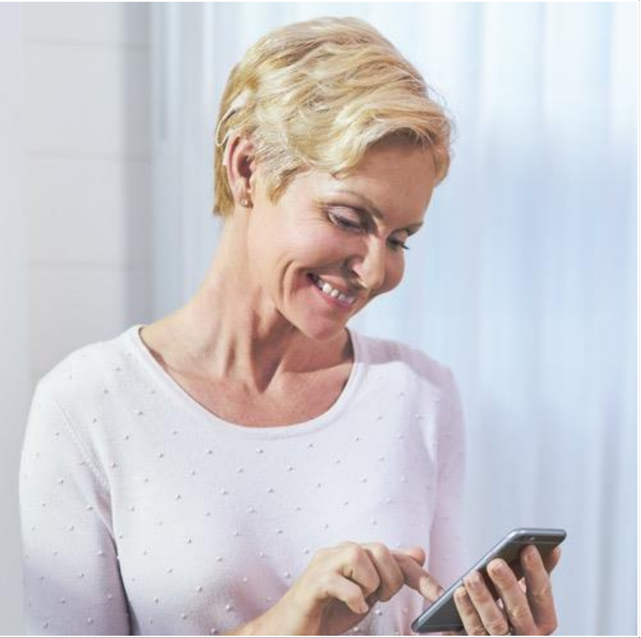


Capital raising to enhance liquidity

March 2020

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Hear now. And always

Cochlear®

Disclaimer

Cochlear

This investor presentation (**Presentation**) is dated 25 March 2020 and has been prepared by Cochlear Limited (ACN 002 618 073) (**Cochlear** or the **Company**). By attending an investor presentation or briefing, or accepting, accessing or reviewing this Presentation, you acknowledge and agree to the terms set out below.

This Presentation has been prepared in relation to:

- a placement of new fully paid ordinary shares in Cochlear (**New Shares**) to institutional investors and certain existing institutional shareholders under section 708A of Corporations Act 2001 (Cth) (**Corporations Act**) as modified by ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (**Placement**); and
- an offer of New Shares to eligible Cochlear shareholders in Australia and New Zealand under a share purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**SPP**) (the Placement and SPP together, the **Offer**).

Summary information

This Presentation is for information purposes only and is a summary only. It should be read in conjunction with Cochlear's most recent financial report and Cochlear's other periodic and continuous disclosure information lodged with the Australian Securities Exchange (**ASX**), which is available at www.asx.com.au. The content of this Presentation is provided as at the date of this Presentation (unless otherwise stated). Reliance should not be placed on information or opinions contained in this Presentation and, subject only to any legal obligation to do so, Cochlear does not have any obligation to correct or update the content of this Presentation.

Certain market and industry data used in this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither Cochlear nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

Not financial product advice or offer

This Presentation does not and does not purport to contain all information necessary to make an investment decision, is not intended as investment or financial advice (nor tax, accounting or legal advice), must not be relied upon as such and does not and will not form any part of any contract or commitment for the acquisition of New Shares. Any decision to buy or sell securities or other products should be made only after seeking appropriate financial advice. This Presentation is of a general nature and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor.

Any investment decision should be made solely on the basis of your own enquiries. Before making an investment in Cochlear, you should consider whether such an investment is appropriate to your particular investment objectives, financial situation or needs. Cochlear is not licensed to provide financial product advice in respect of its shares.

This Presentation is for information purposes only and is not a prospectus, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission (**ASIC**) or any other foreign regulator). This Presentation is not, and does not constitute, an invitation or offer of securities for subscription, purchase or sale in any jurisdiction.

The distribution of this Presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. In particular, this Presentation may not be distributed or released in the United States. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act (which Cochlear has no obligation to do or procure) or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws. Refer to Appendix B of this Presentation for further details about international offer restrictions.

Disclaimer (cont'd)

Investment risk

An investment in Cochlear shares is subject to known and unknown risks, some of which are beyond the control of Cochlear and its directors. Cochlear does not guarantee any particular rate of return or the performance of Cochlear nor does it guarantee any particular tax treatment. You should have regard to the risk factors outlined in Appendix A of this Presentation when making your investment decision. Cooling off rights do not apply to the acquisition of New Shares.

Financial information

All financial information in this Presentation is in Australian dollars (**A$** or **AUD**) unless otherwise stated. This Presentation includes certain pro forma financial information. The pro forma historical financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Cochlear's views on its, nor anyone else's, future financial position and/or performance. The pro forma historical financial information has been prepared by Cochlear in accordance with the measurement and recognition principles, but not the disclosure requirements, prescribed by the Australian Accounting Standards (**AAS**). In addition, the pro forma financial information in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

Investors should be aware that certain financial measures included in this Presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under AAS and International Financial Reporting Standards (**IFRS**). Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although Cochlear believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this Presentation.

Certain figures, amounts, percentages, estimates, calculations of value and fractions provided in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Past performance

Past performance, including past share price performance of Cochlear and pro forma financial information given in this Presentation, is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Cochlear's views on its future financial performance or condition. Past performance of Cochlear cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of Cochlear. Nothing contained in this Presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

Disclaimer (cont'd)

Future performance and forward-looking statements

This Presentation contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Cochlear, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Cochlear's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Cochlear, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this Presentation. The forward-looking statements are based on information available to Cochlear as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), none of Cochlear, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Disclaimer

A summary of the key terms of the underwriting agreement between Cochlear and the sole lead manager, bookrunner and underwriter to the Placement (**Lead Manager**) is provided in Appendix C.

