



A message from our CEO

As Cochlear turns 40, we are celebrating the hundreds of thousands of people we've helped connect to life's opportunities through hearing. More than four decades after Professor Graeme Clark's dream of restoring access to hearing was realised we continue to be inspired by our recipients, the professionals who dedicate their lives to helping people hear, the family and friends who support loved ones on their hearing journey, and the organisations who advocate tirelessly for people living with hearing loss.



Our commitment to innovation and empowering people to connect with others provides a strong foundation to help our recipients and professional partners navigate the challenges of COVID-19. We have prioritised keeping recipients connected and hearing by adapting the way we deliver services and support, including increased investment in digital and online products. We have also continued our commitment to making new technology available to long-term recipients, with the Nucleus® 7 Sound Processor now available to Nucleus® 22 implant recipients. This means people who received a CochlearTM hearing implant more than 30 years ago can upgrade to our most advanced behind-the-ear sound processor and connectivity features.

I want to thank our professional partners, recipients and employees for the energy, resilience and compassion they show in responding to COVID-19. I am proud of how we work together to keep our recipients hearing – or to help them hear for the first time – during these challenging circumstances. Together we can continue Graeme's dream and bring hearing to those who need it over the next 40 years.

Dig Howitt
CEO & President

Proven over time

For 40 years Cochlear has been bringing people all over the globe into the world of sound.

Graeme Clark, an Australian ear surgeon, saw first-hand the isolation and frustration that comes from living in a world of silence as his father struggled with hearing difficulties. On holiday in 1977, fiddling with a shell and a blade of grass, Graeme realised there was a safe way to insert electrodes into the inner ear. It was Graeme's determination to help others that realised our first implantable solution, reconnecting Rod Saunders to hearing and bringing music into his life.

Today, Cochlear is the leader in implantable hearing solutions, connecting hundreds of thousands of people globally to a life full of hearing. The pioneering spirit that started Cochlear all those years ago continues to drive us forward and our commitment is stronger than ever. We're transforming the way people understand and treat hearing loss, and we're committed to reaching more people to provide support for a lifetime of hearing.

Professor Graeme Clark



About this report

This report provides reliability data for the internal (cochlear implant) and external (sound processor) components of our Nucleus® Implant Systems.

Implant reliability data

The implant data in this report is based on the reporting methodology recommended by *International Standard ISO 5841-2*^{2,3}, the reporting principles outlined in the *European Consensus Statement on Cochlear Implant Failures and Explantations*⁴ and expert recommendations from the *International Classification of Reliability for Implanted Cochlear Implant Receiver Stimulators*. This report meets the standards for cochlear implant reliability reporting outlined in these standards.

For implant reliability data which meets the reporting standards and methodology recommended by ANSI/AAMI Cl86 – Cochlear implant systems: Requirements for safety, functional verification, labeling and reliability reporting⁶, please visit www.cochlear.com/intl.

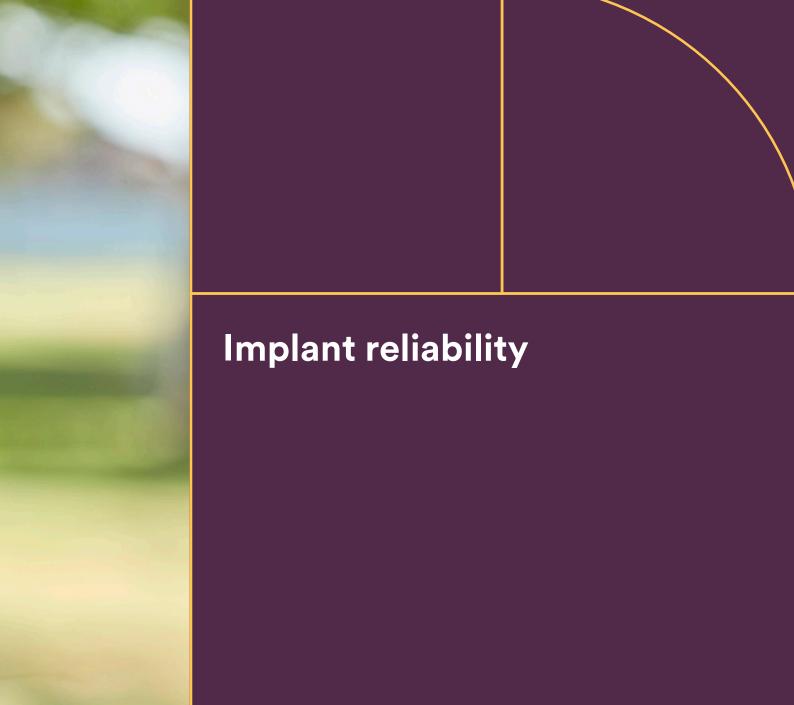
Sound processor reliability data

The sound processor data in this report meets the reporting standards and methodology recommended by ANSI/AAMI Cl86 – Cochlear implant systems: Requirements for safety, functional verification, labeling and reliability reporting.⁶

For the latest sound processor reliability data, please visit www.cochlear.com/intl.

Reliability data for the Kanso[®] 2 Sound Processor will be available in September 2021.





Compliance with implant reliability reporting standards

In 2005, the major European cochlear implant centres, global regulatory authorities and device manufacturers developed the *European Consensus Statement on Cochlear Implant Failures* and *Explantations*⁴. The consensus statement outlines how device failures and reliability should be reported, and the seven principles of best practice reporting.

In 2017 a new cochlear implant industry standard was published by the Association for the Advancement of Medical Instrumentation (AAMI) in conjunction with the American National Standards Institute (ANSI). The *ANSI/AAMI CI86 Standard*⁶ outlines requirements for the reporting of implant reliability data.

Cochlear's implants are the most reliable in the industry

CONSENSUS STATEMENT PRINCIPLES

All device failures must be reported to the competent authority and must be included in the calculation of the Cumulative Survival Rate (CSR'). Reporting of the CSR should be in accordance with both International Standard ISO 5841-2:2000² and ISO 5841-2:2014.³

Manufacturer's reports of device failure should indicate the sources of data and the sample size. There must be no exclusions. The time period over which the data was collected should be specified.

