Cochlear®
Hear now. And always

Cochlear Limited
Annual Report 2026

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Acknowledgment of Country

Cochlear acknowledges the Aboriginal and Torres Strait Islander peoples and their custodianship of the various lands across Australia on which we work, live and learn. We pay our respects to ancestors and Elders past, present and emerging. Cochlear's global headquarters are located on the unceded lands of the Wallumattagal Peoples of the Darug Nation.

About this report

The 2026 Annual Report provides an overview of Cochlear Limited's strategy to create long-term value for stakeholders as well as a consolidated summary of performance for the financial year ended 30 June 2026 (FY26).

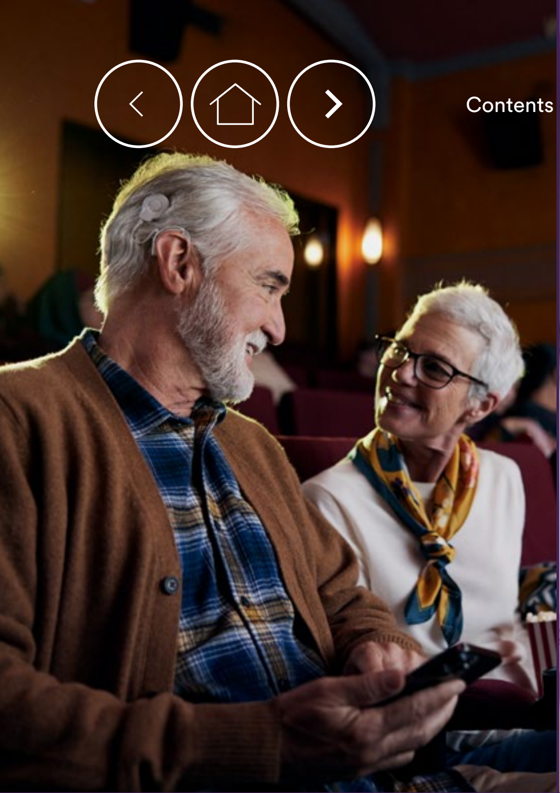
The report includes a Sustainability Report containing climate disclosures prepared in accordance with the Australian Sustainability Reporting Standard Climate-related Disclosures (AASB S2) adopted by the Australian Accounting Standards Board and the Corporations Act 2001 (Cth).

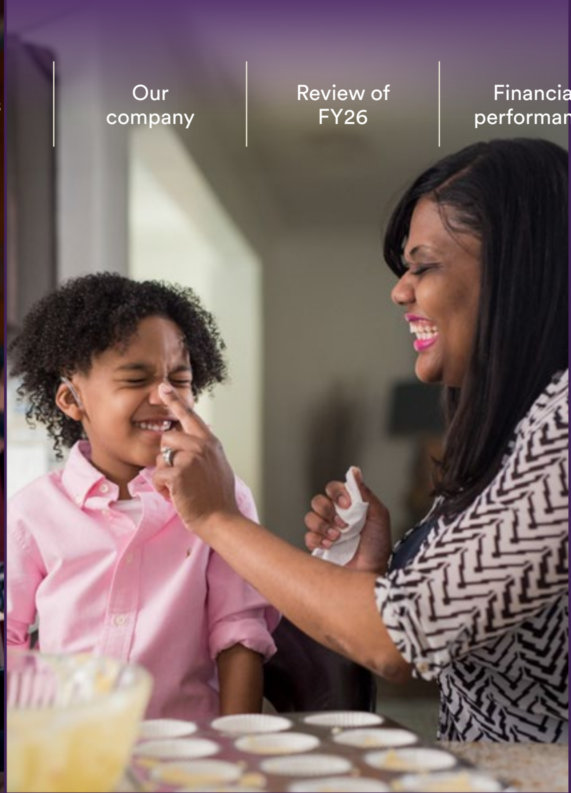
The report has been prepared with reference to the GRI (Global Reporting Initiative) Standards to help us clearly articulate how we aim to deliver long-term sustainable value for all our key stakeholders.

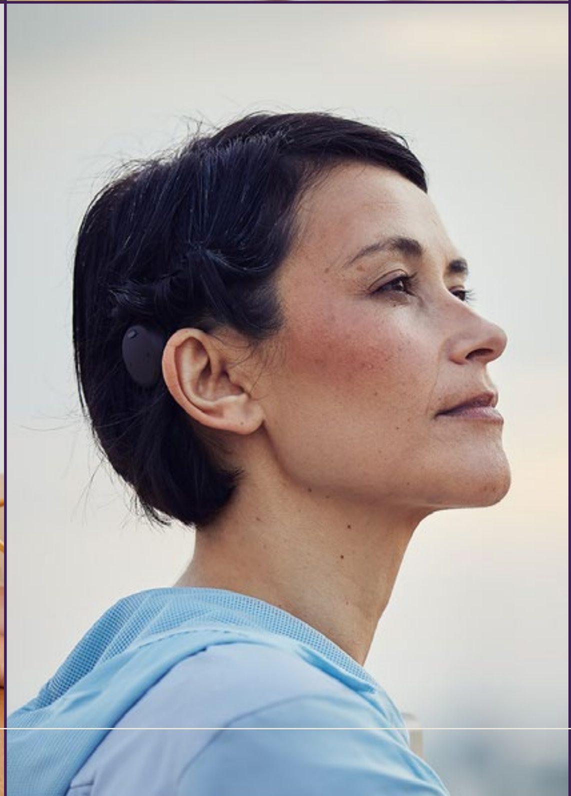
Cochlear Limited (Cochlear) publishes a suite of reports annually including the Annual Report, which integrates the Sustainability Report and the Corporate Governance Statement, the Tax Contribution Report and the Modern Slavery Statement. The reports are available at the Investors section of the website.

Front cover

Linda, Cochlear® Nucleus® Nexa® System recipient







Our mission

We help people hear and be heard.

We **empower** people to connect with others and live a full life.

We help **transform** the way people understand and treat hearing loss.

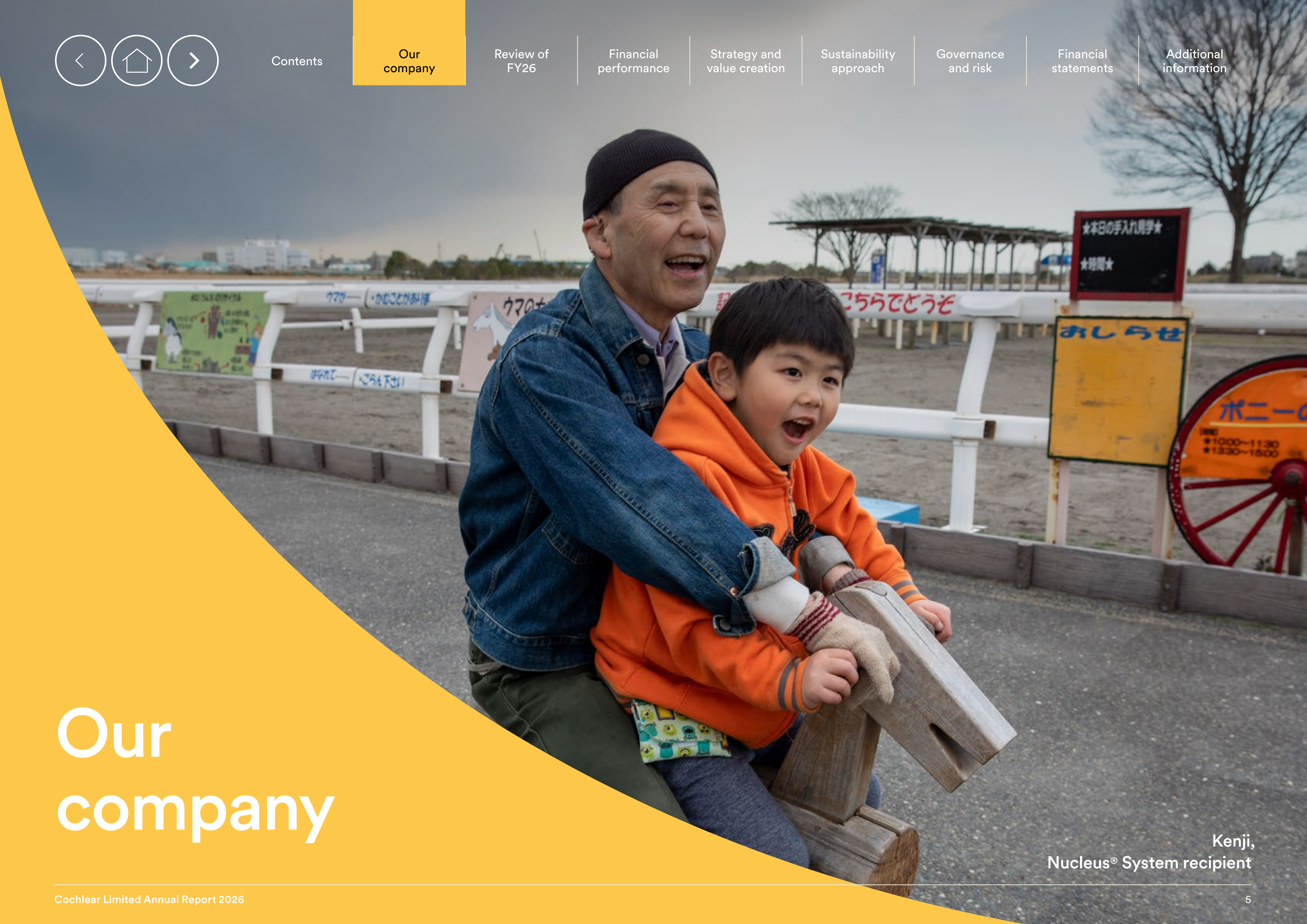
We **innovate** and bring to market a range of implantable hearing solutions that deliver a lifetime of hearing outcomes.

Our goal is to help more people to hear, which contributes to building a healthier and more productive society.

At Cochlear, we are strongly connected to our mission to help people hear and be heard. It's the passion that drives the organisation and focuses the strategy.

With every hearing implant, we begin a lifelong journey with our recipients. In helping more people to hear, we create value for our stakeholders by providing a lifetime of hearing solutions for our recipients and building a healthier and more productive society, having thriving employees. Doing these things well should enable us to achieve sustainable financial returns over time.

Sami,
Nucleus System recipient



Our company

Kenji,
Nucleus® System recipient

About Cochlear

Cochlear has been the global leader in implantable hearing solutions for over 40 years, providing a range of implants and replacement sound processors that deliver a lifetime of hearing outcomes.

Our story

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, inspired by 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.

Professor Clark partnered with Australian entrepreneur Paul Trainor – and his Nucleus Group – and the University of Melbourne to commercialise the cochlear implant. With funding from the Australian government, they developed the Cochlear® Nucleus® 22 Implant, the first multi-channel cochlear implant, and Cochlear, the company, was formed.

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.

Our company

Cochlear commenced operations in 1981 as part of the Nucleus group and in 1995 listed on the Australian Securities Exchange.

Our goal is to deliver value by helping more people to hear, which contributes to building a healthier and more productive society. Our strategy is focused on improving awareness of and access to implantable hearing solutions for people indicated for our products.

We are pioneers and global leaders in the development, manufacture and commercialisation of implantable hearing solutions, collaborating in over 100 research programs worldwide to further research into hearing loss.

We invest around 12% of sales revenue each year in research and development (R&D), with over $3 billion invested since listing, and we have a portfolio of more than 2,300 patent and patent applications worldwide.

Over the past 40 years we have helped over 800,000 people to hear with one – or two – of our implantable solutions. And we deliver a lifetime of hearing solutions for recipients, with replacement sound processors and services to support prior generation products.

Our global headquarters are on the campus of Macquarie University in Sydney, with regional offices in Asia Pacific, Europe and the Americas. We have a global workforce of over 5,400 employees and a wide geographical reach, selling in over 180 countries, with employees based in over 50 countries.

Cochlear at a glance

Business segments

Cochlear Implants*

61% Cochlear implant systems

Services*

27% Replacement sound processors, accessories and other

Acoustics*

12% Bone conduction systems and replacement sound processors

Global presence

$2.3b+ in sales revenue* across **180+** countries

5,400+ employees across **50+** countries

49% female workforce***

6 manufacturing locations

Market leader

$320m+ in annual R&D investment

Helping **800k+** people to hear with one - or two - of our implants#

>60% global market share^^

AAA MSCI ESG rating Healthcare equipment & supplies**

99.76% Cochlear implant reliability^

* Based on sales revenue (FY26) ^Nucleus® Profile™ Plus Series implant cumulative survival percentage within seven years ^^Cochlear estimate for cochlear and acoustic implants
#Includes cochlear and acoustic implants. ** Measures a company's resilience to financially material environmental, societal and governance (ESG) risk. *** Excludes US Cochlear employees.

Product and services portfolio

Cochlear's market-leading portfolio aims to improve hearing outcomes for recipients and provide a lifetime of hearing solutions.

Cochlear implant portfolio

Cochlear®
Nucleus® Nexa® System

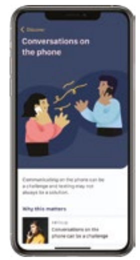
Acoustic solutions portfolio

Cochlear
Osia® System

Cochlear
Baha® System

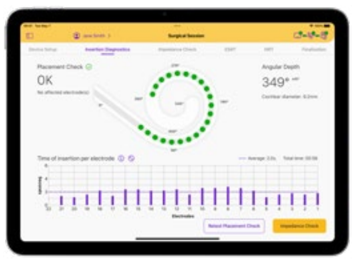
Recipient support tools

Cochlear Nucleus, Baha and Osia Smart Apps

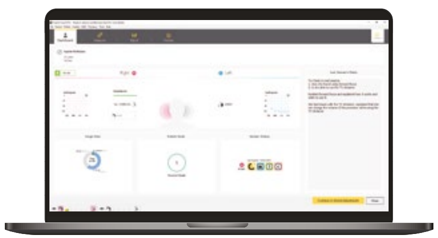


Cochlear CoPilot App

Cochlear Connected Care solutions



Cochlear Nucleus
SmartNav System



Cochlear Custom Sound® Pro
Fitting Software

Cochlear
Remote Assist

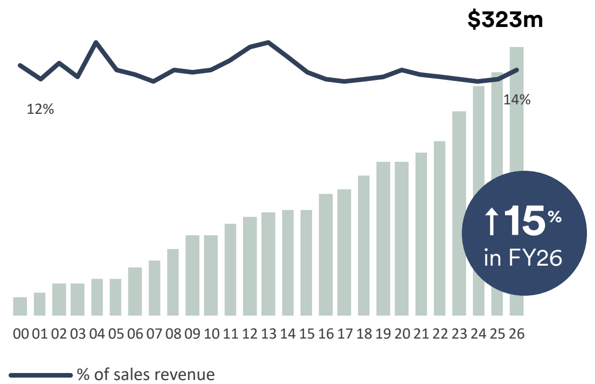
Cochlear
Remote Check

Cochlear® Link

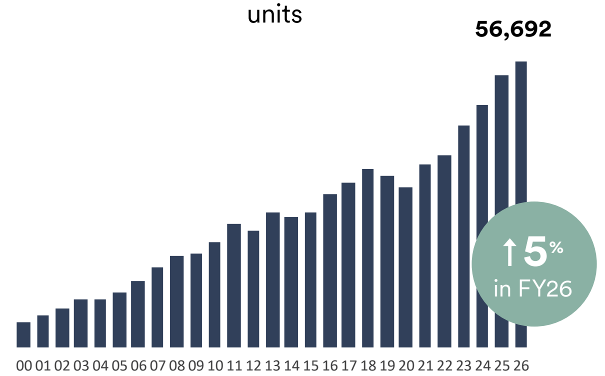
Financial history

Cochlear has a long track record of delivering growth through innovation and market leadership, with continued investment for the future while navigating near term volatility.

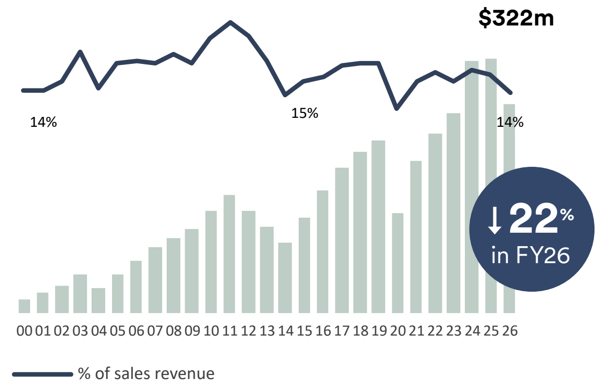
Research and development
$ million



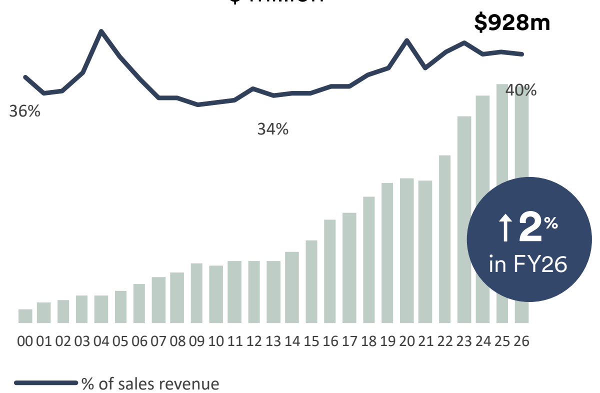
Cochlear implants
units



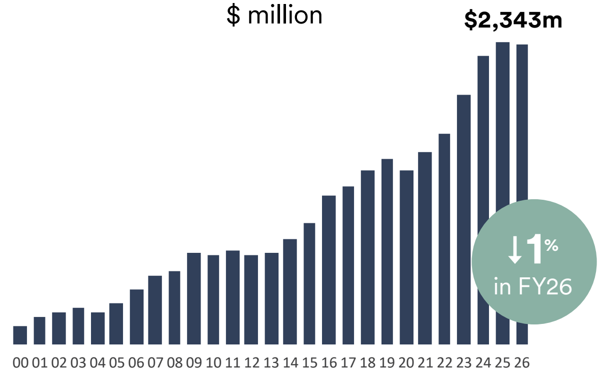
Underlying net profit*
$ million



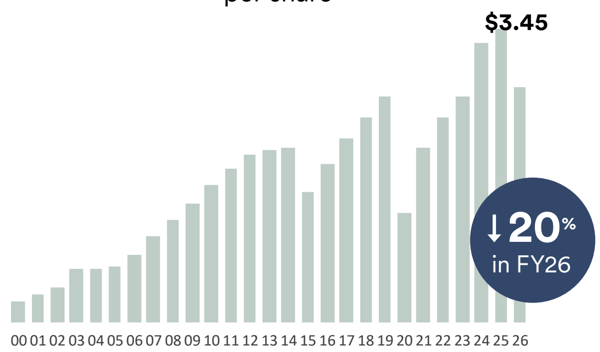
Operating expenses (excl R&D)
$ million



Sales revenue
$ million



Dividends
per share



* Excluding significant items. FY25 adjusted to report cloud expenses as a significant item for comparative purposes.

Review of FY26

Gabriela,
Osia System recipient

FY26 highlights

In FY26, we helped over 56,000 people hear with one – or two – of our cochlear or acoustic implants, providing an estimated net societal benefit of more than $9 billion over the lifetime of the recipients from improved health outcomes, educational cost savings and productivity gains.[1]

A healthier and more productive society

- Helped over 55,000 more people to hear with a cochlear or acoustic implant, and delivered latest generation sound processors to over 53,000 prior generation cochlear implant recipients
- Implemented a direct-to-professional pilot in the US
- Continued to rollout and embed clinical practice guidelines - now in 25 countries

A lifetime of hearing solutions

- Launched the Cochlear® Nucleus® Nexa® Implant, Nucleus Kanso® 3 Nexa and Kanso® 3 Sound Processors
- Invested over $320m in R&D, 14% of sales revenue, with a strong pipeline of products and services in development
- Maintained >60% global market share
- Clinical studies indicate Nucleus Nexa system can deliver an uplift in hearing outcomes
- Progressed totally implantable implant pivotal studies ahead of schedule
- Significant progress on drug eluting electrode

Thriving people

- Deployed talent strategy and leadership capability development programs to plan
- Delivered transformation milestones for new ERP and manufacturing systems
- Accelerated plans to reshape the cost base
- Employee engagement increased to 86%

Sustained value

- Met quality objectives and enterprise risk management framework targets
- Commenced implant COGS reduction project
- Net zero emissions targets on track

Year in review

FY26 was a challenging year for Cochlear, with financial performance below expectations, leading to a decline in shareholder value. While this outcome is disappointing, we remain confident in the long-term opportunity to grow the hearing implant market. We have responded decisively: reducing fixed costs, reallocating resources to targeted growth initiatives, strengthening adult referral pathways and continuing to invest in technology leadership, including the launch of the Cochlear® Nucleus® Nexa® System. These actions are designed to support more consistent growth, restore margins over time and position Cochlear to capture the significant long-term opportunity to help more people access life-changing hearing outcomes.

This year, our priorities centred on honing execution in developed markets, improving the consistency of adult referral pathways, reducing fixed costs to create capacity for targeted growth investment, and restoring margins over time.

At the same time, we continued to invest in the drivers of long-term value: market growth, technology leadership and organisational strength. These are the foundations that have made Cochlear a global leader, and they remain central to future growth.

A major milestone was the launch of the Cochlear® Nucleus® Nexa® System, the world's first and only smart cochlear implant system with upgradeable firmware. This reflects more than 20 years of investment in research and development.

Adoption has been strong, with the Nexa System achieving more than 95% of implant sales across developed markets by June and supporting an average 3% price increase. The Nexa System provides an important platform for future innovation and reinforces our long-term product differentiation.

Performance and market conditions

In FY26, sales revenue increased 2% in constant currency* to $2.3 billion, with stronger growth in the second half. Underlying net profit** declined 22% to $322 million. This outcome reflected flat cochlear implant revenue, lower gross margin, foreign exchange movements and the cost of actions taken to improve future performance including significant restructuring costs.

Developed market revenue grew 1% in constant currency, which was lower than expected.

In the US, revenue increased 4%. Growth was stronger where we have greater visibility and influence over the pathway to surgery, including through direct-to-consumer activity and larger accounts with structured referral programs. However, market growth was softer than expected, with a higher rate of insurance approval delays and broader healthcare pressures affecting time to surgery.

In Western Europe, revenue declined as several country-specific pressures occurred at the same time, including elective surgery backlogs in the UK, industrial action in Spain and weaker performance in Germany.

Asia Pacific performed well, supported by improved market share. Australia delivered strong growth in the private segment, reflecting focused work on referral pathways and helping patients navigate the healthcare system. Korea also performed strongly following the Nexa System launch and expansion of the professional customer base.

Alison Deans
Chair

Dig Howitt
CEO & President

Emerging market revenue declined 2% in constant currency. Strong growth in Latin America and Eastern Europe was offset by disruption in the Middle East and lower pricing in China following reimbursement changes.

We remain confident in the long-term market growth opportunity and our strong market position. The year highlighted that adult growth remains subject to inconsistent referral pathways and patient self-navigation. Where we have greater visibility and influence over the referral pathway, referral activity remains stronger. This gives us confidence in the actions being taken to make adult cochlear implantation the accepted standard of care for people with severe to profound hearing loss.

* Constant currency (CC) removes the impact of foreign exchange rate movements to facilitate comparability of operational performance. ** Excluding significant items. FY25 adjusted to report cloud expenses as a significant item for comparative purposes.

Actions supporting growth

Our focus is on practical actions that continue to improve execution, strengthen demand generation, and support growth:

- **Reducing fixed costs to invest in growth and margin** by improving cost flexibility, creating capacity for targeted growth investment and supporting operating leverage over time;
- **Medicalising hearing loss** by making diagnosis, referral and treatment more consistent across priority developed markets; and
- **Building on the Nexa platform** to strengthen the implant portfolio, support future personalised care and sustain our long-term product differentiation.

Focusing resources on growth and margin

During the year, management reduced fixed costs and reallocated resources to the activities most likely to support sustainable growth. This work is intended to improve flexibility, simplify how we operate and create capacity to keep investing in the areas that can strengthen market growth and margins over time.

Externally, investment is being directed to referral support programs, digital candidate support tools, clinical workflow improvements and evidence generation for payers and policy makers. These initiatives are designed to make it easier for suitable candidates to be identified, referred and supported through to treatment.

Internally, we are continuing to simplify processes and improve scalability across support and back-office functions, supported by technology platforms and AI-enabled tools.

Medicalising hearing loss to strengthen adult referral pathways

A core priority is to make adult referral pathways more consistent. Many adults who could benefit from a cochlear implant do not move through the healthcare system in a clear or timely way. By strengthening clinically led pathways, particularly through medical and professional referrals, we can improve referral quality, reduce variability and help more people access treatment when hearing aids are no longer enough.

Over the past two years, we have built direct-to-professional referral capability in the US, Germany, the UK and Australia. This is improving our ability to identify, prioritise and engage adult referral sources. Early results support our confidence that stronger referral pathways can contribute to more consistent growth over time.

Clinical practice guidelines are being adopted across 25 countries, supported by a growing body of evidence linking cochlear implantation with broader health outcomes, including cognition, falls and quality of life. We are using these foundations to:

- **Increase medical referrals,** which are typically higher quality and convert at higher rates;
- **Identify candidates more systematically** when hearing aids are no longer sufficient;
- **Accelerate progression from diagnosis to surgery,** reducing variability in adult demand; and
- **Scale repeatable referral pathways** across priority developed markets.

ENT education and referral pilots have commenced across four major US cities and will expand to 12 cities over the coming months, with Germany and Australia to follow as learnings are embedded.

Nexa strengthens the innovation pipeline

The Nexa System is a key part of our long-term innovation roadmap. It is a smart implant platform that improves the patient and clinician experience today and creates a foundation for future implant innovation.

The Nexa System gives us the capability to continue improving the patient and clinician experience over time. Programs under development are focused on simpler activation, richer measures of neural health and more tailored stimulation for each recipient.

The platform is also important to our longer-term product pipeline, including the drug-eluting electrode and the totally implantable cochlear implant. These programs are intended to extend product differentiation and strengthen competitive advantage over time.

Outlook

Looking ahead, we remain confident in the long-term opportunity to grow the hearing implant market and the strategy. Developed market conditions remain mixed, and many of the actions we are taking will take time to translate into more consistent growth. For FY27, Cochlear expects low single-digit sales revenue growth in constant currency and underlying net profit of $330-350 million.

We will continue to focus on disciplined resource allocation, driving operating performance and delivering on the strategic initiatives that support long-term value creation for shareholders.

Our Board renewal process continues, and our focus is on the domain expertise and experience that complements our existing Board, aligned with our long-term strategic objectives. We are well advanced in moving to appoint another Director with a background in the medical technology sector and hope to complete that in the next few months. Bruce Robinson will stand at the upcoming AGM to enable an orderly transition as our next Director joins us.

On behalf of the Board, we thank our shareholders for their continued support. We also thank our people, clinical partners and customers for their commitment and contribution through a year of change.

We remain confident in our strategy, the strength of our innovation pipeline and the long-term opportunity to help more people access life-changing hearing outcomes.

A healthier and more productive society

Cochlear continues to invest in awareness and access initiatives aimed at expanding the hearing implant market over time. A key priority is strengthening adult diagnosis, referral and treatment pathways, supported by growing evidence of the broader health and economic consequences of untreated hearing loss.

Building a consistent adult treatment pathway

Recent volatility has reinforced the importance of strengthening adult diagnosis, referral and treatment pathways for cochlear implants. Today, the patient journey remains inconsistent, with too much reliance on individuals finding their own way through the system rather than moving through a clear, clinically driven pathway to treatment. Over time, our aim is to support a more systematic and repeatable pathway, so treatment is driven more consistently by clinical need and less by patient self-navigation or consumer sentiment.

A key priority is increasing the proportion of patients who enter the pathway through medical referral channels, supported by greater emphasis on Direct-to-Professional programs. Over time, a greater mix of professional referrals should help reduce exposure to consumer hesitancy and variability in non-medical channels, improve referral quality and support a more consistent flow of clinically appropriate patients into treatment.

Clinical practice guidelines developed over recent years are an important foundation for this effort and are in the process of being adopted across 25 countries. These guidelines provide evidence-based recommendations to help clinicians identify when referral for cochlear implant assessment is appropriate, supporting a clearer and more consistent standard of care for severe to profound hearing loss. Pilot programs underway in the US will expand to Germany and Australia over the next year, with a focus on education, adoption and embedding referral behaviours among ENT specialists.

The expanding evidence base

Evidence linking hearing loss and broader health outcomes continues to build, reinforcing the importance of earlier diagnosis and treatment.

Recent studies highlight associations between untreated hearing loss and cognitive decline. A large population-based observational study in South Korea[1] found that adults with severe to profound hearing loss who did not receive intervention were more likely to develop dementia than those who used hearing aids or cochlear implants. In Australia, the COCHLEA study[2] observed among older adults, improvements in executive function and working memory in cochlear implant recipients over time.

The association between untreated hearing loss and cognitive decline may have significant implications for health systems and patient outcomes. Based on a UK cost-effectiveness model[3] using the population study findings, treatment with a cochlear implant rather than hearing aids is associated with fewer dementia cases and 36% fewer dementia-attributable deaths over a lifetime in patients with severe to profound hearing loss.

This growing evidence base supports a more medicalised approach to hearing loss, reinforcing cochlear implants as a clinically indicated intervention rather than a discretionary treatment decision.

Government, clinical and market development

We are also increasing investment in government and medical affairs to help strengthen the standard of care for hearing loss globally. Building awareness of the broader consequences of untreated hearing loss, including links to cognition and falls, supports engagement with clinicians, policymakers and funding bodies, and should help create a more consistent and clinically driven treatment pathway over time.

"Hearing loss is so isolating. Don't let it go because there's a lot more out there in life."

Linda, Nucleus Nexa System recipient

A lifetime of hearing solutions

We innovate to build a market-leading portfolio of high-quality products and services that improve hearing outcomes and support a lifetime of hearing outcomes for recipients. And we invest in education and clinical support tools so our professional customers have convenience and confidence in caring for implant candidates and recipients.

Growing investment in research and development

Cochlear's market-leading technology underpins its global market share of over 60%[4]. In FY26, the company invested $323 million in R&D, representing 14% of sales revenue, and continued to make progress across key innovation programs including implant performance, drug-eluting electrodes and totally implantable cochlear implants. Together, these programs are intended to strengthen implant-level differentiation, support better patient outcomes and extend Cochlear's long-term technology leadership.

The Nucleus Nexa Implant strengthens the innovation pipeline

The Nexa System is a key part of Cochlear's long-term innovation roadmap. It is a smart implant platform that improves patient and clinician experience today and creates a foundation for future implant innovation.

Cochlear is undertaking clinical development that aims to improve hearing outcomes by enhancing how the implant stimulates the hearing nerve. Clinical evidence indicates that by combining Cochlear's perimodiolar electrode platform with smart implant capabilities and richer diagnostics, the Nexa System may enable more personalised care and improved patient experience and outcomes. Key programs being developed aim to deliver:

- Simpler activation for sound, with the implant able to be pre-programmed with an activation map at surgery so recipients can access sound sooner after implantation;
- Richer measures of neural health, using Nexa data to help clinicians predict individual hearing outcomes, guide programming and monitor whether a recipient is progressing as expected; and
- More precise stimulation, with more focused stimulation of the auditory nerve, which may allow stimulation to be shaped more precisely for each recipient and support better hearing outcomes over time.

Nexa technology is foundational to Cochlear's longer-term product pipeline and major new products including the drug-eluting electrode and the totally implantable cochlear implant, helping extend clinical differentiation and strengthen competitive advantage.

Commencement of total implantable implant pivotal studies

A significant milestone in FY26 was the commencement of pivotal clinical studies for the totally implantable cochlear implant, an important step in advancing Cochlear's long-term innovation pipeline. The system is designed to deliver a fully internal solution, removing the need for an external sound processor while preserving hearing performance and everyday usability.

The pivotal studies will evaluate the safety, performance and patient outcomes of the system and is expected to provide key evidence to support future regulatory approvals. This milestone builds on more than two decades of research and clinical learning about what a successful totally implantable system must solve, including body noise management, battery longevity, reliability and surgical simplicity.

"The technology is always evolving and the technology in my CI will always keep up"

Malin, Nucleus Nexa System recipient

Progress in drug-eluting electrode clinical studies

Cochlear continues to progress its drug-eluting electrode (DEE) program, an innovation aimed at improving outcomes at the implant interface. The DEE incorporates dexamethasone and is designed to reduce inflammation, fibrosis and impedance, with the goal of better protecting cochlear health over time.

Long-term feasibility data and trial results have shown sustained impedance reduction, supporting the biological rationale for the program.[5,6] Two pivotal clinical studies have now closed and are being analysed, with results expected to inform the next stage of regulatory planning.

Helping our recipients hear better

During FY26, more than 53,000 recipients upgraded to Cochlear's latest sound processor technology, supporting improved hearing performance and quality of life for the existing recipient base.

"My mission, I think, it's to listen to people and Osia helps me do what I love most."

After experiencing sudden hearing loss, Gabriela began looking for a hearing solution that could help her. Working as an analytical psychologist, being able to hear and listen is important to Gabriela, and with the Cochlear® Osia® System, she's able to listen to people on both sides of her again.

Thriving people

Our diverse workforce of over 5,400 people are our most valuable asset and are an engaged, capable and high-performing team that delivers on our strategy and supports the creation of sustained value.

Shaping our culture

Employee engagement increased to 86%. This year's survey shows our people are proud to work at Cochlear, understand how their roles contribute to our strategy, and see a clear connection between their work and the needs of our customers.

We continued to shape our desired culture by reinforcing achievement, global collaboration and experimentation. This was supported through leadership development, individual and team growth initiatives, recognition programs and the sharing of success stories in global forums. Together, these efforts help identify and scale impactful behaviours while encouraging our people to role model the culture we are building.

Business transformation

Cochlear continues to invest in more consistent processes, stronger data and more scalable digital platforms. These investments are intended to improve productivity, support cross-functional collaboration and strengthen execution as the business grows.

The final phase of the transformation program will focus on core ERP, data and manufacturing systems.

"I feel like I'm part of this community. I'm not just the customer."

Linda's visit to Cochlear's global headquarters offered a first-hand view of the people, technology and expertise behind hearing outcomes. Alongside her husband Michael, she spent the day meeting employees and seeing first-hand the work that helps people hear. Whether it was manufacturing implants, supporting recipients or advancing research, she saw the care and expertise behind every step of the recipient journey. One of the most meaningful moments came during a surprise introduction to Lena, Mina and Romy: three members of the manufacturing team who made her own implant. "Seeing the care that goes into manufacturing and testing made me realise my hearing isn't just powered by software. It's powered by the care of real people."

Sustained value

Financial discipline and commitment to high standards of corporate governance and transparency are central to the creation, maintenance and enhancement of long-term sustainable value.

Actions to strengthen performance

Management is taking actions to improve near-term performance while strengthening the business over time. These actions include increasing cost flexibility across selected marketing, sales and support activities, while preserving investment in quality, R&D and key commercial priorities. The objective is to improve responsiveness to demand variability and support earnings resilience, with benefits expected to build progressively.

Sales revenue increases 2% in CC to $2,343 million

Sales revenue increased 2% in constant currency. Gross margin declined three percentage points to 71%, reflecting sales mix, including lower-than-expected developed market revenue and increased low-tier sales in China, manufacturing variances and foreign exchange movements.

Comparable operating expenses declined 1%, reflecting disciplined management of discretionary spend, early benefits from actions to improve cost flexibility, while continuing to invest in growth. R&D increased 15% as major product pipeline investment progressed, including the drug-eluting electrode and the totally implantable cochlear implant.
Investment also continued in priority growth areas including medicalising hearing loss, referral pathway initiatives and digital capabilities. Reported operating expenses increased 5% due to $69 million in transitional costs, including $32 million in restructuring costs associated with organisational changes in the fourth quarter and $37 million replenishment of the short-term incentive provision following the low payout in FY25.

Foreign exchange movements reduced underlying net profit by 8%, or $24 million when compared to spot foreign exchange rates at the beginning of the year. While Cochlear actively manages currency exposure, hedging helps smooth the timing of foreign exchange impacts but does not fully offset sustained currency movements.

Underlying net profit of $322 million was at the upper end of revised guidance provided in April, and reflects flat cochlear implant revenue, lower gross profit, transitional costs and foreign exchange movements. Net profit margin was 14%, below the longer-term 18% target, as Cochlear continued to invest in R&D and strategic growth initiatives, reflecting confidence in the long-term market opportunity.

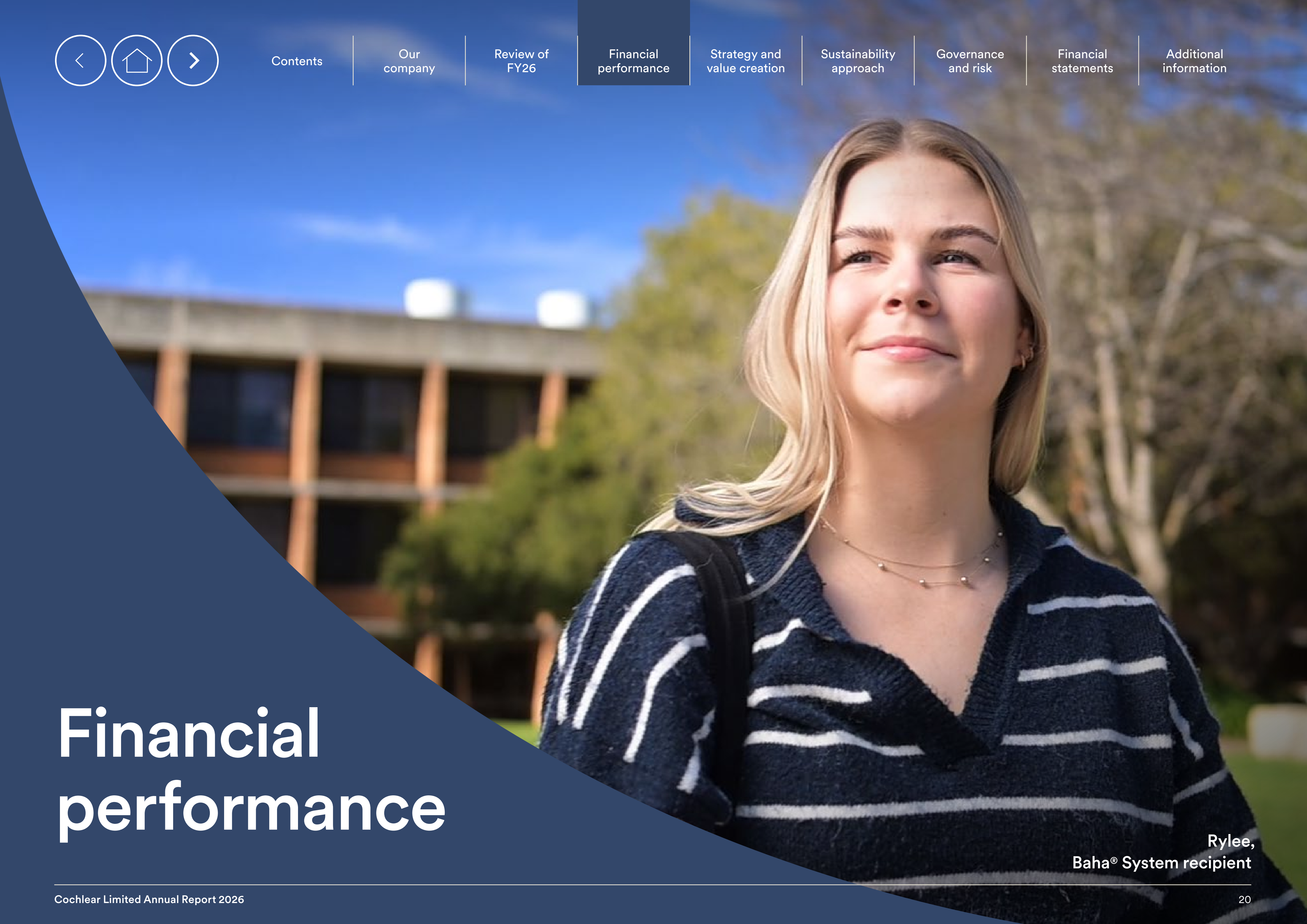
Full year dividends have been declared of $3.45 per share, a decrease of 20% on last year and representing a payout of 70% of underlying net profit.

The best of both worlds

"It makes communication with my loved ones at home and overseas so much easier. I also enjoy listening to music through my phone."

When 25-year-old Angeline found out about a new off-the-ear sound processor that featured direct streaming capabilities, she just knew she had to try it. "It definitely boosts my confidence!"

Financial performance



Rylee,
Baha® System recipient

FY26 Operational review

$m	FY26	FY25	Change % (reported)	Change % (CC*)	Sales Mix
Cochlear implants (units)	56,692	53,968	5%		
Sales revenue					
Cochlear implants	1,435.2	1,470.2	(2%)	0%	61%
Services (replacement sound processors and other)	634.9	609.2	4%	6%	27%
Acoustics	273.3	276.4	(1%)	1%	12%
Total sales revenue	**2,343.4**	**2,355.8**	**(1%)**	**2%**	**100%**

Sales revenue increased 2% in constant currency* to $2,343 million.

Cochlear implants

Cochlear implant units increased 5% to 56,692, with revenue flat in constant currency at $1.4 billion. Cochlear implant units grew at a faster rate than sales revenue driven by the higher mix of lower-priced emerging market units.

Cochlear reached a major milestone with the launch of the Nucleus Nexa System, the world's first and only smart cochlear implant system with upgradeable firmware. The Nexa System provides a key foundation to support future implant innovation and reinforces Cochlear's long-term product differentiation. Adoption has been strong, with the Nexa System achieving more than 95% of implant sales across developed markets by June. Feedback has been positive and an average 3% price increase was achieved, with software updates to improve clinician workflows to be deployed over the coming months.

Developed market revenue grew 1% in constant currency. In the US, revenue increased 4%. Growth remained strong where Cochlear had greater visibility and influence on the pathway to surgery, with direct-to-consumer surgeries growing 10%. The largest US accounts, which have well-established and structured referral programs, continued to see strong growth. While market share was maintained across the year, market growth was softer, with a higher rate of insurance claim delays and broader economic pressures on healthcare affecting time to surgery.

Western Europe revenue declined 8%, with performance affected by concurrent country-specific challenges including elective surgery backlogs in the UK and industrial action in Spain with lower market share in Germany and the UK. These pressures constrained procedure volumes across multiple markets at the same time.

Asia Pacific revenue increased 7%, with strong performance across the region and improved market share. Australia achieved strong growth in the private segment driven by a focus on referral paths and supporting patients with private health insurance to navigate the healthcare system. Korean growth was driven by the success of the Nexa System launch in the fourth quarter and expansion of the professional customer base.

Cochlear remains confident in the long-term market growth opportunity and its strong market position. The FY26 outcome highlights that adult growth remains subject to inconsistent referral pathways despite well-established reimbursement. Where Cochlear has greater visibility and influence over the referral pathway, referral activity remains strong, providing confidence in the actions being taken. Cochlear is therefore accelerating medicalisation of hearing loss to scale these activities and make adult cochlear implant growth more systematic and clinically led.

In **emerging markets,** revenue declined 2% in constant currency. Strong growth in Latin America and Eastern Europe was offset by declines in the Middle East and China. Performance in the Middle East was affected by conflict in the region, which disrupted market access, with sales activity improving late in the year. In China, revenue declined with volume growth offset by lower average selling prices from the implementation of volume-based procurement, with special access zone reimbursement reductions impacting from the second half.

Services

Services revenue increased 6% in constant currency to $635 million. Developed market revenue grew 13%, supported by growth in the eligible recipient base and demand for the Nucleus® 8 Sound Processor following retirement of the prior-generation processor in some markets. Growth was also supported by improved awareness of eligibility and clinical benefits, together with optimised reimbursement workflows. Emerging markets revenue declined, mainly due to lower pricing in China and disruption to sound processor orders in the Middle East.

Acoustics

Acoustics revenue increased 1% in constant currency to $273 million. Revenue declined in the first half as a result of increased competitor activity in the US and UK. The stronger second half, up 5% in constant currency, reflects continued expansion of the Osia® System into newer markets including Western Europe and Asia Pacific.

* Constant currency (CC) removes the impact of exchange rate movements and foreign exchange (FX) contract gains/(losses) to facilitate comparability. See Notes on page 25 for further detail.

Profit and loss

$m	FY26	FY25	Change % (reported)	Change % (CC)
Sales revenue	**2,343.4**	**2,355.8**	**(1%)**	**2%**
Cost of sales	**688.0**	**615.2**	**12%**	**12%**
Gross profit	*1,655.4*	*1,740.6*	*(5%)*	*(2%)*
% Gross margin	*71%*	*74%*	*(3 ppts)*	*(3 ppts)*
Selling, marketing and general expenses	744.7	732.0	2%	4%
Research and development expenses	323.2	281.2	15%	14%
% of sales revenue	*14%*	*12%*		
Administration expenses*	183.5	175.2	5%	5%
Operating expenses*	**1,251.4**	**1,188.4**	**5%**	**6%**
Other expenses / (income)	(15.7)	(19.1)		
FX contract losses / (gains)	(12.9)	17.3		
EBIT (underlying)*	**432.6**	**554.0**	**(22%)**	**(20%)**
*% EBIT margin**	*18%*	*24%*		
Net finance expense / (income)	3.0	(0.7)		
Income tax expense*	107.2	140.2		
% Effective tax rate	*25%*	*25%*		
Underlying net profit*	**322.4**	**414.5**	**(22%)**	**(21%)**
*% Underlying net profit margin**	*14%*	*18%*		
Significant items (after-tax):				
Cloud expense*	(66.0)	(22.9)		
Fair value, share of losses and impairment losses on investments (non-cash)	(109.1)	(2.7)		
Statutory net profit	**147.3**	**388.9**	**(62%)**	**(61%)**

Sales revenue decreased 1%, up 2% in constant currency, to $2,343.4 million and underlying net profit decreased 22% to $322.4 million. Statutory net profit decreased 62% to $147.3 million.

Key points of note:

- Sales mix, including lower-than-expected developed market revenue and increased low-tier sales in China, reduced gross margin by 1.5 percentage points. Manufacturing variances impacted gross margin by 1.2 percentage points. These were driven by a reduction in production following lower-than-expected demand, reducing fixed overhead recovery. Foreign exchange movements impacted gross margin a further 0.6 percentage points;
- Comparable operating expenses declined 1%, reflecting disciplined management of discretionary spend, early benefits from actions to improve cost flexibility, while continuing to invest in growth. R&D increased 15% as major product pipeline investment progressed, including the drug-eluting electrode and the totally implantable cochlear implant. Investment also continued in priority growth areas including medicalising hearing loss, referral pathway initiatives and digital capabilities. Reported operating expenses increased 5% due to $69 million in transitional costs, including $32 million in restructuring costs associated with organisational changes in the fourth quarter, with costs allocated across each of the operating expense lines, and $37 million replenishment of the short-term incentive provision following the low payout in FY25; and
- Significant items after tax includes $66.0 million in cloud computing-related expense and non-cash write downs in innovation fund investments, primarily Epiminder.

* Excluding significant items. FY25 adjusted to report cloud expenses as a significant item for comparative purposes (refer p25).

Cash flow

$m	FY26	FY25	Change
EBIT (underlying)*	432.6	554.0	(121.4)
Cloud expense	(94.3)	(32.7)	(61.6)
Depreciation and amortisation	106.0	90.4	15.6
Change in working capital and other	58.6	(218.8)	277.4
Net interest received / (paid)	(3.0)	0.7	(3.7)
Income taxes paid	(131.9)	(156.0)	24.1
Operating cash flow	**368.0**	**237.6**	**130.4**
Capital expenditure	(90.7)	(102.6)	11.9
Other net investments	(13.8)	(12.6)	(1.2)
Free cash flow	**263.5**	**122.4**	**141.1**
Outlay from exercise of share options and performance rights	(26.6)	(24.3)	(2.3)
Payments for share buyback	-	(28.2)	28.2
Dividends paid	(281.2)	(278.2)	(3.0)
Payment of lease liability and other	(43.7)	(29.6)	(14.1)
Increase / (decrease) in net cash	**(88.0)**	**(237.9)**	**149.9**

* Excluding significant items. FY25 adjusted to report cloud expenses as a significant item for comparative purposes (refer p25).

Operating cash flow increased $130.4 million to $368.0 million, with free cash flow increasing $141.1 million to $263.5 million.

Key points of note:

- Working capital and other reflects improved working capital levels following an increase in FY25 in advance of the launch of the Nexa System;
- Income taxes paid of $131.9 million exceeds income tax expense in the profit and loss as a result of the timing of tax instalment payments; and
- Capital expenditure (capex) of $90.7 million reflects stay-in-business capex.

Capital employed

$m	Jun26	Jun25	Change
Trade receivables	568.4	593.7	(25.3)
Inventories	491.3	499.4	(8.1)
Less: Trade and other payables	(270.6)	(298.4)	27.8
Working capital	**789.1**	**794.7**	**(5.6)**
Working capital / sales revenue	*34%*	*34%*	
Property, plant and equipment	343.5	332.7	10.8
Intangible assets	483.2	500.8	(17.6)
Investments and other financial assets	52.6	189.4	(136.8)
Other net liabilities	(115.6)	(143.0)	27.4
Capital employed	**1,552.8**	**1,674.6**	**(121.8)**
Funding sources:			
Equity	1,740.5	1,950.3	(209.8)
Less: Net cash	(187.7)	(275.7)	88.0
Capital employed	**1,552.8**	**1,674.6**	**(121.8)**

Capital employed decreased $121.8 million to $1,552.8 million since June 2025.

Key points of note:

- Working capital declined slightly, with moderating receivables and lower inventory levels following the stock build ahead of the Nexa System launch;
- Investment and other financial assets reduced $136.8 million primarily reflecting the write down in value of Epiminder; and
- Net cash decreased $88.0 million to $187.7 million.

Dividends

	FY26	FY25	Change %
Interim ordinary dividend (per share)	$2.15	$2.15	0%
Final ordinary dividend (per share)	$1.30	$2.15	(40%)
Total ordinary dividends (per share)	**$3.45**	**$4.30**	**(20%)**
% Payout ratio (based on underlying net profit)	70%	68%	
% Franking (final dividend)	85%	85%	

A final dividend of $1.30 per share has been determined, a decrease of 40% and representing a payout of 67% of underlying net profit. Full year dividends declined 20%, with a payout of 70% of underlying net profit. The interim dividend was 85% franked and the final dividend is 85% franked. The ex-dividend date is 21 September 2026. The record date for calculating dividend entitlements is 22 September 2026 with the final dividend expected to be paid on 14 October 2026.

Notes

Forward-looking statements

Cochlear advises that this document contains forward-looking statements which may be subject to significant uncertainties outside of Cochlear's control. No representation is made as to the accuracy or reliability of forward-looking statements or the assumptions on which they are based. Actual future events may vary from these forward-looking statements and it is cautioned that undue reliance is not placed on any forward-looking statement.

Non-International Financial Reporting Standards (IFRS) financial measures

Cochlear uses non-IFRS financial measures to assist readers in better understanding Cochlear's financial performance. Cochlear uses three non-IFRS measures in this document: Sales revenue, Underlying net profit and Constant currency. The directors believe the presentation of these non-IFRS financial measures are useful for the users of this document as it reflects the underlying financial performance of the business. Each of these measures is described below in further detail including reasons why Cochlear believes these measures are of benefit to the reader. These non-IFRS financial measures have not been subject to review or audit.

Sales revenue

Sales revenue is the primary revenue reporting measure used by Cochlear for the purpose of assessing revenue performance of the Consolidated Entity. It represents total revenue excluding foreign exchange contract gains/losses on hedged sales.

Underlying net profit

Underlying net profit allows for comparability of the underlying financial performance by removing significant items. The determination of items that are considered significant is made after consideration of their nature and materiality and is applied consistently from period to period. Underlying net profit is used as the basis on which the dividend payout policy is applied. The Financial Review section includes a reconciliation of Underlying net profit (non-IFRS) to Statutory net profit (IFRS) which details each item excluded from Underlying net profit.