To the maximum extent permitted by law, Cochlear and the Lead Manager and their respective related bodies corporate and affiliates, and their respective officers, directors, employees, agents and advisers: (i) disclaim all responsibility and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any loss arising from this Presentation or reliance on anything contained in or omitted from it or otherwise arising in connection with this Presentation; (ii) disclaim any obligations or undertaking to release any updates or revision to the information in this Presentation to reflect any change in expectations or assumptions; and (iii) do not make any representation or warranty, express or implied, as to the accuracy, reliability, completeness of the information in this Presentation or that this Presentation contains all material information about Cochlear or that a prospective investor or purchaser may require in evaluating a possible investment in Cochlear or acquisition of shares in Cochlear, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement.

You acknowledge and agree that determination of eligibility of investors for the purposes of the Placement and SPP is determined by reference to a number of matters, including legal requirements and the discretion of Cochlear and the Lead Manager and each of Cochlear and the Lead Manager disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Capital raising rationale

Cochlear®

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Taking decisive action

- Cochlear is taking pre-emptive and decisive action to ensure it remains strongly capitalised during the current market uncertainties and to position the Company for the future
  - Executing a fully underwritten A$800 million institutional placement (**Placement**)
  - Offering a non-underwritten Share Purchase Plan (**SPP**) to raise up to A$50 million[1]
  - Obtained credit approved commitment for an additional A$150 million bank facility from an existing lender[2]
  - Suspending the Company's dividend until trading conditions improve following payment of the 1H20 dividend on 17 April 2020

Fortified balance sheet

- Post the Placement and upsizing of the credit facility, Cochlear
  - Will have total liquidity of A$1,678 million[3], with no debt maturities prior to 2021 and covenant relief from lenders up to June 2021[4]
  - Expects to have sufficient liquidity to cover payments in relation to the patent infringement appeal decision and the anticipated business disruptions related to COVID-19[5]
  - Expects to retain its highly skilled workforce and continue to invest for the purpose of reinforcing its market leadership and to drive future growth including key R&D and capex programs

Strong investment thesis

- Cochlear is the global leader in implantable hearing solutions, with an estimated market share globally of ~60%[6] and in excess of 600,000 implants sold over the last ~40 years[7] – positive long-term growth outlook underpinned by a significant, unmet clinical need for implantable hearing solutions
- Most of the demand deferred is expected to be realised once elective surgeries recommence, with a material proportion of the cochlear implant market comprising implants for children where early intervention is desirable to ensure the best long-term outcomes
- Cochlear is exposed to various geographies at different stages of COVID-19 related disruptions. Services, which are around 30% of Cochlear's revenue, have an element of defensiveness with sound processor upgrades and accessories available to recipients in jurisdictions where clinical appointments are not required

Note: [1] Full details of the SPP will be contained in the SPP offer booklet, which will be sent to eligible shareholders in due course. Cochlear may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion [2] Cochlear is also in dialogue with its lenders in relation to potential additional commitments of up to A$100 million [3] Pro forma liquidity as at 31 December 2019, which consists of committed undrawn bank lines plus cash on balance sheet post settlement of the underwritten Placement (net of fees and expenses) [4] Relief granted from the leverage and interest cover tests under Cochlear's facility agreements in respect of the testing to occur as at 30 June 2020 and 31 December 2020 [5] See page 9 for details relating to certain identified and potential payment commitments [6] Based on Cochlear estimates for cochlear implants [7] Includes cochlear and acoustic implants

Key developments impacting Cochlear

COVID-19	• In line with Cochlear's 16 March 2020 market update, the COVID-19 pandemic is expected to have a significant negative impact on cochlear implants for an uncertain period of time as elective surgeries are deferred across a growing number of countries • Situation is continuing to develop in Western Europe and the U.S. as infection rates accelerate and health authorities continue to recommend or enforce suspensions of elective surgical procedures • Cochlear believes recovery will be underpinned by the critical nature of the demand for its products, meaning most deferred procedures will eventually be undertaken (as opposed to being abandoned), particularly for children • Recovery of cochlear implant activities in China has begun following the mandatory shut-down, with Chinese surgery volumes currently above 60% of pre-COVID-19 levels despite Beijing and Wuhan remaining under shut-down • At this stage, Cochlear has not seen any disruption to its manufacturing supply chain, although continues to closely monitor the external environment. Cochlear continues to carry at least three months' inventory of most components and is managing distribution carefully to enable continued supply of products to customers
U.S. Patent Infringement Appeal Decision	• In line with Cochlear's 17 March 2020 market update, the U.S. Court of Appeal has affirmed the U.S. District Court award of US$268 million[1] in patent infringement damages against Cochlear (U.S. Patent Infringement Appeal Decision) • Cochlear is seeking a review by the full Court of Appeal in a petition for a rehearing • A decision by the U.S. District Court is still pending on an application by Alfred E. Mann Foundation for Scientific Research (AMF) and Advanced Bionics (AB) for pre-judgment interest of US$123 million and attorney's fees of US$15 million. Cochlear opposes both the application and calculation methodology adopted by AMF and AB[2] • Importantly, as the patent that is the subject of the litigation has expired, the judgment is not expected to have any ongoing impact on Cochlear's operations or customers

Note: [1] Total likely payments of US$280 million (comprising US$268 million in damages and US$12 million in interest) [2] Cochlear is actively exploring the potential for a committed surety bond that would not require the posting of collateral in respect of an appeal lodged by Cochlear following a judgment in relation to the claim for interest and expenses by AMF and AB

Taking decisive action

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Balance sheet	• Pro forma total liquidity of A$1,678 million, achieved through
	  • Fully underwritten A$800 million Placement
	  • Existing, committed and undrawn facilities, with no debt maturities prior to 2021 and covenant relief from lenders up to June 2021[1]
	  • Additional credit approved commitment for a A$150 million bank facility[2]
	• Potential additional proceeds of up to A$50 million from the non-underwritten SPP[3]