Reports of CSR should give complete historical data of a given device, describing any technical modifications (which can be integrated into historical data by starting at time 0).

The complete data set of the 'mother'" product should always be supplied when presenting data on subsequent device modifications.

A new device can be attributed when there has been a change in either the case and/or the electrodes and/or the electronics and has been labelled by its own CE mark.

The CSR should be split into data for adults and for children and 95% confidence intervals (80% or 90% if the population is below 1,000 units) should be provided.

Device survival time starts to count with closure of the wound intraoperatively.

ANSI/AAMI CI86 STANDARD REQUIREMENTS

Manufacturers shall analyse returned product and report on the reliability of the product and mechanisms of failure.

[^] Latest generation of cochlear implants currently available as at 31 December 2020.



^{** &#}x27;Mother' data refers to all data collected for a particular model of implant including all modifications to that model.

| COCHLEAR REPORTING PRACTICE | COCHLEAR COMPLIANCE | MED-EL COMPLIANCE ⁸ | ADVANCED BIONICS COMPLIANCE ⁹ | OTICON COMPLIANCE ^{10,11} |
|---|------------------------|--|---|--|
| All device failures are reported to the competent authority. Cochlear uses the calculation procedures of both ISO 5841-2:2000 ² and ISO 5841-2:2014. ³ All device failure modes are included, including failures due to external impact. | V | Compliance with ISO 5841-2 ^{2.3} not explicitly stated. | ~ | V |
| The source of data is Cochlear's global complaints handling database. Sample size and time period are specified with each report. | V | Sample size not included. | ~ | Sample size not included. |
| All models and all versions of each model are included in reports. Descriptions of any significant technical modfications are given. | ✓ | COMBI 40+ no longer reported. PULSAR no longer reported. | / | Pre-2006 devices are no longer reported. |
| Reports aggregate the reliability of all devices (pre- and post-modification). If the post-modification is significantly different, post-modification is reported separately from the aggregate of all devices. | ✓ | COMBI 40+ no longer reported. PULSAR no longer reported. | / | ~ |
| A new device is attributed when there has been a change in either the case and/or the electrodes and/or the electronics and has been labelled by its own CE mark. Market practice is that all cochlear implants are labeled by one CE mark per authority. | V | ? Not explicitly stated. | ✓ | V |
| Reports show separate data for adults and children. This Nucleus Reliability Report contains reliability data with 95% confidence intervals, in compliance with the consensus statement. ⁴ | ~ | No split data on adults and children. Confidence intervals not included. | ✓ | ✓ |
| Device survival time begins with closure of the wound. | V | ? Not explicitly stated. | V | V |
| COCHLEAR REPORTING PRACTICE | | | | |
| Cochlear provides implant data in compliance with the requirements for reliability reporting at www.cochear.com | V | × | V | No reporting on older generation implants. |

Why implant reliability matters

Longevity is an important factor when choosing an implant, especially if you are choosing for a child. High implant reliability can mean greater recipient satisfaction and less risk of additional surgery. When considering a cochlear implant, you should have access to the latest data on short and long term reliability, including success and failure rates for both adults and children.

What is Cumulative Survival Percentage (CSP)?

CSP is the metric used in this report to measure implant reliability. CSP provides information regarding the reliability of each make and model of implant over time.

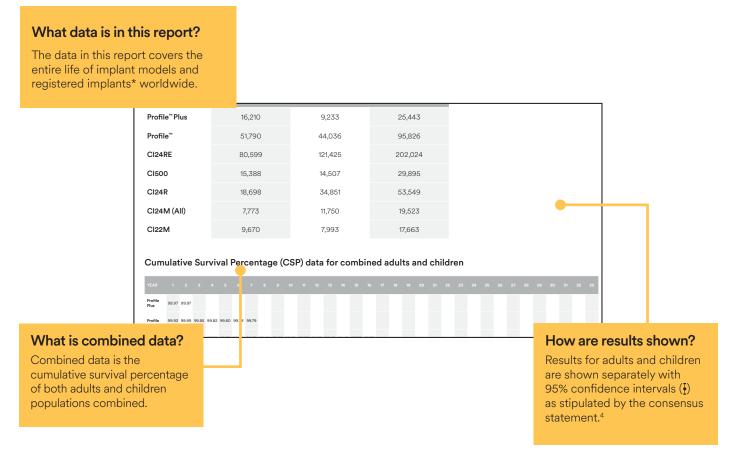
CSP tells you the cumulative percentage of functioning implants over a given time period. For example, a CSP of 99% after five years means the chance of obtaining continued benefit from the cochlear implant, as described for its intended use, is 99% after five years. Put another way, the implant is 99% reliable within five years.

Calculation of CSP

In this report, CSP includes both device and accident-related issues.

The reliability calculations used in this report are in accordance with the *International Standard ISO* 5841-2.^{2,3} They are probability calculations, which use a modified Actuarial Analysis estimator. This data estimates the probability of survival within a period of time and is represented as CSP.

How are the results shown?



^{*} An implant is registered with Cochlear when the recipient/clinic/hospital submits the registration of the implanted device. Implant registrations often lag behind surgery dates.

More people choose Cochlear than any other implant brand

Over **440,000**registered Cochlear
Nucleus implants
worldwide

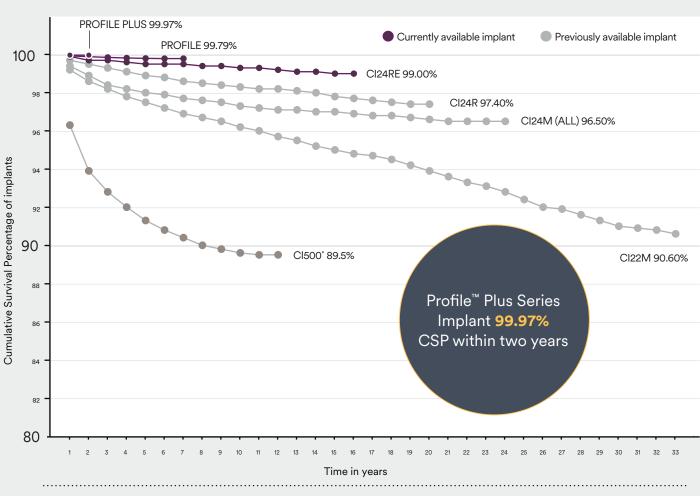
Number of registered implants - 31 December 2020

