerns only relate to the supply of bone conduction solutions in the UK and do not relate to the supply of cochlear implants. Cochlear and Demant have until 13 December to submit undertakings to address the CMA's competition concerns.

Cochlear's CEO and President said: "Driven by our mission to innovate and help more people to hear, Cochlear remains committed to the proposed acquisition so that Oticon Medical's recipients will have access to our innovative technologies and ongoing support for a lifetime of hearing outcomes."

Background

On 27 April 2022 Cochlear announced that it had agreed to acquire Oticon Medical for DKK850 million (approx. AUD170 million) following Demant's decision to exit its hearing implants business. As part of the acquisition, Cochlear has committed to providing ongoing innovation and support for Oticon Medical's base of more than 75,000 hearing implant recipients, which includes cochlear and acoustic implants.

The acquisition will provide Cochlear with greater scale and enable the company to increase its investments in R&D and market growth activities. While Cochlear is a leader in implantable hearing, it is a small player in the hearing solutions market where hearing aids remain the primary treatment option.

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