Cash flow	• Reducing all non-essential capex until trading conditions improve • Capex associated with the Chengdu manufacturing factory and Denver office fitout substantially complete; expected to be finalised in line with current timetable and with limited additional capex requirement • Interim ordinary dividend declared for 1H20 of A$1.60 per share will be paid as planned on 17 April 2020 • Suspending the Company's dividend until trading conditions improve following payment of the 1H20 dividend

Operational	• Hiring freeze remains in place
	• Continue to actively focus on limiting all non-essential spending, including travel
	• Fortified balance sheet and enhanced liquidity position enables Cochlear to
	  • Retain its highly valued workforce, given the expectation that COVID-19 will be a temporary disruption to the Company's business
	  • Continue to invest for the purpose of reinforcing its market leadership and to drive future growth including key R&D and capex programs

Multiple levers that Cochlear can deploy to successfully manage its business through COVID-19 related disruptions

Note: [1] Relief granted from the leverage and interest cover tests under Cochlear's facility agreements in respect of the testing to occur as at 30 June 2020 and 31 December 2020 [2] Cochlear is also in dialogue with its lenders in relation to potential additional commitments of up to A$100 million [3] Not included in the pro forma total liquidity calculations. Full details of the SPP will be contained in the SPP offer booklet, which will be sent to eligible shareholders in due course. Cochlear may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion

Pro forma capitalisation and liquidity

Cochlear®

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

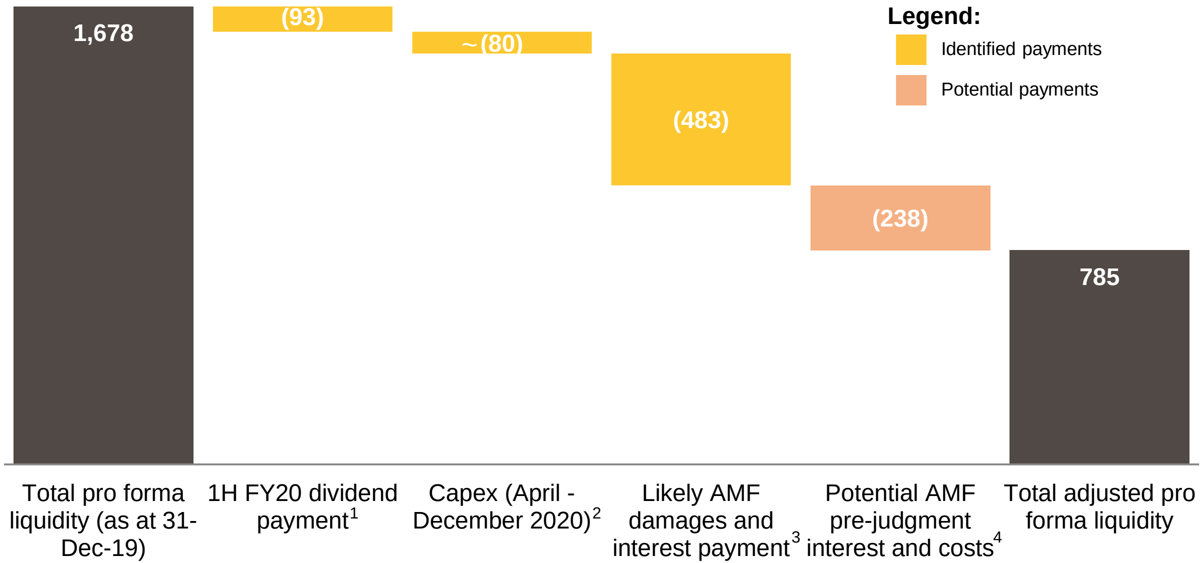
- Pro forma liquidity (cash on hand plus committed undrawn bank facilities) of A$1,678 million
- Potential additional proceeds from the non-underwritten SPP
- Capacity to fund patent infringement damages award of US$280 million and any additional interest or costs awarded[1]
- No debt maturities prior to 2021
- Covenant relief from lenders up to June 2021[2]

		Adjusted[3] (31-Dec-19)	Impact of the Offer	Pro forma (31-Dec-19)
(A$mm)[4]	Committed	Drawn	Drawn	Drawn
Corporate facilities	350	215	(215)	-
Other facilities[5]	81	18	-	18
AMF bridge[6]	462	-	-	-
New debt facility[7]	150	-	-	-
Total Debt	**1,043**	**234**	**(215)**	**18**
Cash & equivalents	-	89	565	654
Net Debt / (Cash)		**144**	**(780)[8]**	**(636)**
Pro forma total liquidity		**898**		**1,678**

Post the capital raising, Cochlear expects to be strongly placed to weather the current market uncertainties for an extended period, while continuing to re-invest to defend and grow its position as the global leader in implantable hearing solutions

Note: [1] US$280 million comprises US$268 million in damages and US$12 million in interest. In relation to the potential award of US$138 million in prejudgment interest and AMF's attorney fees, Cochlear opposes the application and the calculation method. Cochlear is actively exploring the potential for a committed surety bond that would not require the posting of collateral in respect of an appeal lodged by Cochlear following a judgment in relation to the claim for interest and expenses by AMF and AB [2] Relief granted from the leverage and interest cover tests under Cochlear's facility agreements in respect of the testing to occur as at 30 June 2020 and 31 December 2020 [3] Total liquidity calculation as at 31 December 2019 adjusted to include the A$150 million of liquidity available under the new debt facility and the A$462 million of liquidity available under the AMF bridge facility [4] Numbers may not add due to rounding [5] Comprises a capex funding facility for the Chengdu manufacturing facility with a limit of CNY¥300 million (converted to Australian dollars at a rate of A$1:CNY¥4.08) and a working capital facility in Japan with a limit of JPY¥450 million (converted to Australian dollars at a rate of A$1:JPY¥64.30) [6] US$268 million converted to Australian dollars at a rate of A$1:US$0.58 [7] Cochlear is also in dialogue with its lenders in relation to potential additional commitments of up to A$100 million [8] Gross placement proceeds net of transaction costs