| DEVICE | ADULTS | CHILDREN | COMBINED |
|---------------------------|--------|----------|----------|
| Profile [™] Plus | 16,210 | 9,233 | 25,443 |
| Profile [™] | 51,790 | 44,036 | 95,826 |
| CI24RE | 80,599 | 121,425 | 202,024 |
| CI500 | 15,388 | 14,507 | 29,895 |
| CI24R | 18,698 | 34,851 | 53,549 |
| CI24M (AII) | 7,773 | 11,750 | 19,523 |
| CI22M | 9,670 | 7,993 | 17,663 |

Cumulative Survival Percentage (CSP) data for combined adults and children

| YEAR | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Profile Plus | 99.97 | 99.97 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profile | 99.93 | 99.89 | 99.85 | 99.82 | 99.80 | 99.79 | 99.79 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CI24RE | 99.90 | 99.70 | 99.70 | 99.60 | 99.50 | 99.50 | 99.50 | 99.40 | 99.40 | 99.30 | 99.30 | 99.20 | 99.10 | 99.10 | 99.00 | 99.00 | | | | | | | | | | | | | | | | | |
| CI500 | 96.30 | 93.90 | 92.80 | 92.00 | 91.30 | 90.80 | 90.40 | 90.00 | 89.80 | 89.60 | 89.50 | 89.50 | | | | | | | | | | | | | | | | | | | | | |
| CI24R | 99.70 | 99.50 | 99.30 | 99.10 | 98.90 | 98.80 | 98.60 | 98.50 | 98.40 | 98.30 | 98.20 | 98.20 | 98.10 | 98.00 | 97.80 | 97.70 | 97.60 | 97.50 | 97.40 | 97.40 | | | | | | | | | | | | | |
| CI24M (All) | 99.40 | 98.90 | 98.40 | 98.20 | 98.00 | 97.90 | 97.70 | 97.60 | 97.50 | 97.30 | 97.20 | 97.10 | 97.10 | 97.00 | 97.00 | 96.90 | 96.80 | 96.80 | 96.70 | 96.60 | 96.50 | 96.50 | 96.50 | 96.50 | | | | | | | | | |
| Cl22M | 99.20 | 98.60 | 98.20 | 97.80 | 97.50 | 97.20 | 96.90 | 96.70 | 96.50 | 96.20 | 96.00 | 95.70 | 95.50 | 95.20 | 95.00 | 94.80 | 94.70 | 94.50 | 94.20 | 93.90 | 93.60 | 93.30 | 93.10 | 92.80 | 92.40 | 92.00 | 91.90 | 91.60 | 91.30 | 91.00 | 90.90 | 90.80 | 90.60 |

Nucleus® Implant Reliability



REGISTERED IMPLANT DATA FOR COMBINED ADULTS AND CHILDREN AT 31 DECEMBER 2020

^{*} Voluntarily recalled in September 2011. CSP includes both device and accident-related issues.

Nucleus® Profile™ Plus Series Implant

Number of registered Profile™ Plus Series Implants - 31 December 2020

| ADULTS | CHILDREN | COMBINED |
|--------|----------|----------|
| 16,210 | 9,233 | 25,443 |



Cochlear's latest implant, the Profile Plus Series, builds on the industry-leading thinness of the Profile Series Implant and provides access to MRI at 1.5 Tesla and 3.0 Tesla without the need to remove the internal magnet.

Commercially released in 2019, the Profile Plus Series Implant has delivered a combined Cumulative Survival Percentage of 99.97% within two years.

Profile Plus Series Implant Cumulative Survival Percentage

| YEAR | 1 | 2 |
|----------|-------|-------|
| Adults | 99.96 | 99.96 |
| Children | 99.98 | 99.98 |
| Combined | 99.97 | 99.97 |



Profile Plus Series Implant Reliability



REGISTERED IMPLANT DATA FOR COMBINED ADULTS AND CHILDREN AT 31 DECEMBER 2020

Confidence intervals smaller than 0.1% may not be clearly visible in the graphs. CSP includes both device and accident-related issues.

Nucleus Profile Series Implant

Number of registered Profile Series Implants - 31 December 2020

| ADULTS | CHILDREN | COMBINED |
|--------|----------|----------|
| 51,790 | 44,036 | 95,826 |



At only 3.9 mm, the Profile Series Implant was commercially released in 2014 as the thinnest cochlear implant in the world¹.

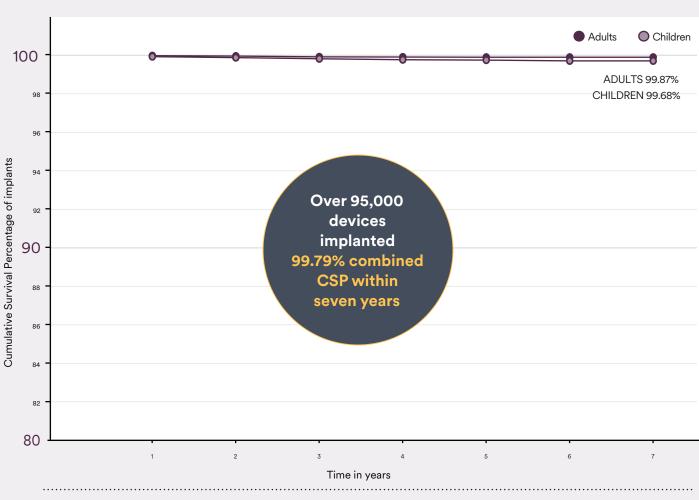
The Profile Series Implant sets the standard in implant reliability with a 99.79% combined Cumulative Survival Percentage within seven years.