Constant currency

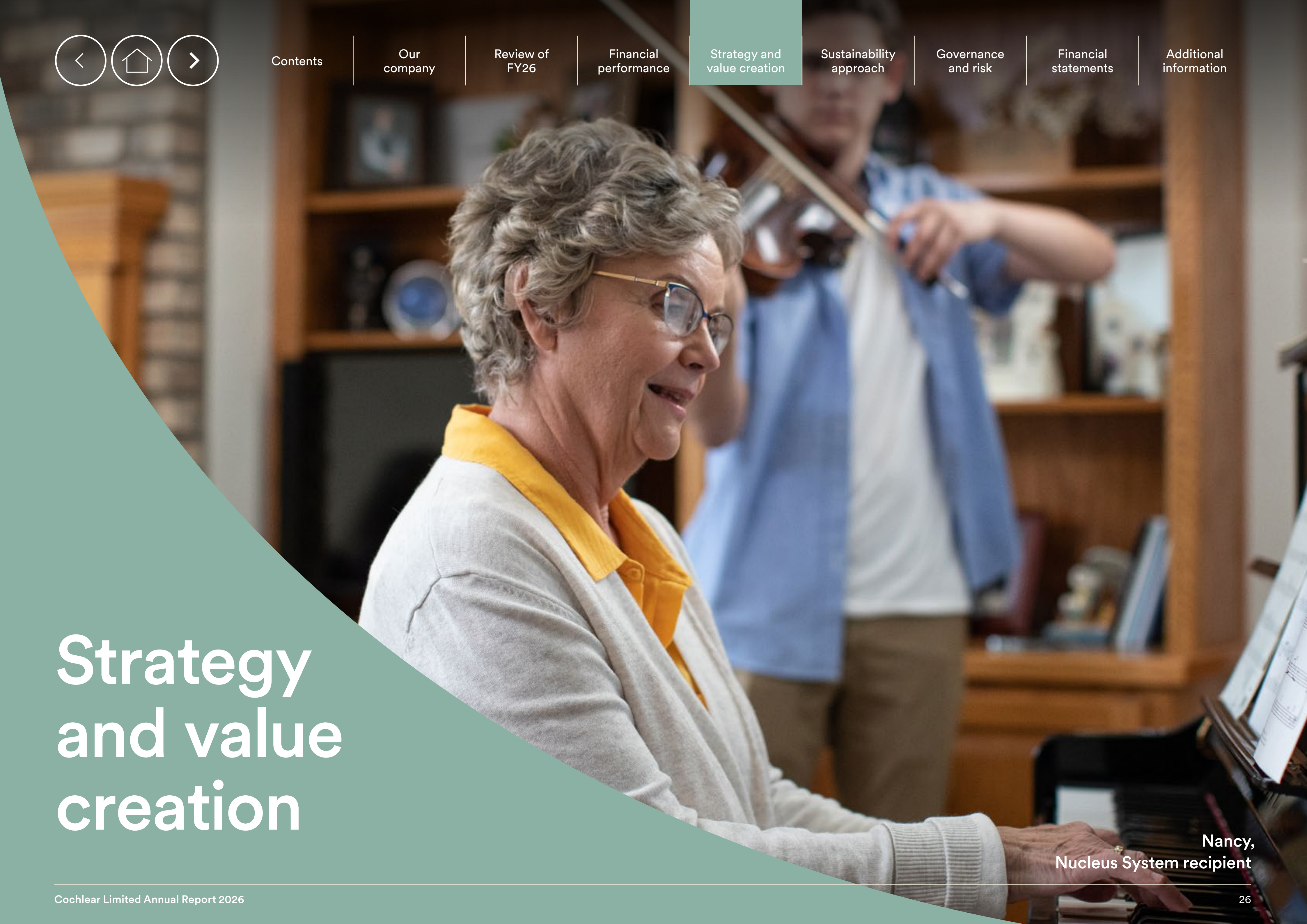
Constant currency removes the impact of foreign exchange rate movements to facilitate comparability of operational performance for Cochlear. This is done by converting the prior comparable period net profit of entities in the group that use currencies other than Australian dollars at the rates that were applicable to the current period (translation currency effect) and by adjusting for current year foreign currency gains and losses (foreign currency effect). The sum of the translation currency effect and foreign currency effect is the amount by which EBIT and net profit is adjusted to calculate the result at constant currency.

Reconciliation of constant currency net profit

$m	FY26	FY25	Change %
Underlying net profit (reported)	**322.4**	**414.5**	**(22%)**
FX contract movement – after tax		21.1	
Spot exchange rate effect to sales revenue and expenses – after tax*		(28.8)	
Balance sheet revaluation – after tax*		(0.4)	
Underlying net profit (CC)	**322.4**	**406.4**	**(21%)**

* FY26 actual v FY25 at FY26 rates.

The constant currency result removes the impact of foreign exchange movements between FY26 and FY25 to provide a clearer view of underlying operating performance. Cochlear actively manages foreign currency exposure through hedging, which is intended to reduce earnings volatility over time rather than fully offset sustained currency movements. In FY26, foreign exchange contract gains provided an after-tax benefit of $9.0 million, compared with a $12.1 million after-tax loss in FY25. The $21.1 million year-on-year movement in foreign exchange contracts helped offset the impact of spot exchange rate movements, contributing to the broadly flat constant currency outcome.



Strategy and value creation

Nancy,
Nucleus System recipient

Our strategy

Our goal is to help more people to hear, which contributes to building a healthier and more productive society.

We create value for our stakeholders by **empowering** people to connect with others and live a full life, **transforming** the way people understand and treat hearing loss and **innovating** and bringing to market a range of implantable hearing solutions that deliver a lifetime of hearing outcomes.

We help more people to hear, creating value across four pillars	Strategic priorities focus our time and resources	Longer-term targets aim to provide clear stakeholder benefits
A healthier and more productive society Delivering societal benefit through improved health outcomes, educational cost savings and productivity gains.	**Grow the hearing implant market**	**Society** Help at least 8% more people to hear each year with a cochlear or acoustic implant.
A lifetime of hearing solutions Innovating to build a market-leading portfolio of products and services that improve hearing outcomes and provide a lifetime of hearing solutions for recipients.	**Retain market leadership**	**Customers** Develop market-leading technology and deliver a world-class customer experience to recipients and professional customers.
Thriving people An engaged, capable, high-performing and diverse workforce that delivers on our strategy and supports the creation of sustained value.	**Build a stronger organisation**	**People** Retain employee engagement levels at or above 80%.
Sustained value Maximising spending to grow the market while maintaining our competitive position. Ensuring we operate fairly, sustainability, honestly and legally.	**Consistent and sustainable growth**	**Shareholders** Sustainable and responsible business practices, targeting growth in sales revenue of around 10% per annum and an 18% net profit margin.

Our strategy

There are many important elements to our strategy which aims to create value over the long term.

Key inputs to creating value

Central to how we deliver our strategy and create value are the key resources we draw on.

- Customers and communities: Our capacity to create value depends on the strong and trusted relationships we build with our candidates, recipients, professional customers and payers.
- Innovation: We are pioneers and global leaders in the development, manufacture and commercialisation of implantable hearing solutions, collaborating with a global network of research partners.
- Our people: Our people's knowledge and expertise are central to how we deliver our strategy.
- Financial and environmental: Prudent management of financial capital and responsible production and consumption underpin the delivery of sustainable growth over time.

Our growth opportunity

Our growth opportunity is compelling and has remained unchanged for many years. Hearing loss is a prevalent and under-treated condition and implantable hearing solutions can provide life-changing outcomes for recipients. Importantly, they are a cost-effective solution for all age groups, delivering significant returns on the investment made by the healthcare system.

The factors driving industry growth are detailed on pages 29 to 30.

Key market segments

We grow the market by transforming the way people understand and treat hearing loss. Our efforts are targeted at improving awareness, expanding access and building on the clinical evidence that demonstrates the effectiveness of our products.

On pages 31 to 32 we detail what we are doing to address our key market segments.

Strategic priorities

On page 33 we provide a snapshot of the strategic priorities that determine how we focus our time and resources to create value. At a high level we aim to:

- Grow the hearing implant market;
- Retain market leadership;
- Build a stronger organisation; and
- Deliver sustained value.

Stakeholder benefits

On page 34 we outline how our key stakeholders should benefit over time. Success for us is defined by creating value across all key stakeholders, which includes our customers, our people, our shareholders, the environment as well as society more broadly.

Value creation

On pages 35 to 78 we describe some of the key activities we are pursuing over the next five years to create value.

Governance and risk

On pages 79 to 102 we outline our approach to governance and risk. We believe high standards of corporate governance and transparency are fundamental to the sustainable, long-term success of the business. Our strong governance framework provides a solid structure for effective and responsible decision-making, and our risk management framework enables us to identify, assess and appropriately manage risks.

Our sustainability approach

Sustainability is integrated into business strategy, reinforcing our focus on creating positive social impact at individual and societal levels, while minimising our environmental impact.

Our approach helps inform our strategic priorities, risk management and performance improvement, while supporting compliance with evolving stakeholder expectations and sustainability reporting requirements.

Further details on our sustainability approach can be found on page 70.

Growth opportunity

Growing awareness of the cost-effectiveness and quality of life benefits of our products has the potential to underpin long-term industry growth.

Hearing loss is prevalent and under-treated

The World Health Organization (WHO) estimates that there are over 60 million people worldwide who experience severe or higher hearing loss,[1] yet fewer than 5% of the people that could benefit from an implantable hearing solution have received one.[2]

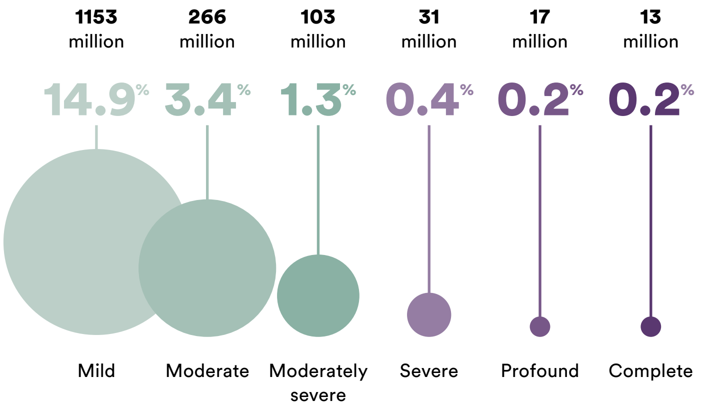
Cochlear implants are a cost-effective solution for all age groups

Cochlear implants can provide life changing outcomes for recipients, empowering them to connect with others and live a full life. They also provide a cost-effective solution for all age groups, delivering significant returns on the investment made by the healthcare system.

Cochlear implants can deliver superior outcomes to hearing aids for indicated patients

Cochlear implants can provide a significant improvement in hearing outcomes and quality of life when compared to hearing aids for many people with a severe or higher hearing loss. However, only 4% of people in this segment have a cochlear implant.

Over 60m people with severe or higher hearing loss



Globally 1.5 billion people live with hearing loss
Source: World Health Organization; 2021

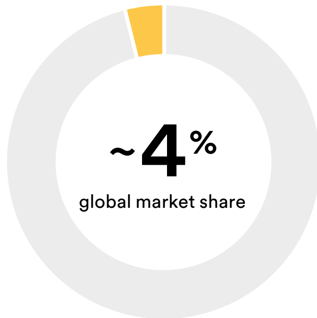
Significant return on investment for healthcare systems investing in cochlear implants

For a pre-lingual deaf child, the return to society is more than 13 times for every dollar spent on a cochlear implant solution based on the cost savings in education and improved productivity as an adult.[3]

The effective use of implants is cost-effective in adults and seniors with an estimated return on investment of 10:1.[4]

We are the global leader in cochlear implants but a small player in the severe or higher hearing loss segment where hearing aids dominate

Cochlear implant market share



Hearing devices treating the severe or higher hearing loss segment

* Cochlear estimate

Growth opportunity

Product indications are broadening and funding is expanding

Product indications and funding are expanding as payers increasingly recognise the improved outcomes and cost-effectiveness of our implantable solutions.

Good hearing is essential to healthy ageing

Hearing loss is particularly prevalent in people over the age of 60, with one in four suffering moderate or higher hearing loss.[5]

There is a growing understanding of the importance of properly treating hearing loss in this age group. It affects communication and is associated with cognitive decline, social isolation, anxiety and depression.[6]

Long-term changes to reimbursement and indications

US:
lowered the age of cochlear implantation from 12 to 9 months for Cochlear's Nucleus® implant

Japan, UK and Belgium:
expansion of reimbursement criteria for cochlear implants to include severe hearing loss

US:
the Centers for Medicare & Medicaid Services expanded coverage for cochlear implants to cover a broader spectrum of hearing loss

US, UK, Germany, France, Spain, Sweden, Australia and Japan:
Cochlear® Osia® System reimbursement achieved

US:
lowered the minimum age for implantation of the Osia System from 12 to 5 year-old children

US:
obtained FDA approval for the treatment of unilateral hearing loss and single-sided deafness with a Cochlear® Nucleus® implant

France:
reimbursement approved for Baha® sound processors

Growing understanding of the link between good hearing and healthy ageing

Cognitive decline
Hearing loss associated with accelerated cognitive decline and dementia in older adults.[7]

Depression
Significant association between hearing impairment and moderate to severe depression.[8]

Falls
Higher risk of dizziness causing falling.[8]

Social isolation
Hearing loss linked to withdrawal from social interactions, which can have a significant impact on psychological well-being and physical health.[9]

Ability to work
Hearing loss can affect the ability to work or stay in the workforce.[10]

Loss of independence
Seniors with hearing loss less likely to be able to self-care.[8]

Key market segments

Our efforts are targeted at improving awareness, expanding access and building on the clinical evidence that demonstrates the effectiveness of our products across four key market segments.

Cochlear implants: Children in developed markets

Cochlear implantation has been established as the standard of care for newborns across the developed markets, with bilateral implants indicated across most countries as evidence supports the benefit of binaural hearing.

Addressable market*
~130,000 people
Current penetration
>80% under 3-year-old children

What we are doing

Cochlear implants started as a solution for children with a profound hearing loss. Over the last 30 years, neonatal screening has been successfully established across the developed world leading to high rates of cochlear implantation for young children.

The key priority for this segment is to maintain our leadership position while aiming to improve the rate of implantation, and/or the uptake of bilateral implants, in countries where current levels are below average.

There is also an opportunity to strengthen the treatment pathway for acquired or progressive hearing loss in older children. Lack of screening for children who have progressive hearing loss in childhood means that hearing loss often remains unidentified and without care.

The WHO's World Report on Hearing notes the importance of hearing in education and says that the inclusion of ear and hearing care in school health services is essential. It highlights pre-school and school children as a group 'at risk' and proposes that screening and early intervention programs be put in place for this group as part of the holistic package of ear and hearing care interventions it proposes all countries adopt.

Cochlear implants: Adults and seniors in developed markets

Adults and seniors in the developed markets provide the biggest opportunity for us to address the unmet need for hearing implants given the large, and growing, market size as the population ages and the low levels of penetration.

Addressable market*
>6m people
Current penetration
~3%

What we are doing

According to the WHO, hearing loss is particularly prevalent in people over the age of 60, with 65% experiencing hearing loss and one in four people suffering moderate or higher hearing loss. It affects communication and is associated with social isolation, anxiety, depression and cognitive decline.[1] The segment is however challenging to address as most candidates suffer from a progressive hearing loss and, together with their care providers, either do not know about cochlear and acoustic implants or do not understand the indications for them.

While penetration rates are currently very low, at around 3%, the seniors segment has been the fastest growing segment for us over the past few years as awareness begins to improve. We have a range of programs for driving growth of the adults and seniors segment including:

- **Standard of care initiatives** – upporting initiatives to medicalise hearing loss and deliver a consistent treatment pathway.
- **Medical channel referrals** – supporting greater emphasis on profession referrals through Direct-to-Professional programs.
- **Direct-to-consumer (DTC) marketing** – building awareness directly with candidates motivated to find a better solution for their hearing loss.

* Cochlear estimates of segment prevalence of severe or higher hearing loss.

Key market segments

Cochlear implants: Children in emerging markets

Our emerging markets business has been growing rapidly as awareness of cochlear implants increases and wealth grows across many emerging economies.

Addressable market*
>1.3m people
Current penetration
<10%

What we are doing

Our emerging markets business has been growing rapidly as awareness of cochlear implants increases and wealth grows across many emerging economies. Most countries however remain very under-penetrated. Our priorities for this segment are focused around market expansion with activities targeted at:

- **Building awareness** – public education campaigns, direct-to-consumer marketing and hearing screening;
- **Expanding funding** – driven by the compelling health economics of implantation in children;
- **Expanding our presence** – distributor relationships combined with an expanding direct presence;
- **Developing professional capability** – surgeon training and audiology education; and
- **Maximising penetration** through a tiered product offering.

Acoustic implants: Next generation bone conduction hearing solutions

The bone conduction market is under-penetrated and currently has limited geographic reach. We have developed a product that we believe provides the opportunity to drive deeper category penetration.

Addressable market*
>3m people in developed markets
Current penetration
<1%

What we are doing

We have recently introduced the next generation of bone conduction hearing solutions into our Acoustics portfolio with the Cochlear® Osia® System, providing a significant improvement in performance and aesthetics for bone conduction patients.

Clinical studies have demonstrated significant improvements in outcomes for patients[2] over traditional bone conduction hearing solutions, and we are experiencing high demand for the implant in new markets where we have launched.

We believe the Osia System has the opportunity to become the gold standard acoustics implant in our current markets, more effectively competing with reconstructive surgery, and is the right product to pursue geographic expansion.

* Cochlear estimates of segment prevalence of severe or higher hearing loss.

Strategic priorities

Our strategic priorities determine how we focus our time and resources to create value. Over the coming years we are focusing our efforts on delivering value across the following initiatives:

Grow the hearing implant market

- Strengthen the referral pathway for adults
- Develop the acoustic implant segment
- Broaden reimbursement and improve indications
- Expand access in emerging markets

A healthier and more productive society

Retain market leadership

- Deliver compelling products and services
- Support recipient access to latest technology
- Maintain our lead in sales excellence and customer service
- Maintain high standards of product quality, safety and reliability

A lifetime of hearing solutions

Build a stronger organisation

- Strengthen and nurture a culture of aspiration, achievement, experimentation and enterprise mindset
- Attract, develop and retain world-class talent
- Support the engagement, wellness and safety of our teams
- Enhance global collaboration and performance

Thriving people

Consistent and sustainable growth

- Deliver sustainable financial returns
- Improve efficiency and agility
- Maintain high levels of corporate governance
- Ensure our supply chain is ethical and sustainable
- Vigilance around data security and privacy
- Embed sustainability into product design, development and manufacturing

Sustained value

Creating value for stakeholders

Value creation describes the impact we have on all our key stakeholders – our customers, our people, our shareholders as well as society more broadly. Successful execution means achieving the following outcomes for our stakeholders:

Society

- Appropriate funding and indications for a cost-effective intervention
- Standard treatment pathway for implantable hearing devices for all age groups
- Improved education and productivity opportunities
- Understanding of the link between good hearing and healthy ageing and the need to act

A healthier and more productive society

Customers

- High quality and reliability
- Improving hearing outcomes and quality of life for new and existing recipients
- The right care is available at the right time and is easy to use
- Reduced cost to serve for professional customers

A lifetime of hearing solutions

People

- A collaborative, values-driven culture that inspires innovation and customer focus
- Engaged, capable and high-performing employees
- Diverse, equitable, safe and inclusive workplace
- Engaging development and career opportunities

Thriving people

Shareholders

- Consistent financial performance
- Disciplined capital management
- Strong corporate governance
- Ethical and responsible supply chain

Sustained value

A healthier and more productive society

Delivering societal benefit through improved health outcomes, educational cost savings and productivity gains.

A healthier and more productive society

We are focused on building a healthier and more productive society, delivering societal benefit through improved health outcomes, educational cost savings and productivity gains. We do this by transforming the way people understand and treat hearing loss through awareness and access activities.

Cochlear implants continue to deliver life-changing outcomes, empowering recipients to connect with others and lead full, engaged lives. They also offer a cost-effective solution across all age groups, generating substantial returns on investment for healthcare systems. Yet, despite their proven benefits, fewer than 5% of those who could benefit from an implantable hearing solution have received one.[1]

In developed markets, the greatest unmet need lies within the adult and senior population. According to the World Health Organization, hearing loss affects 65% of people over the age of 60, with one in four experiencing moderate or greater impairment. This not only impacts communication but is linked to cognitive decline, employment, risk of falls, social isolation, anxiety, and depression.[2]

Addressing this segment presents unique challenges. Many candidates experience progressive hearing loss and, along with their caregivers, may be unaware of cochlear and acoustic implants or unclear about their suitability.

We are focussing our efforts to close this gap through raising awareness, expanding access, building referral networks and strengthening the clinical evidence that supports the effectiveness of our solutions, particularly for adults and seniors. Over the following pages, we highlight key initiatives that are driving progress, creating value, and helping more people access the transformative benefits of implantable hearing technology.

Strategic priorities

Our target

Help at least 8% more people to hear each year with a cochlear or acoustic implant

Grow the hearing implant market

- Strengthen the referral pathway for adults
- Develop the acoustic implant segment
- Broaden reimbursement and improve indications
- Expand access in emerging markets

How society benefits

- Appropriate funding and indications for a cost-effective intervention
- Standard treatment pathway for implantable hearing devices for all age groups
- Improved education and productivity opportunities
- Understanding of the link between good hearing and healthy ageing and the need to act

Relevant UN Sustainable Development Goals

Developing a treatment pathway for adults

Standard of care initiatives aim to ensure cochlear implant candidates are consistently identified, referred and evaluated for appropriate treatment as a medical necessity.

Adults and seniors in developed markets present a significant opportunity due to the large and increasing market size, as well as the current low penetration levels.

Improving awareness of cochlear implantation benefits among primary and hearing healthcare clinicians represents a clear opportunity to increase identification of eligible candidates. Enhancing clarity in candidacy criteria and referral pathways could meaningfully expand access to care.[3]

To address this, we are investing in long-term initiatives aimed at creating a standardised clinical pathway for adults, one that supports a more consistent and sustainable referral and evaluation model. These efforts are focused on

- **Building clinical and economic evidence** to support clinical education, timely referral, and access to care.
- **Developing consistent referral guidelines** to establish a clearly defined care pathway for adult cochlear implantation;
- **Driving awareness and advocacy** through engagement with organisations, hearing professionals, patient advocacy groups, policymakers; and
- **Behaviour change,** equipping clinicians to identify and refer candidates more objectively and consistently.

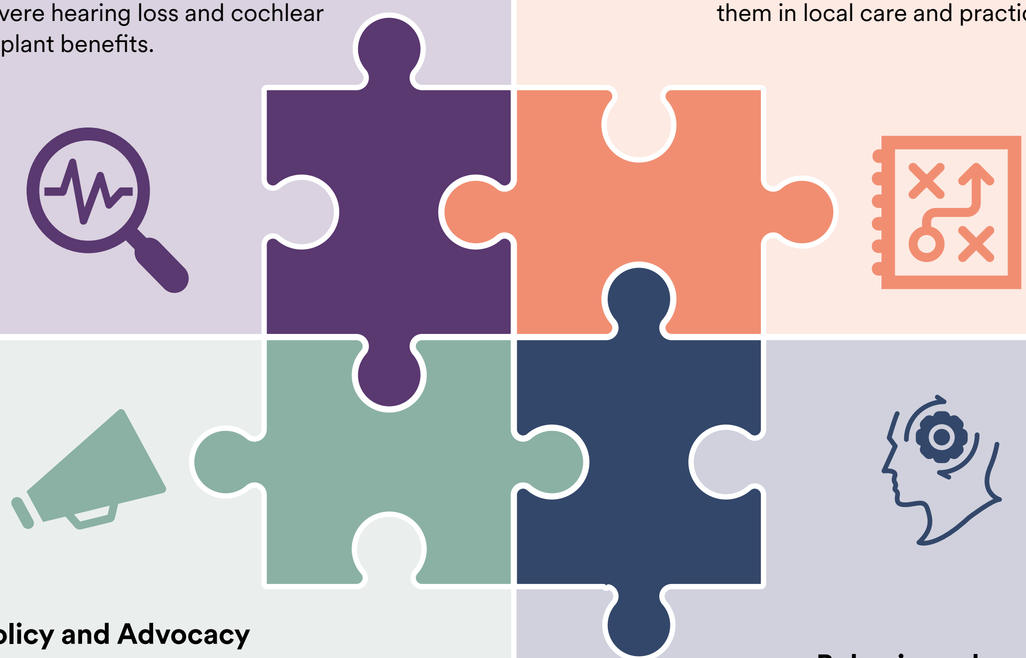
Key elements to developing a treatment pathway for adults

Evidence

Generate and disseminate evidence demonstrating the health impact of severe hearing loss and cochlear implant benefits.

Guidelines

Maintain global guidelines as evidence emerges and provide support to implement them in local care and practice.



Policy and Advocacy

Influence policy makers and payers to prioritise severe-profound hearing loss as a medical condition with cochlear implants as preferred treatment.

Behaviour change

Empower professionals to become active, confident referrers.

Building clinical evidence

Healthy hearing is more than just being able to hear, it's deeply connected to our everyday health and wellbeing.[4]

The growing evidence linking hearing with broader health outcomes such as cognitive health, risk of falls, mood, quality of life, social participation, and employment, corresponds to growing awareness. According to the 2025 MarketTrak survey[5], about 1 in 4 US respondents with hearing loss recognised a link between hearing and cognitive health, compared to 18% in 2022 as reported in a previous study.[6] Yet adoption of hearing interventions for adults and seniors remains low[7], underscoring the need to strengthen the clinical evidence base and support earlier identification, referral and access to care. The Lancet Commission for dementia prevention, intervention, and care lists hearing loss as one of the largest potentially modifiable risk factors for dementia in midlife[8] which is a key driver of long-term healthcare costs. The risk is more pronounced for adults with severe-to-profound hearing loss. A comprehensive review of 50 studies found that every 10-decibel (dB) decrease in hearing ability was associated with a 16% increase in dementia risk.[9]

The evidence linking hearing loss to brain health decline and increased dementia risk continues to build. Recent analysis from the Framingham Heart Study, one of the world's longest-running longitudinal cohort studies, shows a 71% higher dementia risk alongside measurable brain changes with hearing loss, and hearing aid intervention mitigated the increased dementia risk.[10]

Beyond hearing aids, cochlear implants have also shown promise for improving cognitive outcomes for those with severe to profound hearing loss. The University of Melbourne is leading the long-term COCHLEA study[11], sponsored by Cochlear. In 2024, results from the 4.5-year follow-up revealed significant and sustained improvements in executive function and working memory among older adults with cochlear implants, along with stability across other cognitive domains.[11]

Supporting these findings, a large-scale observational study in South Korea[12], covering 97% of the population, revealed a strong link between hearing interventions and a reduced risk of dementia in adults aged 40 to 79 with severe to profound hearing loss. The retrospective study tracked dementia incidence over more than a decade-long follow-up period. Compared to cochlear implant recipients, those who received a hearing aid had 34% increased dementia risk, and those who received no treatment had 83% greater dementia risk over the study period. Importantly, dementia incidence among cochlear implant recipients was comparable to that observed in individuals with normal hearing.

This research group performed a similar analysis on depression risk in adults with severe hearing loss in South Korea, and found an increased risk in those who received a hearing aid or no treatment compared to those who received a cochlear implant.[13]

In the USA, the veteran population represents an important area of clinical focus, given the high prevalence of hearing loss and its status as one of the most common service-related disabilities[14]. The SALUTE study is helping to build evidence on cochlear implant outcomes for this population, including hearing performance, listening effort and heart rate variability in noisy environments[15]. Findings are expected towards the end of 2026 and will inform how cochlear implants may support better hearing and broader health outcomes for veterans.

Collectively, this research marks a significant step forward in understanding the systemic health impacts of hearing loss. It reinforces the opportunity for individuals, healthcare professionals, and policymakers to prioritise hearing health as a lever to support cognitive resilience and healthy ageing.

Chronology of key evidence linking hearing loss to cognitive decline

2010
Linear association between hearing loss and cognitive decline
Lin et al. (2011)

2013
Untreated hearing loss associated with cognitive decline over 25 years
Amieva et al. (2015)

2016
Hearing loss identified as a large potential dementia risk factor
Livingston et al. (2017)

2019
Experts agree that treatment of hearing loss may reduce risk of cognitive decline
Buchman et al. (2020)

2022
Slower rate of cognitive decline in at-risk adults treated for hearing loss
Lin et al. (2023)

2025
No cognitive decline over four years in adults treated for severe hearing loss with cochlear implants
Sarant et al. (2024)

Comparing cochlear implants and hearing aids

In 2022, a groundbreaking clinical trial began in the UK that could reshape how we treat severe hearing loss. The COACH study[16], short for Comparing Cochlear Implants with Hearing Aids in Adults with Severe Hearing Loss, is the first randomised controlled trial of its kind to directly compare the outcomes of cochlear implants versus hearing aids in adults with severe sensorineural hearing loss.

This landmark study aims to evaluate which intervention more effectively improves speech understanding, communication, and overall quality of life. Participants are randomly assigned to one of two groups: one receiving traditional hearing aids, and the other receiving a unilateral cochlear implant.

By rigorously comparing these two treatment paths, the COACH study seeks to add high-quality evidence to the existing body of clinical literature and guide clinical decisions and policy. The trial is expected to span several years, with results anticipated to offer valuable insights into the most effective strategies for supporting adults with severe hearing loss.

Building consistent referral pathways for cochlear implant care

Significant progress has been made towards building consistent referral pathways for cochlear implant candidates

A major catalyst for change came in 2021, when the World Health Organization issued a global call to action through its World Report on Hearing.[17] In response, a task force of 52 international experts, including ENT surgeons, audiologists, general practitioners, academics, and cochlear implant users collaborated to develop comprehensive global guidelines for adult hearing loss and cochlear implantation.

Importantly, the living guidelines provide the best global practice and are currently being adapted and adopted into clinical practice guidelines in over 25 countries, including Italy, Saudi Arabia, the USA, Australia, New Zealand, and several countries in Latin America[18].

At a global level, the endorsement by the International Federation of Otorhinolaryngological Societies provides an opportunity to reach over 60,000 ENTs across the globe.[19]

By establishing local clinical practice guidelines and growing referrals for cochlear implant evaluation, more individuals with severe to profound hearing loss will have access to the Standard of Care.

Building awareness and advocacy for cochlear implant care

Creating a consistent treatment pathway for adults eligible for cochlear implants goes beyond clinical practice, it requires a united effort across healthcare professionals, advocacy groups, researchers, and policymakers. Central to this mission is raising awareness, strengthening referral guidelines, and building a robust evidence base to support timely intervention.

One of the most impactful developments in recent years has been the formation of the Cochlear Implant International Community of Action (CIICA) in 2021. CIICA is the first global advocacy network led by cochlear implant users and their families bringing together clinicians, researchers, policy makers and industry from across the globe. With over 127 member organisations from 76 countries, CIICA is dedicated to expanding access to cochlear implants.[20] The organisation advocates for funding reform and the provision of lifelong cochlear implant services, promoting the health, social, and economic benefits of cochlear implants to individuals, healthcare providers, and society at large.

Cochlear also plays an active role in the World Hearing Forum, a global network committed to advancing ear and hearing care. Members of this forum support the implementation of the World Health Assembly's resolution WHA7013 on the Prevention of Deafness and Hearing Loss. The forum's collective vision is clear: to create a world where hearing loss is prevented whenever possible, and where those affected receive early identification and appropriate care to reach their full potential.

In addition to advocacy, Cochlear collaborates with leading academic institutions – including Johns Hopkins University and Macquarie University – on research initiatives that explore public health impacts, cost-effectiveness, and strategies to increase awareness.

Together, these efforts are helping to shape a future where cochlear implant care is more accessible, better understood, and consistently delivered across the globe.

Health, social and economic benefits of cochlear implants

The economic benefits associated with cochlear implants extend beyond healthcare budgets with significant net economic gains reported from a broader societal perspective which includes health outcomes, educational costs and productivity gains.[23]

Expanding access through broader cochlear implant indications

Cochlear implants were originally developed for individuals with profound hearing loss (>90 dB), but advances in clinical evidence have broadened their use across a wider range of patients. Indications now include severe hearing loss (>60 dB), as well as bilateral, single sided, and asymmetrical hearing loss, significantly expanding the addressable population.

Beyond current indications, there is growing clinical interest in exploring the potential role of cochlear implantation in additional patient groups, including those experiencing tinnitus and younger populations, highlighting further opportunity as the evidence base continues to evolve.

Alongside these technological improvements, there is growing recognition of the importance of treating hearing loss as we age. A robust body of evidence now supports the cost-effectiveness of cochlear implants[21,22]. Beyond this, a health economic model is being developed to incorporate the downstream healthcare savings related to risk of falls and dementia costs, further strengthening the case for expanding access.

These developments have led to broader clinical indications and increased funding in several countries, including the UK, US, Japan, France, and Belgium. More adults are now eligible for cochlear implants than ever before.

To support this progress, our market access teams work closely with governments and healthcare payers to advocate for the benefits of treating hearing loss.

By demonstrating the long-term value of cochlear implants, both in terms of health outcomes and economic impact, we aim to ensure that more people can benefit from this life-changing technology.

The societal value of cochlear implants

Cochlear implants not only transform individual lives, they also deliver significant benefits to society. A 2021 European study quantified these impacts by age group, estimating a net societal benefit of £275,000 for adults and £76,000 for seniors with progressive profound hearing loss who received a cochlear implant.[23]

Building on these findings, we estimated that the recipients implanted over just the past 12 months could generate more than $9 billion in net social benefit over their lifetimes. These gains stem from improved health outcomes, reduced educational costs, and increased productivity.

Despite these compelling benefits, penetration rates in developed markets remain low, particularly among adults and seniors, currently around 3%. By increasing access to cochlear implants, we cannot only enhance the quality of life for thousands of individuals each year but also save billions of dollars in societal costs.

Health, social and economic benefits of treating hearing loss

Children

Education

- Greater likelihood of acquiring oral language, integrating into mainstream education, and experiencing sound, alongside improved speech skills.[24]

Employment

- More likely to be in paid employment as adults[25]

Adults

Employment and productivity

- Reduces odds of unemployment or underemployment[26]
- Associated with positive change in employment status[27] and increase in work satisfaction compared to pre-implantation[28]
- Stay in work for longer[29] – reduces premature retirement

Seniors

Health and community connection

- Untreated hearing loss is associated with lower quality of life and higher cost of care due to higher risk of cognitive decline, depression, social isolation, falls and loss of independence[30]

A lifetime of hearing solutions

Innovating to build a market-leading portfolio of products and services that improve hearing outcomes and provide a lifetime of hearing solutions for recipients.

A lifetime of hearing solutions

We innovate to build a market-leading portfolio of high-quality products and services that improve hearing outcomes and provide a lifetime of hearing solutions for recipients. And we invest in education and clinical support tools to ensure our professional customers have convenience and confidence in caring for implant candidates and recipients.

For over 40 years, Cochlear has been the global leader in implantable hearing solutions.

Our commitment to research and development (R&D) drives this leadership, with a focus on delivering market-leading technology that enhances hearing outcomes and improves quality of life for our recipients.

Each year, we invest approximately 12% of our sales revenue into R&D, amounting to over $3 billion since listing. Our innovation is protected by a robust portfolio of more than 2,300 patents and patent applications worldwide.

Our global innovation network includes more than 600 R&D professionals across key locations:

- Sydney, Australia – our primary R&D hub, co-located with the Australian Hearing Hub
- Belgium – home to the Cochlear Technology Centre, focused on advanced innovation
- Sweden – specialising in acoustics and software
- France – with the team from the Oticon Medical acquisition
- Malaysia – where we are expanding our R&D capabilities

In FY26, we helped around 55,000 people hear through one or two of our cochlear or acoustic implants. With more than 950,000 implants delivered globally, we support over 800,000 individuals on their hearing journey, making us the largest recipient base in the industry.

Every implant marks the beginning of a lifelong partnership with our recipients. Our goal is to continuously improve hearing outcomes through advancements in sound processor technology, while making aftercare simpler and more cost-effective for both recipients and the professionals who support them. In the following pages, we'll explore our innovation priorities, our history of breakthrough technologies, our expanding portfolio of connected care solutions, and our unwavering commitment to product quality and reliability.

Strategic priorities

Our target

Develop market-leading technology and deliver a world-class customer experience to recipients and professional customers.

Retain market leadership

- Deliver compelling products and services
- Support recipient access to latest technology
- Maintain our lead in sales excellence and customer service
- Maintain high standards of product quality, safety and reliability

How our customers benefit

- High quality and reliability
- Improving hearing outcomes and quality of life for new and existing recipients
- The right care is available at the right time and is easy to use
- Reduced cost to serve for professional customers

Relevant UN Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Innovation focus areas

Focus areas for R&D span four key areas – improving hearing outcomes, making life easier for customers, integrating our ecosystem of products and services with connected care solutions and exploring options to expand the portfolio.

Advancing hearing outcomes and innovation

Over the past 40 years, Cochlear has made significant strides in improving hearing outcomes for recipients. Innovations such as dual microphone technology, advanced sound pre-processing, and user-controlled settings have enabled better hearing in diverse environments. These advancements have also expanded cochlear implant eligibility to include individuals with severe hearing loss, not just those with profound loss.

Our innovation agenda continues to focus on the next generation of hearing outcomes. In collaboration with our research partners, we are advancing technologies that aim to reduce listening effort, improve sound quality and protect the delicate structures of the inner ear. This includes research into drug-device combinations, enhanced electrode-neural interfaces and next-generation surgical techniques that support our long-term strategy to deliver better hearing outcomes and sustain technology leadership.

Enhancing lifestyle and ease of use

As recipient expectations and digital health models evolve, our sound processor strategy is focused on delivering smaller, lighter and smarter technologies that improve everyday usability, strengthen connectivity and support long-term engagement. Each generation of our technology builds on this platform, integrating seamlessly with smartphones to create a more convenient and connected hearing experience.

Looking ahead, our long-term ambition is to develop a totally implantable cochlear implant, enabling continuous hearing without an external sound processor. This innovation has the potential to deliver meaningful functional and aesthetic benefits and redefine what is possible in hearing care.

We are also improving the experience for hearing professionals, with future fitting processes expected to become simpler, more automated and AI-assisted, helping clinicians deliver optimal outcomes more efficiently.

Connected care: a new vision for hearing health

Our connected care vision brings Cochlear, recipients and hearing care professionals together in an integrated ecosystem, helping ensure care is accessible, timely and easy to use.

As demand for hearing care grows, connected care tools will help professionals manage rising patient volumes while improving convenience. Secure, on-demand access to patient and product information supports evidence-based decisions and high-quality, patient-centred care.

Expanding innovation beyond hearing loss

Our innovation extends beyond cochlear implants. We continue to advance acoustic implant technology, including the Cochlear® Osia® System, a transcutaneous bone conduction implant launched in 2020 that delivers improved performance, aesthetics and quality of life. This innovation is supporting broader adoption and geographic expansion of our acoustic portfolio.

Looking further ahead, our innovation fund and research partnerships are exploring how Cochlear technologies could support new treatment areas beyond hearing loss, creating opportunities for future healthcare solutions.

A history of meaningful innovation

Innovation matters. We are focused on delivering key technology improvements to our recipients. These innovations bring performance that matters, a true connection to life and a lifelong commitment to all of our recipients. The most advanced and reliable devices on the market are a result of over 40 years of dedication to innovation.

Cochlear implants

Our R&D is focused on improving hearing outcomes and improving recipient quality of life. For more than 40 years Cochlear® Nucleus® Implant innovations have delivered:

- Improved hearing outcomes, resulting in improved speech perception, particularly in noise. These improvements have led to a broadening of treatment indications from profound to moderate-severe hearing loss and also new indications such and hybrid and single-sided deafness;
- The world's thinnest cochlear implants, designed to be discreet when implanted and providing a natural appearance;
- The world's thinnest electrodes and only perimodiolar electrode designed to sit close to the hearing nerve, supporting cochlea health and delivering clearer sounds;
- Convenient and pain-free[1] MRI scans at 1.5 and 3.0 Tesla without the need for magnet removal;
- Industry-leading reliability based on exceptional product design, extensive testing and world-class manufacturing that speaks not just to past performance but builds trust in future innovation; and
- The world's first and only smart cochlear implant system with upgradeable firmware.

Cochlear implants

1985
Nucleus 22
World's first commercial multi-channel cochlear implant with 22 electrodes

1997
Nucleus 24
World's first cochlear implant with removable magnet for MRI safety

2000
Nucleus 24 Contour
Released with perimodiolar and straight electrodes

2005
Freedom
World's most implanted cochlear implant

2009/2014
Nucleus Profile
World's thinnest implant, offers ease of use and faster surgery due to minimal drilling

2019
Nucleus Profile Plus
World's thinnest implant, MRI 1.5 and 3 T compatible with magnet in place

2025
Nucleus Nexa
World's first and only smart cochlear implant system, with upgradeable firmware

Cochlear implant sound processors

Over the past 40 years we have been improving the quality of life of our recipients with new sound processing technology that is compatible with both latest generation and older implants. Our sound processor innovation has delivered:

- Improved hearing outcomes with sound processing technology designed to provide clearer sound and reduced background noise;
- Connectivity to the world and people, by integrating with smartphone technology to allow direct streaming, control and monitoring with apps; and
- Lifestyle benefits, with each generation being smaller and lighter, easier to use and with longer battery life.

Cochlear implant sound processors

2005

Freedom
Offered input processing technologies designed to mimic natural hearing and is the industry's first water resistant sound processor

2009

Nucleus 5
Was 36% smaller than the Freedom sound processor and offers an average hearing improvement of 30% in noisy environments. Includes AutoPhone, the industry's first automatic phone detection ability.

2016

Kanso
At launch, Kanso was the smallest and lightest off-the-ear sound processor available. Kanso was designed to help recipients hear with clarity using SmartSound® iQ with SCAN* and dual microphones, and is compatible with Cochlear® True Wireless™ devices. Kanso is dust and splash resistant.

2022

Nucleus 8
Designed to make communicating with people easier, the Nucleus® 8 Sound Processor delivers our latest hearing technology. It senses changes in the environment and automatically adjusts listening settings.

Ready for next generation Bluetooth® LE Audio technology and able to connect directly to what's being broadcast at public venues such as airports, conference centres and theatres supporting Bluetooth Auracast™.

2025

Kanso 3
Designed for comfort and connectivity, the Kanso 3 is the world's smallest, lightest and most advanced rechargeable off-the-ear sound processor.

reddot design award

Winner of the prestigious Red Dot Design Award for Nucleus 5 and Nucleus 8.

Acoustic implants and sound processors

Bone conduction helps people with conductive hearing loss, mixed hearing loss and single-sided sensorineural deafness. Our solutions use the body's natural ability to conduct sound through bone by bypassing damaged or blocked parts of the ear and delivering vibrations directly to the inner ear.

For more than 40 years, our Acoustic solutions have delivered improving hearing performance, higher fitting ranges to help more patients, wireless and direct streaming, simplified surgical procedures and smaller external devices for better aesthetics.

In 2019, we expanded our portfolio into the next generation of bone conduction hearing solutions with the launch of the Cochlear® Osia® System. It is the world's first active osseointegrated steady-state implant, using digital piezoelectric stimulation to bypass damaged areas of the natural hearing system, sending sound vibrations directly to the cochlea.

The Osia System represents a significant improvement in terms of hearing performance, aesthetics and quality of life for bone conduction patients. We believe it is the right product to drive category growth and deepen penetration of bone conduction implants over time.

Connected care solutions providing convenience and confidence powered by innovation

Connected care is our vision for hearing care – where Cochlear, the recipient and hearing care professionals work together to ensure the right care is available at the right time and is easy to use.

Our connected care solutions comprise a range of digital health solutions that provide new ways to deliver convenient, evidence-based care for patients at every stage of their journey, spanning surgical care, self-managed care, in-clinic care and remote care.

Surgical care

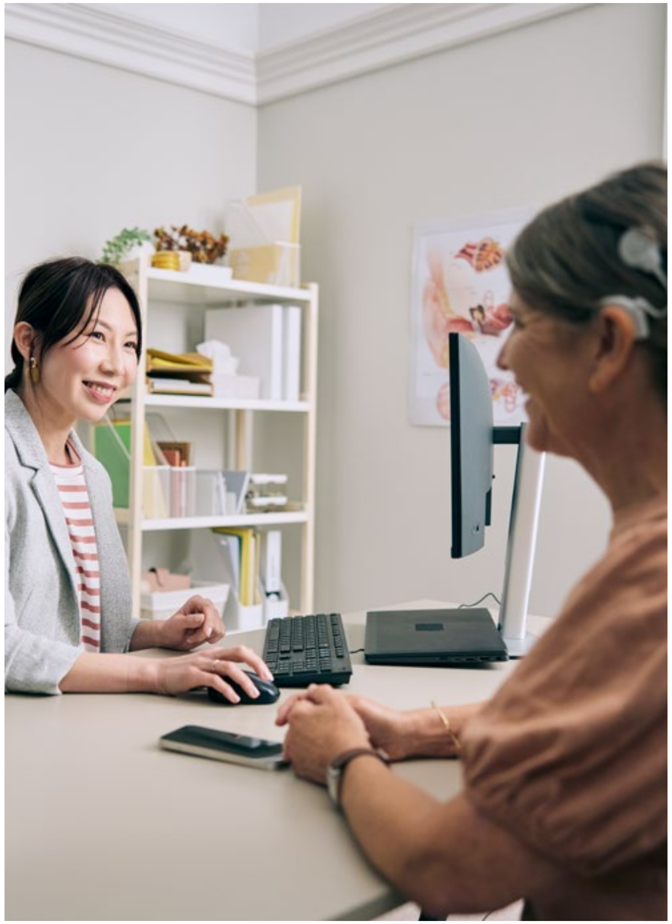
Surgical care is an important part of Cochlear's connected care strategy, supporting more consistent clinical outcomes through data-driven tools used at the point of surgery. The award-winning Nucleus® SmartNav System provides surgeons with real-time, actionable insights to support electrode placement during cochlear implant surgery, helping build confidence, improve procedural consistency and support postoperative clinical performance.

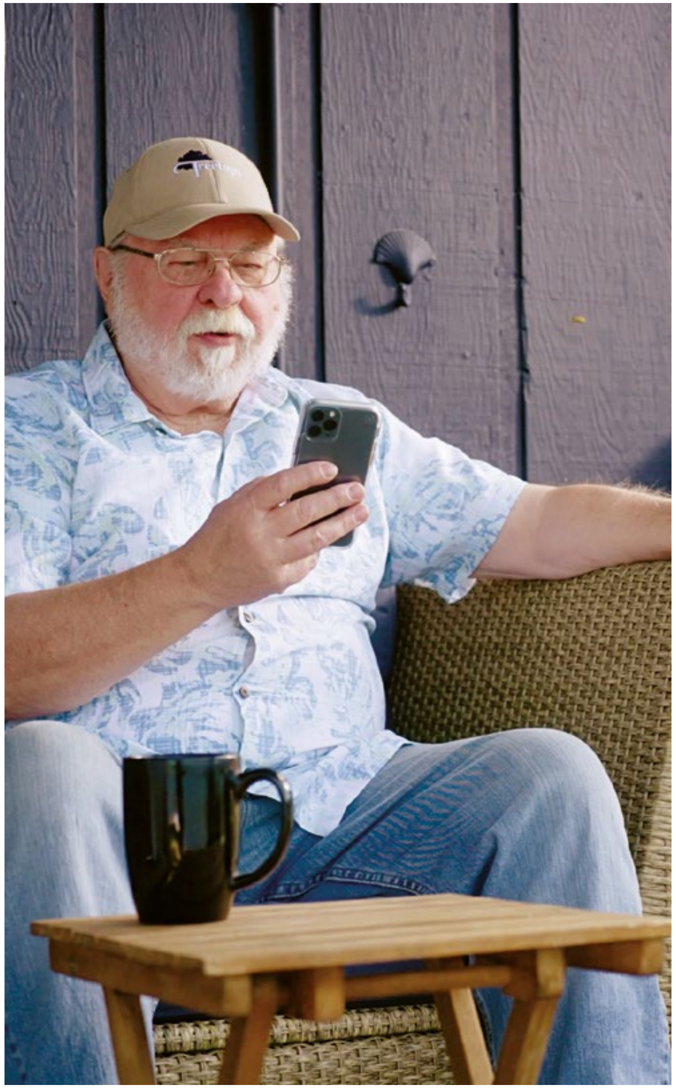
In-clinic care

In-clinic care solutions optimise patient management and care, giving clinicians the time and flexibility to optimise appointments.

Our fitting software combines extensive fitting and performance data with best-in-class design principles, more than 40 years of experience and input from thousands of clinicians worldwide[2] to support consistent outcomes, clinic efficiency and personalised care.

Our fitting software keeps the patient at the centre of care, promoting patient engagement and facilitating more effective tracking of progress between appointments.[3]





Ken, Nucleus System recipient

Remote care

Remote care solutions allow clinicians to monitor patients and deliver quality care without a trip to the clinic.

We are the first company to offer app-based Remote care solutions for our acoustic and cochlear implant recipients. This means that recipients can conveniently access care from their clinician without a clinic visit – from home, at work, or when they're travelling.

With Cochlear® Remote Check, cochlear implant recipients can complete an asynchronous hearing health check through the Nucleus® Smart App without visiting the clinic. Clinicians can then review the results at a convenient time and determine whether performance is on track or follow-up is needed.

Cochlear® Remote Assist enables live video appointments for both cochlear implant and Baha® Implant recipients. The clinician can assess how the recipient is progressing and discuss any issues they are experiencing. The clinician can also connect remotely to the recipient's sound processor to make adjustments or enable features in real-time.

By offering app-based Remote care solutions, we are meeting our recipients' needs and making care more convenient. We assist our professional partners to increase clinic efficiency, providing greater flexibility, allowing clinicians to see more patients.

As hearing care evolves, our evidence-based Remote Care solutions will continue to enable more timely, effective and patient-centred care delivery.

Self-managed care

Cochlear Self-managed care solutions empower patients to actively manage their hearing experience in partnership with their clinician through their smartphone.

Self-managed care gives patients the option to proactively manage their device settings as they move through their day and encounter different hearing and communication conditions. Our range of mobile apps provide patients with the tools to manage their everyday situational hearing – whether they are adjusting their volume settings or using device features such as ForwardFocus.

With Self-managed care, patients also have access to interactive tools to help them practice and improve their listening and communication skills. These app-based solutions are designed to give patients the confidence to participate in the conversations and moments that matter most.

Leading on product quality and reliability

When choosing a cochlear implant, the reassurance of high-quality products that support a lifetime of hearing is key. Our market-leading products are the result of our world-class manufacturing process and meet stringent, internationally recognised standards.

As the global leader in implantable hearing solutions, with more than 950,000 devices supported, we take our responsibility for product reliability seriously. We report transparently in line with ISO 5841-24[4], the European Consensus Statement on Cochlear Implant Failures and Explantations[5], and ANSI/AAMI CI86 standards for safety, verification, labelling, and reliability.[6]

Our implants are the most reliable[7] in the industry over time. This performance is demonstrated across our implant portfolio, including the recently lauched Nexa Series Implant, which has achieved a combined cumulative survival percentage (CSP) of 100% within two years. The Nucleus Profile Plus Series implant has achieved a combined CSP of 99.76% within seven years, and the Nucleus CI24RE Series, the world's most widely used cochlear implant with more than 220,000 registered devices, maintains a CSP of 98.94% after 20 years. These results are published annually in the Cochlear Nucleus System Reliability Report, available on our website.

Product reliability is especially critical for children, where implant longevity directly impacts long-term outcomes. Our commitment to safety and performance begins with design controls throughout the product lifecycle. Each product undergoes extensive internal and external testing to meet all applicable standards for its intended use.

Cochlear's Quality Management System (QMS) underpins this approach and is aligned with applicable global regulatory requirements and quality standards. The QMS is designed to support:

- product safety and efficacy;
- compliance with global regulatory requirements; and
- consistent design, manufacturing and marketing standards.

Post market surveillance is a core element of Cochlear's approach, enabling the ongoing monitoring of product performance and the identification of opportunities for continuous improvement. Insights from post market data, customer feedback and regulatory interactions are used to inform corrective actions and support ongoing compliance. Our QMS is audited annually by regulatory agencies to ensure ongoing compliance.

Oversight of product quality and reliability is supported through established governance arrangements. Executive accountability for Quality and Regulatory Affairs lies with our Chief Technology Officer, supported by the Executive Team. The Vice President of Global Quality and Regulatory oversees the implementation and continuous improvement of the QMS, ensuring it remains effective and fit for purpose.

Undertaking pre-clinical and clinical trials to study the efficacy of new technology

At Cochlear, we are deeply committed to advancing hearing technology through rigorous scientific research. In collaboration with leading universities and research institutions, we conduct both pre-clinical and clinical trials to evaluate the safety and effectiveness of new innovations. These studies are carried out in accordance with international standards, including ISO 14155: Clinical investigation of medical devices for human subjects – Good clinical practice.

In FY26, we continued to strengthen our research pipeline, with 34 active sponsored studies supporting technology development and lifecycle product improvements. Insights are shared with key stakeholders, including payers, regulators, and health technology assessment bodies, through public clinical trial registries and peer-reviewed publications.

Reflecting our commitment to evidence-based innovation, Cochlear-sponsored and Cochlear-supported research contributed to 63 peer-reviewed publications during FY26. These outcomes not only validate the impact of our technologies but also support broader access and adoption across global healthcare systems.

Collaborating to advance hearing science and research

As a market leader we strive to help advance hearing health science and research. By working with other leaders in the sector, we can harness our collective expertise, skills, and imagination to achieve more for our customers and for the community.

Strategic research partnerships and global collaborations

Cochlear has established research collaborations with leading universities, research organisations and hospitals around the world. These collaborations build on the research expertise of the institutions, as well as their broader networks and ecosystems, to drive innovation in hearing technology and public health.

Many of these collaborations are focused on translating science into future products, with timeframes that span many years. We work on a broad range of research areas covering novel approaches to surgical techniques, electrodes, objective measures, sound coding, audiology and aftercare.

University of Melbourne and the Royal Victorian Eye and Ear Hospital

It has been over 45 years since Professor Graeme Clark implanted the first multichannel cochlear implant and our long-standing research collaboration with the University of Melbourne and the Royal Victorian Eye and Ear Hospital continues.

Landmark collaborative research studies have been presented in recent international conferences. Professor Stephen O'Leary recently reported the results of a multi-centre research study[8] of an electrode that incorporates a drug called dexamethasone that may be beneficial in supporting the long-term health of the cochlea, and Professor Robert Briggs reported on a study[9] of a research on a totally implantable cochlear implant which allows a recipient to hear without an external sound processor.

Macquarie University and the Australian Hearing Hub

Cochlear has a long term research partnership with Macquarie University, strengthening key initiatives and expanding our research portfolio. With 17 currently active projects, the partnership continues to drive global innovation in hearing healthcare through multidisciplinary research. Recently, a landmark research program was approved to help establish Stages of hearing loss and specific ICD codes for severe hearing loss. This will involve Macquarie University and Mayo in the US plus the WHO, over a 3-4 years timeframe. This is an example of how the research partnership continues to mature and extend for greatest impact.

Cochlear and Macquarie University are founding members of the Australian Hearing Hub (AHH) which brings together leading researchers, clinicians, service providers and industry participants with the vision of being the world leading community transforming hearing and communication.