Substantial liquidity



- Substantial liquidity to cover commitments and COVID-19 related disruptions
- Incorporates "worst case" basis with respect to the AMF judgments
- Capacity to continue to invest in key R&D and capex projects during downturn

Note: [1] Assumes 57.8 million Cochlear shares outstanding on the Record Date (25 March 2020) [2] The majority of the capex is to complete the Chengdu manufacturing facility and Denver office fitout which are both near completion and the remainder is normal business as usual including tooling and equipment for new product launches and software licensing with our partner GN Resound [3] US$280 million (comprising US$268 million in damages and US$12 million in interest) converted to Australian dollars at a rate of A$1:US$0.58 [4] In relation to the potential award of US$138 million in prejudgment interest and AMF's attorney fees, Cochlear opposes the application and the calculation method. Cochlear is actively exploring the potential for a committed surety bond that would not require the posting of collateral in respect of an appeal lodged by Cochlear following a judgment in relation to the claim for interest and expenses by AMF and AB. US$138 million converted to Australian dollars at a rate of A$1:US$0.58

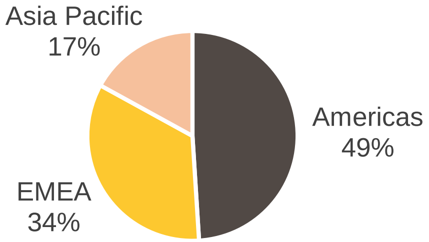
NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Significant impact expected from COVID-19 surgery deferrals

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Exposed to geographies at different stages of COVID-19 related disruptions

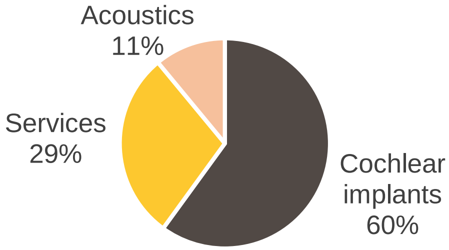
1H FY2020 revenue by geography



- China recovery following COVID-19 related mandatory shut-downs, with Chinese surgery volumes currently above 60% of pre-COVID-19 levels despite Beijing and Wuhan remaining under shut-down
- Starting to see the impact of COVID-19 on elective surgery rates in Western Europe and the U.S., however experiencing varying degrees of impact across countries and regions

Diversified revenue profile, with a large and growing services business

1H FY2020 revenue by product



- Material proportion of the cochlear implant market relates to implants for children
- Services segment is a growing part of the Cochlear business, which has an element of defensiveness with sound processor upgrades and accessories accessible to recipients in jurisdictions where clinical appointments are not required
- Clinical demand for implantable hearing solutions is expected to remain strong over the medium and long-term, particularly as the deferred surgery backlog is addressed

The Cochlear investment thesis remains strong

Cochlear®

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Global leader in a growing market

- Cochlear is the global leader in implantable hearing solutions, with an estimated market share globally of ~60%[1] and in excess of 600,000 implants sold over the last ~40 years[2]
- Positive long term growth outlook is underpinned by a significant, unmet clinical need for implantable hearing solutions and less than 5% market penetration[1]
- Growing awareness of the importance of healthy hearing to healthy ageing
- Emerging markets expansion to contribute to long-term earnings growth
- Growing annuity-like income stream from sound processor upgrades and accessories, which now comprise ~30% of Cochlear's revenue

Unrivalled commitment to product innovation

- Demonstrated commitment to bringing innovative new products to market, as well as upgrades for all generations of Cochlear's products
- R&D investment strengthens Cochlear's market-leading technology position (over A$2 billion invested in R&D since listing)

Fortified balance sheet

- Post the Placement and upsizing of the credit facility, Cochlear's balance sheet and liquidity position will be significantly enhanced
  - Expects to retain its highly skilled workforce
  - Capacity to continue to invest in key R&D and capex programs
  - Capacity to cover anticipated business disruptions related to COVID-19 and payments in relation to the U.S. Patent Infringement Appeal Decision

Note: [1] Based on Cochlear estimates for cochlear implants [2] Includes cochlear and acoustic implants

Placement and Share Purchase Plan

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Placement size and structure	• Fully underwritten institutional placement to raise approximately A$800 million • Approximately 5.7 million new shares to be issued, equivalent to 9.9% of Cochlear's current shares on issue (**New Shares**)
Use of proceeds	• Enhance balance sheet and financial flexibility • Support the business during the current macro-economic uncertainty • Materially increase liquidity and reduce net debt
Placement pricing	• The Placement will be conducted at A$140.00 per New Share (**Placement Price**), which represents a 16.7% discount to the last closing price of A$168.00 on 24 March 2020
Ranking	• New Shares issued under the Placement and SPP will rank equally with existing Cochlear shares from their respective issue dates
Underwriting	• The Placement is fully underwritten by J.P. Morgan Securities Australia Limited • The SPP is not underwritten
Share purchase plan	• Non-underwritten SPP to raise up to A$50 million[1] • Eligible shareholders in Australia and New Zealand will be invited to apply for up to A$30,000 of New Shares free of any brokerage, commission and transaction costs • The price for the SPP will be the lower of the Placement Price and a 2% discount to the 5-day volume-weighted average price of Cochlear shares up to, and including, the closing date of the SPP