Profile Series Implant Cumulative Survival Percentage

| YEAR | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|----------|-------|-------|-------|-------|-------|-------|-------|
| Adults | 99.95 | 99.93 | 99.89 | 99.88 | 99.87 | 99.87 | 99.87 |
| Children | 99.90 | 99.85 | 99.79 | 99.74 | 99.72 | 99.68 | 99.68 |
| Combined | 99.93 | 99.89 | 99.85 | 99.82 | 99.80 | 99.79 | 99.79 |



Profile Series Implant Reliability



REGISTERED IMPLANT DATA FOR COMBINED ADULTS AND CHILDREN AT 31 DECEMBER 2020

Confidence intervals smaller than 0.1% may not be clearly visible in the graphs. CSP includes both device and accident-related issues.

Nucleus CI24RE Series Implant

Number of registered CI24RE Series implants - 31 December 2020

| ADULTS | CHILDREN | COMBINED |
|--------|----------|----------|
| 80,599 | 121,425 | 202,024 |



The Cl24RE Series is the world's most widely used cochlear implant.*

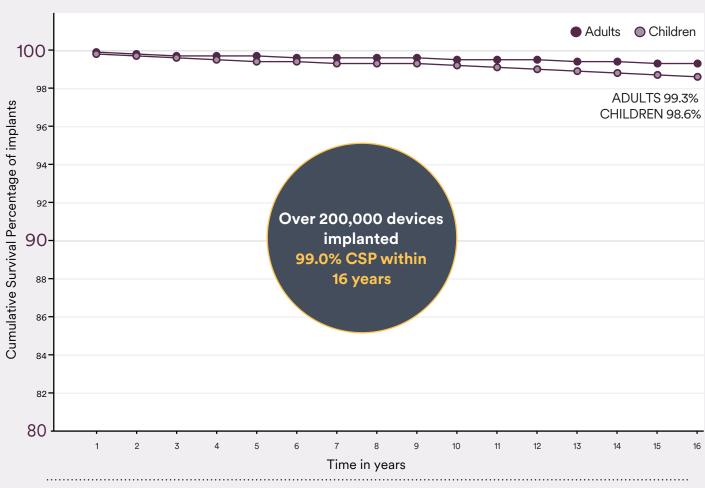
Released in 2005, it has a 99.00% combined Cumulative Survival Percentage within 16 years.

Cl24RE Series Cumulative Survival Percentage

| YEAR | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
|----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Adults | 99.90 | 99.80 | 99.70 | 99.70 | 99.70 | 99.60 | 99.60 | 99.60 | 99.60 | 99.50 | 99.50 | 99.50 | 99.40 | 99.40 | 99.30 | 99.30 |
| Children | 99.80 | 99.70 | 99.60 | 99.50 | 99.40 | 99.40 | 99.30 | 99.30 | 99.30 | 99.20 | 99.10 | 99.00 | 98.90 | 98.80 | 98.70 | 98.60 |
| Combined | 99.90 | 99.70 | 99.70 | 99.60 | 99.50 | 99.50 | 99.50 | 99.40 | 99.40 | 99.30 | 99.30 | 99.20 | 99.10 | 99.10 | 99.00 | 99.00 |

^{*} Based on available data^{9,10}. MED-EL and Oticon Medical do not report number of registered cochlear implants.

CI24RE Series Reliability



REGISTERED IMPLANT DATA FOR ADULTS AND CHILDREN AT 31 DECEMBER 2020

Confidence intervals smaller than 0.1% may not be clearly visible in the graphs. CSP includes both device and accident-related issues.





Previously available implants

Nucleus® CI500 Series Implant

Number of registered Cl500 Series implants - 31 December 2020

| ADULTS | CHILDREN | COMBINED |
|--------|----------|----------|
| 15,388 | 14,507 | 29,895 |



Released in 2009, the CI500 Series has a combined Cumulative Survival Percentage of 89.5% within 12 years.

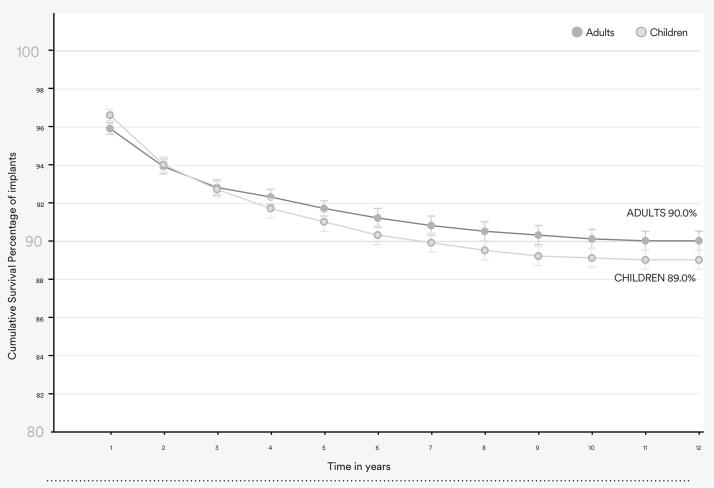
The Cl500 Series was voluntarily recalled in September 2011.

CI500 Series Cumulative Survival Percentage

| YEAR | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Adults | 95.90 | 93.90 | 92.80 | 92.30 | 91.70 | 91.20 | 90.80 | 90.50 | 90.30 | 90.10 | 90.00 | 90.00 |
| Children | 96.60 | 94.00 | 92.70 | 91.70 | 91.00 | 90.30 | 89.90 | 89.50 | 89.20 | 89.10 | 89.00 | 89.00 |
| Combined | 96.30 | 93.90 | 92.80 | 92.00 | 91.30 | 90.80 | 90.40 | 90.00 | 89.80 | 89.60 | 89.50 | 89.50 |

CI500 Series Reliability





REGISTERED IMPLANT DATA FOR ADULTS AND CHILDREN AT 31 DECEMBER 2020

Confidence intervals smaller than 0.1% may not be clearly visible in the graphs. CSP includes both device and accident-related issues.

Nucleus Cl24R Implant

Number of registered Cl24R implants - 31 December 2020

| ADULTS | CHILDREN | COMBINED |
|--------|----------|----------|
| 18,698 | 34,851 | 53,549 |



The CI24R was released in 2000 with perimodiolar (Contour Advance®) and straight electrodes.