Johns Hopkins University and the Cochlear Center for Hearing and Public Health

In 2018, Cochlear pledged US$10 million over 10 years to establish the Cochlear Center for Hearing and Public Health at Johns Hopkins Bloomberg School of Public Health. Led by Professor Frank Lin and Jennifer Deal, the Center focuses on hearing loss as a global public health priority, including its links to cognitive decline, dementia and prevalence in older adults. Its Know Your Hearing Number campaign introduces a common metric to build awareness and engagement in hearing health.

Growing connectivity and engagement with our customers

We invest to provide our customers with a world-class customer experience with increased connectivity and engagement for recipients and products and services to improve convenience and confidence for our professional customers.

Cochlear Family: empowering recipients worldwide

Cochlear Family is our global membership program designed to support recipients and their carers throughout their hearing journey. Through proactive communications and hosted events, we provide education, resources, and encouragement to help recipients live more confidently with their implantable hearing technology.

As the world's largest community of hearing implant recipients, Cochlear Family is now available to customers across 62 countries. In FY26, membership grew to reach over 408,000 recipients globally, reflecting the growing demand for connection, support, and shared experience among our community.

Cochlear volunteer community: inspiring peer support

Our Cochlear Volunteer Community is a network of passionate recipients and carers who are dedicated to helping others navigate life with implantable hearing devices. Volunteers play a vital role in sharing personal experiences, offering practical advice, and helping candidates and recipients understand how to maximise the benefits of their devices.

We invest in our volunteers by equipping them with the knowledge and tools they need to support others effectively, fostering a culture of peer-led empowerment and advocacy.

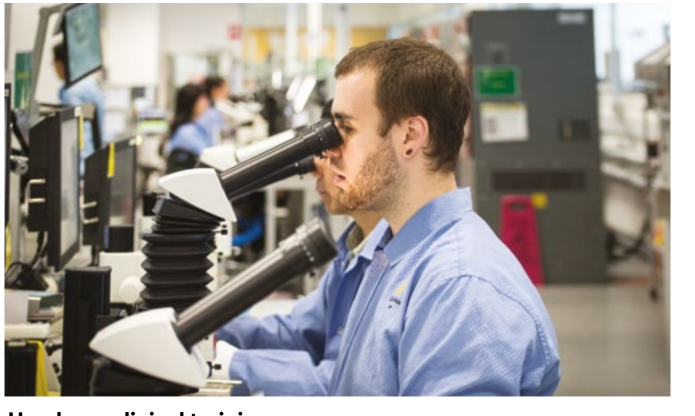
Professional learning programs: building global clinical capacity

In FY26, we continued to strengthen hearing healthcare through our professional education programs, delivering virtual, hybrid and in-person learning opportunities for hearing health professionals worldwide. These programs support the ongoing development of clinical knowledge and skills across the hearing healthcare community and reflect our commitment to advancing clinical excellence and best practice.

During FY26, more than 10,000 hearing health professionals participated in Cochlear professional learning programs globally. Through a combination of digital and face-to-face delivery, our programs helped increase access to education and training across a broad range of markets and clinical settings.

Our Cochlear Clinical Skills Institute in Sydney provided hands-on training for more than 170 surgeons during FY26, supporting the development of surgical expertise and practical skills. By investing in education and capability building, we support clinicians in delivering high-quality care and contribute to improved outcomes for people with hearing loss around the world.

Professional development during the CI2026 Conference in Poland, May 2026



Hands-on clinical training

Thriving people

An engaged, capable, high-performing and diverse workforce that delivers on our strategy and supports the creation of sustained value.

Thriving people

Our people are our most valuable asset and are an engaged, capable and high-performing team that delivers on our strategy and supports the creation of sustained value. We have a diverse workforce with over 5,400 people across the globe. Their knowledge, expertise, passion and focus on delivering excellence is key to achieving future success.

For over 40 years, Cochlear has been helping people hear, guided by a strong culture. Our people have great pride in Cochlear and bring purpose-driven dedication to delivering on our mission. This is the cornerstone of our culture and a legacy that continues to shape who we are today and who we aspire to be in the future.

We are strengthening the cultural foundations behind our success while shaping a culture that supports a changing workforce, customer base and market growth ambitions. Over the past 12 months, we have progressed our HEAR Behaviours of Aspire to Win and Remove Boundaries, whilst intensifying our focus on Embrace Change and Innovate through experimentation and calculated risk-taking. These priorities are intentional and strategic, representing a significant opportunity to build the capabilities, skills and knowledge needed across the organisational to bring our cultural vision to life.

Recognising leadership as a critical lever for building culture, we deployed new leadership expectations that complement our Leading the Way leadership framework capabilities and that define the behaviours, mind-set and role modelling required to lead culture shifts across the organisation. These expectations establish clear behavioural standards that empower leaders at every level to champion the culture required to deliver our strategic ambitions. We have also invested significantly in leadership development, building critical skills and capabilities at the individual, team, and enterprise levels. Together, these efforts align our people strategy, cultural priorities and organisational capabilities in support of long-term growth.

We have continued to implement key elements of our talent strategy, building foundational capability for all employees while providing targeted experiences and development for priority talent segments.

Over the following pages, we explore key elements of our people strategy, highlighting how we are creating value by investing in our people and shaping our culture for growth.

Strategic priorities

Our target

Retain employee engagement levels at or above 80%

Build a stronger organisation

- Strengthen and nurture a culture of aspiration, achievement, experimentation and enterprise mindset
- Attract, develop and retain world-class talent
- Support the engagement, wellness and safety of our teams
- Enhance global collaboration and performance

How our people benefit

- A collaborative, values-driven culture that inspires innovation and customer focus
- Engaged, capable and high-performing employees
- Diverse, equitable, safe and inclusive workplace
- Engaging development and career opportunities

Relevant UN Sustainable Development Goals

Shaping our culture for growth

As our business grows, we nurture the important elements of our culture that have brought us success, while continuing to evolve, intentionally shaping the culture that will enable us to grow and deliver for our customers as our workforce expands.

Ways of working together

At Cochlear, our culture is grounded in a set of values and behaviours that bring our mission to life and guide how we work together to achieve our strategy. These values are more than words, they are the principles that shape our decisions, actions, and interactions across the organisation.

Our core values reflect who we are and how we treat each other, our customers, and our partners:

- **Respect:** We value all individuals, regardless of background or beliefs.
- **Integrity:** We are honest, ethical and fact-based.
- **Accountability:** We own our responsibilities, actions and outcomes.

Complementing our values are the HEAR behaviours, which define how we work and collaborate. Together with our Global Code of Conduct, they provide a clear framework for fostering a positive, inclusive, and high-performing workplace.

These values and behaviours are central to our culture and are actively reinforced through leadership, training, and everyday practice, ensuring we stay true to our mission while continuing to grow and evolve.

Our HEAR behaviours

H

Hear the customer

Put the customer at the centre of all that we do

- I see what we are doing through the customers' eyes
- I factor in what the customer needs in my decision making
- I bring the voice of the customer into our conversations

E

Embrace change and innovate

Think differently to change and grow

- I simplify complex information to make it easy to understand
- I look for the simplest solution without adding complexity in the future
- I change my mind when persuaded by a better idea

A

Aspire to win

Inspire each other to achieve

- I push the team to take actions toward our stretch goals
- I prioritise my actions to get things done
- I raise difficult and important issues
- I take calculated risks to achieve our goals
- I take action without being told what to do

R

Remove boundaries

Unite and act as one

- I challenge others' opinions in a constructive way
- I speak supportively of decisions made by others outside my immediate team
- I seek and use input from other parts of the business to make decisions
- I put the interests of the organisation ahead of my own or my team

Shaping a culture of aspiration, achievement, experimentation and enterprise mindset

Cochlear's culture is a key driver of our long-term success. Over the past few years, we've been implementing organisation-wide transformation programs to strengthen our business processes and IT platforms - enhancing efficiency, agility, and scalability.

In the past year, to support this transformation, we've focused our cultural initiatives on reinforcing two of our core HEAR behaviours: 'Aspire to Win' and 'Embrace Change & Innovate'. These behaviours are central to building the capabilities, skills, and mindset needed to thrive in a dynamic global environment.

To strengthen our achievement culture, we have prioritised commercial acumen for all employees through the global Finance Essentials for Sound Business Decisions learning pathway. By encouraging better decision-making aligned with our commercial aspirations, the pathway empowers our people to contribute to growth through their everyday actions.

We have continued to prioritise building a psychologically safe workplace where innovation can flourish through workshops such as 'Safe to Speak Up' and 'Courageous Conversations'.

To ensure our cultural efforts are globally aligned and locally relevant, our regional Culture Advisory Councils deliver scalable initiatives tailored to local needs including an International Cochlear Implant Day pilot of a 'Friends and Family' event and tour of our Sydney headquarters, a coordinated International Women's Day event across six countries, and focus groups to capture employee perspectives on our culture and opportunities to improve.

In the US, the Council coordinated participation in PRIDE Fest and Juneteenth for the first time while in our EMEA region, Wellbeing was prioritised through the year with events designed to listen to, engage and support our people.

Measuring our culture

The Employee Engagement Survey provides insights into how our people experience working at Cochlear, identifying both strengths and improvement areas, so we can listen and respond in a focused way.

We are pleased to report that our total engagement score has increased 6 percentage points to 86%, with 87% of employees completing the survey.

Teams and departments use engagement survey results to identify what is working well and agree actions to make the employee experience even better.

Celebrating International Cochlear Implant Day 2026

This year's survey has highlighted many things that are working well, for example:

- People report that they are doing meaningful work that contributes to positive outcomes for customers and colleagues
- People know what is expected of them at work and how their work directly contributes to the success of the team
- People are encouraged by their managers to express their opinions and colleagues are open to opinions that are different from their own
- Manager capability has increased with strong scores in supporting their teams and modelling open and honest communication

We also have heard it would be even better if we:

- Recognised and rewarded people more for their contributions
- Shared clear career paths and opportunities to progress in the organisation
- Supported prioritisation of work to enable more effective workload management
- Continue to improve our practices to encourage open and honest two-way communication

Empowering our people through transformation

At Cochlear, we remain confident in our long-term growth strategies and the opportunity to help more people hear. To support this approach, we are reshaping parts of our organisation to create a more flexible cost-to-serve model to free up resources to invest even more in high-potential growth activities. This builds on changes already underway to increase scale, sharpen focus and better align capabilities with strategic priorities, giving us the capacity to deliver sustained growth.

Over recent months, we have reshaped our cost base across workforce structure and operational expenditure to increase flexibility and support growth.

Accelerating this transformation means equipping our teams with new technology platforms to support scalable and cross-functional workflows. We are investing in cloud-based technology to support cross-functional collaboration and scalability.

Our ERP replacement program is one of our most significant transformation investments, spanning every region as we modernise the systems, processes, data and ways of working that support our daily operations.

Transformation at this scale requires strong governance, new ways of working, enhanced capability and continuous improvement. With clear frameworks, sustainable structures and focused investment in capability and process redesign, we are building the foundations to grow and scale.

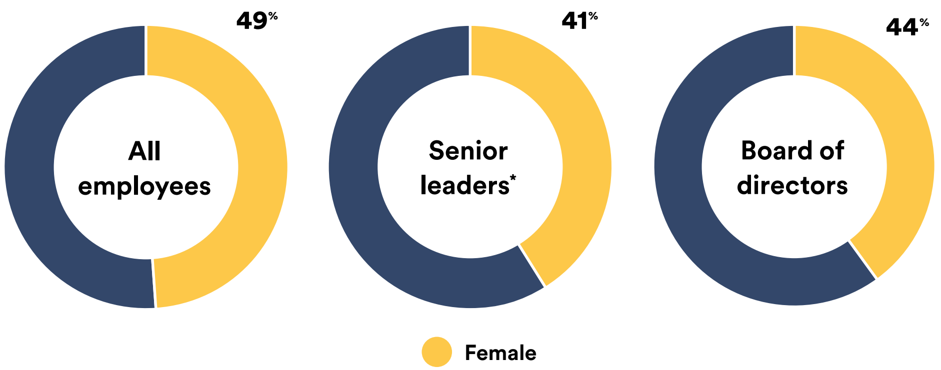
Our people have embraced the changes enabled by these new platforms with optimism and resilience. Together, we have simplified our structure, clarified decision rights and standardised processes across our global business. This work has set the foundation for stronger, more agile teams that can respond quickly and confidently to evolving customer needs and create a lasting impact for those we serve.

Attract, develop and retain world-class talent

We strive to attract and retain passionate and highly skilled professionals.

Our workforce

We are proud of our geographically diverse and capable global workforce. We have a workforce of more than 5,400 people who are based in over 50 countries around the world. More information about our workforce is on page 62 and the Governance and Risk section on page 79.



Growing future fit talent

To ensure we have the necessary talent, capabilities and culture to enable us to achieve our growth aspirations over the longer term, we are guided by our 'Talent vision and strategy'.

We recognise that the increasing complexity of the global environment in which we operate will require our leaders to possess new and different skills and attributes to our leaders of today and we need to build this leadership capability internally as well as bring in diverse talent for the future. To do this we are focusing on:

- Developing capability in enterprise leadership, where our leaders are better able to navigate and perform horizontally across the broader enterprise;
- Developing and retaining our unique expert talent which is pivotal to the continued success and growth of our business; and
- Building a strong and deep pipeline of emerging talent, to ensure we have the high calibre leadership and expert talent required to support our continued growth over the longer term.

We are taking steps to embed and integrate our talent practices and principles into our recruitment, assessment, reward and retention initiatives to continue building and growing skills and capabilities end to end at both an individual and organisational level.

Enterprise Leadership Experience

A highlight of our leadership development efforts was the Enterprise Leadership Experience - a nine-month global program designed to build enterprise leadership mindset and capability. Through a mix of virtual sessions, in-person workshops, coaching, and peer learning, leaders explored new approaches and evolved their leadership practices.

In FY26, another 50 senior leaders completed the program, with a group of 28 currently in progress. We continue to expand this opportunity further to build momentum and strengthen leadership capability across the organisation.

* For the purposes of this Statement, senior leaders are defined as all employees in Bands 1, 2 and 3; the three most senior levels with Band 1 being the Executive team. Excludes US based employee data.

Cochlear Talent Accelerator Program

We have continued to grow high potential talent through the Cochlear Talent Accelerator Program which offers leadership talent the opportunity to take on a six-month development assignment in a different part of the business. This initiative is designed to broaden perspectives, deepen cross-functional understanding, and build strategic capabilities that add value across the organisation.

Action Learning Teams

In the US, a second group of high-potential talent participated in a nine-month Action Learning Team focused on solving a critical business challenge outside their area of expertise. The program successfully delivered actionable solutions, with outcomes now being operationalised - demonstrating the power of collaborative, experiential learning.

This initiative has now been launched in the EMEA region with three teams working on different business critical initiatives.

Leadership: Building capability for the future

We continued to invest in innovative learning and development programs designed to build leadership capability, broaden experience, and support career growth across the organisation.

Leading the Way

We set clear expectations of our leaders and recruit, measure and reward against these criteria to build a strong pipeline of leadership capability and strengthen our culture.

These criteria, together with success profiles for key roles, underpin how we recruit, promote and develop leaders through our talent and succession processes.

Our Leading the Way Experiences provide a structured, enterprise-wide approach to developing leadership capability through targeted programs, aligned to our leadership framework. In 2026, 1,284 people completed 2,700 courses across 52 experiences.

To meet evolving market and organisational needs, we expanded our leadership programs in commercial acumen, resilience and leading through change, helping leaders make informed decisions, navigate complexity and support long-term performance.

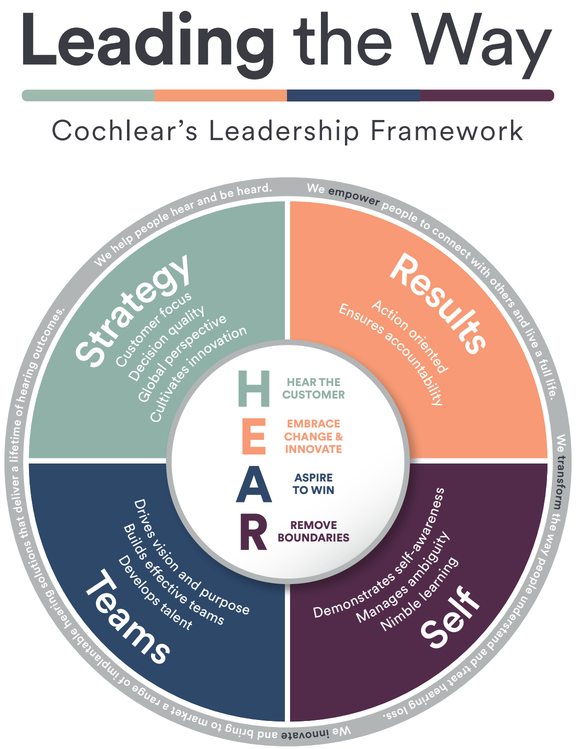
Manager Capability Development

We continued to strengthen our Manager Capability Development offering to better support people managers across the full employee lifecycle.

In FY26, we introduced a new section designed to support leaders transitioning into people manager roles. This self-paced experience enables managers to access targeted learning aligned to the moments that matter most, allowing them to build capability in real time, as needs arise.

Through this flexible and accessible approach, 1,484 courses were completed by 468 people managers during the year, reflecting strong engagement and the ongoing relevance of our programs across regions.

These initiatives help build an agile, high-performing workforce by equipping managers to make better decisions, improve team performance and support employee experiences that contribute to Cochlear's long-term success.



Investing in our Expert Talent for the future

Expert Talent team members represent Cochlear's most specialist technical and functional expertise across engineering, clinical research, regulatory affairs, quality, and other critical disciplines. As our organisation grows in complexity and global reach, developing leadership capability within our expert workforce ensures we can translate technical excellence into strategic organisational impact whilst maintaining the deep expertise that drives innovation.

Strategic alignment with organisational priorities

The Knowledge Leader Program supports Cochlear's talent vision by helping experts expand their influence, strengthen leadership capability and contribute to cross-functional initiatives, mentoring and strategic decision-making.

The Knowledge Leader Development Program

Launched in FY26, this development program combines evidence-based leadership frameworks with practical application through cohort learning, workshops, peer learning and real-world projects that build cross-functional collaboration, strategic thinking and systems awareness.

First cohort results: Evidence of impact

The inaugural cohort delivered measurable outcomes, with participants reporting stronger leadership confidence, strategic perspective and cross-functional collaboration. Post-program evaluations also showed improved capability in influencing without authority, systems thinking and leading through complexity.

Quantitative assessment showed participants increased their leadership effectiveness scores by an average of 28% across assessed competencies. Additionally, 94% of participants reported applying program learnings within their roles within three months of completion, demonstrating immediate practical impact.

Program experience: Participant perspectives

"The Knowledge Leader Program helped me evolve from being just an expert in my field to becoming a leader who can influence and inspire others. The cross-functional exposure was invaluable."

Rebecca Cale, U.S, Medical Affairs

"What stood out was the opportunity to learn alongside experts from completely different functions. I discovered collaboration opportunities I never knew existed and developed relationships that continue to benefit my work."

Suyang Hu, China, CSI

"After many years with Cochlear, I thought I'd seen most development offerings. The Knowledge Leader Program exceeded my expectations and reignited my enthusiasm for contributing at a higher level."

Tracey Adams, UK, Clinical Affairs

Participants of the 2026 Knowledge Leader program

Rewarding performance

Cochlear's remuneration philosophy is designed to align with our strategic priorities and cultural aspirations. It delivers fair, performance-based rewards that reflect individual contributions and market value, while supporting our ability to attract, engage, and retain top talent.

Our remuneration and incentive programs are built on principles of internal fairness and external competitiveness. Roles are regularly benchmarked against market standards to remain competitive and consistent across regions. For further information on our remuneration framework and structures, please refer to the Remuneration Report on page 108.

Engagement scores remained solid, slightly increasing on those of last year with 69% of employees stating they feel appropriately valued and recognised and 66% stating they think their compensation and benefits were fair. Participation in our Employee Share Purchase Plan remains strong at 39%, although slightly down on past years' participation of over 40%.

We remain committed to transparency and compliance in all the countries Cochlear operates, whether it be under the more recent EU Pay Time Directive or more established Australian legislation. We continue to submit data to the Australian Workplace Gender Equality Agency (WGEA) in accordance with the Workplace Gender Equality Act 2012 (Cth) and Global Reporting Initiative (GRI) standards.

Our internal analysis of Australian pay data revealed a gender pay gap of 9.9% in FY25, down from 11.6% in FY24. This gap continues to be primarily driven by a higher proportion of males in senior leadership roles. Importantly, the gap has continued to decline over the past nine years - from 22.3% in FY16 as we continue to implement our roadmap to support sustainable and equitable pay practices, focused on compliance and fairness.

Innovate Reconciliation Action Plan

We are committed to helping create an equitable and reconciled Australia and improving outcomes for First Nations peoples. Our Reconciliation Action Plan (RAP) focuses on three priority areas: hearing and ear health equity, cultural safety and understanding, and employment opportunities and outcomes.

The RAP is guided by an employee-led working group with representation from across functions, locations and levels of seniority. The group meets regularly and reports on progress to the Australian executive team, which provides oversight, direction and resources to support delivery of initiatives.

This year we launched of our First Nations Cultural Protocol. This internal resource provides guidance on engaging respectfully with Traditional Custodians of Australia, including cultural practices, appropriate language, and considerations for meetings and events.

National Reconciliation Week 2026 event at Macquarie site

Supporting the wellness and safety of our teams

We are committed to providing safe, healthy and secure workplaces for our employees and all others in our workplaces.

Strategic investment and systematic improvement

Throughout FY26, we strengthened our workplace health and safety approach through improved governance and evidence-based injury management. Recognising the impact of safety on our people and operational performance, we implemented a targeted program to address the main causes of injury in our manufacturing operations.

The FY26 safety risk management framework strengthened accountability, enabled consistent global safety practices and supported a more proactive safety culture.

We also expanded injury prevention and early intervention, focusing on musculoskeletal injuries in Australian manufacturing. Engineering changes, improved task rotation, overtime management and ergonomic improvements reduced strain and fatigue risks. While TRIFR remained flat at 3.9, Workers Compensation claims, psychological work-related injuries and average injury duration all declined, reflecting stronger early intervention and return-to-work outcomes.

Our injury management specialists supported more non-work-related injuries, partnering with business leaders on fitness-for-work assessments and recovery plans to reduce exacerbation risk, maintain operational capacity and keep employees connected during recovery.

Our first global Wellbeing Survey in 2026, completed by 68% of professional employees, showed strong cultural outcomes: 88% reported supportive work relationships and 86% felt comfortable discussing workplace changes with managers. We will continue to address opportunities to improve decision-making involvement and workload manageability through our psychosocial hazard management program.

We will continue to monitor engineering improvements and psychosocial hazards through formal and informal feedback, supporting our commitment to a safe, supportive workplace where our people can thrive.

Macquarie-based manufacturing taking a short wellbeing break with certified therapy dogs on campus

Our people

Employees by category[1]	FY26		FY25		FY24	
	Female	Male	Female	Male	Female	Male
	%	%	%	%	%	%
Senior leaders[2]	41%	59%	40%	60%	39%	61%
Management[3]	48%	52%	45%	55%	44%	56%
Operational	51%	49%	49%	51%	50%	50%
Total	**49%**	**51%**	**48%**	**52%**	**48%**	**52%**

Employees by type and gender[4]	FY26		FY25		FY24	
	Female	Male	Female	Male	Female	Male
	%	%	%	%	%	%
Permanent	49%	51%	48%	52%	48%	52%
Temporary	54%	46%	59%	41%	42%	58%
Full-time	48%	52%	47%	53%	46%	54%
Part-time	68%	32%	63%	37%	66%	34%
Total	**50%**	**50%**	**48%**	**52%**	**48%**	**52%**

Engagement	FY26	FY25	FY24
Employee turnover	7.7%	6.9%	8.3%
Engagement score	86%	80%	80%
Total hours of employee formal training	23.14	25.04	28.5

Safety and wellbeing	FY26	FY25	FY24
Severity rate	479	488	389
Injury Frequency			
TRIFR[5]	3.7	3.9*	3.6
LTIFR[6]	2.9	2.2*	2.1

Employees by age[1] (in years)	FY26		FY25		FY24	
	Female	Male	Female	Male	Female	Male
	%	%	%	%	%	%
Under 30	46%	54%	40%	60%	39%	61%
30 - 50	49%	51%	49%	51%	49%	51%
Over 50	52%	48%	51%	49%	51%	49%
Total	**49%**	**51%**	**48%**	**52%**	**48%**	**52%**

Board composition*	FY26	FY25	FY24
Women on the Board	44%	44%	38%

1. Includes regular/permanent employees; excludes employees based in the USA.
2. Senior leaders are defined as all employees in Bands 1, 2 and 3; the three most senior levels with Band 1 being the Executive team.
3. Management are employees in Band 4.
4. Excludes employees based in the USA.
5. Total Recordable Injury Frequency Rate (TRIFR) refers to the total number of recordable injuries occurring in a workplace per million hours worked. Recordable injury indicates both minor and major injuries and illnesses that required medical treatment, lost workdays, or duties other than those normally undertaken by the individual.
6. Total Lost Time Injury Frequency Rate (LTIFR) refers to the number of lost time injuries occurring in a workplace per 1 million hours worked.

Sustained value

Maximising spending to grow the market while maintaining our competitive position. Ensuring we operate fairly, honestly and legally.

Sustained value

Financial discipline and commitment to high standards of corporate governance and transparency are central to the creation, maintenance and enhancement of long-term sustainable value.

While FY26 has been a difficult year for Cochlear, with our financial performance below expectations, we have historically delivered consistent growth in sales revenue, profits, and dividends. This has been driven by our focus on developing world-leading implantable hearing solutions, supported by a long-standing commitment to investing for growth, disciplined capital management, and high standards of corporate governance.

We plan and invest for the long term. Our R&D programs often span more than a decade, and increasing adoption of cochlear and acoustic implants requires sustained investment and disciplined strategic planning over many years.

Looking ahead, we will continue to invest consistently to expand access to our products. We see significant opportunity to grow through the medicalisation of hearing loss and strengthening the clinical pathway for adults and seniors, particularly by improving awareness and access for those who could benefit from a cochlear implant. This will take time, experimentation, and adapting as we learn. We remain focused on prioritising and optimising growth investments and measuring progress effectively.

To guide our efforts, we've set high-level financial targets that balance ambition with sustainable growth over the long term:

- Sales revenue growth of ~10% per annum
- R&D investment of ~12% of sales revenue
- Underlying net profit margin of ~18%

While annual outcomes may vary due to market conditions, these guiderails provide a framework for strategic investment in market expansion over the long term.

We also recognise that responsible value creation is essential for long-term success. Strong corporate governance and transparency are critical to maintaining and enhancing sustainable value for all stakeholders.

In the following pages, we outline the key elements of our financial strategy and governance practices that support our commitment to long-term, responsible growth.

Strategic priorities

Our target

Sustainable and responsible business practices, targeting growth in sales revenue of around 10% per annum and an 18% net profit margin over the long term

Consistent and sustainable growth

- Deliver sustainable financial returns
- Improve efficiency and agility
- Maintain high levels of corporate governance
- Ensure our supply chain is ethical and sustainable
- Vigilance around data security and privacy

How shareholders benefit

- Consistent financial performance
- Disciplined capital management
- Strong corporate governance
- Ethical and responsible supply chain

Relevant UN Sustainable Development Goals

Delivering sustainable financial returns

Our long-term approach to investing, combined with disciplined capital management, has delivered long-term growth in sales revenue, profits and dividends.

Investing to grow

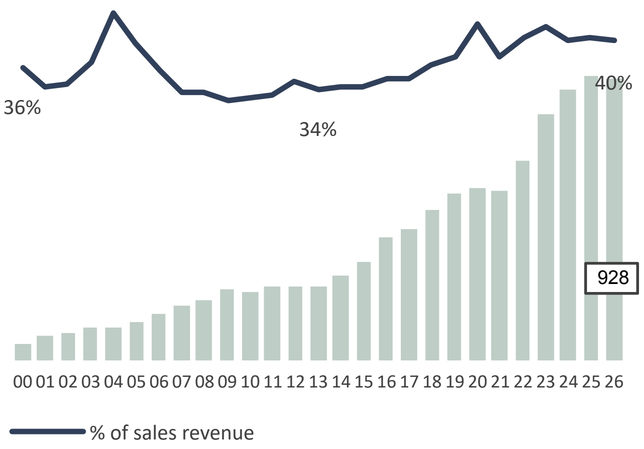
We take a long-term approach to investing and have consistently invested in growing the market for implantable solutions since listing in 1995.

Consistent investment in sales and marketing

Our investment in sales and marketing is building awareness of and access to implantable solutions and driving market growth.

Over the past few years, we have accelerated our investment in growth activities including direct-to-consumer marketing, standard of care initiatives and market access.

Operating expenses (excl R&D)
$million



Growing R&D capability

The investment in R&D continues to strengthen our leadership position through the development of market-leading technology.

We have a wide range of fully featured products and a broad patent portfolio that protects our intellectual property. Over $3 billion has been invested in R&D since listing and we target an annual R&D investment of 12% of sales revenue.

Balancing investment and margins

We will continue to invest operating cash flows into market growth activities with the objective of delivering consistent revenue and earnings growth over the long term.

Through disciplined investment, we are targeting an 18% net profit margin over the long-term, reinvesting any efficiency gains, currency or tax benefits into market growth activities.

Operational improvement

Disciplined capital investment and optimising cost of production strengthens our competitive position.

Disciplined use of capital

Since listing, operating cash flows have been primarily used to fund dividends, capital expenditure and acquisitions.

The dividend policy has been to target a payout 70% of underlying net profit as dividends to shareholders since FY00. Since listing, we have cumulatively paid out around 70% of operating cash flows as dividends.

Key acquisitions have been focused on building the core implant business and include:

- Demant's cochlear implant business (FY24);
- Sycle – hearing aid practice management software business (FY17);
- Otologics – implantable microphone technology (FY10);
- Brisbane manufacturing facility (FY07); and
- Entific – bone conduction implant business (FY05).

The innovation fund has invested around $170 million in companies with novel technologies that may, over the longer term, enhance or leverage our core technology. The innovation fund includes investments in Nyxoah, Precisis, Epiminder and Sensorion.

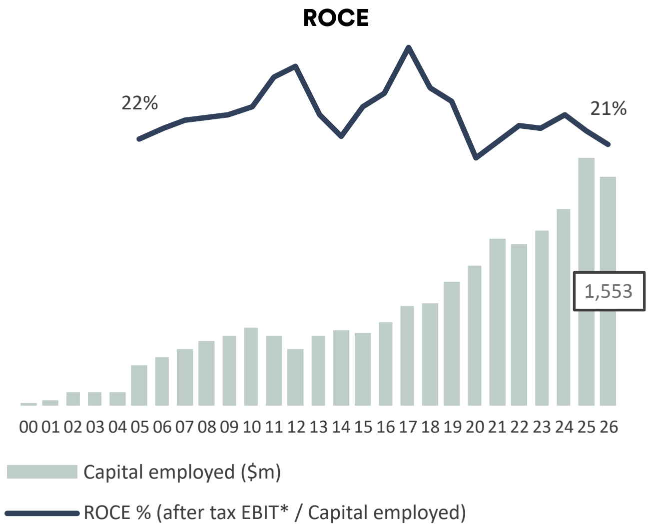
Strong financial position

Strong free cash flow generation provides funding for market growth activities and R&D as well as the ability to reward shareholders with a consistent dividend stream.

High return on capital employed (ROCE)

ROCE measures the cash return for each dollar invested in the business. We have a history of generating high ROCE reflecting our competitive position in the market and the high barriers to entry to the cochlear implant industry which have proven to be robust over many decades.

The high ROCE is also a function of the relatively low level of tangible assets employed by the business. Our competitive advantage is driven by our strong product and patent portfolio, a result of investment in R&D over many years, as well as customer knowledge and strong relationships. As R&D investment is expensed through the income statement, no value for this important asset is captured on the balance sheet.



Conservative balance sheet

We have a strong balance sheet, with over $180 million in net cash. We are a growth company that had, until FY20, been able to fund investing activities, dividends, capital expenditure and acquisitions whilst maintaining conservative gearing levels.

A capital raising in FY20 was made to enhance liquidity in response to the significant impact of an adverse litigation judgement combined with the impact of COVID on sales revenue.

Creating value responsibly

We recognise that high standards of corporate governance and transparency are important for the creation, maintenance and enhancement of long-term sustainable value.

The Board is committed to high standards of corporate governance practice and fostering a culture of compliance which values ethical, lawful and responsible behaviour, personal and corporate integrity, accountability, transparency and respect for others.

The Board and its committees regularly review the governance arrangements and practices to maintain compliance with regulatory requirements and industry practice and to ensure they continue to support business objectives.

Key aspects of our corporate governance framework and practices are set out in the Governance and Risk section of this Annual Report.

Our Global Code of Conduct describes our commitment to maintaining the high standard of conduct, business ethics and integrity required of all our people around the world in driving our business forward. We conduct mandatory training on the Global Code of Conduct for all employees on an annual basis.

Cyber security

Cochlear handles and stores personal information, including sensitive health data, relating to customers and employees. Data security is a core element of trust with stakeholders, particularly in the context of evolving global privacy and cybersecurity regulations.

Information technology systems and applications are designed with robust security controls aligned to recognised industry standards. Connected Care products are certified to ISO 27001:2022, the international standard for information security management, supporting the identification of emerging threats and the effective management of cyber risks.

A defence in depth approach to cybersecurity is applied, with multiple layers of protection implemented across systems and infrastructure. Employees are required to comply with established policies, standards and procedures to safeguard data and information technology assets. Security awareness training is delivered regularly to support informed and vigilant practices across the organisation.

Resilience is supported through crisis management, disaster recovery exercises, and incident response drills, alongside regular assessments conducted by independent third party specialists. Our AI Governance Council oversees the responsible and ethical use of artificial intelligence across the organisation.

The Chief Information Officer, a member of the Executive team, has accountability for information and cybersecurity programs. Oversight of the broader risk management framework, including technology and research and development related risks, is provided by the Audit and Risk Committee.

These measures support the protection of system integrity, uphold stakeholder trust, and enable digital infrastructure to contribute to long term, sustainable value creation.

Data privacy

At Cochlear, protecting personal information, including sensitive health data, is a core responsibility and a reflection of our values. Our commitment to privacy is embedded in our Global Code of Conduct, where we pledge to handle personal information in compliance with applicable laws.

This commitment is operationalised through our Global Privacy Program, which integrates privacy into every aspect of our business. We adopt a privacy-by-design approach in developing products and services, ensuring that personal information entrusted to us is kept secure from the outset.

Oversight of privacy matters is led by our Chief Privacy Officer, who heads the Global Privacy Office and is supported by staff globally.

As a multinational company, we operate in diverse jurisdictions with varying privacy laws. With many countries strengthening or introducing new regulations, we remain proactive in adapting to this evolving landscape. As digital technologies, including artificial intelligence, advance, we ensure that privacy considerations are central to the adoption of any new tools involving personal data.

Our Global Privacy Program is built on internationally recognised principles, promoting transparency and compliance in how we collect, use, and protect personal information. We strive to give individuals meaningful control over their data, including clear communication through our Global Privacy Notice and responsive handling of requests and complaints. To maintain a strong privacy culture, we conduct mandatory privacy training for all employees during onboarding, supplemented by targeted sessions and ongoing awareness activities. We also require third-party vendors who process personal data on our behalf to comply with relevant laws and Cochlear's privacy standards.

We take a proactive approach to identifying and addressing privacy risks. In the event of a data incident involving personal information, we conduct thorough investigations and take appropriate remedial action, including notifying affected individuals and regulators when required.

Importantly, over the past year, no data incidents involving personal information required reporting to regulatory authorities, reflecting the strength of our privacy safeguards and commitment to responsible data stewardship.

Tax transparency

We have a strong commitment to transparency and compliance from a regulatory and financial perspective and value the principles of being transparent with respect to tax strategy and compliance in Australia and globally.

We support robust tax systems built on the principles of integrity, transparency and sustainability and have published details of our taxes paid globally over ten years. Given our investment in Australian based R&D as well as our contribution to broad economic benefits for Australia, the majority of our corporate income tax is paid in Australia.

Our Tax Contribution Report details our tax strategy and tax governance, taxes paid globally and expenditure on R&D and is available on the website. The tax residency of Cochlear and its subsidiaries are included in the Consolidated Entity Disclosure Statement.

Sustainability approach

Julie,
Nucleus System recipient

Sustainability approach

Sustainability is integral to our business strategy, reflecting the importance of social, environmental and governance outcomes to our long-term success.

Our approach

Our sustainability approach is integrated across our business strategy and operations. It supports our focus on delivering positive social impact at individual and societal levels, while reducing our environmental footprint. It also supports our strategic priorities, risk management and performance improvement.

Our approach continues to be informed by our double materiality assessment and evolving business priorities, alongside established global frameworks including the Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals (SDGs), and the United Nations Global Compact (UNGC) Principles. We also monitor and respond to emerging regulatory requirements, including the Australian Sustainability Reporting Standard Climate-related Disclosures adopted by the Australian Accounting Standards Board (AASB S2), to support ongoing compliance and transparency.

We have been a signatory to the UNGC since 2022 and support the Ten Principles across human rights, labour, environment and anti-corruption.

Our contribution to the United Nations Sustainable Development Goals

We continue to support the United Nations Sustainable Development Goals, prioritising those most closely aligned with our business and mission. We align our efforts with SDG 3 (Good Health and Wellbeing), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 10 (Reduced Inequalities), and SDG 13 (Climate Action). These focus areas continue to guide our sustainability priorities and are reflected in our sustainability topics.

Bec, Cochlear Nucleus System recipient

Sustainability topics

Since 2022, we have conducted materiality assessments incorporating both impact and financial considerations. This process is reviewed annually to ensure it remains fit for purpose. In 2026, we reassessed our material topics to confirm their continued relevance to our business strategy, risk profile and stakeholder expectations.

This review considered internal priorities, external developments, stakeholder feedback, and changes in the regulatory environment. The outcome indicated that our existing material topics remain appropriate and continue to reflect our most significant sustainability matters.

Our approach to identifying and assessing material topics considers both:

- Impact materiality – the significance of our impacts on society and the environment
- Financial materiality – the potential financial risks and opportunities associated with sustainability matters

The table to the right outlines our key sustainability topics, and their contribution to the United Nations Sustainable Development Goals (SDGs).

Sustainability governance

Sustainability is managed through Cochlear's governance framework, supporting clear accountability and integration into business strategy, risk management and decision-making.

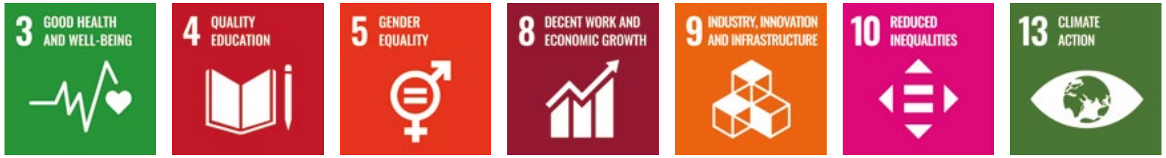
The Board oversees sustainability matters, supported by the Audit and Risk Committee (ARC), which reviews performance, risks and regulatory developments on a regular basis.

Management is responsible for implementing our sustainability strategy. The Executive Team oversees sustainability risks within their areas, supported by the Executive Risk Committee.

The Global Sustainability team, reporting through to the Chief Financial Officer, leads the development and coordination of our sustainability approach and external reporting, working closely with teams across the business.

Further details on our governance approach, including roles and responsibilities, are provided in the Sustainability Report, included in the Additional information section of this Annual Report.

Dimension	Cochlear material topic	Report section	SDGs
Social	Employee value proposition	Thriving people	4,5,9
	Diversity, equity and inclusion	Thriving people	5,8
	Product quality, safety and reliability	A lifetime of hearing solutions	3,9
	Access & affordability	A healthier and more productive society	3,4,8,10
	Customer-centric approach	A lifetime of hearing solutions	3,9
	Data privacy and cyber security	Sustained value	8,9
Environmental	Energy, emissions and climate resilience	Environmental responsibility	13
	Environmental impacts from products and services	Environmental responsibility	13
Governance	High standards of corporate governance practice	Our approach to governance	8,9,10
	Sustainability governance	Sustainability report	5,8,13
Cochlear specific topics	Research and innovation	A lifetime of hearing solutions	3,9
	Awareness and education	A healthier and more productive society, A lifetime of hearing solutions	3,9



Environmental responsibility

We manage our environmental impact across our operations, products and value chain, focusing on responsible resource use and reducing emissions.

In FY26, we are reporting our climate-related disclosures in accordance with the Australian Accounting Standards Board Sustainability Standard 2: Climate-related Disclosures (AASB S2) for the first time. These mandatory disclosures are set out in the Sustainability Report included in the Additional information section of this Annual Report and complement the voluntary information presented in this section.

Managing our emissions

We have voluntarily established medium and long-term Greenhouse Gas (GHG) emissions reduction targets aligned with climate science, reflecting our commitment to supporting the transition to a low-carbon economy.

2030	• Net-zero emissions in our operations (Scope 1 and 2)	On track
2050	• Net-zero emissions across our value chain (Scope 1, 2 and 3)	On track

Emission distribution

tCO_2-e

Scope 1 and 2 emissions

Improving energy efficiency and increasing the use of renewable energy remain key priorities to reduce reliance on fossil fuels.

These efforts support our pathway towards achieving net zero Scope 1 and 2 emissions by 2030, with a continued focus on reducing emissions at source and minimising reliance on offsets.

Our manufacturing sites account for the majority of our electricity use and Scope 1 and 2 emissions. Since 2019, we have achieved significant emissions reductions, driven primarily by our transition to renewable energy.

In FY26, we achieved 100% renewable electricity across our manufacturing sites. Renewable electricity continued to represent approximately 80% of total electricity consumption across our operations, and we continue to progress initiatives to expand renewable electricity use and improve energy efficiency across our global footprint.

Recent initiatives include enhancing energy performance at key sites and expanding on-site renewable energy generation. At our Sweden site, we reduced energy consumption by 13% compared to the previous year through upgrades to more energy-efficient lighting and heating systems. In Australia, solar panels at our Lane Cove and Brisbane manufacturing sites contribute to on-site energy generation, supporting overall energy efficiency.

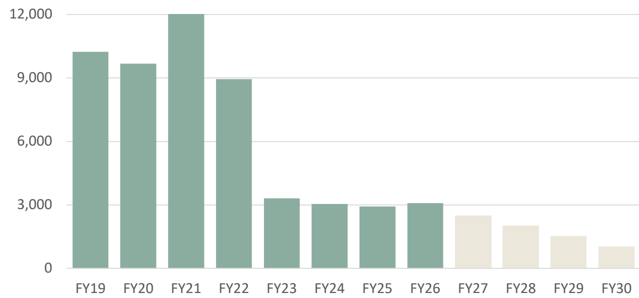
Renewable energy in our operations

~80%

Renewable energy use has remained stable at approximately 80% since FY23

Scope 1 and 2 emissions trajectory

tCO_2-e



Emissions trajectory aligned with our reduction target

Scope 3 emissions

In FY26, we are voluntarily disclosing our Scope 3 emissions. This disclosure is provided outside the scope of the AASB S2 and has not been externally assured.

Our Scope 3 inventory has been prepared in alignment with the Greenhouse Gas (GHG) Protocol. This is the second year of Scope 3 disclosure, with the same methodology applied to support consistency, comparability and transparency in our reporting. Of the 15 categories defined under the GHG Protocol, eight remain relevant to Cochlear's operations.

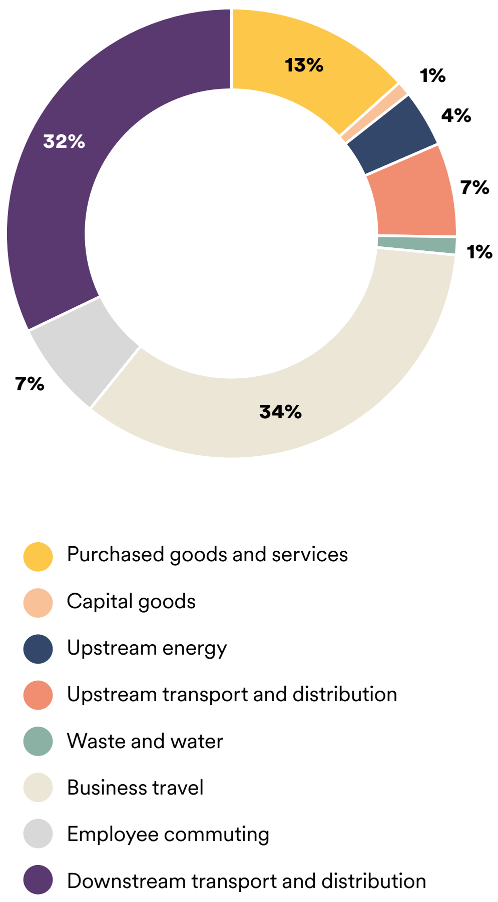
The profile of our Scope 3 emissions remained broadly consistent with the prior year, reflecting the nature and scale of our global operations and value chain. Total Scope 3 emissions increased by less than 1% compared to FY25 and remained broadly stable year-on-year.

Scope 3 emissions represent the majority of our overall emissions footprint. The most significant contributors continue to include business travel, distribution of products and purchased goods and services, highlighting the importance of supplier engagement and logistics optimisation in reducing emissions.

We have ongoing initiatives to reduce Scope 3 emissions, including improving logistics efficiency, optimising transportation routes and strengthening collaboration with suppliers and logistics partners. In FY26, we continued to reduce logistics emissions by supporting our freight partner's investment in Sustainable Aviation Fuel, delivering an approximate 10% emissions reduction for relevant shipments.

We continue to monitor our business travel emissions, with a focus on maintaining flight-related emissions below 50% of our 2019 baseline. In FY26, the number of flights per full-time equivalent employee decreased by 40% compared to 2019, and emissions remained 50% below the baseline, supported by the use of offsets.

FY26 Scope 3 emissions by category



Emissions and energy use

Since 2019, we have measured and tracked our emissions using the Greenhouse Gas (GHG) Protocol as a guiding framework.

In FY26, we continue to report our full Scope 1, 2 and 3 emissions, reflecting our approach to managing emissions across our operations and value chain. This information is provided on a voluntary basis to support transparency and demonstrate progress.

Scope 1

- Natural gas, gasoline, and refrigerants used across our operations.
- Scope 1 emissions increased in FY26 due to the inclusion of refrigerants. We continue to explore viable lower-emission alternatives.

Scope 2

- Purchased electricity for our manufacturing and other facilities.
- We have achieved a significant reduction in Scope 2 emissions compared to our FY19 baseline. FY26 reflects the application of a broader range of market-based data sources, consistent with the GHG Protocol Scope 2 Guidance.

Scope 3

- We report our Scope 3 emissions inventory in alignment with the GHG Protocol, covering emissions across our value chain since FY25.
- For FY24, Scope 3 reporting was limited to business flight emissions.
- Business flight emissions reduced by 50% compared to the FY19 baseline, primarily through reduced travel and supported by a limited use of certified carbon offsets. We used certified carbon credits generated from renewable energy and forest protection projects. The volume of carbon credits applied was 2,019 tCO_2-e in 2026.
- The number of flights per FTE has reduced by 40% in comparison to the FY19 baseline.

GHG emissions	FY26	FY25	FY24
Scope 1[1]	997	951	856
Scope 2 (location-based)[2]	13,103	13,591	13,503
Scope 2 (market-based)[3]	2,089	1,980	2,183
Total Scope 1 & 2 (market-based)	**3,086**	**2,931**	**3,040**
Scope 3 by category[4]			-
1. Purchased goods and services	8,941	9,980	-
2. Capital goods	696	865	-
3. Upstream energy	2,753	3,044	-
4. Upstream transport and distribution	4,524	4,405	-
5. Waste and water	866	816	-
6. Business travel[5]	22,961	25,303	14,418
7. Employee commuting	4,749	3,838	-
9. Downstream transport and distribution	21,533	18,364	-
Total Scope 3	**67,022**	**66,616**	**14,418**
Total Scope 1, 2 & 3 (market-based)	**70,108**	**69,547**	**17,458**
Emission intensity per unit	0.12	0.11	0.11
Emission intensity per mAUD	13	13	13
Energy	**2026**	**2025**	**2024**
Direct purchased electricity[6]	24,415	24,330	23,112
Direct purchased natural gas + petrol[7]	4,963	5,121	4,736
Total direct purchased energy	**29,378**	**29,451**	**27,847**
Energy intensity per unit	0.12	0.11	0.11
Energy intensity per mAUD	13	13	13

1. Includes emissions from gasoline used in owned cars and natural gas used in our operations. From FY26, fugitive emissions from refrigerant gases are also included.
2. Includes emissions from electricity consumption from our sites, calculated using the 'location-based' approach in accordance with the GHG Protocol scope 2 Guidance.
3. Includes emissions from electricity consumption from our sites, calculated using the 'market-based' approach in accordance with the GHG Protocol scope 2 Guidance using eligible contractual instruments, including Large-scale Generation Certificates (LGCs) and supplier-specific emission factors, where available. Residual mix factors are applied where applicable, and grid-average emission factors are used where market-based data is not available.
4. Full Scope 3 emissions disclosure was introduced in FY25.
5. For 2024, Scope 3 reporting was limited to business flight emissions.
6. Total electricity purchased, including non-renewable and renewable electricity.
7. Includes the volumes of natural gas and petrol consumed, converted to their energy equivalent amount in megawatt-hour.

Sustainable design and packaging

We integrate sustainability considerations into product development, packaging and logistics, with a focus on improving environmental performance while maintaining compliance with medical device regulations and protecting patient safety.
We continue to advance our approach to packaging, supported by a cross-functional working group and integration of environmental criteria in design decisions. This enables alignment with evolving regulatory requirements across our markets.
We are actively working to reduce the environmental impact of packaging materials and processes, including the use of compostable PaperFoam and recyclable packaging across a growing number of products.
The Nucleus Nexa System packaging uses a recyclable, paper-based design that reduces plastic and waste while maintaining the high level of product protection required to safely and securely deliver sound processor activation kits.
We are also reducing plastic use in transport packaging by replacing bubble wrap with paper-based fillers in shipping boxes, supporting our broader objective to improve resource efficiency and reduce waste.

Life Cycle Assessment

We have conducted a Life Cycle Assessment (LCA) of the Cochlear® Nucleus® 8 Sound Processor using a science-based modelling tool. The LCA assesses environmental impacts across all stages of the product's life cycle and informs decision-making in product design and development.

Most lifecycle emissions are associated with manufacturing energy use, making energy efficiency and energy sourcing key levers for emissions reduction across manufacturing operations.

The key conclusions are summarised below.

Area	Conclusion
Carbon emissions	Energy use is the primary driver of emissions, with renewable electricity contributing to a lower overall emissions footprint.
Batteries and magnets	Emissions associated with batteries and magnets are comparatively higher, highlighting opportunities to improve efficiency and explore reuse where feasible.
Waste	Waste impacts are relatively low due to the small size of the products and arise primarily from manufacturing processes and component materials.

Nucleus Nexa System Packaging

Environmental management

We have reviewed and updated our Environmental Policy to reflect our current focus areas, commitments and governance. The policy sets out our approach to managing environmental impacts across our operations and value chain.

Working with partners and suppliers, we monitor environmental performance and define environmental objectives and initiatives to support compliance and continuous improvement.

Further information is available in our Environmental Policy on our website.

Resource efficiency

We are committed to improving resource efficiency, reducing waste and advancing circularity across our operations.

We continue to expand digital labelling initiatives, reducing reliance on printed materials and associated packaging. This transition supports material efficiency and reduces waste across product distribution.

We are also working to minimise waste through improved segregation and recycling practices across our sites, supported by employee awareness and engagement.

Water use in our production processes remains limited, and we continue to identify opportunities to use water efficiently.

Environmental compliance

We comply with environmental regulations and standards across all regions in which we operate. Our products and processes are designed to meet applicable requirements, including the safe use of materials, chemical management, waste reduction and environmentally conscious design.

We continue to strengthen our approach to environmental compliance to align with evolving regulatory requirements across key markets, supporting responsible manufacturing and minimising environmental impact across the product lifecycle.

In FY26, we completed the refurbishment of our Sweden site to support continued business growth, enhance employee wellbeing and improve operational efficiency. Delivered in phases to enable ongoing operations, the project upgraded office spaces, laboratories, collaboration areas and employee facilities, creating a modern and flexible workplace that supports both focused work and global collaboration.

A key focus of the project was improving resource efficiency and minimising environmental impact through a circular approach to design and procurement. Existing materials were repurposed wherever possible and preowned furnishings were sourced, supported by initiatives such as improved lighting efficiency, upgraded heating systems and enhanced waste sorting. Together, these efforts reduced energy use and material consumption while maintaining functionality and comfort across the site.

Cochlear Manufacturing

Collaboration area at our Sweden site

Responsible practices

Responsible supply chain

We maintain a robust framework of policies, procedures and processes to manage risks relating to human rights, labour practices, corporate governance, safety and wellbeing, and environmental sustainability across our supply chain. Our Modern Slavery Statement and Supplier Code of Conduct, available on our website, outline our approach and the standards we expect from all suppliers.

Our cross functional Responsible Supply Chain Working Group meets regularly to identify opportunities for improvement, respond to emerging risks and monitor progress. During FY26, the group continued to strengthen our approach in response to evolving global expectations and regulatory developments, including enhancements to supplier risk assessments and due diligence processes.

We continued to implement supplier due diligence assessments to support sustainable and ethical procurement, with no suppliers requiring mitigation action plans during the period. We also progressed initiatives to broaden our supplier base and generate social value through our procurement activities, including continued engagement with First Nations suppliers. In FY26, our spending with First Nations suppliers generated over $4.6 million in social value (as calculated by Supply Nation, provider of verified Australian Indigenous businesses).