Note: [1] Full details of the SPP will be contained in the SPP offer booklet, which will be sent to eligible shareholders in due course. Cochlear may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion

Placement and Share Purchase Plan timetable

Cochlear

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Event	Date
Record date for SPP	7:00pm (Sydney time), Tuesday, 24 March 2020
Trading halt and announcement of the Placement and SPP	Wednesday, 25 March 2020
Placement bookbuild	Wednesday, 25 March 2020
Announcement of the outcome of the Placement	Thursday, 26 March 2020
Trading halt lifted – trading resumes on the ASX	Thursday, 26 March 2020
Settlement of New Shares issued under the Placement	Monday, 30 March 2020
Allotment and normal trading of New Shares issued under the Placement	Tuesday, 31 March 2020
SPP offer opens and SPP offer booklet is dispatched	Wednesday, 1 April 2020
SPP offer closes	5:00pm (Sydney time), Thursday, 23 April 2020
SPP allotment date	Thursday, 30 April 2020
Normal trading of New Shares issued under the SPP	Friday, 1 May 2020
Dispatch of holding statements	Tuesday, 5 May 2020

Note: All dates are indicative only and are subject to change

Appendix A: Risk factors

Hear now. And always

Cochlear®

Appendix A: Risk factors

Cochlear®

This section discusses some of the key risks associated with any investment in Cochlear, which may affect the value of Cochlear shares. The risks set out below do not constitute an exhaustive list of all risks involved with an investment in Cochlear. Before investing in Cochlear, you should be aware that an investment in Cochlear has a number of risks, some of which are specific to Cochlear and some of which relate to listed securities generally, and many of which are beyond the control of Cochlear.

Before investing in New Shares, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Cochlear (such as that available on the websites of Cochlear and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

Specific risks of an investment in Cochlear

Impact of COVID-19

Cochlear has observed that a growing number of countries are deferring surgeries, including cochlear implant surgeries as a result of the spread of COVID-19. Further, a number of health authorities are either recommending or enforcing the deferral of elective surgeries in order to reduce the strain on healthcare systems. Governments around the world are also recommending or enforcing restrictions on international travel in order to slow the spread of COVID-19. Given the high degree of uncertainty surrounding the extent and duration of COVID-19, it is not currently possible to assess the full impact of COVID-19 on Cochlear's business. However a prolonged reduction in cochlear implant surgeries across the business' key markets (particularly the U.S. and Western Europe) will materially adversely impact Cochlear's financial performance and profitability. A number of aspects of Cochlear's business may also be directly or indirectly affected by travel restrictions associated with COVID-19, including: the ability of recipients to access sound processor upgrades, disruption to Cochlear's supply chain, particularly availability of components and logistics (including shipping of raw materials and finished goods) and government imposed shut-downs of manufacturing and distribution centres affecting supply of products to customers.

Political, economic or social instability

Cochlear sells its products in over 100 countries. Several of the emerging markets are heavily biased to tender sales. The future outcome of tender sales is uncertain. Regional political, economic or social instability (including as a result of contagious viruses such as the virus that causes COVID-19) could negatively impact sales and the receipt of payment for sales. Further, a prolonged period of reduced or negative economic growth (including a recession or depression) in any of Cochlear's key markets (or in a number of Cochlear's markets) could materially and adversely affect Cochlear's sales, financial performance and profitability.

Appendix A: Risk factors (cont'd)

Interruption to product supply

Cochlear relies on third-party suppliers for the supply of key materials and services. This carries the risk of delays and disruptions in supplies. Certain materials are available from a single source only and regulatory requirements make substitution costly, time-consuming or commercially unviable.

Cochlear manufactures its products across six sites globally. There is the potential risk of disruption to sales should a manufacturing facility be unable to operate. Any new manufacturing facility will require regulatory approval prior to being able to produce and sell products made at such a facility. An approval could take many months or years.

Any material or protracted disruption to Cochlear's supply chain, manufacturing facilities or product transport logistics could adversely affect Cochlear's sales revenue.

Medical device regulations

Cochlear operates in a highly regulated industry. Medical devices are subject to strict regulations (including regulations on data security) of regulatory bodies in the U.S., Europe, Asia and Australia as well as many other local bodies in countries where Cochlear's products are sold. Regulatory bodies periodically perform audits at Cochlear's manufacturing and distribution sites. If Cochlear or a third-party supplier fails to satisfy regulatory requirements or the regulations change and modifications are not made by Cochlear to its products, this could result in the imposition of sanctions or Cochlear's products being subject to recall and/or the loss of sales and reputational harm. Changes to medical device regulations or delays in achieving regulatory approval may also impact Cochlear's ability to sell its products.

Reimbursement

The majority of Cochlear's customers rely on a level of reimbursement from insurers and government health authorities to fund their purchases of Cochlear products. There is increasing pressure on healthcare budgets globally, which may lead to pressure on reimbursed prices for existing products and reimbursement of new products.

Cochlear may also be subject to healthcare-related taxes imposed by government agencies and this could negatively impact the ability of candidates to access Cochlear's products.

If reimbursed prices were to fall or if healthcare-related taxes were to increase, this could also adversely impact Cochlear's sales revenue and profitability.

Appendix A: Risk factors (cont'd)

Production innovation and competition

Cochlear is exposed to the risk of failing to develop and produce innovative products for its customers.

Increased competition exposes Cochlear to the risk of losing market share as well as a decrease in average selling prices in the industry. Cochlear is also exposed to the risk of medical, biological and/or technological advancement by third parties where alternative products or treatments are developed and commercialised that render Cochlear's products obsolete or less attractive. This could result in a loss of new business, which may adversely affect Cochlear's long term financial performance and profitability.