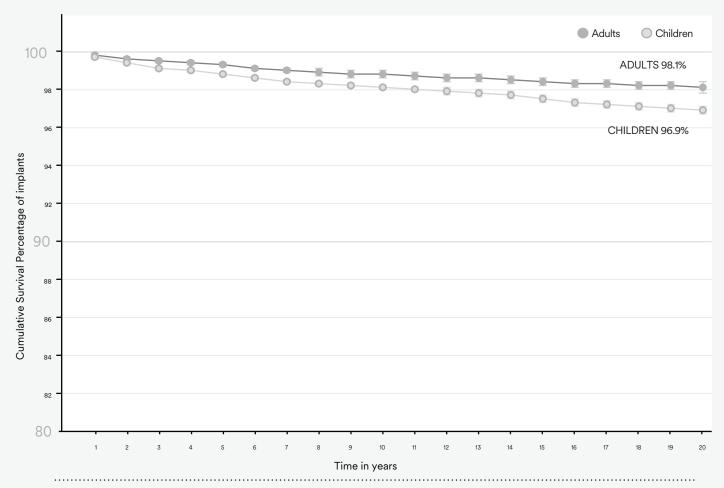
Within 20 years, the CI24R implant has a combined Cumulative Survival Percentage of 97.40%.

CI24R Cumulative Survival Percentage

| YEAR | | | 3 | 4 | | | 7 | | | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Adults | 99.80 | 99.60 | 99.50 | 99.40 | 99.30 | 99.10 | 99.00 | 98.90 | 98.80 | 98.80 | 98.70 | 98.60 | 98.60 | 98.50 | 98.40 | 98.30 | 98.30 | 98.20 | 98.20 | 98.10 |
| Children | 99.70 | 99.40 | 99.10 | 99.00 | 98.80 | 98.60 | 98.40 | 98.30 | 98.20 | 98.10 | 98.00 | 97.90 | 97.80 | 97.70 | 97.50 | 97.30 | 97.20 | 97.10 | 97.00 | 96.90 |
| Combined | 99.70 | 99.50 | 99.30 | 99.10 | 98.90 | 98.80 | 98.60 | 98.50 | 98.40 | 98.30 | 98.20 | 98.20 | 98.10 | 98.00 | 97.80 | 97.70 | 97.60 | 97.50 | 97.40 | 97.40 |

CI24R Reliability





REGISTERED IMPLANT DATA FOR ADULTS AND CHILDREN AT 31 DECEMBER 2020

Confidence intervals smaller than 0.1% may not be clearly visible in the graphs. CSP includes both device and accident-related issues.

Nucleus CI24M Implant

Number of registered Cl24M implants - 31 December 2020

| | ADULTS | CHILDREN | COMBINED |
|------|--------|----------|----------|
| ALL | 7,773 | 11,750 | 19,523 |
| POST | 6,071 | 9,225 | 15,296 |



Released in 1997, the CI24M implant was the world's first cochlear implant with a removable magnet for MRI compatibility.

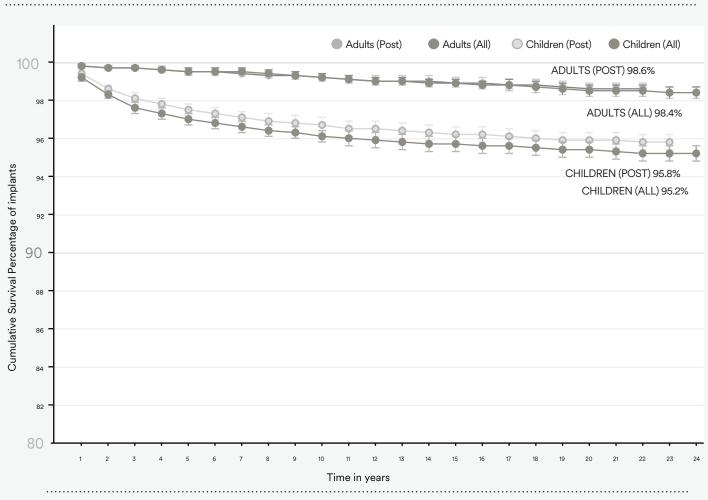
Within 24 years, the Cl24M implant has a combined Cumulative Survival Percentage of 96.50%.

CI24M Cumulative Survival Percentage

| YEAR | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Adults (All) | 99.80 | 99.70 | 99.70 | 99.60 | 99.50 | 99.50 | 99.50 | 99.40 | 99.30 | 99.20 | 99.10 | 99.00 | 99.00 | 98.90 | 98.90 | 98.80 | 98.80 | 98.70 | 98.60 | 98.50 | 98.50 | 98.50 | 98.40 | 98.40 |
| Children (All) | 99.20 | 98.30 | 97.60 | 97.30 | 97.00 | 96.80 | 96.60 | 96.40 | 96.30 | 96.10 | 96.00 | 95.90 | 95.80 | 95.70 | 95.70 | 95.60 | 95.60 | 95.50 | 95.40 | 95.40 | 95.30 | 95.20 | 95.20 | 95.20 |
| Combined (All) | 99.40 | 98.90 | 98.40 | 98.20 | 98.00 | 97.90 | 97.70 | 97.60 | 97.50 | 97.30 | 97.20 | 97.10 | 97.10 | 97.00 | 97.00 | 96.90 | 96.80 | 96.80 | 96.70 | 96.60 | 96.50 | 96.50 | 96.50 | 96.50 |
| Adults (Post**) | 99.80 | 99.70 | 99.70 | 99.60 | 99.50 | 99.50 | 99.40 | 99.30 | 99.30 | 99.20 | 99.10 | 99.00 | 99.00 | 99.00 | 98.90 | 98.90 | 98.80 | 98.80 | 98.70 | 98.60 | 98.60 | 98.60 | # | # |
| Children (Post**) | 99.40 | 98.60 | 98.10 | 97.80 | 97.50 | 97.30 | 97.10 | 96.90 | 96.80 | 96.70 | 96.50 | 96.50 | 96.40 | 96.30 | 96.20 | 96.20 | 96.10 | 96.00 | 95.90 | 95.90 | 95.90 | 95.80 | 95.80 | # |
| Combined (Post**) | 99.50 | 99.10 | 98.70 | 98.50 | 98.30 | 98.20 | 98.00 | 97.90 | 97.80 | 97.60 | 97.50 | 97.50 | 97.40 | 97.30 | 97.30 | 97.20 | 97.20 | 97.10 | 97.00 | 96.90 | 96.90 | 96.90 | 96.90 | # |