As a signatory to the voluntary Business Council of Australia Supplier Code, we aim to pay eligible Australian small businesses within 30 days of receiving correct invoices. We continue to strengthen our systems and processes to support timely payments and improve outcomes for small business suppliers.

Animal welfare

As a medical device manufacturer, we are required to demonstrate and document both safety and efficacy of our products in accordance with relevant regulations, guidelines and international standards.

Where an assessment of biological safety is required, we initially leverage chemical characterisation based on risk assessment of existing data. If regulators deem this insufficient then, we subcontract those animal studies, that are explicitly mandated by the regulations or guidelines to experienced and accredited contract research organisations.

Our Animal Ethics Policy outlines the core ethical principles in the respectful and humane use of animal subjects when required to be used in product development and research projects. The Cochlear Animal Ethics Committee oversees the implementation of the policy and ensures adherence to the highest standards of animal welfare and ethical conduct.

We strictly apply the internationally recognised 3R principles – Replacement, Reduction, Refinement – and only conduct animal testing when explicitly required by law, regulation or where in vitro biological and chemical tests, computer modelling, cadaveric temporal bone analyses and other non-invasive methods are insufficient.

Please refer to our Animal Ethics Policy for more details, which is available on the website.

Cochlear's Supplier Code of Conduct, and Global Code of Conduct

Public policy engagement

We engage with key stakeholders to help shape public policy outcomes that support patient access to care, public health and our business operating environment. Through optimising public policy we can better serve patients, healthcare professionals and other customers, along with our representatives and communities.

Cochlear maintained memberships with a broad range of industry associations, business councils, chambers of commerce and other organisations across multiple countries where Cochlear operates. These memberships provide opportunities to contribute to policy discussions, share industry perspectives and stay informed of developments relevant to our business and stakeholders.

During FY26, we continued to strengthen our policy engagement capability across major markets through targeted engagement with government stakeholders, industry associations, and clinical partners.

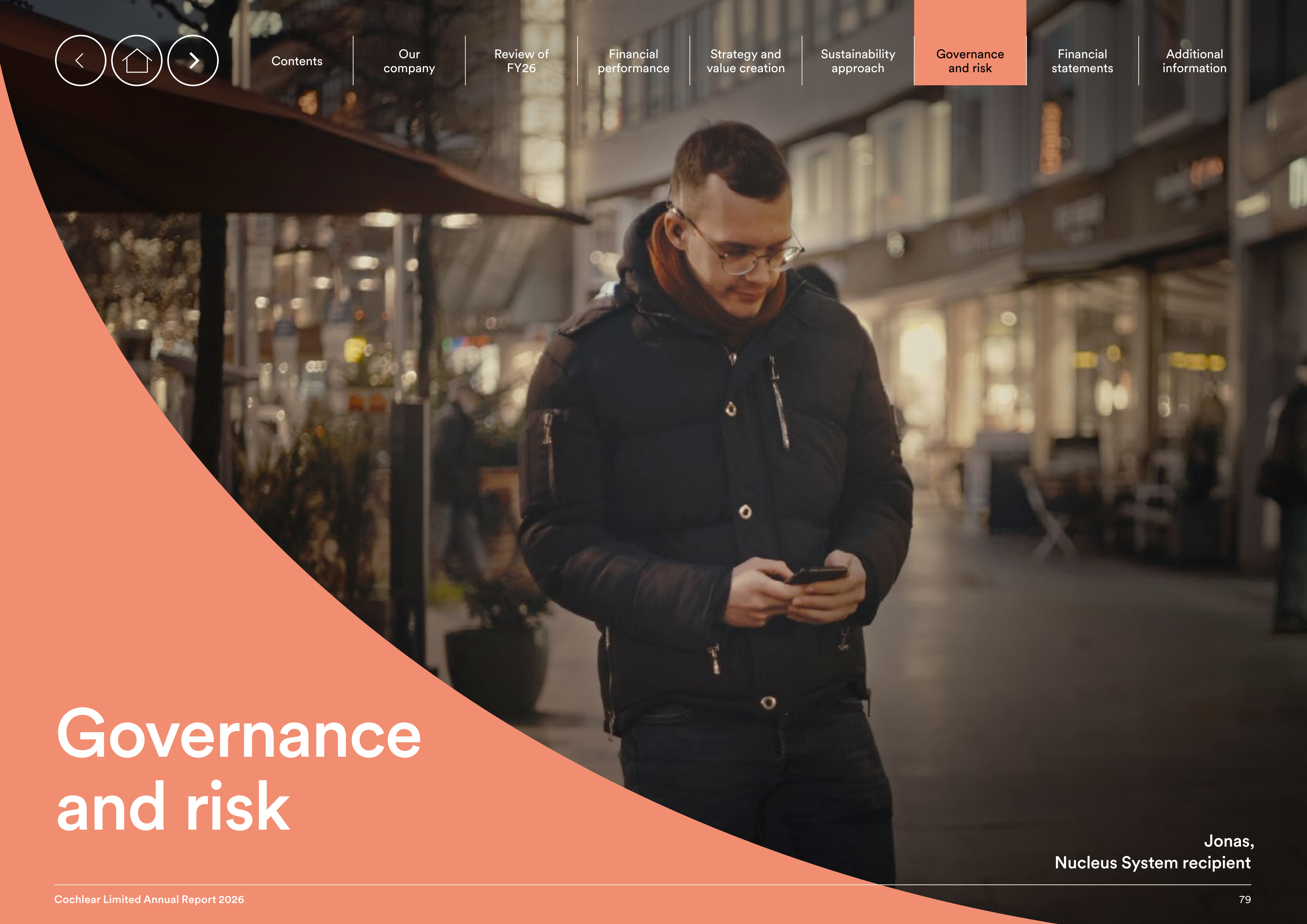
Cochlear hosted the Australian Prime Minister at our manufacturing site in China, where delegates observed a recipient activation and discussed policy matters relating to medical technology innovation. Cochlear also engaged extensively with the independent panel that developed the ‘Ambitious Australia’ report, which informed changes to research and development incentives. Further, through co-chairing the AusBiotech Policy Advisory Group, Cochlear is advancing industry positions aimed at strengthening Australia’s competitiveness in medical technology innovation and manufacturing.

In the United States, Cochlear supported initiatives to elevate hearing care as a public health priority. On World Hearing Day, Cochlear partnered with the Hearing Loss Association of America and the American Cochlear Implant Alliance to bring together government leaders, patient advocates, and professional societies to promote hearing loss awareness, diagnosis, and treatment. Cochlear also engaged with US government officials on trade matters that support affordable patient access.

In France, Cochlear supported the publication of a White Paper on severe to profound hearing loss in adults, outlining barriers to access and recommendations to improve care.

In Japan, Cochlear participated in collaborative initiatives focused on hearing healthcare access, early intervention and the sharing of clinical expertise. These included a bilateral programme involving The Shepherd Centre, Macquarie University and Cochlear, as well as a multi-stakeholder project to develop evidence-based recommendations to improve hearing healthcare access.

CEO Dig Howitt participating in the Power of Speech held at the Australian Pavillion in Osaka, Japan



Governance and risk

Jonas,
Nucleus System recipient

Our approach to Corporate Governance

High standards of corporate governance and transparency are fundamental to the sustainable, long-term success of our business. Cochlear's strong governance framework provides a solid structure for effective and responsible decision-making.

The Board is committed to maintaining high standards of effective corporate governance arrangements to help create, protect and enhance shareholder value, while taking into account the interests of other stakeholders, including employees, customers, suppliers and the wider community.

The Board considers that Cochlear's corporate governance practices have been consistent with the recommendations contained in the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles) throughout the reporting period from 1 July 2025 to 30 June 2026 (Reporting Period).

This Corporate Governance Statement sets out the corporate governance framework currently in place at Cochlear, is current as at 18 August 2026 and has been approved by the Board.

More information on Cochlear and our corporate governance, including Company policies as well as the Board and Committee Charters, is available on our website: www.cochlear.com.

Governance framework

Our Board is structured to add value

Cochlear is committed to maintaining a Board comprising directors with the appropriate mix of skills, experience, knowledge, expertise and diversity required to oversee the business.

The role of the Board

The role of the Board is to demonstrate leadership, provide overall strategic guidance and effective oversight of management in implementing Cochlear's objectives and instilling its values.

The Board Charter sets out the Board's role and responsibilities, and describes those matters expressly reserved for the Board's determination. The Board's responsibilities include:

- setting Cochlear's strategic direction and providing input into management developed corporate strategy, strategic objectives and operating budget;
- developing and approving succession plans for the CEO & President and overseeing succession planning for the Executive team;
- satisfying itself that Cochlear's remuneration framework is aligned with the Company's purpose, values, strategic objectives and risk appetite;
- reviewing and approving the risk appetite within which the Board expects Cochlear to operate and monitoring the effectiveness of systems of risk management, internal control and compliance;
- overseeing the implementation of Cochlear's sustainability strategy and integration of sustainability into business strategy and operations;
- making decisions in relation to matters of a significant or extraordinary nature, including major capital expenditure, acquisitions, divestments and litigation; and
- approving Cochlear's interim and annual reports and financial statements, and overseeing management processes aimed at ensuring the integrity of Cochlear's financial and other reporting systems.

The Board reviews and updates its Charter periodically so that the role, responsibilities and accountabilities of the Board remain appropriate and reflect a high standard of corporate governance. The Board Charter was reviewed and updated this Reporting Period.

The CEO & President has responsibility for the day-to-day management of Cochlear and is supported in this function by the Executive team. The CEO & President is accountable to the Board and the Board monitors the decisions and actions of the CEO & President and the Group's progress on achieving the short, medium and long-term objectives as set by the Board.

Board meetings

The Board meets for at least ten scheduled meetings each year. Other meetings are called as and when necessary. A summary of Board and committee meeting attendance for FY26 is set out on page 129.

In addition to the scheduled Board meetings each year, the Board has frequent interactions across the Company in different jurisdictions, through site visits and out of cycle sessions with our leaders on topical areas relevant to our global business. In FY26, a multi-day Board strategy session was held as well as a Board meeting held offshore. The offshore Board meeting was part of a broader week long Board trip to provide detailed local and regional reviews and engagement with offshore employees, customers and recipients.

Members of the Board

The Board is comprised of eight independent Non-executive Directors and the CEO & President, who is an Executive Director.

A description of each Board member's tenure, qualifications and experience is set out in their respective biography on pages 94 to 98.

Chair of the Board

The Chair is elected from the independent Non-executive Directors. The role of the Chair includes:

- leading the Board in the performance of its duties;
- facilitating the effective contribution of all Directors;
- promoting constructive and respectful relations between Directors and between the Board and management; and
- setting the Board's agenda and ensuring adequate time is available for discussion of all agenda items, and in particular strategic issues.

Board experience and skills

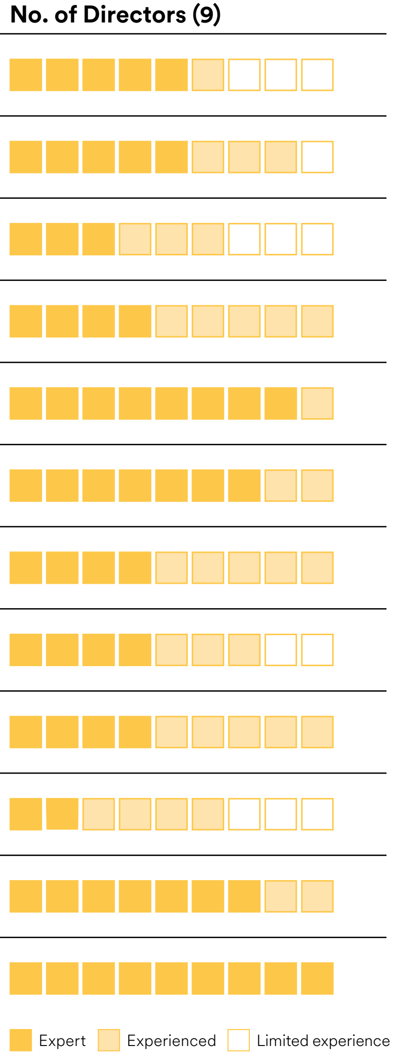
The Board believes that its membership should comprise directors with an appropriate mix and diversity of skills, professional experience, knowledge and expertise that allows the directors individually, and the Board collectively, to effectively discharge their responsibilities and duties.

The Cochlear Board Skills Matrix, on page 82, sets out the mix of skills represented on the Board. The Nomination Committee considers that the Board currently has an appropriate mix of skills, experience, knowledge and expertise.

Board skills matrix

The Board skills matrix sets out the mix of skills that the Board currently has in its membership and is reviewed annually to ensure the prescribed skills address our strategy and operating environment. It is also used to guide the identification of potential director candidates as part of the ongoing Board renewal process and professional development initiatives for existing directors. The Board's collective knowledge is supplemented by briefings from management as well as internal and external subject matter experts, including on topics such as sustainability.

Skills	
Medical device industry	Capability to oversee product commercialisation by applying a deep understanding of the medical device industry.
Healthcare industry	Competency in the healthcare industry including international health systems and medical science. Ability to influence public policy development in healthcare.
Research and development	Ability to develop product innovation to drive long-term business growth through strategic investment in research and development activities.
Technology and digital expertise	Ability to leverage new technologies, innovation processes and digital services to drive growth, realise scale benefits and enhance the customer experience.
Strategy	Ability to develop and implement successful strategies.
Global perspective	Ability to manage and oversee an organisation's business and strategic objectives from an international perspective.
Financial acumen	Ability to understand and analyse financial statements to assess financial performance and probe the adequacies of internal financial and risk controls. Understanding capital management and capital markets.
Public policy and regulatory affairs	Ability to manage the implications of public and regulatory policy on product development and commercialisation. Ability to influence public policy development.
Risk management	Ability to identify and manage key risks to an organisation to ensure the delivery of long-term value to shareholders.
Sustainability	Understanding of potential risks and opportunities that may arise from a sustainability (including environment and climate) perspective within a large business enterprise.
Governance	Commitment to the highest standards of governance. Ability to assess the effectiveness of process and procedures, and to manage legal, compliance and reputational risks.
People and culture	Understanding of remuneration practices and frameworks. Ability to attract talent, oversee talent management and retention initiatives and develop succession plans. Ability to set and oversee corporate culture ('tone from the top').



Non-executive Director appointment and election

The Board adopts a structured and rigorous approach to Board succession planning. The Board regularly evaluates and reviews its succession plan and planning process to support the progressive and orderly renewal of Board membership.

In selecting potential new directors, the Nomination Committee considers the Board Skills Matrix, as set out on page 82, as part of assessing the range of skills and experience required to enable the Board to fulfil its responsibilities into the future.

A Non-executive Director appointed to the Board must stand for election at the Company's next Annual General Meeting (AGM). Cochlear provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

New Non-executive Directors receive a letter of appointment that sets out the terms of their appointment as well as a deed of access and indemnity.

The Board has continued to implement and deliver on its orderly renewal process during the Reporting Period, with Richard Freudenstein appointed as a Non-executive Director on 25 August 2025 and Glen Boreham's retirement from the Board at the end of our 2025 AGM on 23 October 2025.

Director independence

All directors are expected to bring an impartial judgement to bear on Board decisions and are subject to the Board's policy regarding management of conflicts of interest, as well as requirements under common law and the Corporations Act 2001 (Cth) (Corporations Act).

The Board formally assesses director independence annually.

The Board Charter outlines how Cochlear determines the independence of Directors. The matters to be considered include the factors set out in the ASX Principles, as well as other facts, information and circumstances that the Board considers relevant.

The Board has determined that each Non-executive Director was independent throughout the Reporting Period.

The term in office of each director is disclosed on pages 94 to 98.

Induction and development

New Non-executive Directors participate in a comprehensive induction program. The program includes the provision of briefing materials, online and face-to-face product training, one-on-one meetings with the CEO & President and the Executive team and visits to key functional areas.

Directors are expected to maintain the skills required to discharge their obligations to the Company and are encouraged to undertake continuing professional development training.

Directors periodically undertake site visits to Cochlear's operations overseas and in Australia to assist the directors in maintaining an appropriate level of knowledge of the operations of the Company. These visits, undertaken either by the full Board or by groups of Directors, include interactions with recipients, customers and employees and result in a deeper understanding of our key markets. The directors visited Cochlear's operations in the US, EMEA and Australia during this Reporting Period.

In addition, directors may also approach the Chair with requests to pursue learning related to the fulfilment of Board and Board committee duties, such as attendance at conferences.

The Nomination Committee periodically reviews ways in which the skills, experience and expertise levels of existing directors can be enhanced through learning and continuing professional development. Recognising the importance of providing continuing education, directors take part in a range of training and continuing education programs which are conducted by internal and external experts. Topics delivered this Reporting Period under the education program include continuous disclosure, WH&S due diligence obligations of directors and officers, climate disclosure, geopolitical outlook, US healthcare system changes and medical technology innovation.

Background checks

Before any potential candidate is appointed as a member of the Executive team or director, or recommended to shareholders as a candidate for election as a director, appropriate background checks are performed including as to the person's criminal record, bankruptcy history, character, experience and education.

Access to information and independent advice

The Board has access to company records and management as required and may seek independent professional advice at the expense of Cochlear whenever the Board judges such advice to be necessary for its members to discharge their responsibilities as directors.

Individual directors have the right to seek independent legal or other professional advice at the expense of Cochlear subject to prior consultation with the Chair. If appropriate, a copy of the advice and all accompanying material is then made available to the Board.

The Board receives from the Company Secretary copies of all material market announcements promptly after they have been made.

The role of the Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board and Board committees. All directors have access to the services and advice of the Company Secretary.

In accordance with the Company's constitution, the appointment and removal of the Company Secretary is a matter for the Board as a whole. Details of the Company Secretaries are set out in the Directors' Report on page 129.

Board committees

Cochlear has adopted a Board committee structure as part of our Governance Framework as set out in the diagram on page 80. Each Board committee has an independent director as its Chair and comprises at least three members, majority of whom are independent directors. The chairmanship and membership of each committee as at the end of the Reporting Period were as follows:

Audit and Risk Committee	Medical Science Committee	People and Culture Committee	Product and Services Innovation Committee	Nomination Committee
Members				
Karen Penrose (Chair) Sir Michael Daniell, KNZM Christine McLoughlin, AM Prof Bruce Robinson, AC	Prof Bruce Robinson, AC (Chair) Sir Michael Daniell, KNZM Michael del Prado Dig Howitt	Christine McLoughlin, AM (Chair) Caroline Clarke Richard Freudenstein Karen Penrose Michael del Prado	Sir Michael Daniell, KNZM (Chair) Caroline Clarke Richard Freudenstein Christine McLoughlin, AM Karen Penrose Michael del Prado Prof Bruce Robinson, AC Dig Howitt	Alison Deans (Chair) Caroline Clarke Richard Freudenstein Sir Michael Daniell, KNZM Christine McLoughlin, AM Karen Penrose Michael del Prado Prof Bruce Robinson, AC
Responsibilities include:				
• Review financial statements, and financial and corporate reporting and disclosure processes • Approve the scope of the external audit engagement and review external auditor performance • Review the independence, performance and resourcing of the internal audit function • Review and approve the sustainability strategy and targets and oversee the effectiveness of the sustainability framework and program • Review and oversee management's implementation of Cochlear's risk management framework • Monitor the adequacy of the internal control framework and main compliance and governance policies and programs • Review and approve Group Treasury strategy and Tax Risk Management and Governance Framework, and monitor compliance	• Oversee the implementation of Cochlear's clinical strategy and its alignment with Cochlear's corporate strategy • The responsibility above includes clinical studies, literature research and the dissemination of evidence to support the adoption of Cochlear technologies and establish better standards of care for hearing loss • Oversee management's response and compliance processes to medical device regulatory requirements and standards • Monitor and review management's implementation and resourcing of Cochlear's quality management systems • Monitor medical science related risks associated with Cochlear's activities and provide input to the Audit & Risk Committee to inform oversight and annual review of Cochlear's Risk Management Framework • Receive annual reports on animal ethics governance and policy compliance	• Monitor organisational culture, and review strategies and activities which shape culture, having regard to Cochlear's purpose and values • Review and approve principles and policies in relation to talent management and performance, and review and monitor succession planning for senior executives • Monitor the implementation and effectiveness of Cochlear's remuneration framework and oversee the administration of equity incentive plans • Review and approve performance objectives, remuneration outcomes and incentive arrangements for senior executives, with recommendations to the Board regarding those matters for the CEO & President • Review and recommend Board and Committee fee structures and remuneration arrangements • Oversee remuneration-related disclosures and review and recommend to the Board the Remuneration report • Approve and monitor the Equal Opportunity Policy and measurable objectives under the ASX Principles • Review the effectiveness of workplace health and safety strategies	• Oversee the strategy and implementation of Cochlear's product and services innovation, strategic investments and adjacent therapies and its alignment with Cochlear's corporate strategy • Oversee Cochlear's Research and Development Program, Research and Development capability development and intellectual property strategy and portfolio • Receive periodic updates on developments in relevant technologies and clinical fields, the competitive landscape and advancements that may improve patient outcomes • Monitor risks associated with the product and services research and development aspects of Cochlear's business and provide input to the Audit and Risk Committee, to inform oversight and annual review of Cochlear's Risk Management Framework	• Review and approve changes to the Board Skills Matrix and periodically review and advise the Board on the size and composition of the Board, having regard to the Matrix and mix of expertise, skills, knowledge and diversity • Establish processes and conduct searches for suitable Board candidates and recommend to the Board candidates for appointment, re-election or removal • Establish processes for the development and review of Board and Chair succession plans • Establish and oversee Board, committee and individual director performance evaluation processes • Review annually the independence of each Non-executive Director • Oversee that Director induction and professional development programs are in place and periodically review its effectiveness

Equal opportunity

As a global business, we recognise and value the unique contributions, perspectives, backgrounds and experiences of all employees. Cochlear is committed to building a culture that celebrates and leverages these differences.

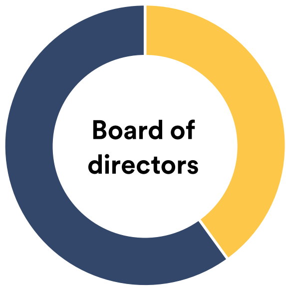
The following measurable objectives for 2026 were approved in late 2025 by the People and Culture Committee[1]:

- Maintain minimum 30% female representation in Board composition, with an aspiration of 40%;
- Maintain minimum 40% female representation in Senior Leadership roles[2];
- Achieve minimum 40% female representation in Vice President (or equivalent) roles[3] by FY26;
- Maintain gender balance in the broader workforce of 40/40/20; and
- Continue to improve female representation at Executive Team level (no explicit target set).

The progress towards achieving the measurable objectives is set out on this page, and does not include data related to our US-based employee population. We are committed to providing an inclusive workplace as well as being mindful of, and responding to, the external regulatory environment in which we operate.

Cochlear's workplace profile

The below summary of Cochlear's workplace profile shows the percentage of females by employment category as of 30 June 2026.

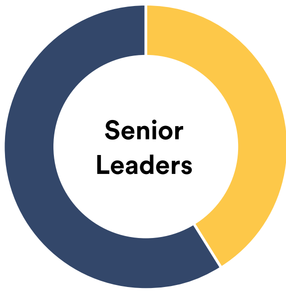


Board of directors

30 June 2024	38%
30 June 2025	44%
30 June 2026	**44%**

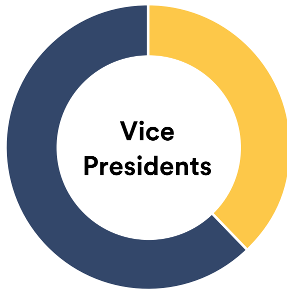
All employees[4]

30 June 2024	48%
30 June 2025	48%
30 June 2026	**49%**



Senior Leaders[4]

30 June 2024	39%
30 June 2025	40%
30 June 2026	**41%**



Vice Presidents (or equivalent)[4]

30 June 2024	37%
30 June 2025	39%
30 June 2026	**38%**

1. US-based employees are not included in the 2026 data set. Any future measurable objectives set will take into consideration the external regulatory environment.
2. For the purposes of this Statement, Senior Leadership and Senior Leaders refer to all employees in Bands 1, 2 and 3, the three most senior levels of roles within the Company, with Band 1 being the Executive Team. We have 10 Executive Team members based in Australia and UK, with 30% female.
3. These are the Senior Leaders two levels below CEO or direct reports to the Executive Team.
4. Excludes US-based employee data.

Performance evaluation and remuneration

Remuneration

The Board is responsible for Cochlear's remuneration strategy and policy. Cochlear has disclosed its policies and practices regarding the remuneration of directors and executives in the Remuneration report on pages 105 to 127.

It is the Company's policy that participants in the Cochlear Equity Incentive Plan (CEIP) are not permitted to enter into transactions to limit the economic risk of participating in the CEIP. Our Trading Policy and the CEIP documents include provisions to reflect this position.

Board performance evaluation

The Board (with assistance, where necessary or appropriate, from external consultants) regularly carries out a review of the performance of the Board, its committees, and each director. A detailed and externally facilitated Board review was undertaken during the Reporting Period. This involved the external facilitator holding individual discussions with each Director and Executive as well as seeking additional feedback and input from Directors and Executives through questionnaires.

The review assesses Board effectiveness across a range of areas, including strategic alignment and engagement, composition and structure, operating processes and practices, culture and dynamics, relationship with management, and individual director contribution.

The Board establishes the procedures for and oversees the assessment program. The results and any key opportunities following the assessment are documented, together with actions to be undertaken in response to those areas for development.

The Board also undertakes regular reviews of its structure and composition, to manage retirements and succession planning in an orderly way and to ensure the Board continues to have the appropriate mix of skills and experience.

Executive performance evaluation

The CEO & President and each member of the Executive team has a written contract with the Company, setting out the terms of their appointment or employment (as applicable) including details of their role, responsibilities, remuneration and their disclosure/compliance obligations.

All employees, including members of the Executive team, participate in annual performance reviews, where achievement of key goals is assessed and future goals are agreed upon. The Chair facilitates the performance evaluation of the CEO & President with ultimate oversight by the Board.

A performance evaluation for the CEO & President and the Executive team took place during the Reporting Period and was carried out in accordance with the above process.

Lawful, ethical and responsible behaviour

Our Company values – as demonstrated through our Global Code of Conduct and our global HEAR behaviours – guide us on our expected behaviours. Our governance policies play a vital role in guiding decision-making and conduct across Cochlear.

Our values and HEAR Behaviours

Our values are the core principles and beliefs that guide our decision-making, behaviour and interactions within our organisation. At our core, we value:

- **Respect:** We value all individuals, regardless of background or beliefs.
- **Integrity:** We are honest, ethical and fact-based.
- **Accountability:** We own our responsibilities, actions and outcomes.

Our HEAR behaviours are integral to the way we behave, our Company's culture and how we do business by providing a framework for working and interacting together.

Further information about our values, the four pillars of our HEAR behaviours and the micro behaviours of each pillar can be found on page 54.

Our Governance Policies

Global Code of Conduct

Cochlear is committed to acting lawfully, ethically and responsibly, wherever we operate around the world.

This commitment is reflected in our Global Code of Conduct (Code), which applies to all our employees, officers and directors, contracted staff, contractors, consultants and third parties that conduct business for or on behalf of Cochlear. The Code sets out our behavioural expectations in relation to anti-bribery and corruption, as well as other compliance obligations such as insider trading, competition and consumer laws, human rights, environmental sustainability, conflicts of interest and privacy.

The Code is available on the Company's website in English and other languages relevant for our global business.

Any material breaches of the Code, including bribery or corruption, are reported to the Audit and Risk Committee.

Whistleblower Protection Policy

The Whistleblower Protection Policy empowers eligible persons to report any suspected or actual misconduct in relation to Cochlear. The Cochlear Whistleblower Service is available anywhere in the world, in multiple languages, 24 hours a day and 7 days a week. The Whistleblower Protection Policy is available on the Company's website in English and other languages relevant for our global business.

All material incidents reported under the Whistleblower Protection Policy are reported to the Audit and Risk Committee.

Continuous Disclosure Policy

Cochlear has obligations under the Corporations Act and ASX Listing Rules to provide shareholders and the market generally with timely, direct and equal access to information which may have a material effect on the price or value of its securities.

Cochlear's policy is to strictly comply with these requirements as set out in our Continuous Disclosure Policy.

Trading Policy

Cochlear's Trading Policy is an important tool in managing the risks associated with dealings in securities. The Policy helps to protect Cochlear's reputation and assists our people in complying with the laws against insider trading.

Equal Opportunity Policy

The Equal Opportunity Policy sets out Cochlear's commitment to cultivating an inclusive workplace culture and valuing the unique contributions, perspectives, experiences and backgrounds of all employees.

Supplier Code of Conduct

The Supplier Code of Conduct outlines the standards of behaviour we require our suppliers to maintain in relation to human rights, corporate governance, ethics, safety and environmental sustainability. Cochlear will work with our suppliers to encourage compliance with the standards outlined in the code.

Copies of our Governance Policies are available in the 'Investors' section of our website, www.cochlear.com

Shareholder engagement and corporate reporting

Shareholder engagement

Communications with shareholders

Shareholders and other stakeholders are informed of material matters affecting the Company through ASX announcements and the 'Investors' section of our website contains a range of useful information, including a dedicated section on 'Shareholder communications'. Shareholders have the option to receive communications from, and send communications to, the Company and its share registry electronically.

Information most likely to be of interest to shareholders is available under the 'Investors' section of our website and includes the Company's published reports, presentations and webcasts, shareholder meeting details, company policies and material ASX announcements.

Investor relations program

We have an investor relations program designed to facilitate effective two-way communications with analysts, investors, proxy advisors and the media. This includes regular briefings at interim and full year results announcement, investor days held periodically, and separate one-on-one and/or small group meetings when requested and in compliance with our governance parameters.

The Company will not disclose any information in discussions with analysts and investors that may have a material effect on the price or value of the Company's securities unless such information has already been announced to the ASX. Any new and substantive investor or analyst presentations are released on the ASX Market Announcements Platform ahead of the presentation and following which, are also made available on our website.

Annual General Meeting

Cochlear is committed to facilitating shareholder participation in shareholder meetings, and to respectfully dealing with shareholder inquiries. Our 2025 AGM was held as a hybrid meeting offering shareholders a choice to either attend the AGM in person or online. All resolutions put to the AGM are voted on by poll.

The Company provides a forum to address individual shareholders' questions at each AGM. In addition to attending the AGM, shareholders may view a webcast of the AGM online. Shareholders who are unable to attend the AGM are able to submit questions and comments to Cochlear in advance of the meeting. Where appropriate, questions submitted will be answered at the AGM.

Corporate reporting

Integrity of disclosures in periodic reports

Cochlear has an internal verification and approval process to support the integrity of the information being disclosed to the market in periodic corporate reports which are not required to be audited or reviewed by our external auditor. The specific process for each periodic corporate report will vary depending on the particular release but may generally involve:

- the individuals with responsibility for the information:
  - validating key information back to the source;
  - confirming to the best of their knowledge and belief that the information is accurate and not misleading;
- the review of the report or document by relevant internal subject matter experts (and in some cases our external advisers); and
- the review by and confirmation from the individual responsible for the corporate report that it is appropriate for release.

Periodic corporate reports released to the market may also, depending on the report, be required to be approved by the Board, the Audit and Risk Committee or the People and Culture Committee.

Assurances by management

Before approving the financial statements for each full year and half year, the Board receives from the CEO & President and Chief Financial Officer a declaration that, in their opinion, Cochlear's financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of Cochlear's financial position and performance and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. Also included in that declaration are confirmations and assurances to support the Board in its approval of the Sustainability report.

Risk management and assurance

Cochlear is committed to the identification, monitoring and management of material financial and non-financial risks associated with its business activities.

Risk management oversight

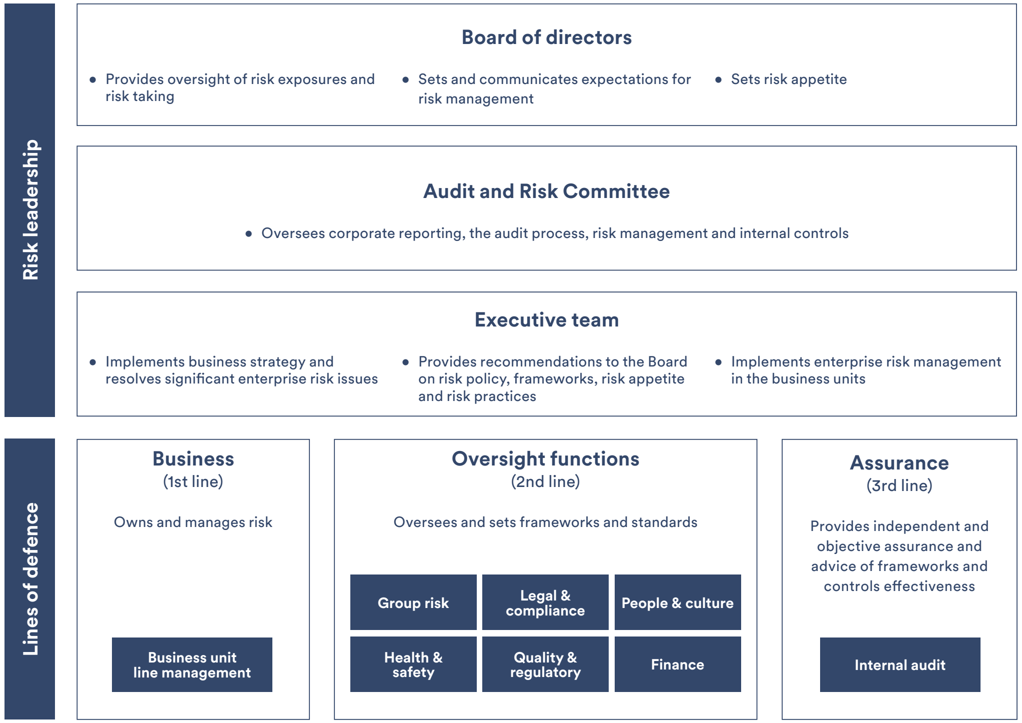
The Board sets Cochlear's appetite for risk and oversees the framework and practices used by management to govern risk across the group. The Board approves Cochlear's Risk Appetite Statements and receives reporting on material risk exposures, including risks that approach or exceed approved appetite and tolerance levels.

All employees are responsible for managing risks within their areas of responsibility and expertise. Senior leadership reinforce and model the behaviours required to maintain a sound risk culture, including transparency, constructive challenge and timely escalation of risks.

Management reports to the Audit and Risk Committee on the effectiveness of risk management systems and processes, material risk exposures, risk appetite performance and developing risks. The Audit and Risk Committee oversee the operation of the Risk Management Framework and reviews its effectiveness at least annually. The Committee determined the framework remained sound during the Reporting Period.

Our enterprise risk management (ERM) framework has regard to relevant regulations, standards and guidelines including the ASX Principles and the Australian/New Zealand standard AS/NZS ISO 31000:2018 Risk management – Guidelines. The framework supports consistent risk management across the Group and incorporates processes to identify and monitor developing risks to support long-term resilience and preparedness.

The diagram to the right sets out a high-level overview of Cochlear's risk governance structure.



Environmental and social risks

Cochlear applies a Group-wide ERM framework to identify, assess, manage and monitor risks across the business. Risks, including environmental and social risks, are assessed utilising the framework, ensuring they are considered alongside financial, regulatory, operational and other non-financial risks to support consistent risk oversight and effective decision-making.

Principal business risks (and how those risks are managed or intended to be managed) are described on pages 91 to 93.

Principal business risks include Product Quality, Patient Safety and Regulatory Compliance risks, Market Access and Growth risks, and Supply Chain and Business Interruption risks.

Our approach to identifying, assessing and managing risks and opportunities stemming from climate change is set out in the Sustainability report included in the Additional information section of this Annual Report and is reflected in the information disclosed in section 3.1 of that Report (Climate-related risks and opportunities).

There are no additional material exposures to environmental and social risks in addition to those disclosed in this Report.

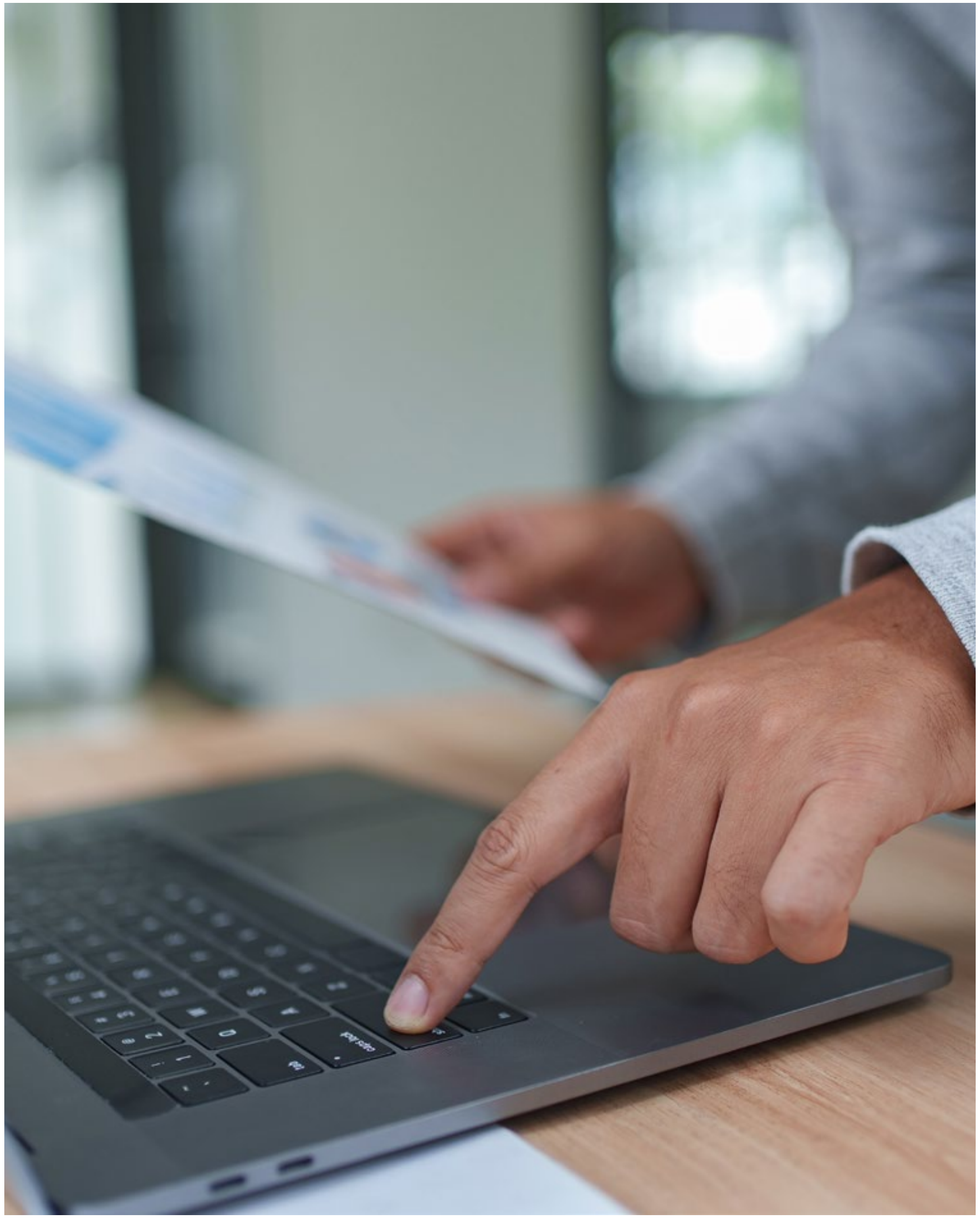
Internal audit

Cochlear's internal audit function is managed by and within the Group Risk and Assurance team and is accountable to the Audit and Risk Committee. Internal audit provides assurance services to management and the Audit and Risk Committee in relation to the internal controls, risk management framework and governance of Cochlear. It does so through:

- performing audits in accordance with an Internal Audit Plan, which is formulated using a risk-based approach;
- having access to the Board through the Audit and Risk Committee, with the right to communicate to it in the absence of management; and
- regular reporting to the Executive team and the Audit and Risk Committee on the results of its audits.

Cochlear's internal audit function is jointly performed by the internal Cochlear team and co-sourced partner (PwC) which facilitates a balance of external specialist input and experience and internal knowledge.

The Audit and Risk Committee reviews and approves the Internal Audit Strategy and Plan annually. It also reviews the hiring and performance of the Vice President Group Risk and Assurance and the internal audit function and approves the appointment and removal of the co-sourced partner. This process was followed during the Reporting Period.



Business risks

Cochlear has a sound and robust risk management framework to identify, assess and appropriately manage risks.

Our principal business risks are outlined below. These are risks that may have a material adverse effect on the business strategy, financial position or future performance. It is not possible to identify every risk that could affect the business and the actions taken to mitigate these risks cannot provide absolute assurance that a risk will not materialise.

Risk	Description and potential consequences	Strategies used to mitigate the risk
Product Quality, Patient Safety and Regulatory Compliance	The delivery of safe, high-quality hearing solutions is central to Cochlear's mission and critical to maintaining the trust of recipients, healthcare professionals and regulators. As a developer, manufacturer and distributor of implantable medical devices, we are exposed to risks relating to product quality, recipient safety and regulatory compliance across the product lifecycle. Product quality issues, manufacturing defects, design or software failures, adverse events, product misuse, supply chain quality failures or non-compliance with medical device regulations could result in harm to recipients, product recalls, regulatory action, litigation, loss of market access, reputational damage and financial loss.	We maintain quality management systems and assurance processes across design, manufacturing, supplier oversight, testing and distribution to support product quality, recipient safety and regulatory compliance. These are underpinned by clinical engagement, post-market surveillance, continuous improvement activities and active monitoring of medical device regulatory developments. These activities support Cochlear's ability to maintain the confidence of recipients, healthcare professionals and regulators, and to meet the standards expected of a global implantable medical device manufacturer.Management regularly reviews quality, safety and compliance performance, with oversight from the Board Medical Science Committee.
Market Access and Growth	Cochlear's growth depends on recipients being able to access cochlear implantation and related hearing solutions through appropriate reimbursement, funding, procurement arrangements and healthcare pathways. The majority of our developed market customers rely on a level of reimbursement from insurers and government health authorities. We recognise that macroeconomic pressure on healthcare budgets, policy reform or changes in healthcare system priorities may place pressure on reimbursement levels, funding arrangements, procurement settings, referral activity and healthcare capacity, which could impair patient access and impact growth. Macroeconomic changes may also affect business performance, particularly where demand softens, pricing pressure increases, costs rise or operational disruption occurs. Competitive dynamics, geopolitical instability and regional disruption may further affect access to care.	Cochlear continues to invest in market development activities that support long-term access and growth, including stakeholder engagement and initiatives to strengthen referral pathways and clinical adoption. We engage with government health authorities, payers, healthcare professionals and other stakeholders to support appropriate reimbursement, procurement and access settings across key markets. Management monitors market conditions, reimbursement trends, referral activity, pricing and regional disruption to identify emerging risks and inform timely responses.

Risk	Description and potential consequences	Strategies used to mitigate the risk
Supply Chain and Business Interruption	Cochlear's ability to meet global customer demand depends on a reliable, resilient and cost-effective supply chain and manufacturing network. We rely on component and raw material suppliers, including sole and single-source suppliers for some critical inputs, and manufacture across six sites globally. Supplier failure, manufacturing disruption, logistics constraints, geopolitical instability, trade policy changes, raw material cost increases or higher freight costs could affect product availability, customer outcomes and financial performance. These risks are greater where alternative sources require qualification, regulatory approval or long lead times, or where cost increases cannot be fully recovered through pricing.	We work closely with suppliers to identify and manage supply risks and maintain forecasting, inventory and manufacturing planning processes to support continuity of supply. Targeted mitigation plans are in place for critical supplier and material dependencies, including strategic purchasing, advance stock allocation, lifetime buys and, where feasible, qualification of alternative sources. We also monitor input costs, freight rates, trade policy developments and manufacturing capacity to support supply chain resilience, business continuity and cost competitiveness.
Legal, Regulatory and Governance	Cochlear is subject to broad and evolving legal and regulatory requirements across the jurisdictions in which we operate. These obligations span medical device regulations, commercial and corporate compliance domains, including privacy and data protection, competition and consumer law, anti-bribery and corruption, health and safety, employment and workplace relations, and corporate governance. These obligations continue to evolve, and non-compliance could expose the Group to investigations, litigation, financial penalties or restrictions on our licence to operate.	Cochlear maintains a governance and compliance program designed to support our legal and regulatory obligations across the jurisdictions in which we operate. This includes oversight by management and the Board, supported by specialist Legal, Risk and Compliance teams that monitor regulatory developments, provide advice to the business and support the implementation of controls. Compliance obligations are supported by policies, training, monitoring and assurance activities, which continue to evolve in response to changes in the external environment and the growing complexity of our operations.
Financial	Cochlear is exposed to financial risks that may adversely affect revenue, margins, cash flow and earnings. These include foreign exchange movements, credit and receivables exposure and cost inflation. With over 95% of revenue and more than half of operating costs denominated in currencies other than the Australian dollar, foreign exchange volatility is a key exposure. Credit and receivables risk may also arise in some markets, particularly where geopolitical instability, economic stress or market access constraints affect collections or delivery.	Cochlear manages financial risk through forecasting, performance monitoring, cost management and Board-approved frameworks for foreign exchange, credit and liquidity exposures. Key financial and risk indicators are regularly reviewed by management, the Audit and Risk Committee and the Board to support timely response to changing market conditions and emerging risks.

Risk	Description and potential consequences	Strategies used to mitigate the risk
Information and Cyber Security	Cochlear manages and safeguards sensitive information across its global operations, including the personal and health data of implant recipients, patients, customers and employees. This relies on secure, resilient systems and digital capabilities to support critical business processes, service delivery and connected hearing solutions. This information, and the systems that store and process it are fundamental to maintaining the trust of clinicians, patients and regulators, together with Cochlear's connected hearing solutions and digital services. The external threat landscape continues to evolve in frequency and sophistication, and a significant cyber incident, system outage or data loss could result in regulatory, financial or reputational harm.	The Board oversees the Group's cyber security risk through the Audit and Risk Committee, which receives regular updates on the threat environment, control maturity, incidents and emerging risks. Management accountability is supported by dedicated cyber security and privacy teams who manage this risk through a program designed to identify, protect against, detect, respond to and recover from cyber threats. The Group continues to enhance its cyber security capabilities, with regular management and independent reviews of the control environment. We also monitor evolving data protection, privacy and cyber security requirements across the jurisdictions in which we operate.
Innovation, Product Development and Intellectual Property	Delays or disruptions in developing, protecting and commercialising innovative hearing solutions exposes Cochlear to risk of losing market share and lower average selling prices. This requires successful research and development, clinical validation, timely regulatory approval and successful market adoption, together with protection of our intellectual property. Advances in medical, biological and technological fields may also give rise to alternative treatments that challenge our market position or reshape the standard of care. Failure to convert innovation into commercially successful products, protect intellectual property and confidential information, or respond to competitive innovation could weaken our competitive position, limit future growth opportunities and reduce growth.	Cochlear invests in research and development to drive innovation, improve clinical outcomes and support long-term growth. Our innovation strategy is informed by ongoing engagement with recipients, clinicians, researchers and healthcare professionals. We protect our technologies, proprietary expertise and confidential information through intellectual property protections, access controls, contractual safeguards, cyber security measures and governance frameworks. Structured governance and stage-gate processes support disciplined prioritisation, resource allocation and development oversight, with management regularly reviewing pipeline performance, innovation investment and intellectual property risks under Board oversight.
Business Transformation	Cochlear's long-term competitiveness depends on its ability to evolve its operating model, cost base, systems and processes to support sustainable growth. We are undertaking targeted transformation initiatives across cost base reshaping, investment in core systems and enterprise capabilities, to improve agility, scalability and efficiency. These initiatives involve significant organisational, process and technology change, and create execution risk if benefits are delayed, costs exceed expectations, critical capabilities are disrupted or operational stability is affected.	Transformation initiatives are overseen through dedicated governance structures with clear executive accountability and benefit tracking. Management regularly reviews progress, risks, costs and benefits realisation, with oversight from the Board. This supports delivery of transformation objectives while helping preserve critical capabilities and operational continuity through periods of change.
People and Culture	Cochlear's ability to execute its strategy and deliver long-term growth depends on attracting, developing and retaining highly specialised talent, particularly in research, technology, engineering and clinical fields. There is intense global competition for these capabilities. As the business undertakes cost base reshaping initiatives, maintaining critical workforce capabilities and stability remains a key area of focus. The safety and wellbeing of our employees, contractors and visitors is a core responsibility across our global manufacturing and commercial operations. The nature of our activities gives rise to occupational health and safety risks that require active management across multiple jurisdictions with differing regulatory requirements.	Cochlear invests in targeted recruitment, development and retention initiatives to support critical capability needs and help maintain stability through periods of change. Workforce planning is integrated into business and risk management processes to help identify and address capability requirements across key functions. We maintain enterprise-wide work health and safety governance and monitoring processes across our global operations. Safety performance is regularly reviewed, supported by training, assurance and continuous improvement activities.

Board of directors

Alison Deans

Chair

Appointed to the Board 1 January 2015 and as Chair 21 August 2021: Chair of the Nomination Committee.

Background: Experienced non-executive director and former chief executive with more than 30 years' experience leading and governing technology-enabled businesses across e-commerce, media and financial services in Australia and internationally. Former Chief Executive Officer of Netus, Hoyts Cinemas, ecorp and eBay Australia and New Zealand. Strong track record of leading digital transformation and growth and extensive experience overseeing technology strategy, capital allocation, risk management and financial performance through her ASX-listed board roles.

Her board experience spans highly regulated industries including healthcare, financial services and advanced technology, providing strong governance capability across strategic planning, cyber and technology oversight, digital innovation, transformation, remuneration and risk management. Through her leadership of global businesses, Alison also brings valuable international commercial perspective and insight into evolving customer expectations and emerging technologies.

Other boards: Director, Ramsay Health Care Limited and Fitness Passport Pty Ltd. Chair of Calix Limited. Director of The Observership Program.

Former directorships: SCEGGS Darlinghurst Limited, Westpac Banking Corporation, Insurance Australia Group Limited, Deputy Group Pty Ltd and Social Ventures Australia. Former Member of AICD Corporate Governance Committee.

Qualifications: BA, MBA, GAICD

Dig Howitt

CEO & President and Managing Director

Appointed to the Board 14 November 2017 and as CEO & President 3 January 2018: Member of the Medical Science and Product and Services Innovation Committees.

Background: Joined Cochlear in 2000, having held a broad range of senior leadership roles across the Company including Chief Operating Officer, President, Asia Pacific and SVP, Manufacturing and Logistics. His experience spans every stage of Cochlear's value chain from medical technology and strategy, through to research and development, manufacturing, regulatory affairs and commercialisation. This background underpins strong strategic capability, built through long-standing executive leadership across Cochlear's global operations and multi-regional teams. Prior to joining Cochlear, Dig worked for Boston Consulting Group and held a General Management role at Boral.

Dig is a Fellow of Engineers Australia. He was appointed as President of Cochlear on 31 July 2017 and became CEO & President on 3 January 2018. As CEO, he oversees a complex risk environment spanning geopolitical, operational and regulatory risk globally.

Qualifications: BE (Hons), MBA

Richard Freudenstein

Non-executive Director

Appointed to the Board 25 August 2025: Member of the People & Culture, Nomination and Product and Services Innovation Committees.

Background: Experienced executive and non-executive director in technology, digital transformation, strategy and corporate governance, Richard brings great experience leading and managing complex businesses operating in regulated industries.

Richard has held senior executive leadership roles across Australia's leading media and digital businesses, including as CEO of The Australian and News Digital Media at News Ltd, and CEO & Managing Director of Foxtel. During his tenure in these roles, he led the transformation of traditional media businesses into digitally enabled, customer-focused organisations. This experience has given him a strong background in operating complex, highly regulated businesses, developing long-term growth strategies and leading businesses through transformation.

Other boards: Non-executive Director, REA Group Limited and Coles Group Limited. Board member, Cricket Australia.

Former directorships: Director, Ten Network Holdings Ltd and Astro Malaysia Holdings Berhad. Chair, Appen Limited. Deputy Chancellor, University of Sydney.

Qualifications: LLB (Hons), BEc

Sir Michael Daniell, KNZM

Non-executive Director

Appointed to the Board 1 January 2020: Member of the Audit and Risk, Medical Science, Product and Services Innovation and Nomination Committees.

Background: Leader in the medical device industry with more than 40 years' experience across healthcare, engineering, research and development, product innovation and commercialisation. Michael has deep expertise in developing and scaling medical technologies and leading global healthcare businesses in highly regulated international markets.

Michael was Managing Director and Chief Executive Officer from 2001 to 2016 at Fisher & Paykel Healthcare Corporation Ltd. During his tenure, he led the company's global strategy and operations, including the research, design, development, manufacture and commercialisation of innovative products and systems for use in respiratory care, acute care and the treatment of obstructive sleep apnea.

Other boards: Director, Fisher & Paykel Healthcare Corporation Ltd. Director, Tait International Limited. Director, Medical Research Commercialisation Fund.

Former directorships: Advisory Board Chair, Te Titoki Mataora (NZ).

Qualifications: BE (Hons) Electrical, CMInstD (NZ)

Michael del Prado

Non-executive Director

Appointed to the Board 1 January 2022: Chair of the Product and Services Innovation Committee. Member of the Medical Science, Nomination and People and Culture Committees.

Background: More than 38 years' experience in the medical device and pharmaceutical industries. He brings expertise in global strategy, healthcare innovation, commercialisation, international operations and organisational leadership, developed through senior executive roles across diverse global markets.