Infringement litigation

Cochlear operates in an industry that has substantial intellectual property and patents, designs and trademarks protecting that intellectual property. Cochlear is exposed to the risk of litigation for alleged infringement of intellectual property. This could result in Cochlear paying royalties to be able to continue to manufacture products, or paying damages and/or receiving injunctions preventing Cochlear selling products it had developed. For example, on 17 March 2020, Cochlear announced to the ASX that the United States Court of Appeals had affirmed the U.S. District Court award of US$268 million in patent infringement damages against Cochlear and one of its subsidiaries. Further information is available in that ASX announcement.

Compliance with overseas regulatory regimes

Cochlear sells its products in over 100 countries, which requires compliance with overseas laws and regulatory regimes and is currently, and/or is likely from time to time to be, subject to tax, customs and regulatory reviews, audits and investigations. Following such reviews, audits and investigations, it may be alleged that Cochlear has not been or is not in compliance with such overseas legal requirements and prosecution or enforcement action may follow.

Potential liabilities for all known reviews, audits and investigations are currently considered contingent and if any liability does eventuate in respect of them, it is not expected to exceed A$100 million in aggregate. Publicity on the outcome of reviews, audits and investigations may also adversely affect Cochlear's reputation.

Product liability

The manufacturing, testing, marketing and sale of Cochlear's products involves product liability risk. As the developer, manufacturer, marketer and distributor of certain products, Cochlear may be held liable for damages arising from use of its products during development or after the product has been implanted. If Cochlear were to be held liable and required to pay damages, this could adversely impact Cochlear's financial position and cause reputational harm.

Appendix A: Risk factors (cont'd)

Talent management

Cochlear operates in a very competitive environment, particularly in relation to attracting scientific talent to Cochlear. Cochlear's success depends on its ability to attract and retain talent, and the continued active participation of its senior management team. If Cochlear were to lose a significant proportion of its scientific talent or certain members of its senior management team (and is unable to employ additional or replacement personnel) the business' operations and financial performance may be adversely affected.

Misappropriation of know-how and intellectual property

Cochlear is exposed to the risk of its know-how and intellectual property being misappropriated either through hacking of its systems or by employees, consultants and third parties who from time to time have access to Cochlear's know-how and intellectual property. This could result in competitors using this information and increasing their competitiveness. Cochlear could lose market share as a result, and this may adversely impact the business' long term financial performance.

Foreign exchange rates

Cochlear is exposed to currency risk on receivables and liabilities that are denominated in a currency other than the respective functional currency of the selling Cochlear entity. The currencies in which these transactions primarily are denominated are Australian dollars (**AUD**), US dollars (**USD**), Euros (**EUR**), Japanese yen (**JPY**), Sterling (**GBP**), Swedish kroner (**SEK**) and Swiss francs (**CHF**). Over 90% of Cochlear's revenues and over 50% of its costs are denominated in currencies other than AUD.

Accordingly, Cochlear is subject to exchange rate movements. A fluctuation in the Australian dollar relative to the US, EUR, JPY, GBP, SEK or CHF may have an adverse impact on Cochlear's cash flows, financial performance and profitability. For example, fluctuations may increase the value of certain liabilities or cause adverse movement in the value of Cochlear's hedging contracts.

Operations

Operational risk is the risk of direct and indirect loss arising from a wide variety of causes associated with Cochlear's processes, personnel (including executive transitions), technology and infrastructure and generally accepted standards of corporate behaviour.

Operational risks arise from all of Cochlear's operations. These risks could result in the loss of sales and reputational harm.

Appendix A: Risk factors (cont'd)

Cochlear®

Information security and privacy

Cochlear handles and stores personal information, including health information, for its customers and employees. With expanding information privacy and security regulations, and an increasingly hostile cyber environment, Cochlear recognises information privacy and cyber security as an increasing risk. Any breach by Cochlear of privacy and security regulations could expose Cochlear to penalties (including financial penalties), which could adversely affect Cochlear's financial position or cause reputational harm.

Other disputes or litigation

In addition to infringement litigation described above, Cochlear may also be involved in other types of disputes or litigation, including disputes with customers, suppliers, or current or former employees (for example, industrial action or workplace health and safety claims). If Cochlear is involved in any such disputes, litigation or protracted settlement negotiations, this may disrupt Cochlear's business operations, cause Cochlear to incur significant legal costs, divert management's attention away from the daily operations of the business and, irrespective of the outcome of the dispute or litigation, may damage Cochlear's reputation.

Inability to access capital or debt markets on favourable terms

Cochlear utilises debt finance to partially fund its business and may need to access additional debt finance or capital to fund its operations. If Cochlear is unable to access capital, or refinance, repay or renew its debt facilities or otherwise obtain debt finance on favourable terms, it may not be able to meets its growth objectives, which could materially adversely affect its business and financial position.

As a borrower of money, Cochlear is also exposed to increases in interest rates, which would increase the cost of servicing Cochlear's debt finance.

Credit

Credit risk may arise from the non-performance by customers of their contractual financial obligations towards Cochlear. The majority of Cochlear's significant debtors are governments, government-supported universities and clinics and major hospital chains, which generally have strong credit ratings. However there remains a risk that payments to Cochlear are either delayed or are not made (whether in whole or in part).

If a substantial proportion of Cochlear's receivables are delayed for a prolonged period, or are not paid, this would adversely impact Cochlear's financial performance.