^{** &#}x27;Post' refers to the addition of a structural support component to improve impact strength. # Individual populations are less than the minimum required for a valid calculation.^{2,3}

CI24M Reliability



REGISTERED IMPLANT DATA FOR ADULTS AND CHILDREN AT 31 DECEMBER 2020

Confidence intervals smaller than 0.1% may not be clearly visible in the graphs. CSP includes both device and accident-related issues.

Nucleus CI22M Implant

Number of registered Cl22M implants - 31 December 2020

| ADULTS | CHILDREN | COMBINED |
|--------|----------|----------|
| 9,670 | 7,993 | 17,663 |



Released in 1985, the Cl22M implant was the first commercially available multi-channel cochlear implant in the world.

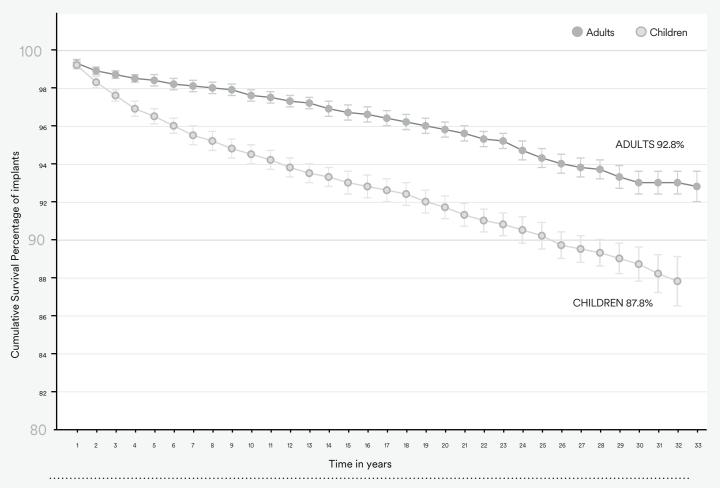
Within 33 years, the Cl22M implant has a combined Cumulative Survival Percentage of 90.60%.

CI22M Cumulative Survival Percentage

| YEAR | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------|-------|-------------|-------------|-------------|---|
| Adults | 99.30 | 98.90 | 98.70 | 98.50 | 98.40 | 98.20 | 98.10 | 98.00 | 97.90 | 97.60 | 97.50 | 97.30 | 97.20 | 96.90 | 96.70 | 96.60 | |
| Children | 99.20 | 98.30 | 97.60 | 96.90 | 96.50 | 96.00 | 95.50 | 95.20 | 94.80 | 94.50 | 94.20 | 93.80 | 93.50 | 93.30 | 93.00 | 92.80 | |
| Combined | 99.20 | 98.60 | 98.20 | 97.80 | 97.50 | 97.20 | 96.90 | 96.70 | 96.50 | 96.20 | 96.00 | 95.70 | 95.50 | 95.20 | 95.00 | 94.80 | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| YEAR | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | |
| YEAR Adults | 17 96.40 | 18 96.20 | 19 96.00 | 20 95.80 | 21 95.60 | 22 95.30 | 23 95.20 | 24 94.70 | 25 94.30 | 26 94.00 | 27 93.80 | 28 | 29 | 30 93.00 | 31 93.00 | 32 93.00 | - |
| | | | | | | | | | | | | | | | | | 9 |

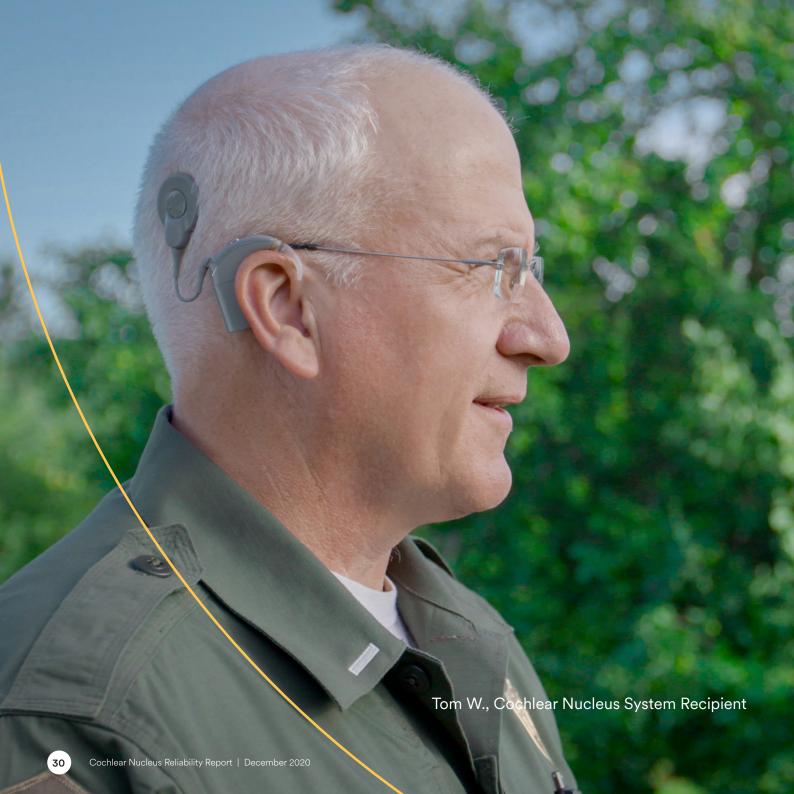
CI22M Reliability





REGISTERED IMPLANT DATA FOR ADULTS AND CHILDREN AT 31 DECEMBER 2020

Confidence intervals smaller than 0.1% may not be clearly visible in the graphs. CSP includes both device and accident-related issues.