He held executive leadership positions with Johnson & Johnson across its medical device businesses in the US and served as Group Chairman of Ethicon, a global leader in medical devices and technologies focused on advancing surgical technologies and improving patient outcomes. Throughout his executive career, he was responsible for developing and executing global strategy, driving innovation and commercialisation. His extensive international experience provides valuable insight into global healthcare systems, evolving market dynamics, regulatory environments and strategic partnerships.

Other boards: Director, Ambu A/S and a Member of the Board of Trustees of Franciscan University, Steubenville, Ohio

Former directorships: Co-lead Director, Verb Surgical. Advisory Board, Singapore Management University Lee Kong Chian School of Business.

Qualifications: BSc Industrial Engineering, MBA, MA

Karen Penrose

Non-executive Director

Appointed to the Board 1 July 2022: Chair of the Audit and Risk Committee. Member of the People and Culture, Nomination and Product and Services Innovation Committees.

Background: Experienced non-executive director since 2014, serving on the boards of a number of ASX100 companies across multiple industries, including health, property and financial services. Karen is an experienced audit and risk committee chair and chair of due diligence committees for mergers and acquisitions and capital raisings, with expertise in financial management, enterprise risk, internal controls, sustainability and technology transformation. In addition, she currently chairs a people and culture committee, contributing board-level oversight of organisational culture and remuneration.

Karen has had an extensive executive career in senior leadership and Chief Financial Officer (CFO) roles. This includes 20 years in banking with CBA and HSBC, and eight years as a listed-company CFO. These roles have provided significant experience in capital allocation, corporate strategy, and navigating complex regulatory environments.

Other boards: Director, Ramsay Health Care Limited, Bank of Queensland Limited and Charter Hall Group. Director, Ramsay General De Sante (associated with directorship of Ramsay Health Care Limited) and Marshall Investments Pty Limited. She also serves in a voluntary capacity as a Director on Golf Australia's risk and audit committee.

Former directorships: Vicinity Centres, Estia Health Ltd and Reece Limited.

Qualifications: BCom, CPA, FAICD

Christine McLoughlin, AM

Non-executive Director

Appointed to the Board 1 November 2020: Chair of the People and Culture Committee. Member of the Audit and Risk, Nomination and Product and Services Innovation Committees.

Background: Experienced chair and non-executive director with more than 15 years' experience on the boards of ASX Top 50 Companies in financial services, resources, health insurance and infrastructure sectors. As well as 25 years in financial services and telecommunications leadership positions, Christine brings deep expertise in corporate governance, strategic and digital transformation and stakeholder leadership. During her tenure as Chairman of Suncorp, she led significant strategic transformations in the Australian financial services sector, overseeing long-term strategy, consolidation actions, capital allocation, governance and shareholder value creation.

As Chairman of Aware Super, she brings further experience in stewardship and investment oversight, gained from overseeing a highly regulated sector. She has been active in the not-for-profit sector over her entire career.

Other boards: Chairman Aware Super. Member of the Australian Government's Takeover Panel and Chair and Co-founder of the Minerva Network.

Former directorships: Chairman and Director of Suncorp Group Limited. Director, nib Holding Limited, Whitehaven Coal Limited and Spark Infrastructure. The Chancellor of the University of Wollongong. Chairman and Director of Venues NSW and Chairman of Destination NSW.

Qualifications: BA, LLB (Hons), Hon DUOW, FAICD

Prof Bruce Robinson, AC

Non-executive Director

Appointed to the Board 13 December 2016: Chair of Medical Science Committee. Member of the Audit and Risk, Nomination and Product and Services Innovation Committees.

Background: Over 35 years' leadership experience in clinical medicine, research and development (R&D), healthcare strategy, leading multidisciplinary research teams and the translation of scientific innovation into improved patient outcomes. Bruce's experience spans the full innovation pathway, from fundamental scientific research and clinical investigation through to commercialisation and healthcare implementation. His R&D leadership extends to the corporate sector as Chair of Mayne Pharma Group Limited and its Science, Technology and Medical Committee, overseeing R&D and innovation across the company's pharmaceutical portfolio.

He holds a number of senior academic, clinical and research leadership positions, including Co-Head of the Cancer Genetics Laboratory at the Kolling Institute for Medical Research and Chair of Research, North Sydney Local Health District. He was the former Dean of The University of Sydney's Sydney Medical School and Head of Medicine at Sydney's Royal North Shore Hospital.

Other boards: Chair, Mayne Pharma Group Limited, Director, Healius Limited and CS Pharmaceuticals Limited. Council Member, Hoc Mai Foundation. Advisor to MinterEllison.

Former directorships: Chairman, National Health and Medical Research Council and Medical Benefits Schedule Review Taskforce. Director, Woolcock Institute of Medical Research, Qbiotics Group Limited and Ecofibre Limited.

Qualifications: MD, MSc, FRACP, FAAHMS, FAICD

Caroline Clarke

Non-executive Director

Appointed to the Board 2 September 2024: Member of the People and Culture, Nomination and Product and Services Innovation Committees.

Background: Over 20 years of executive leadership roles in healthcare and consumer technology and services, leading global businesses and large, multi-country teams. Caroline has extensive experience in and brings an international perspective to global strategy, commercial leadership, innovation and governance and is recognised for her track record of driving digital transformation in health systems and patient care.

Caroline spent more than two decades with Philips, including serving as Executive Vice President of global Consumer and Health Care businesses responsible for global strategy and innovation development and delivery. Caroline led the overall Consumer and Health Care businesses across ASEAN Pacific and was responsible for businesses across 14 countries in the region, overseeing a diverse portfolio of medical technologies, healthcare solutions and consumer health products. Her international leadership experience provides valuable insight into global healthcare systems, changing patient and customer expectations and regulatory environments.

Other boards: Nil.

Former directorships: Director, Royal Schiphol Group.

Qualifications: BA, GAICD

Executive team

Dig Howitt
CEO & President

Joined Cochlear in 2000, having held a broad range of senior leadership roles across the Company including Chief Operating Officer, President, Asia Pacific and SVP, Manufacturing and Logistics. His experience spans every stage of Cochlear's value chain from medical technology and strategy, through to research and development, manufacturing, regulatory affairs and commercialisation. This background underpins strong strategic capability, built through long-standing executive leadership across Cochlear's global operations and multiregional teams. Prior to joining Cochlear, Dig worked for Boston Consulting Group and held a General Management role at Boral.

Dig is a Fellow of Engineers Australia. He was appointed as President of Cochlear on 31 July 2017 and became CEO & President on 3 January 2018. As CEO, he oversees a complex risk environment spanning geopolitical, operational and regulatory risk globally.

Qualifications: BE (Hons), MBA

Dr Sarah Thom
Chief Financial Officer

Sarah was appointed as Chief Financial Officer in January 2025.

Prior to Cochlear, Sarah was a Managing Director and Partner at Boston Consulting Group (BCG) and co-lead of BCG's health care business in Australia and New Zealand. Sarah brings over a decade of deep experience in strategy, performance enhancement and investment evaluation in health care, medtech and other highly regulated sectors.

Sarah also spent several years as a research scientist supported by a US National Science Foundation fellowship at the University of California.

Qualifications: PhD (Astrophysics), MSc (Astrophysics), BSc (Physics, with Highest Honors)

Jan Janssen
Chief Technology Officer

Jan joined Cochlear in 2000 and was appointed Senior Vice President Research & Development in 2005.

Jan leads a team of over 600 highly qualified engineers and scientists who implement the R&D strategy with responsibility for identifying and developing cutting-edge technology and bringing these innovations through to commercialisation.

In 2017 Jan was appointed Chief Technology Officer and took on the additional accountability for Business Development. Since 2019 he has also been accountable for Quality and Regulatory Affairs.

Jan holds 12 granted patents in the field of implantable hearing technology.

Qualifications: MScEE

Lisa Aubert
President, North America

Lisa is responsible for the development and execution of the strategic direction for our North America operations.

Lisa was appointed as President, Americas Region in April 2022. Lisa joined Cochlear in 1994 and has deep experience across the Company in roles in Europe and the United States, including General Manager of UK/Ireland/South Africa, Regional Director of Europe North and most recently Vice President of Sales for Cochlear North America and Chair of Cochlear's Global Sales Council.

Lisa has been working in the cochlear implant specialty for over 25 years and was once a customer of Cochlear's. She was the primary research audiologist on one of the first cochlear implant programs in the UK and was part of the team that lobbied the government for funding.

Qualifications: BA Communication Disorders, MA in Audiology, MBA

Stu Sayers
President, Asia Pacific & Latin America

Stu was appointed as President, Asia Pacific & Latin America in January 2025 and is responsible for the development and execution of the strategic direction for all our operations in Australia, Asia, the South Pacific and Latin America. Stu joined Cochlear in July 2016 and previously held positions of President, Services and Chief Financial Officer.

Stu has a wealth of experience in establishing and building customer focused technology and online businesses. Stu ran Amazon's subsidiary Audible in Asia Pacific, as well as E*TRADE and Yahoo!7 in Australia and New Zealand. He previously held senior roles with ANZ and McKinsey.

Qualifications: BEc (Hons), MBA

Anthony Bishop
President, Europe, Middle East and Africa (EMEA)

Anthony was appointed President, EMEA in January 2025 and is responsible for the development and execution of the strategic direction for all our operations in Europe and Middle East and Africa (EMEA). Anthony joined Cochlear in July 2016 and was previously President, Asia Pacific & Latin America.

With nearly 30 years of experience in the MedTech industry, including over 20 years at Johnson & Johnson Medical, Anthony has held various roles in general management and sales & marketing across country, regional, and global contexts. Anthony's professional journey has taken him to Australia, NZ, Singapore, the UK, China, and the USA.

Qualifications: BBus (Hons), MManagement, GAICD

Dean Phizacklea

Senior Vice President, Global Strategic Marketing

Dean joined Cochlear in June 2016 and is responsible for product and services planning, marketing and commercialisation, customer acquisition, consumer marketing, innovation, market access, insights, brand, and corporate communications.

Dean has more than 20 years' experience in medical devices and pharmaceuticals, covering a range of senior commercial roles in the US, Japan, Europe and Australia. Prior to joining Cochlear, Dean led Global Strategic Marketing for Abbott Diabetes Care. Other roles include General Manager for Abbott's pharmaceutical and diabetes care businesses in Australia/New Zealand and commercial roles in Asia with AstraZeneca.

Qualifications: BSc Microbiology, MBA

Karen O'Driscoll

Chief Information Officer

Karen has global responsibility for Cochlear's information technology strategy and management. She leads a team of more than 350 information technology professionals and is responsible for strengthening business processes and systems to improve efficiency and agility, enabling the business to be more scalable and provide even better solutions for customers.

Karen joined Cochlear in February 2023. Prior to Cochlear, Karen was Group Executive for Digital Services for Ventia Ltd and brings over 20 years of experience across pharmaceuticals and infrastructure industries.

Qualifications: BSc (Hons), GAICD

Greg Bodkin

Senior Vice President, Global Supply Chain

Greg has functional responsibility for new product industrialisation, sourcing & procurement, global manufacturing and logistics. These functions enable the technologies developed in design and development to be supplied as commercial products in Cochlear's global markets. In addition, he leads the management of Cochlear's Global Property, facilities and corporate procurement functions.

Greg joined Cochlear in 2007 as Head of Supply with 20 years' prior experience in supply chain management and operations consulting positions, including appointments at Taylor Ceramic Engineering, Warman International Ltd, Weir Minerals PLC and National Australia Bank.

Qualifications: BE (Hons), MComm

Sabina Sopov

Chief People Officer, Global People & Culture

Sabina Sopov was appointed Chief People Officer of Cochlear in 2026 and is responsible for leading the Company's global People & Culture function. As a member of Cochlear's Executive Leadership Team, she oversees the people strategy that supports the Company's mission, growth ambitions, and global workforce.

Sabina brings extensive experience in people leadership, organisational transformation, culture and capability development. Prior to joining Cochlear, she served as Group Chief People Officer at PEXA, where she helped guide the organisation through a period of significant growth and international expansion. Before PEXA, she held several senior leadership positions at ME Bank, including General Manager, Organisational Change, Culture and Capability, and General Manager, Sales Capability. Earlier in her career, she held finance and strategy roles at National Australia Bank.

Qualifications: MBA, BAcc

Dr Brian Kaplan

Senior Vice President, Global Clinical Strategy and Innovation

Brian joined Cochlear in 2016 and manages clinical strategy and innovation for Cochlear. He is responsible for the clinical data to support present and future products and services. Brian dedicates two-thirds of his time to his role at Cochlear, while continuing to direct a cochlear implant surgical practice at the Greater Baltimore Medical Center.

Brian's past research interests have included hearing loss, balance disorders, and hair cell regeneration. His current practice focuses on adult and paediatric otology, with an emphasis on hearing restoration. Brian is board-certified in Otolaryngology and is a Fellow of the American College of Surgeons.

Qualifications: BNeuroSci, BA, MD, FACS

Rob McGrory

Group General Counsel & Company Secretary

Rob was appointed as Group General Counsel in September 2023 and as Company Secretary in April 2024. Rob is responsible for Cochlear's corporate legal and governance functions.

Rob has more than 25 years of experience as an in-house lawyer working across diverse industries from electricity generation, energy trading, and financial services. Most recently Rob was a General Counsel at Westpac Group.

Qualifications: BBus (Accountancy), LLB, LLM, Grad Dip in Legal Practice.

Financial Statements

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Remuneration report

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The information provided in this Remuneration report (except for section 2 and section 8.3) has been audited as required by section 308(3C) of the Corporations Act 2001 (Cth).

Letter from the Chair of the People and Culture Committee

Dear Shareholders

On behalf of the Cochlear Board, I am pleased to present the FY26 Remuneration report.

FY26 performance outcomes

We recognise that this year has delivered disappointing financial results and we have not delivered to shareholder expectations. The operating environment has been challenging but we are pleased there has been delivery of meaningful progress on innovation and initiatives that will shape future performance and position Cochlear positively for sustained long-term growth.

The launch and strong adoption of the Nucleus® Nexa™ System, the world's first smart cochlear implant system, demonstrated Cochlear's enduring commitment to innovation and our mission to help people hear and be heard. The organisation also delivered meaningful progress on medium- and longer-term strategic priorities (see page 115). Whilst these achievements are significant, the Board is acutely aware that Cochlear's overall performance during the year did not deliver the outcomes our shareholders expect.

Cochlear's financial performance reflected the broader operating environment across several of our markets. Sales revenue increased 2% in constant currency to $2,343 million, and underlying net profit was $322 million. This outcome reflects flat cochlear implant revenue, lower gross margin, transitional costs and foreign exchange movements. In developed markets growth remained strong where we had greater visibility and influence on the pathway to surgery, for example with direct-to-consumer surgeries in the U.S. growing 10%. Market growth was however softer than expected, with a higher rate of insurance claim delays, elective surgery backlogs and industrial action in some countries. In emerging markets, conflict in the Middle East and reimbursement changes in China resulted in lower revenue outcomes than expected. The profit outcome also reflects deliberate choices made to address this year's challenges and position the business for future growth. We continued to grow investment in R&D, we accelerated initiatives to medicalise hearing loss and we took action to support more consistent growth, lowering fixed costs and reallocating resources to targeted growth programs.

Cochlear's performance is considered by the Board through both a financial and long-term strategic lens. Whilst the Board recognises that underlying financial performance fell short of original targets, there were also broader strategic achievements this year. These include advancing next-generation technology in our Cochlear Implant and Acoustics portfolios including important clinical evidence, key clinical studies and product development, supporting medicalisation of hearing loss and adult referral pathway development, and making operating model changes and digital investments to improve flexibility, efficiency and scalability. These actions taken toward long-term strategic priorities position Cochlear well to achieve future growth and value creation for shareholders.

FY26 Remuneration Changes

Last year the Board did not make an FY25 Short Term Incentive (STI) award to Executives because the Group Performance Gateway was not met, despite solid progress against the strategic measures. The Board upheld the STI framework formula while recognising two concerns. First, this outcome could undermine retention and motivation of executives critical to the long-term strategy. Second, the Group Performance Gateway's short-term focus could drive short-term decisions compromising the delivery of the strategic measures required to deliver long-term growth and future shareholder value creation.

For these reasons, the Board removed the Group Performance Gateway from the STI framework for FY26, at the same time introducing two enhancements:

- A new *Group Underlying Net Profit* measure directly linking executive reward to the bottom-line metric most relevant to shareholders; and
- An increase to the weighting of financial measures to 65%, as measured by *Group Underlying Net Profit* and *Group Sales Revenue Growth*, to rebalance financial and strategic measures.

The revised STI framework balances in-year financial performance whilst also building the strategic foundations for long-term value creation, reflecting Cochlear's growth strategy and the evolution of the business since the STI framework was introduced.

FY26 Remuneration Outcomes

STI

The FY26 STI result of 37% of target reflects a year of mixed performance: material revenue headwinds, offset by strong execution of the strategic measures. Nexa is an example of the importance of strategic measures in Cochlear's STI plan. Breakthrough hearing technologies like Nexa require sustained long-term commitment, 20 years from initial research to market launch. Nexa technology is foundational to Cochlear's longer-term future product pipeline, including the drug-eluting electrode (DEE) and the totally implantable cochlear implant, which will help extend clinical differentiation and strengthen competitive advantage. The recognition for these achievements that deliver long-term value for shareholders is critical to ensure in-year decisions are made with a long-term view on investing for growth.

In the context of shareholder experience, the Board determined that an STI award would not be made to the CEO and President, reflecting that the CEO has accountability for enterprise outcomes including shareholder returns. This governance decision is independent of the Board's assessment of the progress in delivering Cochlear's long-term strategy which is fundamental to Cochlear's ability to create value for shareholders. Other executives remain eligible for STI awards as calculated, reflecting achievement against strategic priorities.

LTI

For the FY23–26 Long Term Incentive (LTI) performance period, the FY23 LTI award will not vest, as the threshold levels of the performance metrics, relative TSR and CAGR EPS, have not been achieved. This outcome aligns executive experience directly with shareholder experience.

The Committee remains focused on executive retention despite constrained remuneration outcomes in FY25 and FY26. While short-term incentive results reflect financial performance, the Committee recognises retention also depends on many factors including culture, leadership opportunity, and strategic clarity. The Committee's responsibility to maintain executive engagement and stability across short, medium and long-term horizons remains paramount as Cochlear executes its growth strategy.

Looking ahead to FY27

In order to retain critical staff and focus the team on building momentum the Board has determined to grant an additional performance-based award to Senior Executives in FY27. The CEO&P will not participate. This award is separate from participants' existing incentives and will be subject to performance conditions, which will vest over two and three years, and will drive future growth and shareholder value. Further details, including eligibility criteria, performance conditions, and award quantum, will be disclosed in the FY27 Remuneration Report.

In recognition of FY26 financial performance and our commitment to aligning Executive and non-Executive KMP remuneration with shareholder experience, the Board has determined that Non-Executive Director (NED) fees and the CEO&P's base salary will not increase in FY27.

In August I will be concluding my tenure as Chair of the People & Culture Committee (P&CC). Richard Freudenstein will assume the role and ensure our remuneration framework remains competitive, motivating, and aligned with shareholder interests. I will continue to serve as a member of the Committee.

The Committee will continue to evolve our remuneration framework in a way that is transparent, competitive, and firmly anchored to long-term value creation for shareholders.

In closing, I would like to thank our shareholders for their ongoing support. We welcome shareholder feedback on this report and our remuneration practices.

C. F. McLoughlin

Christine McLoughlin, AM
Chair, People and Culture Committee

1. Key management personnel

This report covers key management personnel (KMP) who have authority for planning, directing and controlling the activities of Cochlear, and comprises Non-executive Directors (NEDs) and Executive KMP as outlined in the table below.

Name	Position	Term as KMP
Non-executive Directors		
Alison Deans	Chair	Full year
Sir Michael Daniell, KNZM	Non-executive Director	Full year
Michael del Prado	Non-executive Director	Full year
Christine McLoughlin, AM	Non-executive Director	Full year
Bruce Robinson, AC	Non-executive Director	Full year
Karen Penrose	Non-executive Director	Full year
Caroline Clarke	Non-executive Director	Full year
Richard Freudenstein	Non-executive Director	Part year – appointed 25 August 2025
Former Non-executive Directors		
Glen Boreham, AM	Non-executive Director	Part year – retired 23 October 2025
Executive KMP		
Dig Howitt	Chief Executive Officer & President (CEO&P)	Full year
Jan Janssen	Chief Technology Officer (CTO)	Full year
Sarah Thom	Chief Financial Officer (CFO)	Full year

There were no other changes to KMP after the reporting date and before the date the Directors' report was authorised for issue.

2. Our remuneration strategy and framework

Cochlear's executive remuneration strategy is designed to attract, motivate, and retain a highly qualified and experienced group of executives employed across diverse geographies. The following diagram links each of the executive team remuneration components to Cochlear's mission and strategy.

Our mission

We help people hear and be heard.

We empower people to connect with others and live a full life. We help transform the way people understand and treat hearing loss. We innovate and bring to market a range of implantable hearing solutions that deliver a lifetime of hearing outcomes.

Our strategy

Our goal is to deliver value by helping more people to hear, which contributes to building a healthier and more productive society. Our strategy is focused on improving awareness of and access to implantable hearing solutions for people indicated for our products, creating value across four pillars.

A healthier and more productive society	A lifetime of hearing solutions	Thriving people	Sustained value

Our **strategic priorities** determine how we focus our time and resources to create value.

Grow the hearing implant market	Retain market leadership	Build a stronger organisation	Consistent and sustainable growth

The **performance measures** across our incentive plans reflect achievement of both financial and strategic objectives.

Financial measures	**Strategic measures**	**Market measures**
Group Underlying Net Profit Group Sales Revenue Compound Annual Growth Rate in Underlying Earnings per Share	Performance against the strategic priorities to deliver the foundations that enable long-term sustainable growth.	Relative Total Shareholder Return (TSR)

With actual outcomes directly driving executive remuneration.

Fixed remuneration + Short-term incentive + Long-term incentive = Total remuneration

2.1 FY26 remuneration framework

Our executive remuneration framework supports the Corporate strategy and is guided by our remuneration principles.

The total remuneration for executives is made up of both fixed and variable remuneration. Variable remuneration is provided through short-term incentive (STI) and long-term incentive (LTI) plans.

Fixed remuneration

Fixed remuneration comprises base salary, superannuation, annual leave loading and non-monetary benefits (insurances).

It is set at a level to attract and retain executive talent with the appropriate capabilities to deliver Cochlear's objectives.

Fixed remuneration is generally positioned at the median of the relevant market and is reviewed annually to ensure alignment with local market benchmarks.

Market benchmarks are typically set with reference to market capitalisation and include organisations within Cochlear's industry sector and/or similar in global operations and complexity as determined by the People and Culture Committee (P&CC).

Short-term incentive (STI)

The STI provides executives with the opportunity to earn variable remuneration based on the achievement of business and individual performance objectives.

Business performance is measured through a balanced scorecard:

Financial Measures (65%): 50% for Group Sales Revenue, and 15% for Group Underlying Net Profit, and
Strategic Measures (35%): initiatives delivering strategic foundations for long-term growth.

Individual performance includes assessment against financial and strategic initiatives.

60% of the STI is delivered in cash and the remaining 40% is deferred as service rights for two years.

Further details on the STI are provided on page 110 (Table 2.3).

Long-term incentive (LTI)

The LTI provides executives with the opportunity to earn variable remuneration linked to the delivery of Cochlear's growth strategy, long-term business priorities and shareholder value creation over a four-year performance period.

Options and performance rights are granted at the commencement of the performance period, with value realised upon the exercise of vested awards.

The LTI aligns executives with overall company performance through two measures focused on strategic business drivers and long-term shareholder return:

- Relative TSR performance – 50% weighting
- Growth in Underlying Basic EPS – 50% weighting

Further details on the LTI are provided on page 112 (Table 2.4).

2.2 FY26 remuneration mix

The remuneration mix for executive KMP is strongly weighted towards at-risk, performance-based remuneration to drive a strong focus on short, medium and long-term performance. A portion of executive remuneration is delivered in equity (deferred STI and LTI), aligning executives' interests with those of shareholders.

The following diagrams set out the target and maximum remuneration mix for executive KMP in FY26.

CEO&P

Total Target Mix

	Performance-based			
Fixed remuneration – 36%	Target STI – 35%		Target LTI – 29%	
	21% cash	14% deferred service rights	14.5% options	14.5% performance rights

Total Maximum Mix

	Performance-based			
Fixed remuneration – 25%	Maximum STI – 44%		Maximum LTI – 31%	
	26% cash	18% deferred service rights	15.5% options	15.5% performance rights

Other executive KMP

Total Target Mix

	Performance-based			
Fixed remuneration – 42%	Target STI – 35%		Target LTI – 23%	
	21% cash	14% deferred service rights	11.5% options	11.5% performance rights

Total Maximum Mix

	Performance-based			
Fixed remuneration – 30%	Maximum STI – 45%		Maximum LTI – 25%	
	27% cash	18% deferred service rights	12.5% options	12.5% performance rights

2.3 Short-term incentive (STI)

As discussed in the Letter from the Chair of the People and Culture Committee (P&CC), the STI framework was updated in FY26 to strengthen alignment between performance and executive remuneration and provide a more balanced assessment of STI outcomes. Key changes included:

- **Removal of the Group Performance Gateway**
- **Introduction of a new performance measure - Group Underlying Net Profit** (15% weighting) to strengthen alignment with sustainable financial performance
- **Revised performance weightings** – Financial measures at 65% (Group Sales Revenue 50% and Group Underlying Net Profit at 15%) and strategic measures at 35%, to better balance financial and strategic performance

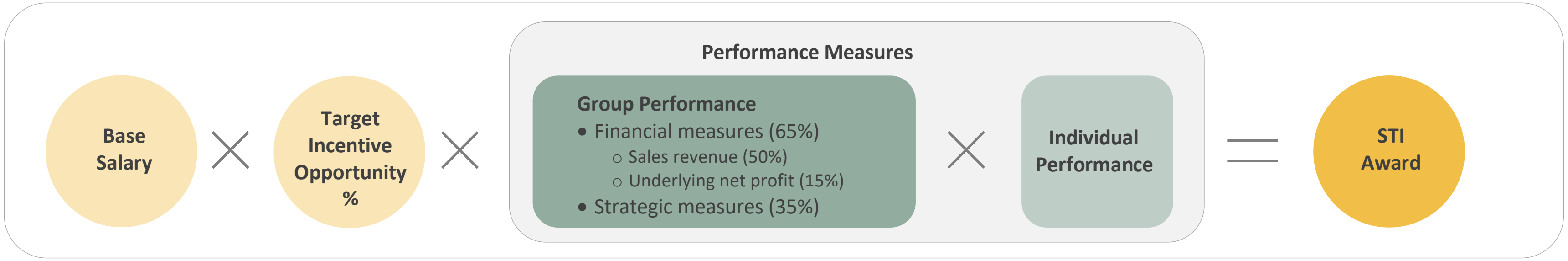
Purpose	STI recognises and rewards executives for the achievement of Cochlear group and regional (for regional executives) performance targets set by the Board at the beginning of the performance period. STI is considered at-risk remuneration and is not a guaranteed component of executive remuneration.
Opportunity	A target opportunity is set for each executive, which is earned if group and individual performance is on target. The achievement of maximum opportunity is based on exceeding the performance measures and at the discretion of the Board. **CEO&P:** target opportunity is 100% of base salary, and maximum is up to 180% of base salary. **Other executive KMP:** target opportunity is 90% of base salary, and maximum is up to 162% of base salary.

Group Performance Measures

Performance measure and weighting	Description
Group Sales Revenue (50%)	• Sales revenue growth is critical to short and longer-term shareholder returns. • Targets are set by the Board, having regard to prior year performance, global market conditions, competitive environment, future prospects and Board approved budgets. Specific targets are only disclosed to the market retrospectively due to their commercial sensitivity.
Group Underlying Net Profit (15%)	• Underlying net profit focuses on delivering strong earnings through the performance period and ensures strong returns for shareholders in the short term. • The target underlying net profit is determined annually by the Board and the achievement of this target will be determined by the Board at the end of the performance period.
Strategic Measures (35%)	Long-term success requires consistent investment in strategic initiatives over extended timeframes. Our reward structure reflects this imperative, with meaningful weighting to strategic measures that drive sustained long-term growth. Our strategic measures (as set out on page 108) focus on: • **Growing the hearing implant market** through long-term investment in establishing consistent processes for diagnosing and referring adult cochlear implant candidates. This long-term goal is dependent on our ability to work with professionals, researchers and other industry participants to build the evidence to support bringing about a change in referring behaviour and ultimately resulting in a healthier and more productive society, • **Retaining market leadership** through long-term investment in R&D to deliver products and services which deliver a lifetime of hearing solutions, • **Building a strong organisation** where people can thrive because of the enabled culture, capabilities, systems and leadership for organisational scale; and • **Consistent and sustainable growth** by maximising spending but doing so in a sustained way whilst maintaining our competitive position**.**

We have developed a set of milestones and metrics to assess progress each year against our strategic measures. Some of these targets are easier to quantify, while others require qualitative assessment on progress against specific milestones. The performance outcome balances both quantitative and qualitative measures. We continue to refine our process each year, providing more disclosure on this process. We note, however, that many components of our strategic measures relate to building future competitive advantage, so it is not appropriate to be specific about these activities, for example: product development. Once milestones are achieved, they are disclosed as part of the Company's performance reporting.

	Validation of performance against the measures set for: • the CEO&P involves a review by the P&CC and Board based on financial inputs from the CFO, and recommended by the P&CC and approved by the Board each year; and • other Executive KMP involves a review by the CEO&P based on inputs from the CFO and approved by the P&CC. The Board may use its discretion to modify the performance measures (upwards or downwards) in the event of extraordinary circumstances.
Individual Performance	Each Executive's contribution against performance objectives and HEAR behaviours is assessed by the Board or P&CC (as appropriate) at an individual level at the end of the performance period. HEAR behaviours reflect organisational values linked to Cochlear's mission: Hear the customer, Embrace change and innovate, Aspire to win, and Remove boundaries.
How STI award is determined	The quantum of STI award the executive will receive is calculated as follows:
Delivery	60% of the award is paid in cash annually, with 40% deferred into service rights for a period of two years (subject to a service condition) to reinforce alignment to longer-term shareholder interests and for retention purposes. The number of service rights to be allocated is determined by dividing the value of 40% of the STI award by the face value of a service right. The face value is the five-day volume-weighted average share price, from the next business day following the announcement of the full year results in August each year. Each vested service right entitles the executive KMP to receive a share upon exercise. Vested service rights may be exercised at any time following vesting and up to 15 years from the date of grant, after which any unexercised service rights will lapse. Additional shares, equal to the value of dividends paid by Cochlear from the grant date to the exercise date, are allocated on vested service rights. No additional shares will be allocated to any service rights that do not vest.
Cessation of employment	**Prior to the STI award date:** if an executive is terminated for cause or resigns from their position prior to any cash being paid, or service rights being granted, the executive will forfeit any awards to be paid for the performance period, unless the Board determines otherwise. **Post STI award date:** if an executive is terminated for cause or resigns from their position after service rights have been granted, but prior to the relevant vesting date, any unvested rights will generally be forfeited, unless the Board determines otherwise. If an executive ceases employment with Cochlear for any other reason, they may be entitled to a pro-rated STI award for the year in which employment ceases. Any unvested rights may remain on foot and vest in the ordinary course, in line with the original vesting date, unless the Board determines otherwise.



2.4 Long-term incentive (LTI)

Purpose	LTI aligns the remuneration opportunity for the executives with shareholder value and provides a stimulus for the retention of executives within the Company.
Award vehicle	LTI awards are delivered as 50% options and 50% performance rights.
Opportunity	**CEO&P:** maximum opportunity is 125% of base salary. **Other executive KMP:** maximum opportunity is 90% of base salary.
Allocation method	The award is calculated by dividing the value of the LTI opportunity (comprising 50% options and 50% performance rights) by the value of options and performance rights. The value of an option is calculated using the 'gross contract value', which refers to a Black-Scholes-Merton pricing model. The 'gross contract value' discounts for dividends not paid, share price volatility and the risk-free rate of return. There is no discount for the likelihood of service or performance conditions. The value of a performance right is determined by taking account of the face value of each award and is based on the five-day volume-weighted average share price, from the next business day following the announcement of the full year results in August each year.
Performance period	Performance is measured over a four-year performance period. There is no retesting of performance hurdles under the LTI plan.
Exercise period	**Options:** Post vesting, options expire 25 months after the vesting date if they have not been exercised. The Board also has discretion to extend the exercise period for vested options by a further 12 months (up to 37 months) if an option holder is in possession of inside information in a trading window and is unable to exercise their vested options before expiry. The exercise price for vested options can be paid in cash or through a cashless exercise mechanism. **Performance Rights:** Post vesting up to 15 years from the date of grant.
Performance measures and hurdles	Each award (comprising 50% options and 50% performance rights) is subject to: • 50% weighting on relative TSR against the constituents of the ASX 100 index as at the start of the performance period; and • 50% weighting on compound annual growth rate (CAGR) in underlying basic EPS. The proportion of awards that vest for performance is:

Relative TSR	
Performance	**% of instruments subject to relative TSR hurdle that vest**
Less than 50th percentile	0%
At the 50th percentile	40%
50th percentile to 75th percentile	40% to 100% (pro-rata*)
Above 75th percentile	100%

Underlying Basic EPS Growth	
Performance (CAGR)	**% of instruments subject to underlying basic EPS growth that vest**
Less than 7.5%	0%
7.5%	50%
7.5% to 12.5%	50% to 100% (pro-rata*)
Above 12.5%	100%

*Increasing on a straight-line basis

These measures have been selected to incentivise the executive team towards long-term sustainable growth of the business and are generally accepted proxies for the creation of shareholder value.

Dividends	Options do not carry an entitlement to dividends. Each vested performance right entitles the executive KMP to receive a share upon exercise. Additional shares, equal to the value of dividends paid by Cochlear from the grant date to the exercise date, are allocated on vested performance rights. No additional shares will be allocated to any performance rights that do not vest.
Cessation of employment	If an executive is terminated for cause or resigns from their position before the options and performance rights vest, these options and performance rights will be forfeited upon cessation of employment, or the vesting date (whichever is earlier), unless the Board determines otherwise. If an executive ceases employment with Cochlear for any other reason prior to the vesting date, any unvested options and performance rights may remain on foot and vest in the ordinary course, in line with the original vesting date, unless the Board determines otherwise.

3. Executive KMP remuneration received in FY26 (unaudited)

The table below presents the remuneration paid to, received or realised by each executive KMP during the year. Fixed remuneration and cash STI relate to amounts earned during the year, while deferred STI and LTI represent awards that vested and were exercised during the year.

The figures presented below are different to the statutory disclosures in section 5 which are prepared in accordance with the accounting standards and therefore include the accounting value for all unvested deferred STI and LTI awards expensed in the year. The table below has been provided voluntarily to provide clear disclosure on the remuneration outcomes and actual 'take-home pay' of executive KMP for FY26.

Name	Year	Fixed remuneration ($)[1]	Cash STI received ($)[2]	Deferred STI realised ($)[3]	LTI realised ($)[4]	End of service payments	Total remuneration received ($)
Executive KMP							
D Howitt	**FY26**	**2,215,529**	**–**	**–**	**1,507,893**	**–**	**3,723,422**
	FY25	2,154,296	–	995,209	2,756,394	–	5,905,899
J Janssen	**FY26**	**1,185,978**	**229,814**	**–**	**532,485**	**–**	**1,948,277**
	FY25	1,143,751	–	339,783	727,384	–	2,210,918
S Thom[5]	**FY26**	**984,185**	**191,006**	**–**	**–**	**–**	**1,175,191**
	FY25	467,783	–	–	–	–	467,783

1 Fixed remuneration earned during the financial year, comprising base salary, superannuation, annual leave loading and non-monetary benefits.
2 Cash STI earned relating to performance during the reported financial year. For example, FY26 reflects STI accrued as at 30 June 2026 and paid in September 2026 following the reporting year end.
3 Deferred STI reflects the value of deferred STI service rights granted in prior years that vested and were exercised during the reported financial year. The FY23 deferred STI grant vested in August 2025 but remained unexercised as at 30 June 2026 and is therefore excluded from realised remuneration. Details of deferred STI service rights held by executive KMP are disclosed in section 8.2, executive KMP equity holdings.
4 LTI reflects the value of performance rights and options that vested and were exercised during the reported financial year. Performance rights are valued based on the number of rights vested multiplied by the closing share price on the vesting date. Options are valued based on the number of options exercised multiplied by the closing share price on the exercise date, less the exercise price. FY26 reflects the FY22 LTI grant that vested in August 2025 (50% of awards vested due to performance).
5 FY25 remuneration for S Thom only relates to the period that she was an executive KMP from 1 January 2025 to 30 June 2025.

4. Executive KMP remuneration and link to performance

4.1 FY26 STI outcomes

For FY26, STI outcomes are determined under a revised framework following the removal of the Group Performance Gateway. This change supports a more balanced assessment of performance, recognising that the successful execution of strategic priorities is critical to delivering sustainable long-term value while maintaining a strong focus on financial performance.

Performance against the financial measures was mixed. Group Sales Revenue achieved 94.11% of target, above the threshold performance level of 93.5%. However, Group Underlying Net Profit was $322 million, below the threshold of $435 million, resulting in no STI payout for this measure.

The Board also assessed performance against a range of strategic measures, which were delivered at 90% of target. These measures represent key operational and strategic priorities that underpin Cochlear's long-term growth, competitiveness and future financial performance. The Board considered that meaningful progress had been achieved against these objectives during FY26 despite the financial challenges experienced during the year.

Taking both the financial and strategic outcomes into account, the Board assessed overall Group Performance at 37.3% of target. This outcome reflects the operation of the approved STI framework and the Board's assessment of performance across all measures, rather than any single financial metric.

The FY26 STI outcomes for executive KMP reflected both Company performance and individual contributions during the year. The average STI outcome for executive KMP was 24.9% of target opportunity and 13.8% of maximum opportunity, reflecting that no STI award was payable to the CEO&P for FY26.

Details of the FY26 STI outcomes are set out in the table below. For executive KMP receiving an STI award, 60% of the STI award will be delivered in cash in September 2026, with the remaining 40% deferred into service rights, subject to continued employment until August 2028.

Executive KMP	STI target as a % of base salary	STI maximum as a % of base salary	Actual STI[1] as a % of target	Actual STI[1] as a % of maximum	STI forfeited as a % of maximum	Actual STI[1] ($)
D Howitt	100%	180%	0.0%	0.0%	100.0%	-
J Janssen	90%	162%	37.3%	20.7%	79.3%	383,024
S Thom	90%	162%	37.3%	20.7%	79.3%	318,344

[1] Please refer to page 111 which illustrates how the STI award is calculated combining factors of both corporate (37.3%) and individual performance, with individual performance variations associated with the executive’s achievements against their performance objectives and adherence to Cochlear’s HEAR behaviours. (HEAR behaviours reflect organisational values linked to Cochlear’s mission: Hear the customer, Embrace change & innovate, Aspire to win, and Remove boundaries).

4.2 FY26 STI performance summary (unaudited)

The table on the next page (unaudited) summarises achievement against each financial and strategic measure in the STI plan. Measures are agreed with the P&CC at the start of each financial year and aligned to initiatives that support Cochlear's strategy. Annual financial results are essential for funding dividends, development, and growth, but they represent only part of what is required to deliver long-term shareholder value creation.

This is why we also measure achievement on non-financial strategic initiatives that span multiple years or even decades, such as developing new products or advancing programs that support the medicalisation of hearing loss. By allocating a portion of STI outcomes to strategic measures, we balance the need to build the strategic foundations to deliver long-term value creation with delivering in-year financial targets.

While these measures are strategic in nature, each is directly linked to the delivery of future financial performance. The Board considers that sustainable revenue growth, operating margins, cash generation and long-term shareholder returns depend not only on annual financial outcomes, but also on continued execution of the strategic initiatives that underpin Cochlear's competitive position and operational performance.

Financial measures (65%)

Group Underlying Net Profit (15%)

Threshold 50% | Target 100% | Stretch 150%

Outcome - 0% (Delivered $322m - Below threshold of $435m)

Sales Revenue Growth (50%)

Threshold 0% | Target 100% | Stretch 200%

Outcome - 11.6% (Delivered 2% growth in constant currency)

Strategic measures (35%)

Progress against Cochlear's strategic priorities was strong and strengthened the foundations for future growth. The organisation delivered meaningful progress on initiatives that will shape future performance, particularly in adult referral pathways and medicalisation of hearing loss, in progressing next-generation technology, in accelerating plans to reduce fixed costs to invest in growth and margin including through operating model and technology changes to improve flexibility, efficiency and scalability.

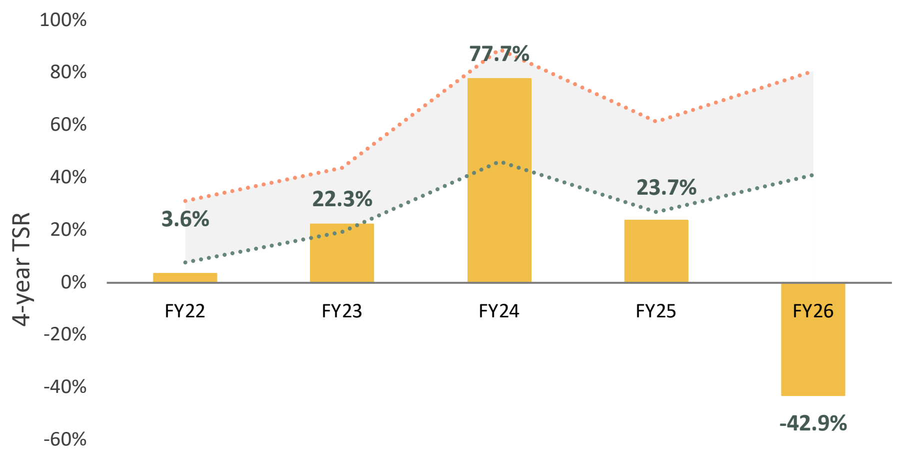
Strategic priority	Key outcomes	
Grow the hearing implant market	• Pilot programs supporting referral growth previously developed showed strong outcomes, with 15% growth in Australian private hospitals and quality referrals in the UK doubling over 4 years. • Direct-to-professional plans in the US advanced well, supporting stronger ENT specialist engagement, improved candidate identification and more consistent referral behaviours in multiple major cities. • The rollout of clinical practice guidelines also continued, reaching 25 countries and providing a clearer framework for identifying and referring adults with severe to profound hearing loss for cochlear implant evaluation. • Visibility of the adult referral funnel has been improved, with referral propensity now captured across nearly 10,000 referrer accounts and more than 1,500 referrer contacts in the UK, Germany and Australia. This is supporting more targeted field activity and better prioritisation of higher-quality adult referral sources.	Threshold / Target / Stretch
Retain long term market leadership	• New clinical data indicated the potential of the Nucleus Nexa System to improve hearing outcomes and deliver sustainable competitive advantage. Clinical studies showed a measure of neural health was 4x better at explaining variability in hearing outcomes. 2 out of 3 people had improved hearing in noise with new stimulation strategies that are only possible with Nexa. • Pleasing results were achieved on studies on the drug eluting electrode; the totally implantable implant moved into pivotal studies.	Threshold / Target / Stretch
Build a stronger organisation	• Engagement remained over 80%. • Operating model changes were accelerated to shift resources to growth, improve scalability and recover margin in the medium term. Talent strategy and leadership capability development programs were deployed to plan. • Transformation milestones for new ERP and manufacturing systems were met.	Threshold / Target / Stretch
Consistent and sustainable growth	• Nexa exceeded reliability targets in the year but there were some concerns in software that will be addressed in FY27. • Improvement in inventory management was below target, with inventory finishing at $491m, in line with start of year. • Implant COGS reduction project commenced. • Met enterprise risk management framework targets. • Net zero emissions targets on track.	Threshold / Target / Stretch

4.3 FY22-26 LTI vesting outcomes

LTI is based on performance against relative TSR (50%) and underlying basic EPS growth (50%) over a four-year performance period. The graphs below illustrate Cochlear's relative TSR and growth in underlying basic EPS performance over the past five years.

Cochlear's TSR for the performance period 1 July 2022 to 30 June 2026 was -42.9%, which was ranked at the 8.6th percentile of the ASX 100 comparator group. This resulted in performance below target, and as a result, 0% of the TSR portion of the LTI vested.

Cochlear's relative TSR

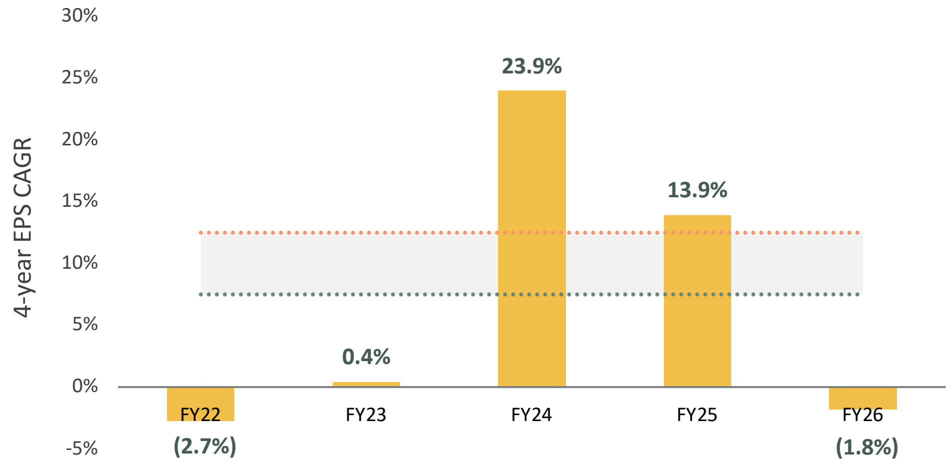


TSR vesting	0.0%	52.2%	72.6%	0.0%	0.0%

Cochlear TSR performance ········ Median TSR (target) ········ 75th percentile TSR (stretch)

Cochlear's underlying basic EPS[1] growth for the performance period 1 July 2022 to 30 June 2026 was 392.0 cents, which is a -1.8% CAGR over the four-year performance period. This resulted in performance below target and as a result, 0% of the EPS portion of the LTI vested.

Cochlear's growth in underlying basic EPS[2]



EPS vesting	0.0%	0.0%	100.0%	100.0%	0.0%

Cochlear EPS performance ········ Target ········ Stretch

[1] For the purpose of the FY22-26 LTI, EPS is determined based on underlying net profit which excludes non-cash after tax gain/loss from the revaluation of innovation fund investments and the impact of one off and non-recurring items. Basic EPS growth is preferred over diluted EPS growth for simplicity, and the lack of material difference a diluted EPS measure would offer.

[2] The capital raising in March 2020 and the impact of COVID on hospitals and healthcare systems around the world significantly impacted the achievement of EPS performance hurdles through the period to FY24.

4.4 Financial performance history (FY22 to FY26)

	FY22	FY23	FY24	FY25	FY26
Sales revenue ($million)[1]	1,641.1	1,955.7	2,258.2	2,355.8	2,343.4
Earnings/(loss) before interest and tax (EBIT) ($million)	400.0	389.5	475.0	517.8	216.9
Underlying EBIT ($million)	382.7	396.1	504.8	521.3	432.6
Reported EPS					
Net profit/(loss) ($million)	289.1	300.6	356.8	388.9	147.3
Basic EPS (reported) (cents)	439.6	457.0	544.5	594.3	225.2
Reported EPS growth[2]	(2.9%)	(1.2%)	n/a	4.8%	(15.4%)
Underlying EPS[3]					
Underlying net profit ($million)	277.0	305.2	386.6	391.6	256.4
Basic EPS (underlying) (cents)	421.1	464.1	589.8	598.4	392.0
Underlying EPS growth[2]	(2.7%)	0.4%	23.9%	13.9%	(1.8%)
Share price and dividends					
Total dividend per share ($)	3.00	3.30	4.10	4.30	3.5
Shares bought back and cancelled ($million)	–	26.4	46.2	28.3	0.1
Share price as at 30 June ($)	198.70[4]	229.07	332.15	300.42	121.75
Relative total shareholder return (TSR)	3.6%	22.3%	77.7%	23.7%	-42.9%
TSR percentile ranking[5]	42nd	55th	64th	47th	8th

1 Excludes foreign exchange gain/(loss) on hedged sales.
2 EPS growth for FY22 and FY25 is as reported in prior Remuneration Reports, as it relates to LTI awards that have already vested in prior years. EPS growth for FY22 is based on 3-year CAGR and EPS growth for FY23 to FY26 is based on 4-year CAGR.
3 The one-off cloud computing expense was excluded from FY26 underlying net profit of $322.4 million but retained in the LTI measure for consistency.
4 The opening share price of Cochlear Limited on 1 July 2021 was $252.21.
5 TSR percentile ranking for FY22 is shown over three financial years to 30 June. TSR percentile ranking for FY23 to FY26 is shown over four financial years to 30 June. For LTI, performance is compared to the TSR of the constituents of the ASX 100 as at the start of the relevant performance period.

For further explanation of details on Cochlear performance, see the Operating and Financial review which is set out on the following pages of this Annual Report.

- Operational review and Financial review (pages 20 to 25);
- Strategy and value creation (pages 26 to 68);
- Financial performance (pages 20 to 25); and
- the ‘Business Risks’ section in Governance and risk (pages 91 to 93).

5. Executive KMP statutory remuneration disclosure

The table below presents the total remuneration for executive KMP in accordance with the accounting standards.

Name	Year	Short-term benefits			Post- employment benefits	Other long-term benefits	Share-based payments			End of service payments ($)	Total ($)	% of performance related Remuneration ($)[7]
		Salary ($)[1]	Cash STI ($)	Non-monetary benefits ($)[2]	Superannuation contributions ($)[3]	Long service leave ($)[4]	Deferred STI ($)[5]	LTI performance rights ($)[6]	LTI options ($)[6]			
Executive KMP												
D Howitt	**FY26**	**2,184,376**	**–**	**1,153**	**30,000**	**15,216**	**314,569**	**(348,073)**	**(205,590)**	**–**	**1,991,651**	**-12.00%**
	FY25	2,122,655	–	1,709	29,932	10,868	625,687	843,290	998,148	–	4,632,289	53.26%
J Janssen	**FY26**	**1,154,825**	**229,814**	**1,153**	**30,000**	**(14,102)**	**191,820**	**(121,765)**	**(69,040)**	**–**	**1,402,705**	**16.46%**
	FY25	1,112,110	–	1,709	29,932	(8,021)	265,815	303,663	359,863	–	2,065,071	45.00%
S Thom[8]	**FY26**	**953,417**	**191,006**	**769**	**30,000**	**25,053**	**42,446**	**25,364**	**48,107**	**–**	**1,316,162**	**23.32%**
	FY25	453,631	–	–	14,152	1,381	–	28,985	37,047	–	535,196	12.34%
Total	**FY26**	**4,292,618**	**420,820**	**3,075**	**90,000**	**26,167**	**548,835**	**(444,474)**	**(226,523)**	**–**	**4,710,518**	**6.34%**
	FY25	3,688,396	–	3,417	74,017	4,228	891,503	1,175,938	1,395,058	–	7,232,556	47.87%

1 Salary includes annual base salary of $1,952,089 to D Howitt, $1,001,752 to J Janssen, $896,908 to S Thom. These figures also include leave-related payments and annual leave loading for all executive KMP.
2 Non-monetary benefits represent insurance (Salary Continuance) premiums for all executive KMP.
3 Superannuation contributions are paid on earnings up to the Maximum Superannuation Contribution Base.
4 Long service leave represents the movement in the accrued long service leave entitlement recognised during the year in accordance with accounting standards.
5 Deferred STI is granted in service rights and deferred for a further two years. The cost of the plan is expensed across three years. The FY26 amount represents the portion of the FY24 and FY26 deferred STI expensed in FY26. The FY25 amount represents the portion of the FY23 and FY24 deferred STI expensed in FY25.
6 LTI granted in performance rights and options are expensed evenly over the period from grant date to vesting date. The value is calculated at the date of grant using the Black-Scholes-Merton pricing model discounted for vesting probabilities of non-market performance criteria and a Monte Carlo simulation model for market condition of Cochlear’s TSR measured against the S&P/ASX 100 comparator group. The amount expensed each reporting period includes adjustments to the life-to-date expense of grants based on the reassessed estimate of achieving non-market performance criteria. The value disclosed above is the portion of the value of the performance rights and options recognised as an expense in the financial year. The ability to exercise the performance rights and options is conditional on Cochlear achieving certain performance hurdles and there is no exercise price for LTI performance rights. Further details of performance rights and options granted during the financial year are set out in this report.
7 % of performance-related remuneration represents the proportion of total statutory remuneration that is linked to performance outcomes and comprises cash STI, deferred STI, LTI performance rights and LTI options recognised during the year. Amounts are recognised in accordance with AASB 2 Share-based Payment and may be positive or negative. The percentage is calculated as performance-related remuneration divided by total statutory remuneration.
8 FY25 remuneration for S Thom only relates to the period that she was an executive KMP from 1 January 2025 to 30 June 2025.

6. Executive service agreements

Cochlear does not enter into (limited) service contracts for executive KMP. The terms of employment for executive KMP meet local employment law requirements. Key provisions are similar but do, on occasion, vary to suit different needs.

The following sets out details of the employment agreements relating to executive KMP.

Length of contract:	Permanent contract until notice is given by either party	
Notice periods:	Notice to be given by Executive	Notice to be given by Cochlear
Executive KMP		
D Howitt	52 weeks	52 weeks
J Janssen	12 weeks	12 weeks
S Thom	26 weeks	26 weeks
Post-employment restraints:	executive KMP are subject to post-employment restraints for up to 12 months	

7. Remuneration governance

7.1 Governance framework for remuneration at Cochlear

The Board is responsible for defining Cochlear's purpose, strategic direction and satisfying itself that Cochlear's remuneration framework is aligned with Cochlear's purpose, value, strategic objective and risk appetite. Consistent with this responsibility, the Board has established the P&CC which is composed solely of independent NEDs.