Appendix A: Risk factors (cont'd)

Workplace accidents or incidents may occur

There may be an accident or incident at one of Cochlear's manufacturing facilities that results in serious injury, or damage to property. This may in turn result in Cochlear being fined by a regulatory authority, an interruption to Cochlear's manufacturing operations, a worker's compensation claim, a work health and safety claim or a damages claim against Cochlear. Such claims may not be covered by Cochlear's insurance, or may exceed insured limits. They may also adversely impact Cochlear's business reputation, operations and profitability.

Cochlear's information technology systems may fail

Cochlear relies on its own and third party technology vendor information technology systems to perform key functions critical to its ability to manufacture product, fill product orders, manage inventory, manage invoicing, manage customer information and design products. Cochlear's information technology systems (including those provided by third party technology vendors) are vulnerable to damage or interruption from a number of sources, including natural disasters, power losses, computer systems failures, internet and telecommunications or data network failures, operator negligence, improper operation by or supervision of employees, physical and electronic losses of data and similar events, computer viruses, penetration by hackers seeking to disrupt operations or misappropriate information and other breaches of security.

Any damage or interruption to Cochlear's information systems or those provided by third party technology vendors could adversely affect Cochlear's manufacturing capability, its ability to fill product orders, its ability to continue product development, its ability to conduct its business and generate revenue, as well as result in significant costs being incurred, for example to rebuild systems, respond to regulatory inquiries or actions, pay damages, or take other remedial steps with respect to third parties.

Loss or breach of a licence, certification or accreditation

Cochlear is required to hold various licences, registrations, certifications and accreditations to operate its business. Any lapse in Cochlear's licences, registrations, certifications or accreditations or those of Cochlear's employees or the failure of any of Cochlear's manufacturing sites to satisfy necessary regulatory requirements, could adversely affect Cochlear's operations and financial performance. Furthermore, Cochlear may not be issued with the licences, certifications or accreditations necessary to conduct its business, and this could also adversely affect Cochlear's operations and financial performance.

Appendix A: Risk factors (cont'd)

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Insurance

Cochlear maintains insurance cover that is consistent with standard industry practice, including workers compensation, business interruption, property damage, public liability, and product liability. However, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover all or any future claims.

General investment risks

Investment in shares

There are general risks associated with investments in equity capital such as Cochlear shares. The trading price of Cochlear shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer Price. Generally applicable factors that may affect the market price of shares include: general movements in Australian and international stock markets; investor sentiment; Australian and international economic conditions and outlooks; changes in interest rates and the rate of inflation; changes in government legislation and policies, in particular taxation laws and climate-related laws and regulations; announcement of new technologies; pandemics such as COVID-19; epidemics; geo-political instability, including international hostilities and acts of terrorism; demand for and supply of Cochlear shares; announcements and results of competitors; and analyst reports.

No assurance can be given that the New Shares will trade at or above the Offer Price or that there will be an active market in Cochlear shares. None of Cochlear, its directors nor any other person guarantees the performance of the New Shares.

The operational and financial performance and position of Cochlear and Cochlear's share price may be adversely affected by a worsening of general economic conditions in Australia, as well as international market conditions and related factors. It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress, or existing risks (including the impacts of COVID-19) may manifest themselves in ways that are not currently foreseeable. The equity markets have in the past and may in the future be subject to significant volatility.

Dividends

The payment of dividends in respect of Cochlear's shares is impacted by several factors, including Cochlear's profitability, retained earnings, availability to frank dividends, capital requirements and free cash flow. Any future dividends will be determined by Cochlear's board having regard to these factors, among others. There is no guarantee that any dividend will be paid by Cochlear, or if paid, paid at historical levels. From time to time, Cochlear's board may also cancel previously announced dividends.

Appendix A: Risk factors (cont'd)

Accounting standards may change

Accounting standards may change. This may affect the reported earnings of Cochlear and its financial position from time to time. Cochlear has previously and will continue to assess and disclose, when known, the impact of adopting new accounting standards in its periodic financial reporting.

Tax laws and regulations may change

Future changes in taxation laws in jurisdictions in which Cochlear operates, including changes in interpretation or application of the law by the courts or taxation authorities, may affect the taxation treatment of an investment in Cochlear shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Cochlear operates, may impact the future tax liabilities of Cochlear.

An investment in shares involves tax considerations that differ for each investor. Investors are encouraged to seek professional tax advice in connection with any investment in Cochlear.

Appendix B: Foreign Selling Restrictions

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Hear now. And always

Cochlear®

Appendix B: Foreign Selling Restrictions

International Offer Restrictions

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

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

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the **Provinces**) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Appendix B: Foreign Selling Restrictions (cont'd)

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Appendix B: Foreign Selling Restrictions (cont'd)

Cochlear®

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

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

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

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

Appendix B: Foreign Selling Restrictions (cont'd)

Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the **FIEL**) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Appendix B: Foreign Selling Restrictions (cont'd)

Cochlear®

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

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

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**).

Appendix B: Foreign Selling Restrictions (cont’d)

Cochlear®

United Arab Emirates

Neither this document nor the New Shares have been approved or passed on in any way by the Emirates Securities and Commodities Authority (**ESCA**) or any other governmental authority in the United Arab Emirates. The Company has not received authorisation from the ESCA or any other governmental authority to market or sell the New Shares within the United Arab Emirates. This document does not constitute, and may not be used for the purpose of, an offer of securities in the United Arab Emirates. No services relating to the New Shares, including the receipt of applications, may be rendered within the United Arab Emirates.

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

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

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

Appendix B: Foreign Selling Restrictions (cont'd)

United States

This document may not be distributed or released in the United States.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal.

The New Shares to be offered and sold in the Placement and the SPP have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares to be offered and sold in the Placement may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities law. The New Shares to be offered and sold in the SPP may not be offered and sold to any person in the United States.