Sound processor reliability

Why sound processor reliability matters

The reliability of a cochlear implant system depends not only on the implant, but also on the sound processor. Sound processors are typically used for a number of years, so high reliability enables ongoing access to a consistent hearing experience.

Sound processors, as an externally worn device, are subject to a range of environmental factors, so it's important to have access to the latest data on short and long term reliability.

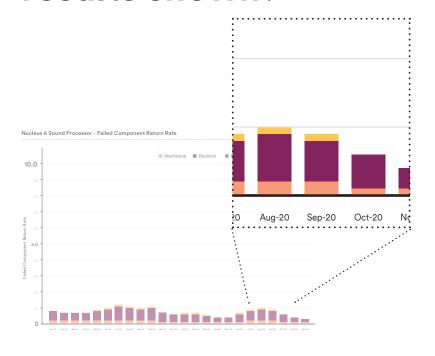
What is Failed Component Return Rate (FCRR)?

Failed Component Return Rate (FCRR) is the metric used in this report to measure sound processor reliability. FCRR provides information regarding the reliability of each make and model of sound processor.

Cochlear tests sound processors that have been returned to determine if they are working and, if not, why they failed. The FCRR is a percentage which represents the total number of failed processors received within a month compared to the total number of the same processor sold by the end of that month.

For example, if 20 faulty sound processors are returned in a month and 10,000 of the same sound processors have been sold as at the end of the month, the FCRR is 0.2%.

How are the results shown?



What is Fault-Free data?

A returned device that is found to be fully functional is classified as fault-free. The device condition might reflect normal wear and tear, such as minor mechanical damage (including scratches, cracks, and discolouration), corrosion, and/or moisture damage that did not result in a functional failure.

Mechanical 0.2% 0.1% 0.1% 0.2% 0.2% 0.2% 0.3% 0.3% 0.2% 0.2% 0.1% 0.1% **Electrical** 0.1% 0.1% 0.1% 0.2% 0.2% 0.3% 0.2% 0.3% 0.2% 0.2% 0.1% 0.1% Moisture 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% Other 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% Fault-Free 0.3% 0.4% 0.3% 0.3% 0.3% 0.3% 0.3% 0.3% 0.3% 0.3% 0.2% 0.2%

What is other/unknown failure?

Failures that don't fit in the below categories (e.g. firmware failures).

What is moisture damage failure?

A functional failure that is a result of moisture ingress. This category excludes corrosion and other similar damage unless it results in a functional failure.

What is electrical failure?

A functional failure of the electronics or the electronic assembly.

What is mechanical failure?

A functional failure resulting from physical damage caused by mechanical stress, chemical exposure, or ultraviolet (UV) exposure that is a result of normal use.

Nucleus 7 Sound Processor

Released in 2017, the Cochlear[™] Nucleus[®] 7 Sound Processor is our smallest and lightest¹² behind-the-ear sound processor offering world-first connectivity and control directly from a compatible smartphone.^{*}



Nucleus 7 Sound Processor Component Return Rate

| Fail mode | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 |
|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Mechanical | 0.2% | 0.1% | 0.1% | 0.2% | 0.2% | 0.2% | 0.3% | 0.3% | 0.2% | 0.2% | 0.1% | 0.1% |
| Electrical | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.2% | 0.2% | 0.3% | 0.2% | 0.3% | 0.2% | 0.2% |
| Moisture | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Other | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Fault-Free | 0.3% | 0.4% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.2% | 0.2% |

| Fail mode | Jan-20 | Feb-20 | Mar-20 | | | Jun-20 | | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 |
|------------|--------|--------|--------|------|------|--------|------|--------|--------|--------|--------|--------|
| Mechanical | 0.2% | 0.1% | 0.1% | 0.1% | 0.2% | 0.2% | 0.3% | 0.3% | 0.3% | 0.3% | 0.2% | 0.1% |
| Electrical | 0.3% | 0.2% | 0.2% | 0.2% | 0.2% | 0.3% | 0.4% | 0.4% | 0.3% | 0.3% | 0.2% | 0.1% |
| Moisture | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Other | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Fault-Free | 0.2% | 0.2% | 0.2% | 0.1% | 0.1% | 0.2% | 0.2% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% |

^{*} The Cochlear Nucleus 7 Sound Processor is compatible with Apple and Android™ devices. For compatibility information visit www.cochlear.com/compatibility.

Nucleus 7 Sound Processor - Failed Component Return Rate

Mechanical Electrical Moisture Damage Other/Unknown 10.0 9.0 8.0 **Nucleus 7** 7.0 **Sound Processor** Failed Component Return Rate 6.0 average FCRR 5.0 over 24 months 4.0 3.0 2.0 1.0 0

Nucleus Kanso Sound Processor

Released in 2016, the Cochlear Nucleus Kanso Sound Processor is a smart, simple and discreet off-the-ear sound processor offering dual microphones.



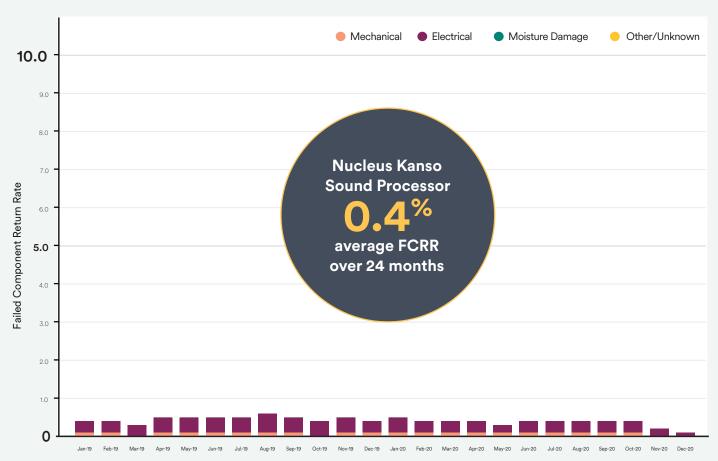
Nucleus Kanso Sound Processor Component Return Rate

| Fail mode | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 |
|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Mechanical | 0.1% | 0.1% | 0.0% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.0% | 0.1% | 0.1% |
| Electrical | 0.3% | 0.3% | 0.3% | 0.4% | 0.4% | 0.4% | 0.4% | 0.5% | 0.4% | 0.4% | 0.4% | 0.3% |
| Moisture | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Other | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Fault-Free | 0.5% | 0.5% | 0.5% | 0.5% | 0.3% | 0.4% | 0.4% | 0.4% | 0.3% | 0.4% | 0.3% | 0.3% |

| Fail mode | Jan-20 | Feb-20 | | | May-20 | | | Aug-20 | | Oct-20 | Nov-20 | Dec-20 |
|------------|--------|--------|------|------|--------|------|------|--------|------|--------|--------|--------|
| Mechanical | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.0% | 0.0% |
| Electrical | 0.4% | 0.3% | 0.3% | 0.3% | 0.2% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.2% | 0.1% |
| Moisture | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Other | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Fault-Free | 0.4% | 0.3% | 0.3% | 0.2% | 0.3% | 0.3% | 0.3% | 0.3% | 0.2% | 0.2% | 0.2% | 0.1% |

Nucleus Kanso Sound Processor - Failed Component Return Rate

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Nucleus 6 Sound Processor

Released in 2013, the Cochlear Nucleus 6 Sound Processor is a small and light sound processor featuring SmartSound® iQ sound processing technology and True Wireless™ connectivity.



Nucleus 6 Sound Processor Component Return Rate

| Fail mode | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 |
|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Mechanical | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.1% | 0.1% |
| Electrical | 0.6% | 0.5% | 0.5% | 0.5% | 0.6% | 0.7% | 0.9% | 0.8% | 0.7% | 0.8% | 0.6% | 0.5% |
| Moisture | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Other | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.0% | 0.0% |
| Fault-Free | 0.2% | 0.2% | 0.2% | 0.2% | 0.3% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.1% | 0.1% |

| Fail mode | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 |
|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Mechanical | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.2% | 0.2% | 0.2% | 0.1% | 0.1% | 0.1% |
| Electrical | 0.5% | 0.5% | 0.4% | 0.3% | 0.3% | 0.5% | 0.6% | 0.7% | 0.6% | 0.5% | 0.3% | 0.2% |
| Moisture | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Other | 0.1% | 0.1% | 0.1% | 0.0% | 0.0% | 0.1% | 0.1% | 0.1% | 0.1% | 0.0% | 0.0% | 0.0% |
| Fault-Free | 0.2% | 0.2% | 0.1% | 0.1% | 0.1% | 0.2% | 0.2% | 0.1% | 0.1% | 0.1% | 0.1% | 0.0% |

Note: Nucleus 6 Sound Processor data includes both CP910 and CP920 Sound Processor variants.

Nucleus 6 Sound Processor - Failed Component Return Rate

Mechanical Electrical Moisture Damage Other/Unknown 10.0 9.0 8.0 **Nucleus 6** 7.0 **Sound Processor** Failed Component Return Rate 6.0 average FCRR 5.0 over 24 months 4.0 3.0 2.0 1.0 0 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20

Appendix

GRAPHICAL REPRESENTATION OF IMPLANT DATA

Each implant graph represents a type of device based on the receiver/stimulator portion.

| RECEIVER/ STIMULATOR | IMPLANTS* |
|----------------------------------|--|
| Profile [™] Plus Series | Cochlear™ Nucleus® Profile™ Plus with Contour Advance Electrode (Cl612) Cochlear Nucleus Profile Plus with Slim Straight Electrode (Cl622) Cochlear Nucleus Profile Plus with Slim Modiolar Electrode (Cl632) |
| Profile Series | Cochlear Nucleus Profile with Contour Advance Electrode (CI512) Cochlear Nucleus Profile with Slim Straight Electrode (CI522) Cochlear Nucleus Profile with Slim Modiolar Electrode (CI532) Cochlear Nucleus Profile Auditory Brainstem Implant (ABI541) |
| CI24RE Series | Nucleus Freedom® with Contour Advance Electrode Nucleus Freedom with Straight Electrode Cochlear Nucleus Cl422 Cochlear Implant Cochlear Hybrid™ L24 Cochlear Implant |
| CI500 Series | Cochlear Nucleus CI512 Cochlear Implant Cochlear Nucleus CI513 Cochlear Implant Cochlear Nucleus CI551 Double Array Cochlear Implant Cochlear Nucleus ABI541 Auditory Brainstem Implant |
| CI24R | Nucleus 24 with Contour Advance Electrode Nucleus 24 with Contour® Electrode Nucleus 24k with Straight Electrode |
| Cl24M | Nucleus 24 with Straight Electrode Nucleus 24 with Double Array Nucleus 24 Auditory Brainstem Implant [ABI] |
| Cl22M | Nucleus 22 |

^{*} Implant availability varies by market.

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Notes

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Please seek advice from your health professional about treatments for hearing loss. Outcomes may vary, and your health professional will advise you about the factors which could affect your outcome. Always read the instructions for use. Not all products are available in all countries. Please contact your local Cochlear representative for product information.

ACE, Advance Off-Stylet, AOS, AutoNRT, Autosensitivity, Beam, Bring Back the Beat, Button, Carina, Cochlear, 科利耳, コクレア, 코클리어, Cochlear SoftWear, Codacs, Contour, Contour Advance, Custom Sound, ESPrit, Freedom, Hear now. And always, Hugfit, Hybrid, Invisible Hearing, Kanso, MET, MicroDrive, MP3000, myCochlear, mySmartSound, NRT, Nucleus, Outcome Focused Fitting, Off-Stylet, Slimline, SmartSound, Softip, SPrint, True Wireless, the elliptical logo, and Whisper are either trademarks or registered trademarks of Cochlear Limited. Ardium, Baha, Baha SoftWear, BCDrive, DermaLock, EveryWear, SoundArc, Vistafix, and WindShield are either trademarks or registered trademarks of Cochlear Bone Anchored Solutions AB.

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