Cochlear Board of Directors

Reviews, applies judgement and, as appropriate, approves recommendations from the P&CC on remuneration matters.

People and Culture Committee

The P&CC is empowered to source any internal resources and obtain external independent professional advice it considers necessary to enable it to review management proposals and has responsibility with respect to:

- Remuneration policy, composition, quantum and performance targets for executives (other than CEO&P)
- Recommendations to the Board on Board and Committee fee structures
- Organisational culture, diversity and inclusion, talent management and leadership development strategies and practices
- Effectiveness of work, health and safety initiatives
- Design features of employee and executive STI and LTI awards

Management

Makes recommendations to the P&CC with respect to individual remuneration arrangements for executive KMP.

Implements policies and practices relating to talent management, remuneration, organisational culture, diversity and inclusion, work, health and safety and leadership development.

7.2 Advice from external advisors

To inform decisions, the P&CC sought advice and (at times) recommendations from the CEO&P and other management throughout the year.

No remuneration recommendations (as defined by the *Corporations Act 2001* (Cth) (the Act)) were provided by any advisor during the year.

The P&CC is satisfied that the information received externally is free from undue influence in accordance with the Act.

7.3 Share ownership requirements

Executive KMP are required to retain vested equity until they hold and maintain a minimum holding of Cochlear shares equivalent to:

- 200% of base salary for the CEO&P; and
- 100% of base salary for other executive KMP.

Until this requirement is met, executive KMP must retain shares derived from participation in incentive plans, except sales to meet the cost of exercising any options and sales to meet tax on participation in the plan.

NEDs are required to hold shares equivalent to the value of their previous year's total annual fees (including both Board and committee fees). Following investor feedback, the Share ownership requirement must now be satisfied within five years of appointment to the Board.

The Board considers the minimum shareholding guidelines to be best practice to strengthen the alignment of executives and NEDs' interests to those of shareholders. The table in section 8.2 details the current holdings of executive KMP against the minimum holding requirements and table 9.3 details the minimum shareholding requirements and progress for NEDs. A copy of our Share Ownership Policy is available in the 'Investors' section of the Company's website.

7.4 Clawback Policy and discretion

All participants of the deferred STI and LTI plans are subject to the Clawback Policy, available in the 'Investors' section of the Company's website. The policy enables the Board to clawback remuneration outcomes in the event of a material non-compliance with any financial reporting requirement, misconduct, or following inappropriate behaviour post-employment in cases where the Board has exercised its discretion to allow retention of equity following termination of employment. The policy is designed to further align the interests of participants with the long-term interests of Cochlear and shareholders, and to ensure that excessive risk taking, or inappropriate post-employment actions, are not rewarded.

The Board retains discretion to adjust remuneration outcomes upwards or downwards to ensure incentives are not provided where it would be inappropriate or would provide unintended outcomes. The exercise of appropriate discretion may be used where a formulaic outcome does not align with the overall shareholder experience or reflect overall business performance and intended outcomes; or leads to retention risk for key talent. The Board balances judgement on remuneration outcomes with consideration to all stakeholders.

7.5 On-market share acquisitions

During FY26, 123,340 Cochlear ordinary shares were purchased on market at a total cost of $33,631,422 (at an average price of $272.67 per share) for the purposes of Cochlear's employee equity incentive plans.

8. Executive KMP equity disclosures

Executive KMP participate in the deferred STI and LTI plans which offer equity under the Cochlear Equity Incentive Plan (CEIP). The purpose of the CEIP is to encourage executives to hold Cochlear shares and to align their interests to shareholders' interests.

Under the LTI plan, vesting of options or performance rights only occurs if Cochlear achieves challenging and market competitive hurdles related to relative TSR and/or EPS growth. Under the deferred STI plan, grants are based on performance in the first year and are then deferred for a further two years.

8.1 Equity granted as remuneration

The table on the next page presents the number of options and performance rights granted to executive KMP and the number of instruments that were vested or forfeited during FY26.
Equity granted under the CEIP during FY26 has been approved by shareholders for the CEO&P. No options or rights vest if the conditions are not satisfied; hence, the minimum value is nil. The maximum value of the grants has been determined as the fair value of awards at grant date that is yet to be expensed.

Name	Plan	Grant date	Options		Performance rights		Vesting date[2]	Expiry date (Options)[2]	Expiry date (Rights)[2]	Vested	Forfeited[3]
			Number granted	Maximum value to be expensed ($)[1]	Number granted	Maximum value to be expensed ($)[1]					
Executive KMP											
D Howitt	FY22 LTI	20-Oct-21	21,808		5,341		18-Aug-25	18-Mar-26	18-Aug-25	50%	50%
	FY23 LTI	19-Oct-22	19,087		6,041		19-Aug-26	19-Sep-28	19-Aug-26		
	FY23 deferred STI	18-Sep-23			3,622		18-Aug-25		18-Sep-38	100%	0%
	FY24 LTI	18-Oct-23	14,089	143,421	4,938	112,565	18-Aug-27	18-Sep-29	18-Oct-38		
	FY24 deferred STI	23-Sep-24			3,082		18-Aug-26		18-Sep-39		
	FY25 LTI	13-Nov-24	13,445	248,450	4,309	157,527	16-Aug-28	16-Sep-30	13-Nov-39		
	FY26 LTI	8-Nov-25	14,190	434,283	4,519	296,100	16-Aug-29	16-Sep-31	8-Nov-40		
	Total		**82,619**	**826,154**	**31,852**	**566,193**					
J Janssen	FY22 LTI	17-Sep-21	7,685		1,882		18-Aug-25	18-Mar-26	18-Aug-25	50%	50%
	FY23 LTI	16-Sep-22	6,726		2,129		19-Aug-26	19-Sep-28	19-Aug-26		
	FY23 deferred STI	18-Sep-23			1,456		18-Aug-25		18-Sep-38	100%	0%
	FY24 LTI	18-Sep-23	5,042	51,326	1,767	40,280	18-Aug-27	18-Sep-29	18-Sep-38		
	FY24 deferred STI	23-Sep-24			1,379		18-Aug-26		18-Sep-39		
	FY25 LTI	23-Sep-24	5,104	94,317	1,635	59,772	16-Aug-28	16-Sep-30	23-Sep-39		
	FY26 LTI	16-Sep-25	5,399	165,236	1,719	112,635	16-Aug-29	16-Sep-31	16-Sep-40		
	Total		**29,956**	**310,878**	**11,967**	**212,687**					
S Thom[4]	FY25 LTI	10-Dec-24	2,796	51,667	896	32,756	16-Aug-28	16-Sep-30	10-Dec-39		
	FY26 LTI	16-Sep-25	4,493	137,508	1,431	93,764	16-Aug-29	16-Sep-31	16-Sep-40		
	Total		**7,289**	**189,175**	**2,327**	**126,520**					

1 The options granted in FY26 have an exercise price of $299.99, and an expiry date of 16 September 2031. Fair values (AASB 2) of FY26 options and performance rights under the LTI plan as at the date of grant are as follows: options (EPS growth: $95.55; relative TSR: $81.61) and performance rights (EPS growth: $285.43; relative TSR: $174.73). This valuation is for accounting purposes only and forms the basis of the expense in future years. Further detail on the allocation methodology is provided in section 2.4.

2 Vesting and expiry dates are indicative only and subject to change based on full year results announcement dates.

3 The percentage forfeited represents the proportion of instruments that did not vest due to the relevant performance measures not being achieved.

4 For S Thom, granted awards also relate to her role prior to appointment as an executive KMP.

8.2 Executive KMP equity holdings and minimum shareholding

This section outlines executive KMP equity holdings and movements during FY26, including ordinary shares, rights and options, and compliance with the Share Ownership Policy as at 30 June 2026.

Shares held during the year

FY23 deferred STI plan and FY22 LTI plan vested in August 2025. Following vesting, exercised options and rights were converted into Cochlear shares.

Name	Balance 1 July 2025	Received on vested rights	Received on exercise of vested options[1]	Exercise price paid on vested options ($)	Purchases and sales	Balance 30 June 2026
Executive KMP						
D Howitt	61,475	2,670	2,346	232.52	(2,349)	64,142
J Janssen	9,567	941	791	232.52	(4,000)	7,299
S Thom[2]	–	–	–	–	–	–

[1] Shares received after cashless exercise of options for D Howitt and J Janssen (a reduced number of fully paid Cochlear shares reflecting the "net" value of the options at the time of exercise in lieu of paying the exercise price to Cochlear).
[2] S Thom was appointed to the executive team with effect from 1 November 2024 and became a member of the executive KMP with effect from 1 January 2025.

Rights held during the year

Rights granted to executive KMP under the deferred STI and LTI plans.

- FY26 LTI awards were granted during September to November 2025; and
- 50% of the FY22 LTI plan and 100% of the FY23 deferred STI plan vested in August 2025.

Name	Balance 1 July 2025	Deferred STI service rights			LTI performance rights			Balance 30 June 2026[3]	Vested and exercisable service rights at 30 June 2026
		Granted	Vested and exercised	Forfeited	Granted	Vested and exercised	Forfeited[1]		
Executive KMP									
D Howitt	27,333	–	–	–	4,519	(2,670)	(2,671)	26,511	3,622
J Janssen	10,248	–	–	–	1,719	(941)	(941)	10,085	1,456
S Thom[2]	896	–	–	–	1,431	–	–	2,327	–

[1] These forfeited LTI performance rights were granted in FY22.
[2] For S Thom, granted performance rights also relate to her role prior to appointment as an executive KMP on 1 January 2025.
[3] In FY26, no executive KMP held dividends in the form of additional shares allocated to vested and exercised performance and service rights.

Options held during the year

Options over ordinary shares are granted to executive KMP under the LTI plan.

- FY26 LTI awards were granted during September to November 2025; and
- 50% of the FY22 LTI plan vested in August 2025.

All options held at the end of the financial year are unvested.

Name	Balance 1 July 2025	LTI options					Balance 30 June 2026	Vested and exercisable at 30 June 2026
		Granted	Vested and exercised	Value of options exercised ($)	Vested and lapsed	Forfeited[1]		
Executive KMP								
D Howitt	68,429	14,190	(10,904)	716,612	–	(10,904)	60,811	–
J Janssen	24,557	5,399	(3,842)	253,610	–	(3,843)	22,271	–
S Thom[2]	2,796	4,493	–	–	–	–	7,289	–

1 These forfeited options were granted in FY22.
2 For S Thom, granted options also relate to her role prior to appointment as an executive KMP on 1 January 2025.

Executive minimum shareholding

As at 30 June 2026, the Board is satisfied that the executive KMP are compliant with the Share Ownership Policy. The table below presents a summary of executive KMP holdings and compliance with minimum shareholding requirements, which they have confirmed through the executive KMP disclosures for FY26.

Name	Ordinary shares held	Policy value of Cochlear shares at year end ($)[1]	% of base salary[2]
Executive KMP			
D Howitt	64,142	14,798,842	682%
J Janssen	7,299	1,684,025	147%
S Thom[3]	–	–	0%

1 In line with the Share Ownership Policy, the value has been calculated using the average daily closing share price over the previous 12 months, as reported on the ASX up to 30 June 2026 ($230.72), multiplied by the number of shares.
2 The % of base salary is calculated as the value of shares divided by the contractual base salary as at 30 June 2026.
3 S Thom was appointed to the executive team with effect from 1 November 2024 and became a member of the executive KMP with effect from 1 January 2025.

8.3 Potential dilution if options vest and ordinary shares issued (unaudited)

The Board encourages employee ownership of Cochlear shares. To restrict dilution of shareholders' interests, the total employee interests in unvested equity cannot exceed 5% of share capital.

At the date of this report, the number of ordinary shares that would be issued if all options were vested (having met the service and performance conditions) and exercised and assuming ordinary shares were issued, is as follows.

	Grant date	Number of options			Exercise price per share ($)	Exercise period	Current net value of outstanding options as at 30 June 2026 ($)[2]
		Issued	Forfeited/ lapsed[1]	At report date			
FY23 LTI	16-Sep-22 (Executives) 19-Oct-22 (CEO&P)	67,487	–	67,487	216.33	Aug-26 to Sep-28	–
FY24 LTI	18-Sep-23 (Executives) 18-Oct-23 (CEO&P)	58,805	–	58,805	257.69	Aug-27 to Sep-29	–
FY25 LTI	23-Sep-24 (Executives) 13-Nov-24 (CEO&P) 10-Dec-24 (CFO)	54,365	–	54,365	306.20	Aug-28 to Sep-30	–
FY26 LTI	16-Sep-25 (Executives) 8-Nov-25 (CEO&P)	60,116	(3,341)	56,775	299.99	Aug-29 to Sep-31	–
Total		**240,773**	**(3,341)**	**237,432**			**–**

1 Forfeited/lapsed options from unvested grants relate to plan participants who have departed Cochlear.

2 Represents the number of options as at report date multiplied by the value of an option as at 30 June 2026 (exercise price less the closing share price as at 30 June 2026 of $121.75).

Total unvested equity currently accounts for approximately 0.64% of the total number of issued shares, as set out below.

Instrument	Number of options/rights on issue (at 30 June 2026)
Unvested LTI options	237,432
Unvested LTI rights	77,462
Unvested deferred STI rights	45,465
Service rights	59,649
Total	**420,008**
As % of total issued shares	0.64%
Number of issued shares	**65,398,917**

8.4 Transactions and loans with KMP

No transactions or loans involving Directors or executive KMP, their close family members or entities they control or have significant influence over, were made during the year.

9. Non-executive Director fees

NEDs are paid from an aggregate annual fee pool of $3,500,000 for FY26 (approved at the 2022 Annual General Meeting). Total remuneration paid during the year was $2,811,324, which is within the fee pool limit (representing 80.3% of the fee pool).

NEDs do not receive any performance-related remuneration, options or performance rights.

9.1 Fee policy and changes during the year

In light of the financial challenges experienced in FY26 the Board has determined that NED fees will not increase in FY27. This decision reflects the Board's recognition of the current performance environment. It also reflects our obligation to exercise appropriate stewardship of shareholder capital while the Company works through this period's operational challenges. NEDs will continue to receive market-benchmarked fees commensurate with their significant responsibilities.

The table below outlines the base and committee fees effective 1 September for FY25 and FY26.

Amounts $[1]	FY25		FY26	
	Chair	Member	Chair	Member
Cochlear Board	590,447	195,363	606,684	200,735
Committees[2]				
Audit and Risk	50,000	25,000	50,000	25,000
People and Culture	40,000	20,000	41,100	20,550
Product and Services Innovation	40,000	20,000	40,000	20,000
Medical Science	30,000	15,000	30,000	15,000
Nomination	No fee	No fee	No fee	No fee

1 Superannuation contributions have been made in accordance with Australian superannuation legislation at a rate of 12% up to the Australian Government's prescribed maximum contributions limit. Fees are presented exclusive of superannuation.

2 Committee fees are not paid to the Chair of the Cochlear Board.

NEDs are entitled to reimbursement for costs directly related to Cochlear business including reasonable travel, accommodation and other expenses incurred attending meetings of the Board, committees, or shareholders, or while engaged on company business.

It is recognised that as an Australian headquartered business, for some overseas-based Non-executive Directors substantial additional travel may be required to attend meetings or other Board-related matters in Australia. Currently a travel allowance of $10,000 per return trip is in place for internationally based Non-executive Directors who travel to and from Australia to attend Board and/or committee meetings or other Board-related matters (when air travel exceeds 10 hours). The allowance is in addition to the reimbursement of travel costs. In FY26, one NED based in the United States received a travel allowance of $60,000 to reflect six trips to Australia to attend Board meetings.

9.2 NED statutory remuneration

The table below presents the total remuneration for NEDs.

Name	Year	Short-term benefits		Post-employment benefits	Total ($)
		Fees ($)	Travel allowance ($)	Superannuation ($)	
Non-executive Directors					
A Deans (Chair)	**FY26**	**601,603**	**–**	**30,000**	**631,603**
	FY25	586,801	–	29,932	616,733
M Daniell, KNZM	**FY26**	**278,746**	**–**	**30,000**	**308,746**
	FY25	274,157	–	29,443	303,600
M del Prado[1]	**FY26**	**283,368**	**60,000**	**–**	**343,368**
	FY25	277,810	50,000	–	327,810
C McLoughlin, AM[2]	**FY26**	**314,637**	**–**	**–**	**314,637**
	FY25	308,865	–	–	308,865
B Robinson, AC	**FY26**	**273,766**	**–**	**30,000**	**303,766**
	FY25	262,811	–	28,514	291,325
K Penrose	**FY26**	**289,163**	**–**	**30,000**	**319,163**
	FY25	284,157	–	29,883	314,040
C Clarke	**FY26**	**239,355**	**–**	**28,240**	**267,595**
	FY25	194,627	–	22,382	217,009
R Freudenstein[3]	**FY26**	**225,248**	**–**	**2,993**	**228,241**
	FY25	–	–	–	–
Former Non-executive Directors					
G Boreham	**FY26**	**84,004**	**–**	**10,201**	**94,205**
	FY25	259,157	–	28,647	287,804
Total	**FY26**	**2,589,890**	**60,000**	**161,434**	**2,811,324**
	FY25	2,448,385	50,000	168,801	2,667,186

1 M del Prado is a tax resident of the US and a non-resident of Australia for income tax purposes and is exempt from Australian superannuation guarantee obligations. An equivalent amount of $29,071.26 was paid over the period from 1 July 2025 to 30 June 2026 as fees in lieu of superannuation guarantee payments which would have been received.

2 C McLoughlin has opted out of receiving superannuation guarantee payments in accordance with the *Superannuation Guarantee (Administration) Act 1992* (Cth). An equivalent amount of $29,999.93 was paid over the period from 1 July 2025 to 30 June 2026 as fees.

3 R Freudenstein was appointed to the Board on 25 August 2025. Effective 1 October 2025, Richard Freudenstein has opted out of receiving superannuation guarantee payments in accordance with the Superannuation Guarantee (Administration) Act 1992 (Cth). An equivalent amount of $21,197.51 was paid over the period from 1 October 2025 to 30 June 2026 as fees.

9.3 Minimum shareholding requirement for NEDs

NEDs are required to hold shares with a value equivalent to the fees (including both Board and committee fees) received in the previous 12 months. The share ownership requirement must be satisfied within five years of appointment to the Board.

The table below presents Cochlear Limited shareholdings for each NED as at 30 June 2026, which they have confirmed through the NED disclosures for FY26, and includes shares held nominally.

	Balance 1 July 2025	Purchases	Sales	Balance 30 June 2026	Policy value of shares as at 30 June 2026 ($)[1]	% of fees[2]
Non-executive Directors						
A Deans	4,500	–	–	4,500	1,038,240	171%
M Daniell, KNZM	1,614	–	–	1,614	372,382	133%
M del Prado[3]	941	75	–	1,016	234,412	91%
C McLoughlin, AM	2,600	–	–	2,600	599,872	209%
B Robinson, AC	1,185	253	–	1,438	331,775	120%
K Penrose	1,420	100	–	1,520	350,694	120%
C Clarke[4]	–	418	–	418	96,441	40%
R Freudenstein[5]	336	485	–	821	189,421	79%

1 In line with the Share Ownership Policy, available in the 'Investors' section of the Company's website, the value of Cochlear Limited ordinary shares is calculated using the average daily closing share price over the previous 12 months, as reported on the ASX up to 30 June 2026 ($230.72), multiplied by the number of shares.

2 The shareholding requirement has been calculated using annualised contractual fees based on Board and Committee membership as at 30 June 2026 (excluding superannuation).

3 M del Prado fell below the minimum shareholding requirement as at 30 June 2026 (when the requirement was determined to no longer be satisfied), and has one year from that date to regain compliance, in accordance with the Share Ownership Policy.

4 C Clarke was appointed to the Board on 2 September 2024 and in accordance with the policy has until 2 September 2029 to build her shareholding.

5 R Freudenstein's opening balance is as at 25 August 2025, being the date of his appointment to the Board, and, in accordance with the policy, has until 25 August 2030 to build his shareholding.

Financial report

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Directors' report

The directors present their report, together with the Consolidated Financial report of the Consolidated Entity (Cochlear), being Cochlear Limited (the Company) and its controlled entities, for the year ended 30 June 2026, and the Auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial year were A Deans (Chair), C Clarke, Sir M Daniell, KNZM, M del Prado, R Freudenstein, D Howitt, C McLoughlin, AM, K Penrose, Prof B Robinson, AC and G Boreham, AM.

Information on the current directors is presented in this Annual Report. This information includes the qualifications, experience and special responsibilities of each director. Also provided are details of the directors' other directorships.

Company secretary

The Company Secretarial function is responsible for ensuring that the Company complies with its statutory duties and maintains proper documentation, registers and records. It also provides advice to directors and officers about corporate governance and gives practical effect to any decisions made by the Board.

The company secretaries of the Company at any time during or since the end of the financial year were R McGrory and K Jo.

Directors' meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year were:

	Board of Directors		Audit and Risk Committee		People and Culture Committee		Medical Science Committee		Nomination Committee		Product and Services Innovation Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
A Deans	12	12	–	–	–	–	–	–	5	5	–	–
C Clarke	12	12	–	–	5	5	–	–	5	5	2	2
Sir M Daniell, KNZM	12	11	4	4	–	–	2	2	5	5	2	2
M del Prado	12	12	–	–	5	5	2	2	5	5	2	2
D Howitt	12	12	–	–	–	–	2	2	–	–	2	2
C McLoughlin, AM	12	12	4	4	5	5	–	–	5	5	2	2
K Penrose	12	11	4	4	5	5	–	–	5	5	2	2
Prof B Robinson, AC	12	12	4	4	–	–	2	2	5	5	2	2
R Freudenstein[1]	10	10	–	–	4	3	–	–	3	3	2	2
G Boreham, AM[2]	4	4	1	1	2	2	–	–	2	2	–	–

1. R Freudenstein was appointed to the Board and became a member of the People & Culture, Nomination and Product & Services Innovation Committees on 25 August 2025.
2. G Boreham, AM retired effective 23 October 2025.

The Chair of the Board attends committee meetings by invitation as a matter of course. Often directors also attend meetings of committees of which they are not a member. These attendances are not reflected in the table above.

Principal activities

Information on the principal activities, operations and financial position of Cochlear Limited and its business strategies and prospects is set out in the following pages of this Annual Report and forms the Operating and Financial Review:

- Strategy and value creation (pages 26 to 68);
- Financial performance (pages 20 to 25); and
- the 'Business Risks' section in Governance and risk (pages 91 to 93).

Dividends

Dividends declared and paid by the Company to members since the end of the previous financial year were:

	Dollars per share	Total amount $m	Franked	Date of payment
Dividends recognised in the current financial year by the Company are:				
Interim 2026 ordinary	2.15	140.6	85% Franked	13 April 2026
Final 2025 ordinary	2.15	140.6	85% Franked	13 October 2025
Total amount	**4.30**	**278.2**		
Since the end of the financial year, the directors declared the following dividend:				
Final 2026 ordinary	1.30	85.0	85% Franked	14 October 2026
Total amount	**1.30**	**85.0**		

The financial effect of the 2026 final dividend will be recognised in the subsequent financial year as it was declared after 30 June 2026.

Environmental regulations

Cochlear's operations are subject to environmental regulations under the Commonwealth of Australia and State/Territory legislation. The Board believes that Cochlear has adequate systems in place to manage its environmental obligations and is not aware of any breach of those environmental requirements as they apply to Cochlear.

Non-audit services

During the year, KPMG, the Company's auditor, performed certain other services in addition to its statutory duties. The Board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Committee to ensure that they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Company, KPMG, and its related practices for audit and non-audit services during the year are set out below:

	Consolidated	
	2026 $	2025 $
Audit and assurance services		
Auditors of the Company - KPMG:		
– audit and review of consolidated financial statements	1,865,885	1,934,806
– audit and review of subsidiary financial statements	1,056,728	1,019,483
– Regulatory sustainability report assurance service	89,780	-
– other assurance services	43,000	77,760
Total audit and assurance services	**3,055,393**	**3,032,049**
Other services		
Auditors of the Company - KPMG:		
– taxation compliance and advisory services	1,489,187	1,442,364
– other advisory services	111,110	209,975
Total other services	**1,600,297**	**1,652,339**

State of affairs

There were no significant changes to the state of affairs of Cochlear during the financial year other than that referred to in the financial statements or notes thereto.

Remuneration report

Information on Cochlear's remuneration framework and the outcomes for the financial year ended 30 June 2026 for the Cochlear Limited Board, the CEO & President and other key management personnel are included in the Remuneration report on pages 105 to 127 of this Annual Report.

Indemnification of officers

Under the terms of Article 10 of the Company's Constitution, and to the extent permitted by law, the Company has indemnified the directors of the Company named in this Directors' report, the Company Secretary and other persons concerned in or taking part in the management of the Consolidated Entity. The indemnity applies when persons are acting in their capacity as officers of the Company in respect of:

- liability to third parties (other than the Company or related bodies corporate), if the relevant officer has acted in good faith; and
- costs and expenses of successfully defending legal proceedings in which relief under the *Corporations Act 2001 (Cth)* is granted to the relevant officer.

Insurance premiums

During the financial year, the Company paid a premium for a Directors' and Officers' Liability Insurance policy. The insurance provides cover for the directors named in this Directors' report, the company secretaries, and officers and former directors and officers of the Company. The insurance also provides cover for present and former directors and officers of other companies in the Consolidated Entity. The directors have not included in this report details of the nature of the liabilities covered and the amount of the premium paid in respect of the Directors' and Officers' Liability and Supplementary Legal Expenses Insurance policies, as such disclosure is prohibited under the terms of the contract.

Events subsequent to the reporting date

Other than Dividends noted on page 130, there has not arisen in the interval between the reporting date and the date of this Consolidated financial report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of Cochlear, the results of those operations, or the state of affairs of Cochlear in future financial years.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 132 and forms part of the Directors' report for the financial year ended 30 June 2026.

The directors obtained confirmation from KPMG that Cochlear's confidential information has been used solely for the purposes for which it was provided, and in accordance with KPMG's internal policies, employee code of conduct and engagement terms.

Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 dated 24 March 2026 and in accordance with that Instrument, amounts in the Directors' report and Consolidated financial report have been rounded off to the nearest one hundred thousand dollars unless otherwise stated.

Dated at Sydney this 18th day of August 2026.

Signed in accordance with a resolution of the directors:

Director

Director

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001*

To the directors of Cochlear Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report of Cochlear Limited for the financial year ended 30 June 2026 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Rachel Gatt

Rachel Gatt
Partner
Sydney
18 August 2026

Consolidated income statement

FOR THE YEAR ENDED 30 June 2026

	Note	2026 $m	2025 $m
Revenue	2.2	2,347.6	2,343.1
Cost of sales	2.3	(688.0)	(615.2)
Gross profit		**1,659.6**	**1,727.9**
Selling, marketing and general expenses		(744.7)	(732.0)
Research and development expenses		(323.2)	(281.2)
Administration expenses	2.3	(277.8)	(207.9)
Other income	2.4	24.4	16.1
Other expenses	2.3	–	(1.6)
Fair value, share of losses and impairment losses on investments	5.4	(121.4)	(3.5)
Results from operating activities		**216.9**	**517.8**
Finance income – interest		10.2	11.7
Finance expense – interest		(13.2)	(11.0)
Net finance income/(expense)		**(3.0)**	**0.7**
Profit before income tax		**213.9**	**518.5**
Income tax expense	3.1	(66.6)	(129.6)
Net profit		**147.3**	**388.9**
Basic earnings per share (cents)	2.5	225.2	594.3
Diluted earnings per share (cents)	2.5	224.8	592.8

The notes on pages 138 to 167 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

	2026 $m	2025 $m
Net profit	**147.3**	**388.9**
Other comprehensive income/(loss)		
Items that will not be reclassified subsequently to the income statement:		
Defined benefit plan actuarial gain/(loss)	2.3	(1.3)
Financial investments measured at fair value through other comprehensive income, net of tax	(53.1)	(0.9)
Total items that will not be reclassified subsequently to the income statement	**(50.8)**	**(2.2)**
Items that are or may be reclassified subsequently to the income statement:		
Foreign currency translation differences	(36.5)	48.4
Effective portion of changes in fair value of cash flow hedges, net of tax	22.2	(15.1)
Net change in fair value of cash flow hedges transferred to the income statement, net of tax	(2.9)	8.9
Total items that are or may be reclassified subsequently to the income statement	**(17.2)**	**42.2**
Total other comprehensive income/(loss), net of tax	**(68.0)**	**40.0**
Total comprehensive income	**79.3**	**428.9**

Consolidated balance sheet

AS AT 30 June 2026

	Note	2026 $m	2025 $m
Assets			
Cash and cash equivalents	2.7(a)	187.7	275.7
Trade and other receivables	6.4(b)	531.7	585.9
Forward exchange contracts	6.4(c)	23.4	6.9
Inventories	5.1	491.3	499.4
Current tax assets	3.2	27.5	11.8
Prepayments		38.6	37.1
Total current assets		**1,300.2**	**1,416.8**
Trade and other receivables	6.4(b)	36.7	7.8
Forward exchange contracts	6.4(c)	5.3	5.3
Property, plant and equipment	5.2	343.5	332.7
Intangible assets	5.3	483.2	500.8
Investments	5.4	14.9	76.9
Other financial assets	5.4	11.5	110.5
Equity-accounted investments	5.4	26.2	2.0
Deferred tax assets	3.3	199.9	168.7
Right of use assets	5.7	181.5	203.5
Total non-current assets		**1,302.7**	**1,408.2**
Total assets		**2,602.9**	**2,825.0**

	Note	2026 $m	2025 $m
Liabilities			
Trade and other payables	6.4(c)	270.6	298.4
Forward exchange contracts	6.4(c)	5.0	12.5
Current tax liabilities	3.2	19.9	26.4
Employee benefit liabilities	4.2	148.3	113.4
Provisions	5.5	53.2	29.0
Deferred revenue		65.5	80.4
Lease liabilities	6.4(c)	42.0	42.2
Total current liabilities		**604.5**	**602.3**
Forward exchange contracts	6.4(c)	2.4	6.1
Employee benefit liabilities	4.2	11.8	11.7
Provisions	5.5	41.0	39.6
Deferred tax liabilities	3.3	6.5	18.0
Deferred revenue		25.5	3.5
Lease liabilities	6.4(c)	170.7	193.5
Total non-current liabilities		**257.9**	**272.4**
Total liabilities		**862.4**	**874.7**
Net assets		**1,740.5**	**1,950.3**
Equity			
Share capital		1,176.0	1,176.0
Reserves		(81.2)	(3.0)
Retained earnings		645.7	777.3
Total equity		**1,740.5**	**1,950.3**

The notes on pages 138 to 167 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

FOR THE YEAR ENDED 30 June 2026

$m	Issued capital	Treasury share reserve	Translation reserve	Hedging reserve	Fair value reserve	Share-based payment reserve	Retained earnings	Total equity
2026								
Balance at 1 July 2025	**1,176.0**	**–**	**(6.0)**	**(4.6)**	**(87.3)**	**94.9**	**777.3**	**1,950.3**
Total comprehensive income/(loss)								
Net profit	–	–	–	–	–	–	147.3	147.3
Other comprehensive income/(loss)								
Defined benefit plan actuarial gain	–	–	–	–	–	–	2.3	2.3
Financial investments measured at fair value through other comprehensive income, net of tax	–	–	–	–	(53.1)	–	–	(53.1)
Foreign currency translation differences	–	–	(36.5)	–	–	–	–	(36.5)
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	22.2	–	–	–	22.2
Net change in fair value of cash flow hedges transferred to the income statement, net of tax	–	–	–	(2.9)	–	–	–	(2.9)
Total other comprehensive income/(loss)	–	–	**(36.5)**	**19.3**	**(53.1)**	–	**2.3**	**(68.0)**
Total comprehensive income/(loss)	**–**	**–**	**(36.5)**	**19.3**	**(53.1)**	**–**	**149.6**	**79.3**
Transactions with owners, recorded directly in equity								
Shares issued	0.1	–	–	–	–	–	–	0.1
Treasury shares acquired	–	(32.4)	–	–	–	–	–	(32.4)
Shares cancelled	(0.1)	0.1	–	–	–	–	–	–
Share options exercised	–	9.1	–	–	–	(2.1)	–	7.0
Performance rights vested	–	14.1	–	–	–	(15.5)	–	(1.4)
Share-based payment transactions	–	–	–	–	–	12.1	–	12.1
Deferred tax recognised in equity	–	–	–	–	–	6.7	–	6.7
Dividends to shareholders	–	–	–	–	–	–	(281.2)	(281.2)
Balance at 30 June 2026	**1,176.0**	**(9.1)**	**(42.5)**	**14.7**	**(140.4)**	**96.1**	**645.7**	**1,740.5**

The notes on pages 138 to 167 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

FOR THE YEAR ENDED 30 June 2026

$m	Issued capital	Treasury share reserve	Translation reserve	Hedging reserve	Fair value reserve	Share-based payment reserve	Retained earnings	Total equity
2025								
Balance at 1 July 2024	**1,204.2**	**–**	**(54.4)**	**1.6**	**(86.4)**	**107.6**	**667.9**	**1,840.5**
Total comprehensive income/(loss)								
Net profit	–	–	–	–	–	–	388.9	388.9
Other comprehensive income/(loss)								
Defined benefit plan actuarial loss	–	–	–	–	–	–	(1.3)	(1.3)
Financial investments measured at fair value through other comprehensive income, net of tax	–	–	–	–	(0.9)	–	–	(0.9)
Foreign currency translation differences	–	–	48.4	–	–	–	–	48.4
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	(15.1)	–	–	–	(15.1)
Net change in fair value of cash flow hedges transferred to the income statement, net of tax	–	–	–	8.9	–	–	–	8.9
Total other comprehensive income/(loss)	**–**	**–**	**48.4**	**(6.2)**	**(0.9)**	**–**	**(1.3)**	**40.0**
Total comprehensive income/(loss)	**–**	**–**	**48.4**	**(6.2)**	**(0.9)**	**–**	**387.6**	**428.9**
Transactions with owners, recorded directly in equity								
Shares issued	0.1	–	–	–	–	–	–	0.1
Treasury shares acquired	–	(59.8)	–	–	–	–	–	(59.8)
Shares cancelled	(28.3)	28.3	–	–	–	–	–	–
Share options exercised	–	14.8	–	–	–	(5.1)	–	9.7
Performance rights vested	–	16.7	–	–	–	(19.2)	–	(2.5)
Share-based payment transactions	–	–	–	–	–	22.1	–	22.1
Deferred tax recognised in equity	–	–	–	–	–	(10.5)	–	(10.5)
Dividends to shareholders	–	–	–	–	–	–	(278.2)	(278.2)
Balance at 30 June 2025	**1,176.0**	**–**	**(6.0)**	**(4.6)**	**(87.3)**	**94.9**	**777.3**	**1,950.3**

The notes on pages 138 to 167 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

FOR THE YEAR ENDED 30 June 2026

	Note	2026 $m	2025 $m
Cash flows from operating activities			
Cash receipts from customers		2,454.6	2,256.0
Cash paid to suppliers and employees		(1,969.9)	(1,882.8)
Grant and other income received		18.2	19.7
Interest received		10.2	11.7
Interest paid		(13.2)	(11.0)
Income taxes paid	3.1	(131.9)	(156.0)
Net cash provided by operating activities	2.7(b)	**368.0**	**237.6**
Cash flows from investing activities			
Acquisition of leasehold improvements, plant and equipment and land and buildings		(61.1)	(62.4)
Acquisition of IT systems		(14.0)	(24.1)
Acquisition of other intangible assets		(15.6)	(16.1)
Acquisition of investments and other financial assets	5.4	(13.8)	(12.6)
Net cash used in by investing activities		**(104.5)**	**(115.2)**
Cash flows from financing activities			
Proceeds from borrowings		185.0	–
Repayment of borrowings		(185.0)	–
Payments of lease liability principal		(36.2)	(36.2)
Outlay from exercise of share options and performance rights		(26.6)	(24.3)
Proceeds from share issuance		–	0.1
Payments for share buyback		(0.1)	(28.3)
Dividends paid	2.6	(281.2)	(278.2)
Net cash used in financing activities		**(344.1)**	**(366.9)**
Net decrease in cash and cash equivalents		**(80.5)**	**(244.5)**
Cash and cash equivalents at 1 July		275.7	513.6
Effect of exchange rate fluctuations on cash held		(7.5)	6.6
Cash and cash equivalents at 30 June		**187.7**	**275.7**

The notes on pages 138 to 167 are an integral part of these consolidated financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 30 June 2026

1. Basis of preparation

This section sets out the Company's accounting policies that relate to the financial statements as a whole. Where a material accounting policy is specific to one note, the policy is described in the note to which it relates.

1.1 Reporting entity

Cochlear Limited (the Company) is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2026 comprise the Company and its controlled entities (together referred to as Cochlear, the Company or the Consolidated Entity). Cochlear is a for-profit entity and operates in the implantable hearing device industry.

1.2 Basis of preparation

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards and Interpretations adopted by the International Accounting Standards Board.

The Board approved the consolidated financial statements on 18 August 2026.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments and financial investments measured at fair value. The fair value measurement method of derivative instruments and financial investments measured at fair value is discussed further in Notes 5.4 and 6.4(d).

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars (AUD), which is the Company's functional currency.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 dated 24 March 2026 and, in accordance with that Instrument, all financial information presented in AUD has been rounded to the nearest one hundred thousand dollars unless otherwise stated.

(d) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the foreign exchange rates ruling at the date the fair value was determined.

Foreign exchange differences arising on translation are recognised in the Income statement within other income and other expenses. Foreign exchange gains/losses arising from hedges of sales transactions are presented within revenue.

Financial statements of foreign operations

The assets and liabilities of foreign operations are translated to the Company's functional currency at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to the Company's functional currency at rates approximating the foreign exchange rates ruling at the dates of transactions.

Foreign currency differences arising from translation of controlled entities are recognised in the foreign currency translation reserve (translation reserve) in equity. When a foreign operation is disposed of, in part or in full, the relevant amount of its translation reserve is transferred to the Income statement and reported as part of the gain or loss on disposal.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and presented in the translation reserve.

(e) Use of judgements and estimates

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised and in any future years affected.

Management discussed with the Audit and Risk Committee the development, selection and disclosure of Cochlear's critical accounting policies and estimates and the application of these policies and estimates.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 5.5 – Provisions – key assumptions about the likelihood and magnitude of an outflow of economic benefits in relation to the warranty and product recall provisions;

Note 5.7 – Leases – lease terms and whether Cochlear is reasonably certain to exercise extension options; and

Note 6.4 – Financial risk management – measurement of expected credit loss allowance for trade receivables; measurement of the fair value of financial instruments.

(f) Basis of consolidation

Controlled entities

Cochlear controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(g) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST. Where the amount of GST incurred is not recoverable from the taxation authority, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the relevant taxation authority is included as a current asset or liability in the Balance sheet.

Cash flows are included in the Statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant taxation authority are classified as operating cash flows.

(h) Comparability

Comparative information is reclassified where appropriate to enhance comparability or to comply with new or revised accounting standards.

2. Performance for the year

2.1 Operating segments

Cochlear's three reportable segments, determined on a geographical basis, are the strategic business units of Cochlear. Corporate and other represent the corporate head office and transactions relating to group functions. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate and other net expenses and corporate and manufacturing assets and liabilities.

Performance is measured based on segment earnings before interest and income tax (EBIT) as included in the internal management reports that are reviewed by Cochlear's Chief Executive Officer and President, who is also the chief operating decision maker.

Information about reportable segments

Profit or loss	Americas[1] $m	EMEA[2] $m	Asia Pacific $m	Corporate and other $m	Total $m
2026					
Revenue	1,153.4	803.5	386.5	4.2[4]	**2,347.6**
Segment EBIT	570.5	325.6	73.1	(536.6)	**432.6**
Cloud expense[3]	–	–	–	–	**(94.3)**
Innovation fund, net losses	–	–	–	–	**(121.4)**
Net finance expense	–	–	–	–	**(3.0)**
Profit before income tax					**213.9**
Depreciation and amortisation	(11.0)	(10.2)	(5.8)	(79.0)	**(106.0)**
Write-down in value of inventories	(1.1)	(1.6)	(1.7)	(5.2)	**(9.6)**
Equity accounted losses	–	–	–	–	**(11.3)**
2025					
Revenue	1,137.3	789.7	428.8	(12.7)[4]	**2,343.1**
Segment EBIT	595.9	347.2	130.8	(552.6)	**521.3**
Innovation fund, net losses	–	–	–	–	**(3.5)**
Net finance income	–	–	–	–	**0.7**
Profit before income tax					**518.5**
Depreciation and amortisation	(11.7)	(8.8)	(5.6)	(64.3)	**(90.4)**
Write-down in value of inventories	(0.8)	(0.3)	(0.5)	(8.0)	**(9.6)**
Equity accounted losses	–	–	–	–	**(0.9)**

[1] Americas includes the United States of America.

[2] Europe, Middle East and Africa.

[3] This cost is included as part of the Administration expenses.

[4] Foreign exchange gain/(loss) on hedged sales.

Assets and liabilities	Americas $m	EMEA $m	Asia Pacific $m	Corporate and other $m	Total $m
2026					
Assets	429.3	605.2	218.6	1,349.8	**2,602.9**
Liabilities	193.1	160.0	88.7	420.6	**862.4**
Acquisition of non-current assets	5.6	15.4	5.2	80.0	**106.2**
2025					
Assets	386.4	590.6	249.6	1,598.4	**2,825.0**
Liabilities	184.1	150.2	98.6	441.8	**874.7**
Acquisition of non-current assets	3.7	6.5	9.3	99.7	**119.2**

Cochlear Limited is domiciled in Australia and earns less than 4% of its sales revenue from external customers in Australia. Cochlear Limited has $492.0 million (2025: $481.9 million) of non-current assets (excluding financial instruments and deferred tax) in Australia, including Australian based manufacturing facilities.

2.2 Revenue

Revenue from the sale of cochlear and acoustic implants and associated sound processors and accessories to customers is based on the contracted sales price. Revenue is recognised at the point in time when control passes to the customer with the exact timing dependent on the agreed sales terms for each contract. Revenue from product sales is also deferred based on the historical rates of product returns.

Revenue from the rendering of services, including ongoing customer support and software licensing, are recognised over time as the services are provided to customers. Where payments are received in advance, the agreed transaction price is initially deferred and progressively recognised over the life of the agreement as the service is provided. The value of unfulfilled performance obligations under these contracts is reflected in Cochlear's deferred revenue balance.

Customers include implant recipients, medical practitioners and governments. Contracts are short-term with the exception of software licences which are recognised over multiple years. The accounting policy for foreign exchange gains/losses arising from hedges of forecast sales transactions is set out in Note 6.4(a).

The following table disaggregates revenue by product type:

Revenues	2026 $m	2025 $m
Cochlear implants	1,435.2	1,470.2
Services (Replacement sound processors, accessories and other)	634.9	609.2
Total cochlear implants	**2,070.1**	**2,079.4**
Acoustics	273.3	276.4
Sales revenue	**2,343.4**	**2,355.8**
Foreign exchange gain/(loss) on hedged sales	12.9	(17.3)
Unrealised foreign exchange (loss)/gain	(8.7)	4.6
Revenue	**2,347.6**	**2,343.1**

The following table disaggregates revenue by sales type:

	2026 $m	2025 $m
Sale of goods before hedging	2,302.8	2,314.7
Foreign exchange gain/(loss) on hedged sales	12.9	(17.3)
Unrealised foreign exchange (loss)/gain	(8.7)	4.6
Revenue from sale of goods	**2,307.0**	**2,302.0**
Rendering of services	40.6	41.1
Total revenue	**2,347.6**	**2,343.1**

2.3 Expenses

	Note	2026 $m	2025 $m
(a) Cost of sales			
Carrying amount of inventories recognised as an expense		671.7	598.9
Write-down in value of inventories		9.6	9.6
Other		6.7	6.7
Total cost of sales		**688.0**	**615.2**
(b) Administration expenses			
Cloud expense		94.3	–
Other administration expenses[1]		183.5	207.9
Total administration expenses		**277.8**	**207.9**

[1]Prior comparative period's Other administration expenses included cloud expense of $32.7 million.

	Note	2026 $m	2025 $m
(c) Other expenses			
Net foreign exchange loss		–	1.6
Total other expenses		**–**	**1.6**

Foreign exchange losses are recognised in accordance with the accounting policy at Note 1.2(d).

2.4 Other income[1]

Other income is recognised on a systematic basis over the years necessary to match it with the related costs for which it is intended to compensate. If the costs have already been incurred, the amount is recognised in the year the entitlement is confirmed.

	Note	2026 $m	2025 $m
Research & development service income		12.9	13.1
Net foreign exchange gain		11.1	–
Other income		0.4	3.0
Total other income		**24.4**	**16.1**

[1] Historically within Other Income are grants that relate directly to research and development (R&D) activities. The associated income relating to R&D grants has been offset against the corresponding R&D expenses. On a comparative basis, $10.3 million of prior period other income has been reclassified and offset within R&D expenses to reflect this change in accounting policy. This change in accounting policy was made to provide more relevant information about the nature of the

transactions to users of the financial statements. The reclassification had no impact on gross profit, results from operating activities, profit before income tax, or net profit.

2.5 Earnings per share

Cochlear presents basic and diluted earnings per share (EPS) for its ordinary shares.

Basic earnings per share

The calculation of basic EPS has been based on the following net profit attributable to equity holders of the parent entity and weighted average number of ordinary shares of the Company:

	2026	2025
Net profit attributable to equity holders of the parent entity	$147,343,000	$388,924,000
Weighted average number of ordinary shares (basic):		
Issued ordinary shares at 1 July (number)	65,397,004	65,494,161
Effect of options, performance shares and performance rights exercised (number)	1,616	1,001
Effect of shares issued under Employee Share Plan (number)	191	292
Effect of shares cancelled from share buy-back (number)	(381)	(57,355)
Effect of shares purchased and held as treasury stock (number)	18,801	–
Weighted average number of ordinary shares (basic) at 30 June	**65,417,231**	**65,438,099**
Basic earnings per share (cents)	**225.2**	**594.3**

Diluted earnings per share

The calculation of diluted EPS has been based on the following net profit attributable to equity holders of the parent entity and weighted average number of shares outstanding after adjustments for the effects of all dilutive potential ordinary shares:

	2026	2025
Net profit attributable to equity holders of the parent entity	$147,343,000	$388,924,000
Weighted average number of ordinary shares (diluted):		
Weighted average number of shares (basic) (number)	65,417,231	65,438,099
Effect of options, performance shares and performance rights unvested (number)	118,360	168,125
Weighted average number of ordinary shares (diluted) at 30 June	**65,535,591**	**65,606,224**
Diluted earnings per share (cents)	**224.8**	**592.8**

At 30 June 2026, 169,945 options (2025: 113,170) were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been antidilutive.

2.6 Dividends

A liability for dividends payable is recognised in the financial year in which the dividends are declared.

	Dollars per share	Total amount $m	Franked	Date of payment
Dividends recognised in the current financial year by the Company are:				
2026				
Interim 2026 ordinary	2.15	140.6	85% Franked	13 April 2026
Final 2025 ordinary	2.15	140.6	85% Franked	13 October 2025
Total amount	**4.30**	**281.2**		
2025				
Interim 2025 ordinary	2.15	140.7	80% Franked	14 April 2025
Final 2024 ordinary	2.10	137.5	80% Franked	10 October 2024
Total amount	**4.25**	**278.2**		

	Dollars per share	Total amount $m	Franked	Date of payment
Subsequent event				
Since the end of the financial year, the directors declared the following dividend:				
Final 2026 ordinary	1.30	85.0	85% Franked	14 October 2026
Total amount	**1.30**	**85.0**		

The financial effect of the 2026 final dividend will be recognised in the subsequent financial year as it was declared after 30 June 2026.

Dividend franking account

	2026	2025
	$m	$m
Total franking account balance at 30%	**17.2**	**36.4**

The above amount represents the balance of the franking account as at 30 June, after taking into account adjustments for:

- franking credits that will arise from the payment of income tax payable for the current year;
- franking credits that will arise from the receipt of dividends recognised as receivables at the year-end; and
- franking credits that the Company may be prevented from distributing in subsequent financial years.

The ability to utilise the franking account credits is dependent upon the ability to declare dividends.

2.7 Notes to the statement of cash flows

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of Cochlear's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of cash flows. The operating cash account received an average interest rate of 2.0% (2025: 3.1%) per annum.

(b) Reconciliation of net profit to net cash provided by operating activities

	2026	2025
	$m	$m
Net profit	147.3	388.9
Add item classified as investing activities:		
(Gain)/Loss on disposal of property, plant and equipment	11.6	(0.1)
Add/(less) non-cash items:		
Depreciation and amortisation	106.0	90.4
Equity settled share-based payment transactions	12.1	22.1
Fair value, share of losses and impairment losses on investments	121.4	3.5
Net cash provided by operating activities before changes in assets and liabilities	**398.4**	**504.8**
Changes in assets and liabilities:		
Change in trade and other receivables	25.3	(101.7)
Change in inventories	8.0	(107.8)
Change in prepayments	(1.5)	0.1
Change in deferred tax assets/liabilities	(42.7)	(38.6)
Change in trade and other payables	(27.8)	(4.8)
Change in current tax assets/liabilities	(22.2)	8.3
Change in employee benefit liabilities	35.0	(33.2)
Change in provisions	25.6	(10.1)
Change in deferred revenue	(14.9)	8.6
Effect of movements in foreign exchange	(15.2)	12.0
Net cash provided by operating activities	**368.0**	**237.6**

3. Income taxes

The Company and its wholly-owned Australian resident entities are part of a tax consolidated group. As a consequence, all members of the tax consolidated group are taxed as a single entity. The head entity within the tax consolidated group is Cochlear Limited.

3.1 Income tax expense

Income tax expense includes current and deferred tax. Current and deferred tax is recognised in the Income statement except to the extent that it relates to items recognised directly in other comprehensive income or equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Income tax expense recognised in the Income statement

	2026 $m	2025 $m
Current income tax expense		
Current year	117.1	166.6
Adjustment for prior years	(3.7)	7.9
Total current income tax expense	**113.4**	**174.5**
Deferred income tax expense		
Origination and reversal of temporary differences	(48.6)	(38.6)
Net utilisation of tax losses	0.1	–
Current year deferred income tax expense	**(48.5)**	**(38.6)**
Adjustment for prior years	1.7	(6.3)
Total deferred income tax expense	**(46.8)**	**(44.9)**
Total income tax expense recognised in the Income statement	**66.6**	**129.6**

Consolidated Entity – Numerical reconciliation between profit before income tax and income tax expense

	2026 $m	2025 $m
Profit before income tax	**213.9**	**518.5**
Tax at the Australian tax rate of 30% (2025: 30%)	64.2	155.5
(Less)/add adjustments for:		
Research and development allowances	(22.7)	(23.1)
Net non-deductible items	31.3	(0.4)
Effect of tax rates in foreign jurisdictions	(4.2)	(4.0)
	68.6	**128.0**
Other adjustment for prior years	(2.0)	1.6
Income tax expense on profit before income tax	**66.6**	**129.6**

Income tax recognised in Statement of changes in equity

	2026 $m	2025 $m
Income tax on:		
Fair value losses on investments	0.0	(0.1)
Cash flow hedges	8.2	(2.7)
Share-based payments	(6.7)	10.5
Total income tax recognised in Statement of changes in equity	**1.5**	**7.7**

Consolidated Entity – Numerical reconciliation between income tax expense and cash taxes paid

	2026 $m	2025 $m
Income tax expense on profit before income tax	66.6	129.6
Timing differences recognised in deferred tax	48.5	38.6
Net utilisation of tax losses recognised in deferred tax	(0.1)	–
Current year tax instalments payable next year	(3.2)	(21.7)
Prior year tax instalments paid this year	20.1	9.5
Cash taxes paid per statement of cash flows	**131.9**	**156.0**

Cochlear Limited's Australian tax consolidated group – Numerical reconciliation between profit before income tax and income tax expense

	2026 $m	2025 $m
Profit before income tax (excluding dividends from wholly-owned foreign subsidiaries)	98.0	423.7
Add: Dividends from wholly-owned foreign subsidiaries	25.5	54.0
Profit before income tax	**123.5**	**477.7**
Tax at the Australian tax rate of 30% (2025: 30%)	37.1	143.3
(Less)/add adjustments for:		
Research and development allowances	(21.8)	(21.6)
Net non-deductible items	29.0	(5.3)
Controlled foreign company income	3.7	6.0
Exempt foreign sourced dividends from wholly-owned subsidiaries	(7.7)	(16.2)
	40.3	**106.2**
Adjustment for prior years	(1.0)	2.2
Income tax expense on profit before income tax	**39.3**	**108.4**

3.2 Current tax assets and liabilities

The current tax assets for Cochlear of $27.5 million (2025: $11.8 million) represent the amount of income taxes recoverable in respect of current and prior years and arise from the payment of tax in excess of the amounts due to the relevant taxation authority. The current tax liabilities for the Cochlear of $19.9 million (2025: $26.4 million) represent the amount of income taxes payable in respect of current and prior financial years.

3.3 Deferred tax assets and liabilities

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities for financial reporting and taxation purposes.

The measurement of deferred tax mirrors the tax consequences that the Consolidated Entity expects to recover or settle from the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse. The measurement of deferred tax mirrors the tax consequences that the Consolidated Entity expects to recover or settle from the carrying amount of its assets and liabilities at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised.

Global Anti-Base Erosion Model Rules (Pillar Two)

Cochlear has performed an assessment of its potential exposure to Pillar Two income taxes and has determined that there is no material impact on current tax expense for the year ended 30 June 2026.