Appendix C: Underwriting agreement summary

Appendix C: Underwriting agreement summary

Cochlear has entered into an underwriting agreement with the Lead Manager in respect of the Placement (**Underwriting Agreement**) and pursuant to which the Lead Manager is acting as sole lead manager, bookrunner and underwriter of the Placement.

The Underwriting Agreement contains representations and warranties and indemnities in favour of the Lead Manager. The Lead Manager may terminate its obligations under the Underwriting Agreement on the occurrence of certain termination events including where:

- the conditions precedent in the Underwriting Agreement (including delivery by Cochlear to the Lead Manager of a due diligence questionnaire) are not satisfied or waived by their respective deadlines;
- ASX announces that Cochlear will be removed from the official list or that its shares will be delisted or suspended from quotation by ASX;
- certain documents and publications in respect of the Placement include content that is misleading or deceptive in a material respect or likely to mislead or deceive in a material respect (including by omission) or a statement of opinion or belief in such document or publication is not truly and honestly held or there are no reasonable grounds for making any such statement;
- any of the following occurs: (i) there is an application to a governmental authority for an order, declaration or other remedy, or a governmental authority commences any investigation or hearing or announces its intention to do so, in each case in connection with the Placement or any agreement entered into in respect of the Placement which, in the Lead Manager's reasonable opinion, has reasonable prospects of success and is likely to have a material adverse effect on Cochlear or the Placement or on the market price of Cochlear's shares; or (ii) proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction in Australia seeking an injunction or other order in relation to the Placement, which in the Lead Manager's reasonable opinion, has reasonable prospects of success and are likely to have a material adverse effect on Cochlear or the Placement;
- ASIC holds, or gives notice of intention to hold, a hearing or investigation in relation to, prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against Cochlear or any of its directors, officers, employees or agents in relation to the Placement;
- ASX does not, or states that it will not, grant official quotation of all the New Shares under the Placement on an unconditional basis (or on a conditional basis provided such condition would not, in the opinion of that Lead Manager, have a material adverse effect on the Placement by the date of settlement of the New Shares under the Placement);

Appendix C: Underwriting agreement summary (cont'd)

Cochlear®

- any of the following occurs: (i) a director or senior manager of Cochlear is charged with an indictable offence; (ii) any regulatory body commences any public action against a director of Cochlear in his or her capacity as such or announces that it intends to take any such action; or (iii) any director of Cochlear is disqualified from managing a corporation under the Corporations Act;
- any event specified in the timetable for the Placement is delayed for more than 1 business day without the prior written consent of the Lead Manager;
- Cochlear withdraws the Placement;
- there is a change to the board of directors, the chief executive officer or chief financial officer of Cochlear;
- any certificate which is required to be provided by Cochlear under the Underwriting Agreement is not provided when required; or
- an insolvency event occurs in relation to Cochlear or any of its material subsidiaries.

In addition, the following termination events will depend on whether the event has, or is likely to have, a material adverse effect on the outcome or success of the Placement, or the market price of the New Shares or where the event could give rise to a contravention by the Lead Manager or its affiliates of, or a liability of the Lead Manager or its affiliates under, applicable law:

- any representation or warranty by Cochlear is or becomes incorrect, untrue or misleading;
- Cochlear fails to perform or observe any of its obligations under the Underwriting Agreement;
- there is an omission from or misstatement relating to the due diligence questionnaire provided by Cochlear or certain other information supplied by or on behalf of Cochlear to the Lead Manager;
- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State or Territory authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of the Underwriting Agreement);
- Cochlear or any of its directors or officers engage in any fraudulent conduct or activity whether or not in connection with the Placement;
- a contravention by Cochlear of the Corporations Act, its constitution, any of the ASX Listing Rules or any other applicable law or regulation;

Appendix C: Underwriting agreement summary (cont'd)

- any aspect of the Placement does not comply with the Corporations Act or the ASX Listing Rules;
- any certificate which is required to be provided by Cochlear under the Underwriting Agreement is untrue or incorrect;
- there is an adverse change, or an event occurs which is reasonably likely to give rise to an adverse change, in the financial position, results, condition, operations or prospects of the Cochlear group (taken as a whole) other than as disclosed by Cochlear to the ASX before the date of the Underwriting Agreement or in the materials released to ASX in connection with the Placement;
- there is: (i) a suspension or limitation in a material respect of trading in all securities quoted or listed on ASX, the LSE or the NYSE for one day on which the exchange is open for trading (**Trading Day**) or substantially all of a Trading Day. Despite the forgoing, the parties agree that the Lead Manager may not terminate the Underwriting Agreement where electronic trading on ASX, LSE or the NYSE is permitted by the relevant market operator; (ii) any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Hong Kong, Singapore, the European Union, the United States or the United Kingdom or the international financial markets or any change in national or international political, financial or economic conditions; or (iii) a general moratorium on commercial banking activities in Australia, the United States, the European Union, Hong Kong or Singapore declared by the relevant central banking authority in any of those countries, or a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
- hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) or a major terrorist act is perpetrated involving any one or more of Australia, New Zealand, the United States of America, Japan, Hong Kong the People's Republic of China or the United Kingdom.

If the Lead Manger terminates its obligations under the Underwriting Agreement or the Placement is otherwise withdrawn, the Lead Manager will not be obliged to perform its obligations that remain to be performed. Termination of the Underwriting Agreement could have an adverse impact on the amount of proceeds raised under the Placement. In these circumstances, Cochlear would need to utilise alternative funding options to achieve its objectives as described in this Presentation.

Cochlear®

Hear now. And always

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES