

ASX Announcement

17 August 2020

Settlement in US patent infringement case

Cochlear Limited (Cochlear) today announced that it has settled the claims for prejudgment interest and attorneys' fees by the Alfred E. Mann Foundation for Scientific Research ("AMF") and Advanced Bionics LLC ("AB") for USD 75 million.

The settlement is conditional upon the outcome of an appeal by Cochlear to the United States Supreme Court against the Judgment of USD 280 million in patent infringement damages and post judgment interest against Cochlear and its US subsidiary Cochlear Americas.

Cochlear has agreed to file its appeal by no later than 15 September 2020. Cochlear has also agreed to deposit USD 75 million into an escrow account pending the outcome of the appeal. If Cochlear's Supreme Court appeal is unsuccessful, the monies in the escrow account will be paid to AMF and AB and the settlement will become final.

If Cochlear's Supreme Court appeal is successful, the monies in the escrow account will be returned to Cochlear and there may be a new trial to redetermine the quantum of damages.

In accordance with accounting standards, a provision for the settlement liability and associated legal expenses will be recognised in the FY20 financial statements.

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This announcement is authorised by the Board of Directors.