Cochlear has applied the mandatory temporary exception to recognising and disclosing information about deferred tax assets and liabilities related to the GloBE Rules under AASB 112 Income Taxes.

Movement in deferred tax balances

2026	Opening balance	Recognised in the Income statement	Recognised in other comprehensive income	Recognised in equity	Closing balance	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(1.7)	(1.4)	–	–	(3.1)	1.2	(4.3)
Intangible assets	(8.4)	20.2	–	–	11.8	14.8	(3.0)
Right of use assets	(32.3)	3.0	–	–	(29.3)	–	(29.3)
Inventories	69.8	8.0	–	–	77.8	77.8	–
Provisions	54.1	10.8	–	–	64.9	64.9	–
Deferred revenue	9.8	(3.4)	–	–	6.4	6.4	–
Lease liabilities	38.7	(3.0)	–	–	35.7	35.7	–
Forward exchange contracts	2.0	-	(8.2)	–	(6.2)	–	(6.2)
Tax losses and offsets carried forward	1.4	(0.1)	–	–	1.3	1.3	–
Other	17.3	14.4	–	2.4	34.1	36.5	(2.4)
Deferred tax assets/(liabilities) before set-off	**150.7**	**48.5**	**(8.2)**	**2.4**	**193.4**	**238.6**	**(45.2)**
Set-off of tax						(38.7)	38.7
Net tax assets/(liabilities)						**199.9**	**(6.5)**

2025	Opening balance	Recognised in the Income statement	Recognised in other comprehensive income	Recognised in equity	Closing balance	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(2.6)	0.9	–	–	(1.7)	0.9	(2.6)
Intangible assets	(9.9)	1.5	–	–	(8.4)	3.0	(11.4)
Right of use assets	(35.5)	3.2	–	–	(32.3)	–	(32.3)
Inventories	52.1	17.7	–	–	69.8	69.8	–
Provisions	41.8	12.3	–	–	54.1	54.1	–
Deferred revenue	9.8	–	–	–	9.8	9.8	–
Lease liabilities	41.7	(3.0)	–	–	38.7	38.7	–
Forward exchange contracts	(0.7)	–	2.7	–	2.0	2.0	–
Tax losses and offsets carried forward	1.4	–	–	–	1.4	1.4	–
Other	21.7	6.0	0.1	(10.5)	17.3	31.4	(14.1)
Deferred tax assets/(liabilities) before set-off	**119.8**	**38.6**	**2.8**	**(10.5)**	**150.7**	**211.1**	**(60.4)**
Set-off of tax						(42.4)	42.4
Net tax assets/(liabilities)						**168.7**	**(18.0)**

4. Employee benefits

4.1 Employee expenses

	2026 $m	2025 $m
Salaries and wages	768.7	722.1
Contributions to superannuation plans	57.5	58.9
Increase in leave liabilities	2.3	8.6
Equity settled share-based payment transactions	12.0	22.1
Total employee expenses	**840.5**	**811.7**

4.2 Employee benefit liabilities

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave are recognised in other payables and provisions if Cochlear has a present obligation to pay an amount as a result of past services provided by the employee. The liability is calculated on remuneration rates as at the reporting date including related on-costs, such as workers' compensation insurance and payroll tax.

Long service leave

The provision for long service leave is the present value of the estimated future cash outflows as a result of services provided by the employee up to the reporting date.

The provision is calculated using expected future increases in remuneration rates, including related on-costs, and expected settlement dates based on turnover history, and is discounted using the corporate bond rates which most closely match the terms to maturity of the related liabilities.

Defined benefit plans

Cochlear has defined benefit plans that cover, in aggregate, 114 employees in 3 countries (2025: 156 employees in 3 countries). Cochlear contributed cash of $1.8 million (2025: $2.1million) to defined benefit plans in the year ended 30 June 2026 and expects to contribute $1.3 million in the year ending 30 June 2027.

The defined benefit obligations are calculated annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability (excluding interest) are recognised immediately in other comprehensive income.

The Company determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the opening net defined benefit liability/(asset), adjusted for any changes in the net defined benefit liability/(asset) during the period resulting from contributions and benefit payments. Net interest expense related to defined benefit plans is recognised in the Income statement.

	2026 $m	2025 $m
Current		
Provision for long service leave	21.2	20.0
Provision for annual leave	52.8	53.7
Provision for short-term incentives and sales commissions	74.3	39.7
Total current employee benefit liabilities	**148.3**	**113.4**
Non-current		
Provision for long service leave	10.0	8.0
Defined benefit plan	1.8	3.7
Total non-current employee benefit liabilities	**11.8**	**11.7**
Total employee benefit liabilities	**160.1**	**125.1**

4.3 Share-based payments

The Company grants options and rights to certain Cochlear employees under its employee equity incentive plans. The value of options and rights granted is recognised as an employee expense, with a corresponding increase in equity. The expense is adjusted by the actual number of options and rights that are expected to vest except where forfeiture is due to market-related conditions.

Grants which include a performance condition linked to total shareholder return (TSR) are valued using the Monte Carlo simulation model, and all other grants valued using the Black-Scholes-Merton pricing model. The valuation uses the date the options or rights are granted, and take into account market-based criteria and terms and conditions attached to the grant. The options or performance rights are expensed over the vesting period after which the employees become unconditionally entitled to them.

When the Company grants options over its shares to employees of controlled entities, the fair value at grant date is recognised as an increase in the investment in subsidiaries, with a corresponding increase in the Company's equity over the vesting period of the grant.

At 30 June 2026, unissued ordinary shares of the Company under option and rights and terms and conditions of the grants and issues are as follows:

Grant date	Exercise price of options	Number of options	Number of rights	Contractual life
October 2022[1]	$216.33	67,487	21,357	7 years
September 2023[2]	N/A	–	13,520	2-15 years
October 2023[1]	$257.69	58,805	20,606	7-15 years
September 2024[2]	N/A	–	31,945	2-15 years
September 2024[3]	N/A	–	17,893	1-15 years
September 2024[3]	N/A	–	4,074	2-15 years
November 2024[1]	$306.20	54,365	17,420	7-15 years
September 2025[3]	N/A	–	24,206	1-15 years
September 2025[3]	N/A	–	5,552	2-15 years
November 2025[1]	$299.99	56,775	18,079	7-15 years
January 2026[4]	N/A	–	7,924	2 years
Total		**237,432**	**182,576**	

[1] Options and performance rights offered under the Cochlear Equity Incentive Plan.
[2] Performance rights offered under the Cochlear Equity Incentive Plan.
[3] Services rights offered under the Cochlear Equity Incentive Plan.
[4] Matching rights (services rights) offered under the ShareWave Employee Share Purchase Plan.

The number, and weighted average exercise prices of, options are as follows:

	Weighted average exercise price 2026	Number of options 2026	Weighted average exercise price 2025	Number of options 2025
Outstanding at 1 July	**250.11**	**249,792**	**228.28**	**250,158**
Forfeited	237.84	(42,382)	206.06	(7,491)
Exercised	232.52	(30,094)	228.28	(47,240)
Granted	299.99	60,116	306.20	54,365
Outstanding at 30 June	**267.16**	**237,432**	**250.11**	**249,792**
Exercisable at 30 June	216.33	67,487	232.52	69,135

In 2026, 30,094 options were exercised (2025: 47,240). The weighted average market share price on the Australian Securities Exchange (ASX) at date of exercise was $296.21 (2025: $291.99). The weighted average remaining contractual life of options outstanding at the end of the year is three years (2025: three years).

Cochlear Equity Incentive Plan

Under the Cochlear Equity Incentive Plan (CEIP), eligible employees receive Long Term Incentive (LTI) in the form of options and performance rights and Long-Term Equity (LTE), Deferred Short-Term Incentive (Deferred STI) and Special Award in the form of service rights. For LTE, Deferred STI and Special Award grants, the number of service rights is calculated at the end of each year. LTE has a vesting period of up to 3 years and Deferred STI and Special Award up to 2 years.

Grants under the LTI are in two equal tranches assigned to compound annual growth rate (CAGR) in EPS and ranking of TSR against the ASX 100 index. The conditions for minimum vesting are four years of service and:

- 50% weighting on CAGR in EPS with a minimum CAGR of 7.5% assigned to 50% of grant; or
- 50% weighting on relative TSR over four years against the ASX 100 with a minimum TSR at the 50th percentile assigned to 40% of grant.

ShareWave Employee Share Purchase Plan

ShareWave is Cochlear's employee share purchase plan where eligible participants can become a Cochlear Limited shareholder by purchasing shares at the current market value through after-tax salary deductions. The Company provides a matching benefit at no extra cost to eligible participants at the end of the contribution period, subject to service conditions and the participant retaining the purchased shares up to the vesting date of the matching benefit. A maximum value applies to the matching benefit depending on the eligibility of the participant. During the 2026 financial year, 5,287 shares were purchased on market to satisfy service rights that vested under the ShareWave Employee Share Purchase Plan.

The grant date fair value of grants made with TSR-based conditions are measured using the Monte Carlo simulation model and all other grants measured based on the Black-Scholes-Merton pricing model. Gross contract value is discounted for dividends not paid, share price volatility and the risk-free rate of return. There is no discount for the likelihood of service or performance conditions. The model uses Cochlear's five-day volume-weighted average price following the announcement of full year results in August each year. The inputs used in the measurement of the fair values at the grant date are the following:

	16 September 2025		7 November 2025		23 September 2024		13 November 2024	
	Deferred STI service-based conditions[1]	**Rights service-based conditions**	**TSR-based conditions**	**EPS performance-based conditions**	**Deferred STI service-based conditions**	**Rights service-based conditions**	**TSR-based conditions**	**EPS performance-based conditions**
Fair value of options at grant date	N/A	N/A	$81.61	$95.55	N/A	N/A	$73.92	$98.14
Fair value of performance rights at grant date	N/A	$293.56-$297.73	$174.73	$285.43	$296.63	$293.01 - $300.33	$146.23	$289.43
Share price at valuation date	N/A	$301.91	$301.91	$301.91	$304.00	$304.00	$304.00	$304.00
Option exercise price	N/A	n/a	$299.99	$299.99	n/a	n/a	$306.20	$306.20
Expected volatility[2]	N/A	24.39%-25.55%	30.19%	30.19%	25.35%	23.35% - 23.84%	30.48%	30.48%
Option/right life (years)	N/A	1-3	4 - 7	4 - 7	2	1-3	4 - 7	4 - 7
Expected dividend yield	N/A	1.41%	1.41%	1.41%	1.23%	1.23%	1.23%	1.23%
Risk free interest rate[3]	N/A	3.22%-3.37%	3.79%	3.79%	3.73%	3.75% - 4.04%	3.86%	3.86%

[1] No deferred STI grants were made to any executives under the FY25 STI plan.
[2] Measure captures the characteristics of fluctuations in the share price.
[3] Based on government bonds.

4.4 Key management personnel

The following were key management personnel (KMP) of Cochlear at any time during the financial year and unless otherwise indicated were KMP for the entire financial year:

Non-executive Directors

A Deans (Chair), C Clarke, Sir M Daniell, KNZM, M del Prado, R Freudenstein[1], C McLoughlin, AM, K Penrose and Prof B Robinson, AC.

Former Non-executive Directors

G Boreham, AM[2]

Executive KMP

D Howitt, J Janssen and S Thom

[1] Appointed to the Board 25 August 2025.

[2] Retired on 23 October 2025.

Key management personnel disclosures

The KMP compensation is included in employee expenses as follows:

	Short-term employee $	Post-employment $	Other long-term benefits $	Share-based payments $	Total $
2026	7,366,403	251,434	26,167	(122,162)[1]	**7,521,842**
2025	6,662,218	258,777	12,193	3,885,922	**10,819,110**

[1] The 2026 share-based payment amount includes reversals relating to LTI awards that did not meet vesting conditions.

Information regarding individual KMP remuneration and some equity instrument disclosures as permitted by section 300A of the *Corporations Act 2001* is provided in the Remuneration report of this Annual Report on pages 105 to 127.

The KMP have not received any loans from Cochlear and there have been no other related party transactions with any of Cochlear's KMP.

5. Operating assets and liabilities

5.1 Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is based on the first-in-first-out principle including expenditure incurred in acquiring the inventories and bringing them to their existing condition and location. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling, marketing and distribution expenses.

	Raw materials $m	Work in progress $m	Finished goods $m	Total inventories $m
2026	259.6	62.3	169.4	**491.3**
2025	271.7	53.4	174.3	**499.4**

5.2 Property, plant and equipment

Owned assets

The value of property, plant and equipment is measured as the cost of the asset, minus accumulated depreciation and impairment losses (see Note 5.3). The cost of the asset is the consideration provided plus incidental costs directly attributable to the acquisition.

The value of internally-constructed assets include the cost of material and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Subsequent costs in relation to replacing a part of property, plant and equipment are capitalised in the carrying amount of the item if it is probable that future economic benefits will flow to Cochlear and its cost can be measured reliably. All other costs are recognised in the Income statement as incurred.

Depreciation

Depreciation is calculated to expense the cost of items of property, plant and equipment less their estimated residual values on a straight-line basis over their estimated useful lives. The estimated useful lives in the current and comparative years are as follows: leasehold improvements between 1 to 15 years, plant and equipment between 3 to 15 years and buildings between 10 to 30 years.

Depreciation is recognised in the Income statement from the date of acquisition or, in respect of internally-constructed assets, from the time an asset is completed and held ready for use. Depreciation expense is recognised in cost of sales, selling, marketing and general expenses, research and development expenses and administration expenses in the Income statement depending on the function of associated activities.

Depreciation rates and methods, useful lives and residual values are reviewed at each Balance sheet date. When changes are made, adjustments are reflected prospectively in current and future financial years only.

	Leasehold improvements		Plant and equipment		Land and buildings		Total	
	2026 $m	2025 $m	2026 $m	2025 $m	2026 $m	2025 $m	2026 $m	2025 $m
At cost	108.3	95.7	441.9	452.1	75.3	75.1	**625.5**	**622.9**
Accumulated depreciation	(60.1)	(55.9)	(214.9)	(228.4)	(7.0)	(5.9)	**(282.0)**	**(290.2)**
Net book value	**48.2**	**39.8**	**227.0**	**223.7**	**68.3**	**69.2**	**343.5**	**332.7**
Reconciliations of the carrying amounts are:								
Opening balance	39.8	33.3	223.7	202.4	69.2	69.1	**332.7**	**304.8**
Additions	17.4	13.0	43.7	50.3	–	0.1	**61.1**	**63.4**
Disposals	(0.2)	(0.1)	(1.4)	(1.5)	–	–	**(1.6)**	**(1.6)**
Depreciation	(8.0)	(7.3)	(36.4)	(31.7)	(1.1)	(1.1)	**(45.5)**	**(40.1)**
Effect of movements in foreign exchange	(0.8)	0.9	(2.6)	4.2	0.2	1.1	**(3.2)**	**6.2**
Net book value	**48.2**	**39.8**	**227.0**	**223.7**	**68.3**	**69.2**	**343.5**	**332.7**

5.3 Intangible assets

Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is tested annually for impairment.

IT systems

IT systems are recognised as an intangible asset where Cochlear controls future economic benefits as a result of the costs incurred and are stated at cost less accumulated amortisation. Costs include expenditure directly related to the development and implementation (hardware and software costs) of IT systems including direct labour.

Other intangible assets

Other intangible assets, comprising acquired technology, patents and licences, customer relationships, capitalised development expenditure and intellectual property, are acquired individually or through business combinations and are stated at cost less accumulated amortisation and impairment losses (see below).

Amortisation

Amortisation is calculated to expense the cost of intangible assets less their estimated residual values on a straight-line basis over their estimated useful lives. The estimated useful lives for the current and comparative years are as follows: IT systems between 2 to 7 years, acquired technology, patents and licences between 4 to 15 years and Other intangible assets includes customer relationships up to 31 years and capitalised development expenditure for 5 years.

Amortisation is recognised in the Income statement from the date the assets are available for use unless their lives are indefinite. Amortisation expense is recognised in cost of sales, selling, marketing and general expenses, research and development expenses and administration expenses in the Income statement depending on the function of associated activities.

Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment annually.

	Intangible assets with indefinite useful life	Intangible assets with finite useful life			Intangible assets
	Goodwill	IT systems	Acquired technology, patents and licences	Other intangible assets	Total
	$m	$m	$m	$m	$m
2026					
At cost	265.6	129.2	233.1	58.0	**685.9**
Accumulated amortisation and impairment losses	–	(50.2)	(112.0)	(40.5)	**(202.7)**
Net book value	**265.6**	**79.0**	**121.1**	**17.5**	**483.2**
Reconciliations of the carrying amounts are:					
Opening balance	278.6	75.7	125.2	21.3	500.8
Additions	–	14.0	12.8	2.8	**29.6**
Disposals	–	(0.1)	(6.4)	(3.5)	**(10.0)**
Amortisation	–	(11.0)	(9.4)	(2.2)	**(22.6)**
Effect of movements in foreign exchange	(13.0)	0.4	(1.1)	(0.9)	**(14.6)**
Net book value	**265.6**	**79.0**	**121.1**	**17.5**	**483.2**
2025					
At cost	278.6	175.1	228.4	60.7	**742.8**
Accumulated amortisation and impairment losses	–	(99.4)	(103.2)	(39.4)	**(242.0)**
Net book value	**278.6**	**75.7**	**125.2**	**21.3**	**500.8**
Reconciliations of the carrying amounts are:					
Opening balance	257.7	55.2	116.1	22.0	**451.0**
Additions	–	24.0	15.4	1.7	**41.1**
Amortisation	–	(3.6)	(8.2)	(2.5)	**(14.3)**
Effect of movements in foreign exchange	20.9	0.1	1.9	0.1	**23.0**
Net book value	**278.6**	**75.7**	**125.2**	**21.3**	**500.8**

Impairment

Cochlear annually tests goodwill and other intangible assets with an indefinite useful life for impairment. Other non-financial assets, other than inventories (see Note 5.1) and deferred tax assets (see Note 3.3), are tested if there is any indication of impairment or if there is any indication that an impairment loss recognised in a prior period may no longer exist or may have decreased.

Assets are impaired if their carrying value exceeds their recoverable amount. The asset's recoverable amount is the higher of its value in use and its fair value less costs of disposal.

An asset that does not generate independent cash flows and its individual value in use cannot be estimated is tested for impairment as part of a cash-generating unit (CGU).

An impairment loss is recognised in the Income statement when the carrying amount of an asset or CGU exceeds its recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

Impairment tests for CGUs

Cochlear allocates goodwill and other intangible assets to CGUs based on the expected benefits that each CGU will receive from use of those assets.

The aggregate carrying amounts of goodwill allocated to each group of CGUs are:

	Americas	EMEA	Asia Pacific	Total
	$m	$m	$m	$m
2026	182.2	73.7	9.7	**265.6**
2025	188.6	79.5	10.5	**278.6**

The recoverable amount of each CGU is based on value-in-use calculations. Sensitivity analysis has been undertaken to stress test cash flow forecasts, discount rates and terminal value growth rate assumptions. Based on the range and depth of sensitivities applied, no reasonable change in assumptions would result in an impairment.

Those calculations use five-year cash flow projections, comprising budgeted operating results for the first year and projected EBIT growth rates for subsequent years.

Revenue is based on near-term forecasts and Cochlear's expectation of medium and long-term growth rates. Cost of sales, R&D investment and net margin are based on long-term expectations. Year 1 cash flows are based on Cochlear's budget for the year ending 30 June 2027, which is aligned with Cochlear's outlook statement.

Cash flows for year six onwards are extrapolated using a terminal growth rate of 3.0% (2025: 3.0%) per annum which is consistent with long-term growth rates. The pre-tax discount rate for each CGU is as follows: Americas 10.0% (2025: 9.4%), EMEA 8.7% (2025: 9.3%) and Asia Pacific 9.6% (2025: 9.6%).

The key assumptions and the approach to determining their value in the current year are:

Assumption	Approach
Discount rate	Based on weighted average cost of capital reflecting current market assessments of the time value of money and risks specific to the CGU.
EBIT growth rate	Based on a five-year cash flow projection taking into account historical growth rates and product lifecycle.
Terminal value growth rate	Based on long-term growth rates.

The recoverable amount of each CGU including allocated corporate assets is in excess of the carrying amount and therefore no impairment expense was recognised. The above represents the best estimate of the directors.

5.4 Investments, equity-accounted investments and other financial assets

Cochlear has a number of strategic investments that may, over the longer-term, enhance or leverage Cochlear's intellectual property. These include investments in Nyxoah S.A., EpiMinder, and Precisis. As these investments are held for strategic purposes, Cochlear elects to fair value these investments through other comprehensive income, when possible, in accordance with accounting standards.

Cochlear's investments and other financial assets are valued individually using quoted prices or unobservable market inputs. Unobservable inputs are those not readily available in an active market. These inputs are generally derived from other observable inputs that match the risk profile of the financial instruments and validated against current market assumptions and historical transactions where available.

Investments measured at fair value through other comprehensive income are ordinary shares. Investments measured at fair value through profit or loss are interests in entities that do not meet the definition of equity, such as instruments convertible into ordinary shares.

	Investments $m	Other financial assets $m	Equity-accounted investments $m
Balance at 1 July 2025	76.9	110.5	2.0
Additions	1.5	2.2	34.0
Fair value through other comprehensive income (before tax)	(53.1)	–	–
Transfer to Equity-accounted investments	–	(83.0)	83.0
Fair value, share of losses and impairment losses on investments	(10.4)	(18.2)	(92.8)
Balance at 30 June 2026	**14.9**	**11.5**	**26.2**

At 30 June 2026, $11.5 million (2025: $120.8 million) of Investments and Other financial assets are measured at fair value through profit or loss. The remaining $14.9 million (2025: $66.6 million) is measured at fair value through other comprehensive income and includes Nyxoah $14.6 million (2025: $64.9 million).

Equity-accounted investments

Epiminder has its principal place of business in Australia, developing brain monitoring systems for people with drug-resistant epilepsy. Epiminder was listed on the ASX on 1 December 2025 following the completion of its initial public offering (IPO). As part of the process, Cochlear's convertible notes were converted into ordinary shares. Since the date of the IPO, Epiminder is classified and accounted for as an associate, and the existing investment has been reclassified from other financial assets to Equity-accounted investments. At IPO, Cochlear entered into a manufacturing agreement with Epiminder, under which Cochlear received 16 million ordinary shares valued at $24.0 million based on the IPO share price. This amount is recognised as non-current deferred revenue. Cochlear holds a 36% interest in Epiminder.

At 30 June 2026, Cochlear recognised $10.5 million in losses representing its proportionate share of Epiminder's net loss since it became an equity-accounted investment. In addition, Cochlear recognised an impairment loss of $81.5 million in respect of its investment in Epiminder. The investment has experienced a prolonged decline in its quoted share price on the ASX, which was assessed to be an indicator of impairment. Accordingly, Cochlear has performed an impairment test to determine the investment's recoverable amount. The recoverable amount was determined based on fair value less costs of disposal (FVLCD). The fair value measurement was determined using the quoted market price of the associate's shares on ASX as at 30 June 2026, which was $0.32 per share. This represents a Level 1 fair value hierarchy. The impairment loss has been recognised in "Impairment of equity-accounted investments" in the Income statement.

Based on Epiminder's publicly available information for the year ended 30 June 2026, the investment's total assets were $90.7 million and total liabilities were $8.4 million. The loss attributable to shareholders for the 12-month period was $42.8 million.

At 30 June 2026, Cochlear's carrying amount of $25.0 million represents its 36% proportionate interest in Epiminder's net assets, together with fair value adjustments and the share of losses as well as the impairment loss recognised at reporting date.

Valuation of Level 3 investments and other financial assets

Cochlear has strategic investments classified as Level 3 financial instruments. Level 3 financial instruments in the fair value hierarchy use unobservable inputs when measuring fair value (refer to section 6.4 for further details).

At 30 June 2026, $11.5 million (2025: $120.8 million) of Level 3 Other financial assets are measured at fair value through profit or loss and no Investments and Other financial assets are measured at fair value through other comprehensive income (2025: $1.4 million).

5.5 Provisions

A provision is recognised in the Balance sheet when:

- Cochlear has a present obligation (legal or constructive) as a result of a past event;
- a reliable estimate can be made of the amount of the obligation; and
- it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability.

2026	Warranties	Restructuring	Legal and insurance	Product recall	Make good lease costs	Total
	$m	$m	$m	$m	$m	$m
Opening balance	48.0	6.5	3.2	6.4	4.5	**68.6**
Provision made	23.4	30.4	1.9	–	1.5	**57.2**
Provision used	(23.1)	(6.2)	(0.6)	(0.1)	–	**(30.0)**
Effect of movements in foreign exchange	(0.8)	(0.3)	(0.4)	–	(0.1)	**(1.6)**
Total provisions	**47.5**	**30.4**	**4.1**	**6.3**	**5.9**	**94.2**
Represented by:						
Current	18.5	30.4	4.0	0.3	–	**53.2**
Non-current	29.0	–	0.1	6.0	5.9	**41.0**
Total provisions	**47.5**	**30.4**	**4.1**	**6.3**	**5.9**	**94.2**

Warranties

A provision for warranty claims is recognised in relation to sales made prior to the reporting date, based on historical claim rates and respective product populations. Warranty periods on hardware products extend from 2 to 10 years.

Restructuring

The restructuring provision relates to employee redundancy and other directly attributable costs arising from initiatives undertaken to reshape the Company's cost base and operating model. The provision is expected to be substantially utilised over the next 12 months.

Legal and insurance

Cochlear is involved in litigation in the ordinary course of business, including claims made by Cochlear and against Cochlear for patent infringement. Where Cochlear has a present obligation and can reliably estimate future costs related to these proceedings, including legal fees, a provision is recognised.

Cochlear self-insures certain risks associated with operating in its line of business. Claims are recognised when an incident occurs that may give rise to a claim. They are measured at the cost that Cochlear expects to incur in defending or settling the claims, discounted using a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Product recall

On 11 September 2011, the Company initiated a worldwide voluntary recall of its unimplanted Nucleus CI500 cochlear implant range. Management has made judgements, estimates and assumptions related to probable costs arising from the recall which affect the reported amounts of assets, liabilities, income and expenses. Actual outcomes may differ from these estimates as further information is identified.

No additional provisions have been made or released to the Income statement for the year ended 30 June 2026.

Make good lease costs

Cochlear has several operating leases over its offices that require the premises to be returned to the lessor in their original condition. The lease payments do not include an element for the repairs and overhauls.

5.6 Contingent liabilities

Contingent liabilities are disclosed where a provision is not recognised due to the uncertainty regarding the outcome of future events and/or inability to reliably measure such liabilities. The details of contingent liabilities are set out below. The directors are of the opinion that provisions are either adequate or are not required in respect of these matters, as it is either not probable that a future sacrifice of economic benefits will be required, or the amount is not capable of reliable measurement.

Patent infringement claims

Cochlear operates in an industry that has substantial intellectual property and patents protecting that intellectual property. From time to time, Cochlear is involved in confidential discussions with patent owners including competitors regarding threatened litigation for alleged infringement of patent rights. The outcome of these discussions are not expected to result in a significant adverse outcome for Cochlear.

Product liability claims

Cochlear is currently, and/or is likely from time to time to be, involved in claims and litigation incidental to the ordinary course of business, including claims for damages relating to its products and services.

In addition, Cochlear has received legal claims and litigation in various countries including the United States by recipients who have had Cochlear implant CI500 series devices stop functioning for the reason that led to the September 2011 voluntary recall of unimplanted CI500 series devices.

Cochlear carries product liability insurance and has made claims under the policies. The insurers have agreed to indemnify Cochlear in accordance with the terms and conditions of the policies including deductibles and exclusions. In the opinion of the directors, the details of the product liability insurance policies are commercially sensitive and any disclosure of these details may be prejudicial to the interests of Cochlear.

Regulatory actions

Cochlear operates in multiple overseas jurisdictions and is currently, and/or is likely from time to time to be, subject to payment claims and tax, customs, and other regulatory reviews, audits, investigations, and litigation by governments, authorities and regulators. These matters may result in additional tax, customs or other liabilities (including interest and penalties). Individual significant confidential investigation(s) by an authority are not disclosed, as disclosure may prejudice Cochlear.

5.7 Leases

Cochlear leases a number of assets including land and buildings, office equipment and motor vehicles. Cochlear's lease agreements often include a standard lease term with an extension option at the end. Lease agreements may include annual rent increases based on either a fixed percentage or benchmarked against an inflation index. Land and building leases may also include periodic market rent reviews which reset the rent to the market rent at the time of the review.

At inception of a contract, Cochlear assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where the contract contains a lease, a lease liability is recognised at lease commencement date. The liability is initially measured at the present value of future lease payments, discounted using Cochlear's incremental borrowing rate.

The lease liability is subsequently remeasured when there is a modification in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received.

Over the life of the lease, the lease liability will be increased by interest costs and will be reduced as lease payments are made. The right of use asset is amortised on a straight-line basis over its useful life.

Cochlear has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether Cochlear is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised. The lease liability includes the lease of Cochlear Global Headquarters in Sydney, Australia until 2035.

Cochlear has elected not to recognise a right of use asset and a corresponding lease liability for leases with a term of less than 12 months or for leases of low-value assets. Cochlear recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The right of use asset depreciation is recognised in cost of sales, selling, marketing and general expenses, research and development expenses and administration expenses in the Income statement depending on the function of associated activities; while interest expense incurred on the lease liability is recognised in Finance expense – interest in the Income statement. For the year ended 30 June 2026, lease interest was $8.1 million (2025: $8.5 million). For the purpose of presentation of the Statement of cash flows, the lease payments are separated into principal payments (financing activities) and interest payments (operating activities). Total cash outflows related to leases was $44.3 million for the year ended 30 June 2026 (2025: $44.7 million).

The following table shows movements in the right of use assets during the year:

	Land and buildings $m	Other assets $m	Total $m
Balance at 1 July 2025	193.3	10.2	203.5
Additions	12.0	3.5	15.5
Remeasurement	2.2	2.0	4.2
Depreciation expense	(30.8)	(5.8)	(36.6)
Effect of movements in foreign exchange	(4.4)	(0.7)	(5.1)
Balance at 30 June 2026	**172.3**	**9.2**	**181.5**

Extension and termination options

Certain property leases contain extension options exercisable by the Company up to one year before the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The Company assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

6. Capital and financial structure

6.1 Capital management

Cochlear's capital management objectives are to safeguard its ability to continue as a going concern, provide returns to shareholders, provide benefits to other stakeholders and maintain an optimal capital structure.

Since March 2023, Cochlear has been undertaking a progressive on-market share buyback program which complements its existing dividend policy which targets a 70% payout of underlying net profit.

A progressive buy-back program aligns with the interests of our shareholders by reducing shares on issue, providing gradual accretion in earnings per share and dividends per share over the long term.

The Board undertakes an annual review to assess whether the buyback and cash target continue to be appropriate and whether the capital management structure is appropriate to meet Cochlear's medium and long-term strategic requirements.

Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements. There were no significant changes in Cochlear's approach to capital management during the year.

6.2 Capital and reserves

Share capital

The Company does not have authorised capital or par value in respect of its issued shares.

	Total number of issued shares	
	2026	2025
On issue 1 July – fully paid	**65,397,004**	**65,494,161**
Issued under Employee Share Plan	470	494
Issued from the exercise of performance rights	1,943	1,149
Shares cancelled from share buy-back	(500)	(98,800)
On issue 30 June – fully paid	**65,398,917**	**65,397,004**

For the FY22-25 LTI plan, 50% vested based on the performance over a 4 year period (FY22-FY25) and as result of it, 43,028 shares were purchased under the plan in 2026 financial year.

The on-market share buy-back commenced on 8 March 2023. For the financial year ended 30 June 2026, 500 shares were bought back on market (2025: 98,800) and 500 shares were cancelled (2025: 98,800).

Ordinary shares are classified as equity and incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any income tax benefit.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

Translation reserve

The translation reserve records the foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary, where their functional currency is different to the presentation currency of the reporting entity. See Note 1.2(d) for further details.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to underlying transactions that have not yet occurred.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of investments revalued through other comprehensive income until the assets are derecognised or impaired.

Share-based payment reserve

The share-based payment reserve comprises the cost of shares, options, performance shares and performance rights granted to eligible executives under the CEIP, as detailed in Note 4.3 less any payments made to meet Cochlear's obligations through the acquisition of shares on-market, together with any deferred tax asset/liability on such payments.

Treasury shares reserve

The reserve comprises the cost of the Cochlear Limited's shares held by Cochlear.

When shares recognised as equity are repurchased, the amount of the consideration paid, including directly attributable costs, are recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve.

When treasury shares are cancelled, the consideration paid is transferred to share capital. When treasury shares are issued to employees to satisfy vesting of employee share plans the consideration paid is transferred to the share-based payment reserve.

At 30 June 2026, the Company held 42,255 of Cochlear Limited's shares (2025: nil).

6.3 Total borrowings, net cash and finance costs

Loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequently, loans and borrowings are stated at amortised cost, with any difference between amortised cost and redemption value being recognised in the Income statement over the period of the borrowings on an effective interest rate basis. As at 30 June 2026, Cochlear has no borrowings.

Debt establishment costs are capitalised and an amount of $1.0 million (2025: $0.8 million) in relation to unamortised loan establishment fees has been recognised in prepayments. They are recorded initially at cost and are amortised over the period of the loan.

	2026 $m	2025 $m
Cash		
Cash and cash equivalents	187.7	275.7
Total cash	**187.7**	**275.7**
Less: Total borrowings		
Current and non-current	–	–
Total borrowings	**–**	**–**
Net cash	**187.7**	**275.7**

Gearing ratio

	2026 $m	2025 $m
Total borrowings	–	–
Total equity	1,759.5	1,950.3
Gearing ratio[1]	**0.0%**	**0.0%**

[1] Gearing ratio = Total borrowings/Total equity.

Financing arrangements

	Multi-option bank facilities			Other credit facilities	
	Unsecured bank loan	Bank guarantees[2]	Unsecured bank overdrafts	Unsecured bank loan	Bank guarantees[2]
	$m	$m	$m	$m	$m
2026					
Utilised at reporting date[1]	–	10.6	–	–	23.9
Not utilised at reporting date	350.0	9.4	3.0	–	1.2
Total facilities	**350.0**	**20.0**	**3.0**	**–**	**25.1**
2025					
Utilised at reporting date[1]	–	17.9	–	–	9.5
Not utilised at reporting date	350.0	2.1	3.1	–	6.4
Total facilities	**350.0**	**20.0**	**3.1**	**–**	**15.9**

[1] Excludes the amount of $1.0 million (2025: $0.8 million) in relation to unamortised loan establishment fees.
[2] Bank guarantees include standby letters of credit.

Multi-option bank facilities – Unsecured bank loan

For the year ended 30 June 2026, Cochlear's bank loan facilities are as follows:

Facility type	<1 year term $m	1-2 year term $m	2-3 year term $m	3-4 year term $m	4-5 year term $m	5-6 year term $m	Total facilities $m
Committed debt including guarantees	-	150.0	100.0	20.0	-	100.0	**370.0**

All facilities are unsecured and have interlocking guarantees provided by certain controlled entities. Interest on the facilities is variable and charged at prevailing market rates.

Other credit facilities

Unsecured bank overdrafts

Certain unsecured bank overdrafts are payable on demand and are subject to annual review. Interest on unsecured bank overdrafts is variable and is charged at prevailing market rates.

Bank guarantees/Standby letters of credit

As at 30 June 2026, Cochlear had additional facilities denominated in US dollar (USD), Euros (EUR), Sterling (GBP), Indian rupees (INR), New Zealand dollars (NZD) and Moroccan Dirham (MAD) totaling AUD $25.1 million (2025: AUD $15.9 million).

Finance costs

Interest income is recognised as it accrues in the Income statement. Borrowing costs are recognised as they accrue in the Income statement as a Finance expense - interest.

6.4 Financial risk management

The activities of Cochlear are exposed to a variety of risks, including market risk (comprising currency, interest rate and equity price risk), credit risk and liquidity risk. Cochlear's overall risk management program considers the unpredictability of financial markets and seeks to appropriately manage the potential adverse effects on financial performance.

The Board is responsible for satisfying itself that Cochlear has in place an appropriate risk management framework that continues to be sound. Under the Board's direction, management has established an Executive Risk Management Committee to provide governance and oversight of the Enterprise Risk Management program. This committee monitors the implementation of the Enterprise Risk Management program and tracks key risks identified through the process.

The Audit and Risk Committee plays a critical role in reviewing Cochlear's Risk Management Framework at least annually to satisfy itself that it continues to be sound and that Cochlear is operating with due regard to the risk appetite set by the Board. The Executive Management Committee reports to the Audit and Risk Committee on new and emerging risks, as well as the controls and mitigation strategies implemented to address those risks.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect Cochlear's net profit or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures by buying and selling forward exchange contracts and incurring financial liabilities, within acceptable parameters, while optimising the return, all in accordance with the Treasury Risk Management Policy.

Currency risk

Cochlear is exposed to currencies other than the respective functional currencies of the controlled entities, primarily AUD, Swiss francs (CHF), Chinese yuan (CNY), EUR, GBP, Japanese yen (JPY), Swedish Krona (SEK) and USD.

Over 90% of Cochlear's revenues and over 50% of costs are denominated in currencies other than AUD. Currency risk is hedged in accordance with the Treasury Risk Management Policy. Risk resulting from the translation of assets and liabilities of foreign operations into Cochlear's reporting currency is not hedged.

Cochlear's exposure to foreign currency risk in relation to non-derivative financial instruments at 30 June 2026 was as follows, based upon notional amounts:

Amounts in foreign currency/millions	CHF	CNY	EUR	GBP	JPY	SEK	USD
2026							
Trade receivables	0.7	79.3	39.7	0.1	0.0	9.1	44.4
Trade payables	(1.5)	(9.6)	(9.1)	(0.3)	(38.9)	(0.0)	(20.8)
Balance sheet exposure	**(0.8)**	**69.7**	**30.6**	**(0.2)**	**(38.9)**	**9.1**	**23.6**
2025							
Trade receivables	0.6	132.9	39.7	0.1	0.0	1.4	42.3
Trade payables	(2.5)	(0.0)	(13.6)	(0.3)	(44.7)	(0.9)	(20.6)
Balance sheet exposure	**(1.9)**	**132.9**	**26.1**	**(0.2)**	**(44.7)**	**0.5**	**21.7**

Derivative assets and liabilities

In order to reduce the impact of short-term fluctuations on Cochlear's earnings, Cochlear enters into forward exchange contracts to hedge anticipated sales and purchases in CHF, EUR, GBP, JPY, SEK and USD. The amounts of forward cover taken are in accordance with approved policy and internal forecasts.

In the year ended 30 June 2026, Cochlear designated the majority of forward exchange contracts as cash flow hedges. These are hedges of forecast future transactions to manage the currency risk arising from exchange rate fluctuations. The hedged items were highly probable foreign currency transactions.

At the start of a hedge relationship, Cochlear designates and documents the relationship between the hedging instrument and hedged item. This includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how Cochlear will assess the effectiveness of the hedging relationship. Cochlear regularly assesses whether the hedging instruments are expected to be highly effective in offsetting the changes in the cash flows of the respective hedged items.

Forward exchange contracts are recognised initially at fair value. Subsequently, forward exchange contracts are measured at fair value. Changes in the fair value are recognised directly in equity to the extent that the hedge is effective. The ineffective part of any hedging instrument is recognised immediately in the Income statement.

If the forward exchange contract no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs or until cash flows arising from the transaction are received.

For cash flow hedges, the associated cumulative gain or loss is removed from equity and recognised in the Income statement in the same period the hedged forecast transaction affects the Income statement and on the same line item as that hedged forecast transaction.

In the year ended 30 June 2026, all cash flow hedges were effective at the reporting date.

The following table sets out the gross value to be received or paid under remaining forward exchange contracts and the weighted average contracted exchange rates of outstanding contracts:

Amounts In AUD	Weighted average rate	<1 year $m	1-2 years $m
2026			
Buy CHF	0.521	(22.9)	–
Sell EUR	0.574	124.7	68.7
Sell GBP	0.501	24.7	13.8
Sell JPY	97.278	17.0	8.9
Buy SEK	6.263	(41.5)	–
Sell USD	0.665	366.2	183.0
Total		**468.2**	**274.4**
2025			
Buy CHF	0.544	(29.9)	–
Sell EUR	0.583	108.5	97.2
Sell GBP	0.513	31.3	19.6
Sell JPY	91.900	17.0	9.4
Buy SEK	6.562	(40.4)	–
Sell USD	0.653	368.7	219.6
Total		**455.2**	**345.8**

Currency risk – Sensitivity analysis

An analysis based on a 10% strengthening of foreign currencies would have increased Cochlear's profit for the year ended 30 June 2026 after tax by approximately AUD 15.3 million (2025: increased profit by AUD 12.3 million) and decreased Cochlear's equity by AUD 39.2 million (2025: decreased by AUD 64.5 million). A 10% weakening of the foreign currencies would have decreased Cochlear's profit for the year ended 30 June 2026 after tax by approximately AUD 13.2 million (2025: decreased profit by AUD 10.8 million) and increased equity by AUD 58.6 million (2025: increased by AUD 44.4 million).

This analysis assumes that all other variables remain constant and ignores any impact from the translation of foreign operations.

The following significant exchange rates applied to Cochlear during the year:

	Average rate		Reporting date spot rate	
AUD 1 =	**2026**	**2025**	**2026**	**2025**
CHF	0.538	0.560	0.556	0.522
CNY	4.736	4.668	4.670	4.683
EUR	0.582	0.595	0.603	0.558
GBP	0.505	0.500	0.519	0.476
JPY	104.580	96.869	111.445	94.235
SEK	6.350	6.719	6.685	6.192
USD	0.678	0.648	0.687	0.654

Interest rate risk

Interest rate risk is managed through the management of net debt, interest expense and cost of finance. Cochlear is exposed to movements in the Australian interest rates in relation to corporate debt, leases and cash.

At the reporting date, the interest rate profile of Cochlear's interest-bearing financial instruments is financial assets of $187.7 million (2025: $275.7 million) and financial liabilities of $0.0 million (2025: $0.0 million).

Interest rate risk – Sensitivity analysis

The sensitivity analysis below considers only exposures to changes in variable interest rates. Cochlear had no variable rate borrowings at 30 June 2026 (2025: nil). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(b) Credit risk

Credit risk is the risk of financial loss to Cochlear if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Cochlear is exposed to credit risk from its operating activities (primarily from trade and other receivables) and from financing activities, including deposits with financial institutions and foreign exchange contracts. The carrying amounts of these financial assets at year-end represent Cochlear's maximum exposure to credit risk.

Credit risk management – Trade and other receivables

Customer credit risk is managed at a regional level, subject to Board approved policies and procedures. The ageing profile of total receivables balances, individually significant debtors by geographic region, high risk customers and collection activities are reported to management and the Board on a monthly basis. Where high risk customers are identified, regional management is responsible for placing restrictions on future trading, including suspending future shipments and administering dispatches on a prepayment basis.

Cochlear's exposure to credit risk is influenced mainly by the political and geographical location and characteristics of individual customers. In determining concentrations of credit risk, management assesses the characteristics of customers which include governments, government-supported universities, clinics, major hospital chains and distributors. Concentrations of credit risk are determined by assessing different geographical locations of customers and the political and economic environments they are subject to, which may affect the timely recovery of certain receivables. The timing of government tenders and distributor sales directly impacts the concentration risk and management may obtain a letter of credit to minimize the risk. At 30 June 2026 the largest outstanding receivable from a customer was $24.4 million (2025: $30.0 million).

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Americas	EMEA	Asia Pacific	Total
	$m	**$m**	**$m**	**$m**
2026	131.0	266.9	93.4	**491.3**
2025	131.3	293.8	89.6	**514.7**

Depending on the region, Cochlear's credit terms are generally 30 days; however, there are certain jurisdictions where it is customary practice for customers to make payment beyond 270 days. Although Cochlear discloses the balance as overdue, it is not indicative of a higher-than-normal credit risk as payments are typically received by Cochlear within the extended timeframes.

The group uses an allowance matrix to measure Lifetime Expected Credit Losses of trade receivables from individual customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of ageing to write-off. Roll rates are calculated separately for exposures in different segments based on the following credit risk characteristics - geographic region, political and economic environments, and whether receivables are covered by a letter of credit. The movement in the allowance for impairment loss during the current year comprises of $0.5 million in allowance utilised and $12.0 million in net remeasurement.

The ageing of Cochlear's trade receivables and allowance for impairment loss, are as follows:

	Trade receivables		Allowance for impairment losses		Trade receivables net of allowance for impairment losses	
	2026 $m	2025 $m	2026 $m	2025 $m	2026 $m	2025 $m
Trade receivables						
Not past due	386.7	418.7	(2.8)	(2.8)	383.9	415.9
Past due 1 - 60 days	48.2	32.6	(1.4)	(1.2)	46.8	31.4
Past due 61 - 180 days	38.6	44.0	(3.1)	(2.2)	35.5	41.8
Past due 181 - 360 days	25.4	19.6	(4.9)	(4.9)	20.5	14.7
Past due 361 days and over	23.0	18.9	(18.4)	(8.0)	4.6	10.9
	521.9	**533.8**	**(30.6)**	**(19.1)**	**491.3**	**514.7**
Other receivables – current	55.3	71.2	–	–	55.3	71.2
Other receivables – non current	21.8	7.8	–	–	21.8	7.8
Trade and other receivables	**599.0**	**612.8**	**(30.6)**	**(19.1)**	**568.4**	**593.7**

Credit risk management – Cash deposits, term deposits and forward exchange contracts

The majority of Cochlear's cash deposits and all forward exchange contracts are only executed with leading financial institutions whose credit rating is at least 'A' on the Standard & Poor's rating index.

(c) Liquidity risk

Liquidity risk is the risk that Cochlear will not be able to meet its financial obligations as they fall due. Cochlear manages liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Non-derivative liabilities

Contractual maturities of non-derivative financial liabilities, including estimated interest payments and excluding the impact of netting agreements, are as follows:

	Effective interest rate Per annum	Carrying amount $m	Contractual cash flows $m	<1 year $m	1-2 years $m	2-5 years $m	>5 years $m
2026							
Trade and other payables	–	270.6	270.6	270.6	–	–	–
Lease liability	–	212.7	243.3	44.1	39.1	87.8	72.3
Total		**483.3**	**513.9**	**314.7**	**39.1**	**87.8**	**72.3**
2025							
Trade and other payables	–	298.4	298.4	298.4	–	–	–
Lease liability	–	235.7	247.6	35.4	31.8	69.7	110.7
Total		**534.1**	**546.0**	**333.8**	**31.8**	**69.7**	**110.7**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Derivative assets and liabilities

The following table indicates the periods in which the cash flows associated with Cochlear's derivatives are expected to occur:

	Carrying amount $m	Contractual cash flows $m	<1 year $m	1-2 years $m
2026				
Assets	28.7	29.4	24.0	5.4
Liabilities	(7.4)	(7.9)	(5.1)	(2.8)
Total	**21.3**	**21.5**	**18.9**	**2.6**
2025				
Assets	12.2	12.4	6.9	5.5
Liabilities	(18.6)	(19.3)	(12.8)	(6.5)
Total	**(6.4)**	**(6.9)**	**(5.9)**	**(1.0)**

The expected impact on the Income statement is not considered to be significantly different to the cash flow impact above.

(d) Fair value

The carrying amounts and estimated fair values of Cochlear's financial assets and liabilities are materially the same. The fair value of forward exchange contracts is based upon the listed market price, if available. If a listed market price is not available, the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using benchmark bill futures and swap rates. These fair values are provided by independent third parties.

Valuation of financial assets and liabilities

For financial assets and liabilities measured and carried at fair value, Cochlear uses the following levels to categorise the valuation methods used:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All of Cochlear's forward exchange contracts were valued using observable market inputs (Level 2) and there were no transfers between levels during the year.

7. Other notes

7.1 Auditors' remuneration

	2026 $	2025 $
Audit and assurance services		
Auditors of the Company - KPMG:		
– audit and review of consolidated financial statements	1,865,885	1,934,806
– audit and review of subsidiary financial statements	1,056,728	1,019,483
– Regulatory sustainability report assurance service	89,780	–
– other assurance services	43,000	77,760
Total audit and assurance services	**3,055,393**	**3,032,049**
Other services		
Auditors of the Company - KPMG:		
– taxation compliance and advisory services	1,489,187	1,442,364
– other advisory services	111,110	209,975
Total other services	**1,600,297**	**1,652,339**

7.2 Commitments

Capital expenditure commitments

As at 30 June 2026, Cochlear entered into contracts to purchase property, plant and equipment and intangible assets for $14.0 million (2025: $28.8 million).

7.3 Controlled entities

Subsidiaries conduct business transactions with various controlled entities. Such transactions include purchases and sales of certain products, dividends, interest and loans.

	Interest held 2026 %	Interest held 2025 %	Country of incorporation/ formation
Company			
Cochlear Limited			Australia
Controlled entities			
Cochlear AG	100	100	Switzerland
Cochlear Americas	100	100	USA
Cochlear Arabia Regional Headquarter LLC	100	100	Saudi Arabia
Cochlear Austria GmbH	100	100	Austria
Cochlear Benelux NV	100	100	Belgium
Cochlear Bone Anchored Solutions AB	100	100	Sweden
Cochlear Brasil Ltda	100	100	Brazil
Cochlear Canada Inc	100	100	Canada
Cochlear Clinical Services LLC	100	100	USA
Cochlear Colombia SAS	100	100	Colombia
Cochlear Deutschland GmbH & Co KG	100	100	Germany
Cochlear Employee Share Trust	100	100	Australia
Cochlear Employee Share Plan Trust	100	100	Australia
Cochlear Europe Finance GmbH	100	100	Germany
Cochlear Europe Limited	100	100	UK
Cochlear Finance Pty Limited	100	100	Australia
Cochlear France SAS	100	100	France
Cochlear German Holdings Pty Limited	100	100	Australia
Cochlear Incentive Plan Pty Ltd	100	100	Australia
Cochlear Investments Pty Ltd	100	100	Australia
Cochlear Investments (No. 2) Pty Ltd	100	100	Australia
Cochlear Investments (No. 3) Pty Ltd	100	100	Australia
Cochlear Italia SRL	100	100	Italy
Cochlear Korea Limited	100	100	Korea
Cochlear Labs Pty Limited	100	100	Australia
Cochlear Latinoamerica S.A.	100	100	Panama
Cochlear Malaysia Sdn. Bhd.	100	100	Malaysia
Cochlear Manufacturing Corporation	100	100	USA
Cochlear Medical Device (Beijing) Co., Ltd	100	100	China
Cochlear Medical Device (Chengdu) Co Ltd	100	100	China
Cochlear Medical Device Company India Private Limited	100	100	India
Cochlear Mexico SA de CV	100	100	Mexico
Cochlear Middle East FZ-LLC	100	100	UAE
Cochlear Morocco SARL	100	100	Morocco
Cochlear Nordic AB	100	100	Sweden
Cochlear Norway AS	100	100	Norway
Cochlear NZ Limited	100	100	New Zealand
Cochlear Research and Development Limited	100	100	UK
Cochlear Russia LLC	100	100	Russia
Cochlear Shared Services S.A.	100	100	Panama
Cochlear Sweden Holdings AB	100	100	Sweden
Cochlear Taiwan Limited	100	100	Taiwan
Cochlear Tibbi Cihazlar ve Saglik Hizmetleri Limited Sirketi	100	100	Turkey
Cochlear Verwaltungs GmbH	100	100	Germany
Cochlear (HK) Limited	100	100	Hong Kong
Cochlear (Thailand) Limited	100	100	Thailand
Medical Insurance Pte Limited	100	100	Singapore
Neurelec S.A.S	100	100	France
Nihon Cochlear Co Limited	100	100	Japan
Sichuan Keli ShuangChuang Technology Co	51	51	China
Sycle, LLC	100	100	USA
Sycle.Net Technologies (Canada) Ltd	100	100	Canada

7.4 Parent entity disclosure

At, and throughout the financial year ended, 30 June 2026, the parent company of Cochlear was Cochlear Limited.

	2026 $m	2025 $m
Result of the parent entity		
Net profit	197.8	366.1
Other comprehensive (loss)/income	19.1	(6.1)
Total comprehensive income	**216.9**	**360.0**
Current assets	1,188.8	1,263.6
Total assets	**2,119.4**	**2,163.6**
Current liabilities	369.1	335.4
Total liabilities	**508.6**	**480.8**
Total equity of the parent entity comprising:		
Share capital	1,176.1	1,176.0
Hedging reserve	14.9	(4.3)
Share-based payment reserve	96.2	95.0
Treasury share reserve	(9.0)	–
Profit reserve	443.2	526.7
Accumulated losses	(110.6)	(110.6)
Total equity	**1,610.8**	**1,682.8**

Dividends will be paid from the profit reserve of Cochlear Limited, as the parent of the Consolidated Entity. Dividend income from subsidiaries are recognised by the parent entity when the dividends are declared by the subsidiary.

Parent entity contingencies

The details of all contingent liabilities in respect of Cochlear Limited are disclosed in Note 5.6 *Contingent liabilities*.

Parent entity capital commitments for acquisition of plant and equipment

As at 30 June 2026, the parent entity entered into contracts to acquire property, plant and equipment and intangible assets for $11.5 million (2025: $24.7 million).

7.5 Deed of Cross Guarantee

Cochlear Limited (the holding entity) together with the wholly-owned subsidiaries set out below (together referred to as the Closed Group) entered into a Deed of Cross Guarantee on 17 April 2019, as amended from time to time (the Deed). As a result, pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, the wholly-owned subsidiaries set out below are relieved from the *Corporations Act 2001* requirement to prepare and lodge an audited financial report and directors' report. Under the Deed, Cochlear Limited has guaranteed to pay any outstanding liabilities upon the winding up of any wholly-owned subsidiary that is party to the Deed. Wholly-owned subsidiaries that are party to the Deed have also been given a similar guarantee in the event that Cochlear Limited or another party to the Deed is wound up.

The subsidiaries party to the Deed are:
Cochlear Finance Pty Limited;
Cochlear German Holdings Pty Limited;
Cochlear Investments Pty Ltd;
Cochlear Investments (No. 2) Pty Ltd;
Cochlear Investments (No. 3) Pty Ltd; and
Cochlear Labs Pty Limited.

Set out below is the Income statement, Statement of comprehensive income, a summary of movements in retained earnings/(accumulated losses) and Balance sheet of the entities party to the Deed for the year ended 30 June 2026 and 30 June 2025:

Income statement

	2026 $m	2025 $m
Revenue	1,561.3	1,607.6
Cost of sales	(649.7)	(609.8)
Gross profit	**911.6**	**997.8**
Selling, marketing and general expenses	(87.4)	(77.0)
Research and development expenses	(209.5)	(174.2)
Administration expenses	(270.5)	(215.9)
Other income	38.4	71.6
Other expenses	(136.5)	(126.9)
Fair value, share of losses and impairment losses on investments	(121.4)	(3.5)
Results from operating activities	**124.7**	**471.9**
Finance income – interest	18.6	17.9
Finance expense – interest	(14.3)	(11.7)
Net finance income	**4.3**	**6.2**
Profit before income tax	**129.0**	**478.1**
Income tax expense	(40.6)	(108.5)
Net profit	**88.4**	**369.6**

Statement of comprehensive income

	2026 $m	2025 $m
Net profit	**88.4**	**369.6**
Financial investments measured at fair value through other comprehensive income, net of tax	(53.1)	(0.9)
Effective portion of changes in fair value of cash flow hedges, net of tax	22.2	(15.1)
Net change in fair value of cash flow hedges transferred to the Income statement, net of tax	(2.9)	8.9
Total comprehensive income	**54.6**	**362.5**
Retained earnings at beginning of year	492.3	400.9
Net profit	88.4	369.6
Dividends to shareholders	(281.2)	(278.2)
Retained earnings at end of year	**299.5**	**492.3**

Balance Sheet

	2026 $m	2025 $m
Assets		
Cash and cash equivalents	41.6	156.4
Trade and other receivables	785.6	747.5
Forward exchange contracts	23.4	6.9
Inventories	322.4	330.6
Current tax assets	12.7	0.1
Prepayments	27.1	26.6
Total current assets	**1,212.8**	**1,268.1**
Forward exchange contracts	5.3	5.3
Property, plant and equipment	200.4	182.2
Intangible assets	187.0	184.9
Investments	14.9	76.9
Other financial assets	11.5	110.5
Equity-accounted investments	26.2	2.1
Loans and borrowings – internal	296.7	295.2
Investments in subsidiaries	540.2	536.3
Deferred tax assets	80.1	62.2
Right of use assets	97.9	108.2
Total non-current assets	**1,460.2**	**1,563.8**
Total assets	**2,673.0**	**2,831.9**

	2026 $m	2025 $m
Liabilities		
Trade and other payables	260.1	225.1
Forward exchange contracts	5.0	12.4
Loans and borrowings – internal	224.6	212.4
Current tax liabilities	1.9	7.7
Employee benefit liabilities	78.2	59.8
Provisions	25.8	17.3
Deferred revenue	3.3	(1.4)
Lease liabilities	17.6	16.5
Total current liabilities	**616.5**	**549.8**
Forward exchange contracts	2.4	6.1
Loans and borrowings – internal	459.0	457.0
Employee benefit liabilities	6.3	4.4
Provisions	29.3	22.0
Deferred tax liabilities	4.3	16.1
Deferred revenue	24.0	–
Lease liabilities	101.6	112.9
Total non-current liabilities	**626.9**	**618.5**
Total liabilities	**1,243.4**	**1,168.3**
Net assets	**1,429.6**	**1,663.6**
Equity		
Share capital	1,176.1	1,176.1
Reserves	(46.0)	(4.8)
Retained earnings	299.5	492.3
Total equity	**1,429.6**	**1,663.6**

7.6 New standards and interpretations

The amendments to AASB 121 relating to Lack of Exchangeability became effective during the current reporting period. The amendments did not have an impact on the Company as it does not have any transactions or balances affected by a lack of exchangeability.

A number of new standards, amendments to standards and interpretations have been issued that are not mandatory for the current reporting period and have not been early adopted. In April 2024, AASB 18 *Presentation and Disclosure in Financial Statements* was issued, which replaces AASB 101 Presentation of Financial Statements. The standard is effective for annual periods beginning on or after 1 January 2027. The Company does not intend to early adopt IFRS 18. This standard introduces changes to presentation and disclosure and does not affect recognition or measurement. The Company has performed an initial assessment of the impact of IFRS 18. On adoption, certain items currently presented within operating results are expected to be presented within the investing category; enhanced disaggregation of expenses by nature will be required within the notes; interest received and paid will be reclassified within the statement of cash flows; and goodwill will be presented separately from other intangible assets. In addition, new disclosures will be required for management-defined performance measures, with Underlying EBIT and Underlying NPAT expected to meet the definition of such measures. These changes are presentational in nature and are not expected to affect total profit or net assets. The Company is still in the process of assessing the impact of AASB 18.

Other new standards and amendments are not expected to have a significant impact on the consolidated financial statements of Cochlear.

7.7 Events subsequent to the reporting date

Other than the matter noted below, there has not arisen in the interval between the reporting date and the date of these consolidated financial statements, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of Cochlear, the results of those operations, or the state of affairs of Cochlear in future financial years:

Dividends

For dividends declared after 30 June 2026, see Note 2.6.

Consolidated entity disclosure statement

Basis of preparation

Section 295 (3A) of the *Corporation Acts 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement be disclosed. For the purposes of this section, an entity is an Australian resident at the end of a financial year if the entity is:

a) an Australian resident (within the meaning of the *Income Tax Assessment Act 1997*) at that time; or

b) a partnership, with at least one partner being an Australian resident (within the meaning of the *Income Tax Assessment Act 1997*) at that time; or

c) a resident trust estate (within the meaning of Division 6 of Part III of the *Income Tax Assessment Act 1936*) in relation to the year of income (within the meaning of that Act) that corresponds to the financial year.

The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the Consolidated Entity has applied the following interpretations:

- Australian tax residency - current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Taxation Ruling TR 2018/5*.
- Foreign tax residency - current legislation and guidance in the determination of foreign tax residency.

Set out below is a list of entities that are consolidated in the financial statements at the end of the financial year.

Entity Name			% of Share Capital	Country of incorporation/ formation	Tax Jurisdiction
Cochlear Limited (the Company)		●		Australia	Australia
Cochlear German Holdings Pty Limited	(i)	●	100%	Australia	Australia
Cochlear Incentive Plan Pty Ltd		●	100%	Australia	Australia
Cochlear Employee Share Trust		◆	N/A	Australia	Australia
Cochlear Employee Share Plan Trust		◆	N/A	Australia	Australia
Cochlear Finance Pty Limited		●	100%	Australia	Australia
Cochlear Investments Pty Ltd	(i)	●	100%	Australia	Australia
Cochlear Investments (No. 2) Pty Ltd		●	100%	Australia	Australia
Cochlear Investments (No. 3) Pty Ltd		●	100%	Australia	Australia
Cochlear Labs Pty Limited		●	100%	Australia	Australia
Cochlear Austria GmbH		●	100%	Austria	Austria
Cochlear Benelux NV		●	100%	Belgium	Belgium
Cochlear Brasil Ltda		●	100%	Brazil	Brazil
Cochlear Canada Inc		●	100%	Canada	Canada
Sycle.Net Technologies (Canada) Ltd		●	100%	Canada	Canada
Cochlear Medical Device (Beijing) Co., Ltd		●	100%	China	China
Cochlear Medical Device (Chengdu) Co Ltd		●	100%	China	China
Sichuan Keli ShuangChuang Technology Co Ltd		●	51%	China	China
Cochlear Colombia SAS		●	100%	Colombia	Colombia
Cochlear France SAS		●	100%	France	France
Neurelec SAS		●	100%	France	France
Cochlear Deutschland GmbH & Co KG	(ii)	■	N/A	Germany	Australia & Germany
Cochlear Europe Finance GmbH		●	100%	Germany	Germany
Cochlear Verwaltungs GmbH		●	100%	Germany	Germany
Cochlear (HK) Limited		●	100%	Hong Kong	Hong Kong
Cochlear Medical Device Company India Private Ltd		●	100%	India	India
Cochlear Italia SRL		●	100%	Italy	Italy

Entity Name		% of Share Capital	Country of incorporation/ formation	Tax Jurisdiction
Nihon Cochlear Co Limited	●	100%	Japan	Japan
Cochlear Korea Limited	●	100%	Korea	Korea
Cochlear Malaysia Sdn. Bhd.	●	100%	Malaysia	Malaysia
Cochlear Mexico SA de CV	●	100%	Mexico	Mexico
Cochlear Morocco SARL	●	100%	Morocco	Morocco
Cochlear NZ Limited	●	100%	New Zealand	New Zealand
Cochlear Norway AS	●	100%	Norway	Norway
Cochlear Latinoamerica S.A.	●	100%	Panama	Panama
Cochlear Shared Services S.A.	●	100%	Panama	Panama
Cochlear Russia LLC	●	100%	Russia	Russia
Cochlear Arabia Regional Headquarter LLC	●	100%	Saudi Arabia	Saudi Arabia
Medical Insurance Pte Limited	●	100%	Singapore	Singapore
Cochlear Bone Anchored Solutions AB	●	100%	Sweden	Sweden
Cochlear Nordic AB	●	100%	Sweden	Sweden
Cochlear Sweden Holdings AB	●	100%	Sweden	Sweden
Cochlear AG	●	100%	Switzerland	Switzerland
Cochlear Taiwan Limited	●	100%	Taiwan	Taiwan
Cochlear (Thailand) Limited	●	100%	Thailand	Thailand
Cochlear Tibbi Cihazlar ve Saglik Hizmetleri Ltd Sirketi	●	100%	Turkey	Turkey
Cochlear Middle East FZ-LLC	●	100%	UAE	UAE
Cochlear Europe Limited	●	100%	UK	UK
Cochlear Research and Development Limited	●	100%	UK	UK
Cochlear Americas	●	100%	USA	USA
Cochlear Clinical Services LLC	●	100%	USA	USA
Cochlear Manufacturing Corporation	●	100%	USA	USA
Sycle, LLC	●	100%	USA	USA

Key: ● Body Corporate ◆ Trust ■ Partnership

i) Cochlear German Holdings Pty Limited and Cochlear Investments Pty Limited are partners in Cochlear Deutschland GmbH & Co KG.
ii) Cochlear Deutschland GmbH & Co KG. has a tax jurisdiction of Germany and also Australia as its partners are Australian residents.

Directors' declaration

1. In the opinion of the directors of Cochlear Limited (the Company):
   a) the consolidated financial statements and notes and the Remuneration report are in accordance with the *Corporations Act 2001*, including:
      i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and
      ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
   c) the consolidated entity disclosure statement as required by section 295(3A) of the *Corporations Act 2001* and set out on pages 167 to 168 is true and correct as at 30 June 2026; and
   d) at the date of this declaration, there are reasonable grounds to believe that the Company and each of the Closed Group entities identified in Note 7.5 will be able to meet any liabilities to which they are or may become subject to, because of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.
2. The directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer & President and Chief Financial Officer for the financial year ended 30 June 2026.
3. The directors draw attention to Note 1.2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated at Sydney this 18th day of August 2026.

Director

Director

KPMG

Independent auditor's report

To the shareholders of Cochlear Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Cochlear Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the Consolidated Entity's financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated Balance Sheet as at 30 June 2026;
- Consolidated Income Statement, Consolidated Statement of comprehensive income, Consolidated Statement of changes in equity, and Consolidated Statement of cash flows for the year then ended;
- Notes, including a summary of material accounting policies;
- Consolidated Entity disclosure statement and accompanying basis of preparation as at 30 June 2026; and
- Directors' Declaration.

The Consolidated Entity consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report.

We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board Limited (the Code) that are relevant to audits of the Financial Report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matter

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Warranty provision $47.5 million

Refer to Note 5.5 Provisions

The key audit matter	How the matter was addressed in our audit
The warranty provision is a key audit matter due to: • The estimation uncertainty inherent in the key assumptions applied by the Consolidated Entity to determine the warranty provision; • The Consolidated Entity's evolving product portfolio, through the introduction of new generations, where each product's design and quality attributes can impact the key assumptions; • The inherent unpredictability of future failures resulting in claims under warranty; and • The calculation by the Consolidated Entity is largely manually developed and therefore is at greater risk of error.	Our procedures included: • Assessing the Group's accounting policies against the accounting standard requirements, our business understanding and industry practice; • Comparing the basis for recognition and measurement of the warranty provision with applicable requirements and the accounting standards; • Obtaining an understanding of the Consolidated Entity's processes to determine the warranty provision. This included obtaining an understanding of the evolving product portfolio, each product's warrantable period and history of claim rates, and the different attributes which impact the key assumptions used in the Consolidated Entity's warranty provision; • Testing the sensitivity of the warranty provision by varying key assumptions, within a reasonably possible range, to focus our further procedures; • Challenging the Consolidated Entity's ability to reliably estimate the key

The key assumptions used in the Consolidated Entity's determination of the warranty provision are:

- The forecast claim rates of the multiple products in the portfolio;
- The ratio of repairing to replacing failed products;
- The forecast repair cost; and
- The forecast replacement cost which is based on standard forecasts of manufacturing costs.

Challenging these key assumptions required greater involvement by our senior team members.

Given the dependence on manually developed calculations by the Consolidated Entity, we worked with our data analytics specialists to supplement our senior team members in addressing this key audit matter.

assumptions by comparing previous estimates to actual outcomes;

- Working with our data analytics specialists assessing the integrity of the model for the warranty provision. This included checking the accuracy of the formulas within the model;
- Comparing the forecast claim rates of a sample of products to historical claim rates for that product or historical claim rates of previous generations of similar products;
- Comparing the forecast ratio of claims that can be repaired and associated repair costs to historical ratio of repairs and repair cost;
- Comparing the forecast replacement cost to actual manufacturing costs and challenging forward-looking assumptions used in the model;
- Enquiring of management responsible for product design and quality attributes and the product repair function regarding product reliability and repairability, especially in relation to recently launched products, to challenge the forward-looking assumptions used in the model; and
- Assessing the disclosures of the quantitative and qualitative considerations in relation to the warranty provision, by comparing these disclosures to our understanding of the matter and the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Cochlear Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and specified sustainability disclosures within the Sustainability Report and our respective assurance opinion/conclusions.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Consolidated Entity, and in compliance with Australian Accounting Standards and the Corporations Regulations 2001;
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Consolidated Entity, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Consolidated Entity's and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Cochlear Limited for the year ended 30 June 2026, complies with Section 300A of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited Sections 1 to 2.4, Section 4.1, Sections 4.3 to 8.2, and Sections 8.4 to 9.3 of the Remuneration Report included in pages 105 to 127 of the Directors' Report for the year ended 30 June 2026.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with Section 300A of the *Corporations Act 2001*, based on our audit conducted in accordance with Australian Auditing Standards.

KPMG

KPMG

Rachel Gatt

Rachel Gatt
Partner
Sydney
18 August 2026

Additional information

Scot,
Nucleus System recipient

Sustainability report

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Sustainability Report

Climate-related disclosures

1. Basis of preparation

This Sustainability Report includes the climate-related financial disclosures for Cochlear Limited and its controlled entities (Group) for the year ended 30 June 2026 (FY26). In this report, unless otherwise stated, references to "Cochlear", the "Group", the "Company", "we", "us", and "our" refer to Cochlear Limited and its controlled entities. This report should be read together with the consolidated financial statements for the year ended 30 June 2026. It is also linked with the Governance and Risk section of this Annual Report, with cross-references provided to assist users in understanding connections between disclosures. The presentation currency in this Sustainability Report is in Australian dollars (AUD), which is Cochlear's functional currency, and used in the consolidated financial statements.

Greenhouse gas emissions (GHG emissions) are reported using the operational control approach; as a result, the emissions reporting boundary may differ from the Group's consolidated accounting group.

1.1. Statement of compliance

This Sustainability Report has been prepared in accordance with the Australian Sustainability Reporting Standard Climate-related Disclosures (AASB S2) adopted by the Australian Accounting Standards Board and the *Corporations Act 2001 (Cth).*

1.2. Transition reliefs

For the first year of reporting under AASB S2, Cochlear has adopted the transition reliefs available relating to non-disclosure of comparative information and Scope 3 GHG emissions. In adopting this relief, Cochlear has elected to voluntarily disclose the FY26 Scope 3 emissions in the Sustainability approach section of this Annual Report.

Cochlear's headquarters, Sydney

1.3. Assumptions, judgements and estimates

The preparation of climate-related disclosures requires the use of assumptions, judgement and estimates. Uncertainties in preparing this report arise from data limitations, reliance on external information and the forward-looking nature of climate-related analysis. These uncertainties are referenced throughout the report. The estimates and assumptions may affect the identification of relevant climate-related risks and opportunities and the measurement of potential impacts. As climate science, data quality and analytical approaches continue to develop over time, estimates are subject to change, and actual outcomes may differ from those currently anticipated.

The right table summarises key areas where judgements and estimates were applied.

Scenario analysis	Uncertainty arising from reliance on hypothetical future climate pathways and from the qualitative nature of the analysis, with judgement applied in selecting scenarios, projecting likelihood and impacts, and interpreting implications for strategy and the business model. For more detail on the scenarios selected, see section 3. Strategy of this Sustainability Report.
Risks and opportunities identification	Judgement was applied in identifying the long list of climate-related risks and opportunities relevant to Cochlear's operations and value chain, including determining which physical and transition risks and opportunities were relevant to Cochlear and the time horizons over which they may arise. Uncertainty arises from reliance on hypothetical future climate pathways and limitations in value chain information. For more detail see section 3. Strategy of this Sustainability Report.
Assessment of climate-related risks and opportunities with potential to affect Cochlear's prospects	Judgement and estimation were applied in assessing whether the climate-related risks and opportunities from the long list could reasonably be expected to affect Cochlear's prospects (cash flows, access to finance or cost of capital) over the short, medium and long-term. This included assessing the magnitude, likelihood and timing of impacts, as well as estimating anticipated financial effects and considering dependencies across the value chain. As a result of this activity, a short list of climate-related risks and opportunities was developed. For more detail see section 4. Risk Management of this Sustainability Report.
Determination of climate-related information for disclosure	Judgement was applied in determining which climate-related information about impacts, resilience and financial effects should be included in this Sustainability Report to support decision-making by primary users.
Scope 1 and 2 GHG emissions	Assumptions and estimates were applied to calculate Scope 1 and 2 emissions, including the selection of emission factors and the use of estimates where actual activity data were not available. Uncertainty arises from data availability, methodological choices and reliance on third-party information. For more details see section 5.2. Measurement approach of this Sustainability Report.
Forward-looking statements	Uncertainty exists in relation to forward-looking disclosures in this Sustainability Report, including climate-related resilience assessments, the potential financial effects of climate-related risks and opportunities, planned response actions, climate-related investment decisions, and progress towards the 2030 operational net zero target. These disclosures are based on management judgement and assumptions about future climate impacts, market and regulatory conditions, technology developments, carbon credit availability, and available data. Forward-looking statements are based on management's current expectations and available information at the reporting date. As a result, actual outcomes may differ materially from those expressed or implied.

1.4. Business model and value chain

Cochlear is a global leader in implantable hearing solutions, with operations spanning research and development (R&D), manufacturing, commercialisation, distribution and lifetime recipient support. Since commencing operations in 1981, the company has built a global presence, delivering hearing solutions that help more people to hear, contributing to a healthier and more productive society.

Our global headquarters are located in Sydney, Australia, supported by regional offices across the Americas, Asia Pacific, Europe and the Middle East. The company employs more than 5,400 people across over 50 countries, reflecting the global scale of its operations and markets. Cochlear's workforce supports core activities across R&D, manufacturing, commercial operations and corporate services. Refer to Our company and Strategy and value creation sections of this Annual Report.

Cochlear's business model is supported by an integrated global value chain that includes upstream suppliers, internal operations, and downstream distribution to professional customers and recipients. This value chain is critical to the development, manufacture, delivery and ongoing support of Cochlear's implantable hearing solutions.

Upstream

Our global network of suppliers plays a critical role in supporting our manufacturing, R&D and business operations. These suppliers provide a diverse range of products and services essential to producing our implantable hearing solutions, including electronic components, batteries, precious metals, moulded parts and contract manufacturing services.

Production-related suppliers are located globally, including in Australia, the United States, Europe and Asia, and provide critical inputs such as electronics, batteries and specialised components. Cochlear also engages non-production suppliers that support business operations, including professional services, logistics, IT and facilities.

Operations

Cochlear's internal operations include R&D, manufacturing and quality activities, which transform inputs from suppliers into finished products and solutions. Manufacturing occurs at our sites in Australia (three sites), Sweden, China and Malaysia. These activities are supported by a global network of offices, clinics and warehouses.

Downstream

Distribution relies on logistics networks to deliver finished products to global markets, primarily via air and road transport, with products supplied to recipients through professional customers, including clinics and hospitals.

Cochlear supports recipients over the lifetime of their hearing journey through replacement sound processors, services and connected care solutions, enabling ongoing engagement with recipients and clinicians.

Upstream	Operations	Downstream
Global suppliers	**Research and manufacturing**	**Distribution and recipients**
• Electronic components, batteries and precious metals • Moulded parts and contract manufacturing • Production and non-production suppliers across Australia, the US, Europe and Asia	• R&D • Manufacturing and quality • Global network of offices, clinics and warehouses	• Logistics via air and road transport • Delivered to recipients and professional customers worldwide

Lifetime recipient support

Replacement sound processors, services and connected care that underpin the value chain and sustain ongoing engagement with recipients and clinicians.

2. Governance

This section describes our approach to governance of climate-related matters.

The Board has overall responsibility for the oversight of climate-related risks and opportunities, supported by the Audit and Risk Committee (ARC). The ARC reviews sustainability (including climate-related) matters at least quarterly, including updates on emissions, climate risk management and the regulatory landscape. The Board, through the ARC, receive information on climate-related risks and opportunities to support oversight of climate-related matters and consideration of their potential implications for Cochlear's strategy, business model and long-term resilience.

Our governance approach enables Board oversight of climate-related matters and supports the integration of climate considerations into business strategy, our enterprise risk management (ERM) program and external reporting. For example, climate-related risks and opportunities in business strategy, key projects or other major decisions are considered by the ARC, alongside other enterprise risks, in exercising its oversight and advisor role to the Board on material risk-related matters.

This approach is underpinned by procedures that monitor progress against our metrics and targets and defined controls, which are embedded within our ERM system and integrated into the responsibilities of our governance bodies. Key governance mechanisms include the identification and assessment of climate-related risks and opportunities, materiality analysis, development of sustainability strategy, metrics and targets, ongoing performance monitoring, and the establishment of sustainability-related policies. Directors engage in periodic training to enhance their climate-related capabilities, and external experts may be engaged to provide specialised advice and training.

2.1. Roles and responsibilities

Board

The **Board** is accountable for setting and approving Cochlear's risk appetite, including our exposure to climate change risks and opportunities, the climate resilience of Cochlear's strategy and business model, and the climate-related implications for Cochlear's financial position and performance. The Board is also responsible for overseeing the implementation of Cochlear's broader sustainability strategy (including climate-related strategy) and its integration into overall business strategy, operations, risk management and accountability reporting.

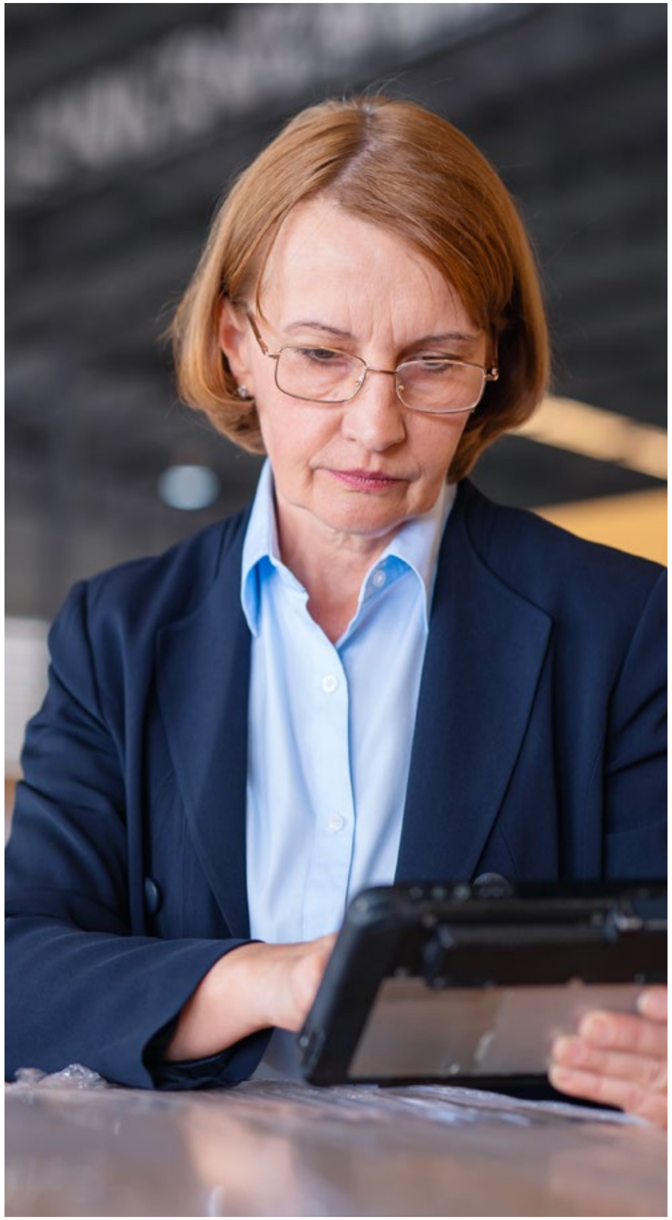
Audit and Risk Committee

The **Audit and Risk Committee** (ARC) supports the Board in monitoring the effectiveness of Cochlear's risk management and internal control systems. This involves monitoring sustainability (including environment and climate) performance and overseeing the implementation of sustainability initiatives and commitments and reviewing processes that identify, assess, prioritise, monitor and manage climate-related risks and opportunities. Sustainability (including climate-related) matters are reviewed at least quarterly by the ARC. The ARC receives quarterly updates from management on matters such as GHG emissions performance, progress against targets, risk management processes, progress against sustainability compliance plans and relevant regulatory developments.

Sustainability (including climate-related) matters are reported to the Board through the ARC's quarterly reporting processes and escalated where required in accordance with the Risk Management Framework. Through the ARC, the Board oversees climate-related matters and approves any climate-related targets recommended by management.

People and Culture Committee

The **People and Culture Committee** supports the Board in overseeing the Executive Remuneration Framework, which incorporates performance measures reflecting achievement of both financial and strategic objectives.



Nomination Committee

The **Nomination Committee** supports the Board by ensuring it has the right skills and experience to oversee Cochlear's strategy and material risks, including climate-related matters, through its role in board composition, succession planning and director development.

Executive Team

The **Executive Team** is accountable for managing sustainability risk exposures and outcomes within its areas of accountability. This includes implementing sustainability (including climate-related) strategy, embedding sustainability considerations into business strategy and operations, and translating Board-approved risk appetite into operational and strategic priorities and decisions. The Executive Team also reports to the ARC on new and developing sustainability risks (including climate-related), including relevant controls, mitigation actions, and progress.

The **Executive Risk Committee** provides executive-level oversight of Cochlear's enterprise risk profile. It monitors the Executive Team's handling of material and developing risks within management's delegated authority, reviews alignment with the Board-approved risk appetite, and ensures that risks approaching or exceeding appetite are appropriately managed, remediated and escalated in accordance with governance expectations. Key risks are reported to the ARC. The Global Sustainability Team provides updates to the Executive Risk Committee on sustainability (including climate-related) topics and risks when relevant, including in response to material developments, emerging risks, or changes in the risk profile.

Management responsibilities

The Board delegates the execution of sustainability strategy (including climate-related strategy) to the CEO and the Executive Team, which are responsible for its implementation. Management is responsible for setting and implementing climate-related metrics and targets, monitoring performance against them and reporting progress through established governance processes to support oversight by the ARC and Board.

The CEO and Executive Team form part of the Executive Risk Committee, which meets quarterly to review key risk areas. Climate-related matters are considered as part of these discussions, with decisions made where relevant.

Climate-related risks and opportunities are managed through sustainability planning processes, ERM activities, and the monitoring of environmental performance under established governance channels.

The Global Sustainability Team reports through to the Chief Financial Officer and is responsible for defining our climate-related and sustainability approach, supporting all parts of the business to deliver on the approach, leading or coordinating key sustainability-related activities and developing external reporting. Collaboration with subject matter experts across the business underpins these activities.

The Group Risk and Assurance Team is accountable to the Board, with formal oversight exercised through the ARC. It is responsible for maintaining and continuously improving the ERM framework, and for providing independent oversight, guidance and challenge to ensure risks (including climate-related) are identified, assessed and managed consistently across the organisation.

More details on the responsibilities and delegations are outlined in the Board and Committee Charters available on our website. These charters reflect, among other matters, responsibilities related to climate-related risks and opportunities.

Board experience and skills

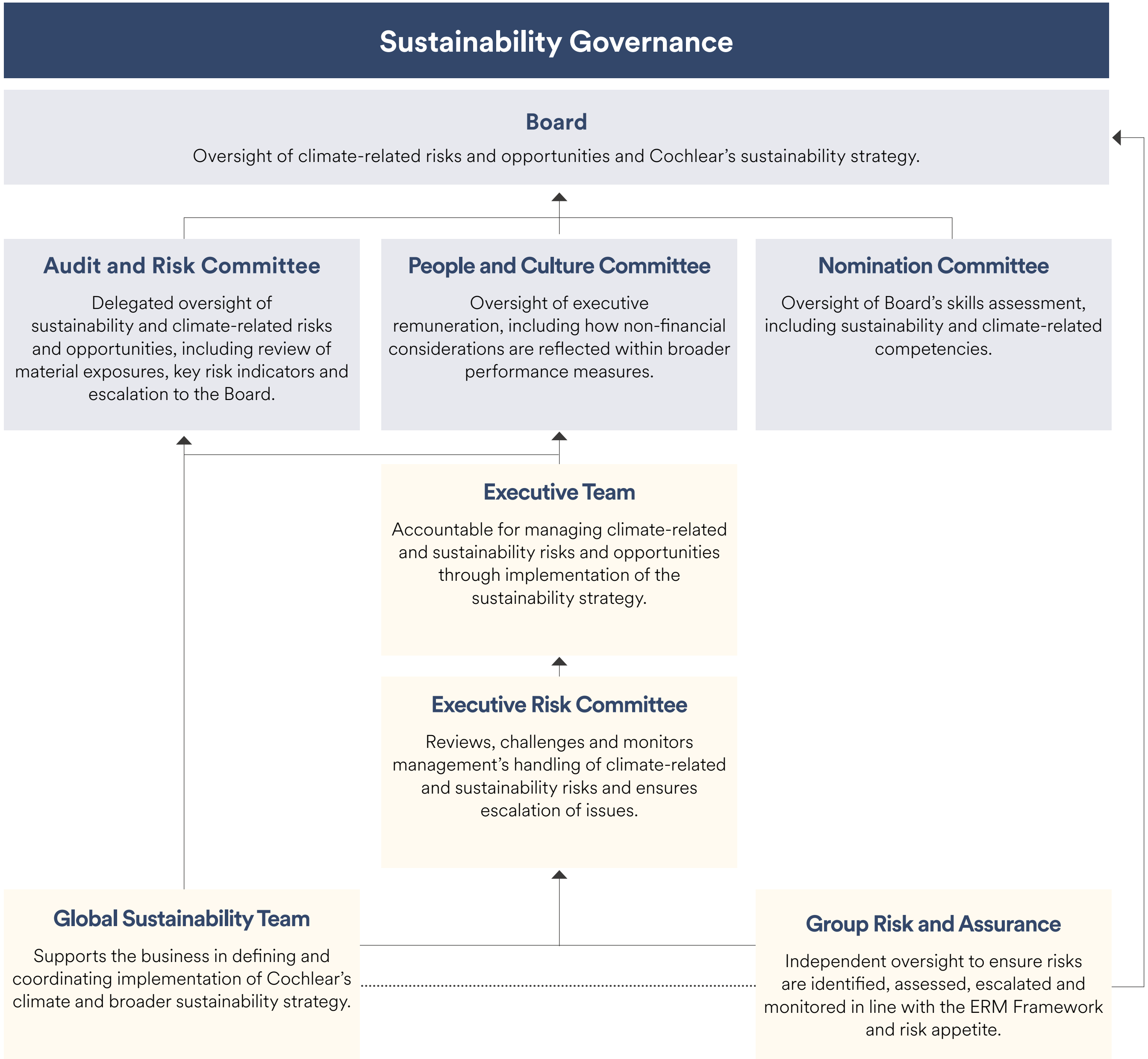
The **Board skills matrix** is reviewed annually to support an assessment of whether the mix of experience and competencies across the Board and its Committees remains appropriate for our strategy and operating environment, including oversight of sustainability (including climate-related) risks and opportunities. The Board receives targeted training, as required under the Board education program, to support ongoing oversight of relevant regulatory and reporting requirements. The Board skills matrix is set out in the Corporate Governance Statement of this Annual Report.

During the Reporting Period, as part of the Board skills matrix review, the Board undertook a self-assessment of its sustainability-related skills and competencies, including climate-related matters. The assessment confirmed a mix of sustainability expertise across the Board, with Directors bringing varying levels of experience and knowledge. This collective capability supports the Board's oversight of sustainability-related risks and opportunities, including those arising from climate change. Refer to the Board skills matrix in the Corporate Governance Statement of this Annual Report.

Board members also participated in externally facilitated education sessions in FY25 and FY26 to support their understanding of climate-related reporting and assurance requirements, supporting effective oversight of the implementation of our sustainability and climate-related strategy in line with current regulatory requirements.

2.2. Executive remuneration

Cochlear does not have a standalone climate-related remuneration metric for executives. Climate considerations are incorporated within Cochlear's executive remuneration framework through broader strategic performance measures in Cochlear's executive Short-Term Incentive (STI), specifically under the Strategic Measures component (35% of total STI). While climate-related performance is not separately weighted within the Strategic Measures component, it may contribute to the overall outcome of one of four Strategic Measures pillars: Sustained Value. Refer to the Remuneration Report section of this Annual Report for further information.



3. Strategy

Overview

Cochlear recognises that climate change presents potential implications for Cochlear's operations, value chain and operating environment. Our strategy for managing climate-related risks and opportunities is focused on integrating identified climate-related considerations into existing governance, risk management and strategic decision-making processes.

In the context of our operations and value chain, climate-related risks and opportunities are primarily indirect and are assessed as limited in their potential financial impact.

3.1. Climate-related risks and opportunities

We conducted a climate-related risk and opportunity assessment with the support of an external consultant with expertise in climate-related scenario analysis and experience relevant to the environments in which we operate.

In the Reporting Period, Cochlear reviewed and assessed climate-related risks and opportunities that may affect the business, based on management's reasonable expectations for the future and supported by the climate-related risk and opportunity assessment.

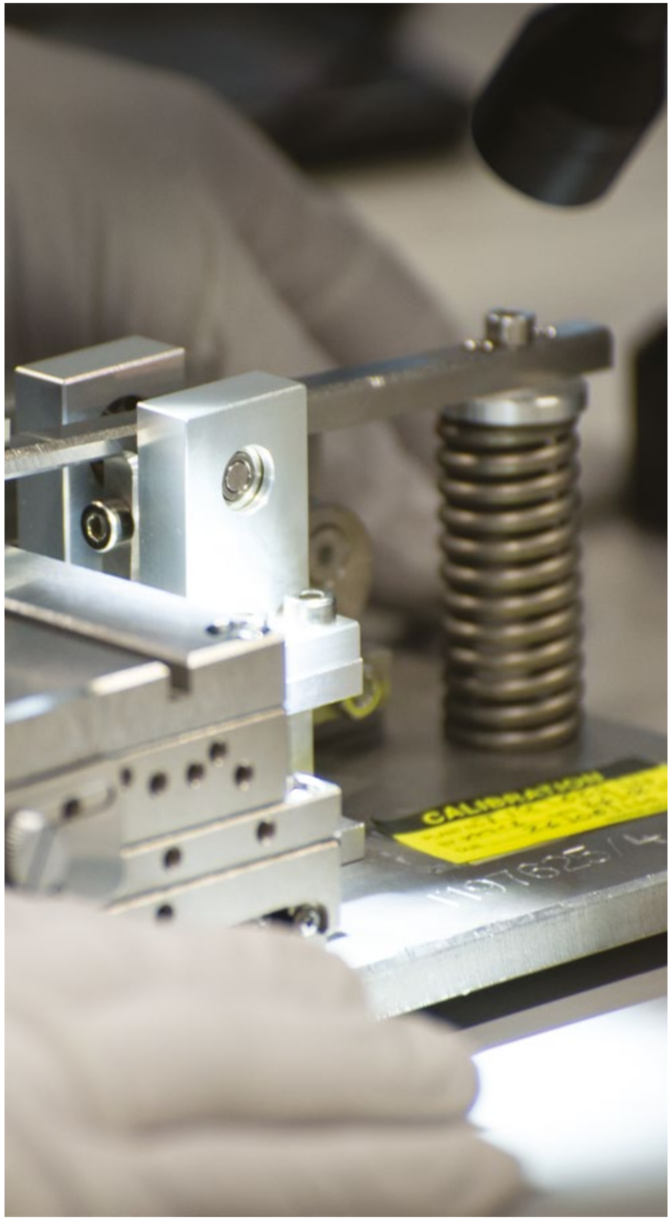
Climate-related risks and opportunities relevant to our operations and value chain were identified using a structured assessment process informed by peer benchmarking, analysis of Cochlear's exposure to climate risks, external consultant input, review of internal policies and frameworks, and interviews and workshops with internal stakeholders. In addition, we used the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, which provides a framework for identifying and assessing physical and transition climate-related risks and opportunities.

The qualitative climate-related scenario analysis included an assessment of the physical and transition climate-related risks and opportunities across short, medium and long-term horizons, under both lower and higher-warming scenarios, as outlined in this section. It considered climate-related risks and opportunities that could reasonably be expected to affect our prospects, including current and anticipated impacts over these timeframes.

The assessment builds on the climate-related risk identification and assessment approach described in section 4. Risk Management of this Sustainability Report. The approach is reviewed annually and will continue to be refined as methodologies improve.

Climate-related scenarios and time horizons

We conducted our climate-related scenario analysis across three time horizons: short-term (up to 2031), medium-term (from 2031 to 2040) and long-term (from 2040 to 2050). The short-term horizon aligns with Cochlear's strategic planning and investment cycles, the medium-term with relevant industry and policy transition pathways, and the long-term with longer-term climate science, enabling a structured assessment of climate-related risks and opportunities and the climate resilience of Cochlear's business and strategy to climate-related changes as their potential impacts evolve over time.



Scenarios assumptions

To assess potential impacts on our business and climate resilience, we considered two emissions scenarios that span a range of plausible global climate outcomes and are aligned with widely recognised external reference scenarios developed by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC). The key assumptions for each scenario are summarised in the table on the right.

This structured analysis informed our understanding of potential climate-related physical and transition risks and opportunities across our operations and the value chain. The identified risks and opportunities were evaluated to determine whether they could reasonably be expected to affect our prospects and their potential financial impacts and implications for our overall business resilience, financial position and performance over the three time horizons, including impacts on cash flows, access to finance, and cost of capital.

Scenario	Lower-warming scenario	Higher-warming scenario
Temperature rise	1.5°C by 2100	More than 4°C by 2100
References	• IEA Net Zero Emissions by 2050 (NZE2050) pathway, and • IPCC Shared Socioeconomic Pathways 1-1.9 (SSP1-1.9)	• IEA Stated Policies Scenario (STEPS), and • IPCC Shared Socioeconomic Pathways 5-8.5 (SSP5-8.5)
Assumptions	• Rapid and coordinated implementation of climate policies and regulation across jurisdictions, supporting global decarbonisation pathways • Stable macroeconomic conditions with orderly transition dynamics and limited disruption to supply chains and demand • Physical climate impacts remain relatively contained, with lower frequency and severity of acute weather events over the short to medium term • Accelerated transition of energy systems, including high penetration of renewable energy and improving energy efficiency • Widespread availability and adoption of low emissions and climate resilient technologies across sectors	• Delayed, fragmented or less stringent climate policy implementation across jurisdictions, resulting in a slower transition • Greater macroeconomic volatility, including disruptions to supply chains and shifts in demand conditions • Increasing frequency and severity of acute physical climate impacts over time, particularly in the medium to long term • Slower decarbonisation of energy systems, with continued reliance on fossil fuels and higher energy price volatility • Slower development and adoption of low emissions technologies, with uneven deployment across regions

Our climate-related risks

As a result of the analysis, two physical risks were assessed as reasonably expected to affect our prospects in both a lower-warming and a higher-warming scenarios, including current and anticipated impacts over the short, medium and long term, based on their likelihood, potential magnitude of impact, and relevance to Cochlear's business model and value chain. No climate-related transition risks were identified as meeting this threshold. This assessment reflects the limited potential financial impact of transition-related drivers on our business model, including regulatory, market and technology changes associated with the transition to a lower-emissions economy. No climate-related opportunities were identified as meeting this threshold. Climate-related risks and opportunities continue to be monitored through the existing Governance framework described in the Governance section of this Sustainability Report. The analysis also indicated that our business model and value chain remain resilient under both scenarios and across all three time horizons.

A quantitative estimate was not considered sufficiently reliable for the Reporting Period due to the high level of measurement uncertainty associated with estimating the effects, such that the resulting information would not be useful. In addition, the effects of climate-related risks and opportunities are not separately identifiable from other factors affecting Cochlear's performance and financial position.

This conclusion reflects consideration of key areas of uncertainty inherent in climate-related scenario analysis, including assumptions embedded in the external reference scenarios regarding the frequency and severity of physical climate impacts, the pace and nature of the global transition to a lower-carbon economy, the implementation and effectiveness of climate-related policies and regulations in the jurisdictions in which we operate, the availability and uptake of low-emissions technologies, future energy and carbon prices and the availability and reliability of underlying data and scenario inputs.

The assessment has therefore been performed using a qualitative approach to provide directional insight into potential impacts, rather than precise financial quantification. Accordingly, no changes to strategy, operations or capital allocation were identified at this stage. Cochlear expects to continue developing its approach, including data quality, analytical methodologies and integration with risk and financial planning processes, to support more quantitative assessment where reliable and supportable in future reporting periods.

The following climate-related risks were identified as reasonably expected to affect our prospects:

- **Supply chain exposure to acute weather events**
  This is a physical risk affecting upstream suppliers. In both lower-warming and higher-warming scenarios, acute weather events may disrupt supplier operations and logistics. Impacts are expected to be more limited in the short term, but to increase in frequency and severity over the medium and long term, particularly under a higher-warming scenario, increasing the likelihood of disruptions.
- **Asset and inventory exposure to acute weather events**
  This is a physical risk affecting Cochlear-operated sites. In both lower-warming and higher-warming scenarios, acute weather events may cause asset damage or operational disruption, with impacts expected to be relatively lower in the short term but increasing in severity and frequency over the medium and long term, particularly under a higher-warming scenario.

No climate-related financial impacts were identified in the financial statements for the Reporting Period at this stage, and no material adjustments are expected in the next reporting period, as no climate-driven supply chain disruptions or asset damage occurred across our operations and value chain, based on available data and analysis. However, scenario analysis identified potential future impacts on our business model and value chain, including disruption to upstream suppliers and Cochlear sites from acute weather events, which could affect the availability of key inputs, continuity of operations, and delivery of products and services over the short, medium and long term. The anticipated effects of these risks on our financial prospects were assessed, with exposure varying by region as described in the following table.

	Supply chain exposure to acute weather events	Asset and inventory exposure to acute weather events
Identified climate-related risks	Acute climate-related events could disrupt our suppliers' operations.	Acute climate-related events could damage our assets and inventory.
Risk description	Acute physical climate-related impacts are expected to be limited in the short term but increasing over time, particularly under higher-emissions scenarios, and may disrupt suppliers. Based on IPCC AR6 projections, the locations where our key suppliers operate face exposure to several physical climate hazards, identified by mapping regional projections to our suppliers' locations: • River flood: relevant for Australia, Belgium, China, Denmark, Germany, Malaysia, Sweden, Switzerland, UK and United States • Heavy precipitation and pluvial flooding: relevant for Australia, Belgium, China, Denmark, Germany, Malaysia, Sweden, Switzerland, UK and United States • Fire weather: relevant for Australia, Belgium, China, Germany, Switzerland, UK and United States • Severe wind storm: relevant for Belgium, Denmark, Germany, Sweden, Switzerland, UK and United States • Tropical cyclone: relevant for China, Malaysia and United States	Acute physical climate-related impacts are expected to be limited in the short term but increasing over time, particularly under higher-emissions scenarios. Through qualitative analysis, we identified inventories, including those in transit, and our operational assets such as manufacturing facilities and warehouses as the assets most likely to be exposed to physical climate-related risks. While these risks are not expected to materially affect operational resilience in the short term, their potential impact may increase over the medium to long term. Based on IPCC AR6 projections, our manufacturing sites and warehouses face exposure to several physical climate hazards, identified by mapping regional projections to our operational footprint: • River flood: relevant for Australia, China, Malaysia, Netherlands, Sweden, UK and United States • Heavy precipitation and pluvial flooding: relevant for China, Malaysia, Netherlands, Sweden, UK and United States • Fire weather: relevant for Australia, China, Netherlands, UK and United States • Severe wind storm: relevant for Netherlands, Sweden, UK and United States • Tropical cyclone: relevant for Malaysia and United States
Potential impacts on prospects	Supply chain disruptions affecting material suppliers may limit the availability and timely delivery of critical inputs used in our products, disrupting production schedules and delaying product delivery to customers. These disruptions may result in increased procurement and logistics costs (affecting operating expenses and cash flows), potential inventory build-ups or shortages (affecting working capital on the balance sheet), and delays in revenue recognition, impacting financial performance over the short, medium and long term, with effects expected to increase over time.	Damage to facilities, inventory or restricted site access may interrupt production and distribution activities, reducing output volumes and delaying revenue recognition. This may lead to increased repair and asset replacement costs (affecting operating expenses and cash flows), higher insurance premiums and/or reduced coverage availability (affecting operating costs and cash flows), potential impairment or write-down of assets and inventory (affecting the balance sheet), and reduced revenues and profitability (affecting financial performance), with impacts potentially increasing over the medium and long term as event severity and frequency rise.

	Supply chain exposure to acute weather events	Asset and inventory exposure to acute weather events
Adaptation measures and resilience	Interruption to product supply is identified and monitored as a principal business risk, with climate-related factors potentially contributing to this risk. No fundamental changes were made to our business model in the current Reporting Period, but we work collaboratively with suppliers to identify and mitigate risks that could result in disruption or delay. Supply and demand forecasts help inform inventory planning, including strategy inventory holding, where appropriate to help manage potential supply disruptions. Targeted mitigation actions may include lifetime buys of critical materials and identification of alternative supply to safeguard production continuity. We continue to closely work with and monitor our key suppliers and logistics footprint to identify opportunities to diversify and reduce key dependencies, and inform adjustments or adaptations required to our strategy or business model in response to climate change. No specific capital amounts have been allocated at this stage. Based on current assessments, available information and management’s current understandings, Cochlear expects to have sufficient flexibility within our financial resources to implement mitigation and resilience actions where required over the short, medium and long term. Capital deployment decisions will be informed by future quantitative climate scenario analysis and supporting evidence as methodologies develop, including assessment of exposure to climate-related risks and whether additional adaptation or resilience measures are required.	Extreme weather impacts on our assets and inventory are currently managed through global site diversification, site-level business continuity and disaster recovery planning, inventory management, and business interruption insurance, collectively supporting continuity of operations and protecting revenues. No fundamental changes were made to our business model during the current Reporting Period, as we have already deployed capital to address this risk. We implemented resilience measures at our Brisbane manufacturing site following significant flooding events in 2022 that brought floodwaters close to the site. These measures included elevating critical equipment and inventory above floor level and installing physical water barriers to reduce the risk of operational disruption. In parallel, improvements to the roofing and HVAC systems at our US warehouse were implemented to increase resilience to extreme weather conditions. No specific capital amounts have been allocated at this stage. Based on current assessments, available information and management’s current understandings, Cochlear expects to have sufficient flexibility within our financial resources to implement mitigation and resilience actions where required over the short, medium and long term. Capital deployment decisions will be informed by future quantitative climate scenario analysis and supporting evidence as methodologies develop, including assessment of exposure to climate-related risks and whether additional adaptation or resilience measures are required.

4. Risk Management

Cochlear applies a Group-wide ERM framework to identify, assess, manage and monitor risks across the business. Climate-related risks are assessed through the application of the Group Risk Matrix, ensuring they are considered alongside financial, regulatory, operational and other non-financial risks to support consistent risk oversight and effective decision-making. Refer to the Risk management and assurance section of this Annual Report for further information.

Climate-related risks and opportunities are reviewed annually and escalated through established governance channels where relevant and as described in section 2. Governance of this Sustainability Report.

Our approach to identifying, assessing and managing risks and opportunities stemming from climate change is outlined below and is reflected in the information disclosed in section 3.1. Climate-related risks and opportunities of this Sustainability Report.

4.1. Identification of risks and opportunities

Cochlear identifies climate-related risks and opportunities through:

- consultation with internal stakeholders across relevant business functions and with coverage of the value chain, including investors and insurers;
- desktop analysis of the industry developments, regulatory trends and peer disclosures; and
- climate scenarios, used to systematically consider the TCFD risk and opportunity categories—policy and legal, technology, market, resource efficiency, physical and reputational—and determine which potential impacts are most relevant to Cochlear's business.

This structured analysis has informed our understanding of potential physical and transition climate-related risks and opportunities across operations and the value chain.

4.2. Assessment approach

Climate-related risks and opportunities are assessed to determine whether they could reasonably be expected to affect Cochlear's prospects or influence the economic decisions of primary users.

For each climate-related risk and opportunity, Cochlear assesses:

- Expected effect on prospects: whether the matter could reasonably be expected to affect our prospects, including current and anticipated impacts over the short, medium and long term, based on the nature of the climate-related risk or opportunity, its likelihood of occurrence using Cochlear's defined likelihood categories aligned to the ERM framework, potential magnitude of impact, and relevance to Cochlear's business model and value chain.
- Nature or potential magnitude: whether the nature or potential magnitude of the matter is such that primary users would reasonably expect disclosure, even where quantitative financial impacts are uncertain or not yet measurable.
- Decision usefulness: whether omitting, misstating or obscuring the information could reasonably be expected to influence the economic decisions of primary users.

  A climate-related risk or opportunity is assessed as reasonably expected to affect our prospects, including current and anticipated impacts over the short, medium and long term, if it meets any one of the above criteria.

4.3. Climate-related scenario analysis

Qualitative climate-related scenario analysis is used to test the vulnerability and resilience of Cochlear's operations and value chain against contrasting climate futures, and to assess the extent to which transition and physical climate drivers may impact the business.

The outcomes of this analysis are reflected in the assessment of the climate-related risks and opportunities described in section 3.1. Climate-related risks and opportunities of this Sustainability Report.

4.4. Integration into ERM

Climate-related risks are considered alongside traditional financial, non-financial, regulatory and operational risks. Climate-related risks are assessed and prioritised using the impact and likelihood criteria from Cochlear's ERM framework.

4.5. Periodic review and refinement

We conduct an annual review of a comprehensive list of climate-related risks and opportunities, with more frequent reviews undertaken when there are material changes to the operating environment or organisational strategy. Based on this, Cochlear determines whether the risk rating for climate-related risks and opportunities requires adjustment in the risk register.

4.6. Embedding risks into planning and governance

Climate-related risks are integrated into Cochlear's ERM processes, informing the corporate risk register, capital planning, supply chain assessments and governance oversight through existing risk committees.

Where a climate-related risk is assessed as reasonably be expected to affect our prospects, including current and anticipated impacts over the short, medium and long term, it is considered in strategic planning and resilience assessments described in section 3. Strategy of this Sustainability Report.

We will continue to refine this approach as improved data, methodologies and modelling capabilities become available.

5. Metrics and targets

5.1. GHG emissions

Our GHG emissions are disclosed in accordance with AASB S2.

For the first year of reporting under AASB S2, Cochlear has adopted the transition reliefs from the requirements to present comparative information and Scope 3 GHG emissions. In adopting this relief, we have elected to voluntarily disclose the FY26 Scope 3 emissions in the Sustainability approach section of this Annual Report.

Cochlear's gross Scope 1 and 2 emissions for the Reporting Period are as follows:

Scope 1 and 2 emissions	FY26 (tCO_2-e)
Scope 1	997
Scope 2 (location-based)	13,103
Scope 2 (market-based)	2,089
Total Scope 1 and 2 (market-based)	3,086

During the Reporting Period, 100% of electricity at our manufacturing sites came from renewable sources, based on electricity purchased through retail agreements supported by Large-scale Renewable Energy Certificates (LRECs) and Small-scale Renewable Energy Certificates (SRECs) surrendered on Cochlear's behalf.

5.2. Measurement approach

Our Scope 1 and Scope 2 emissions are calculated using the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol Corporate Standard) as required by AASB S2.

In line with the GHG Protocol Corporate Standard measurement framework, we apply the operational control consolidation approach to determine our organisational boundary, accounting for emissions from facilities and activities over which Cochlear has the authority to implement operating, health, safety and environmental policies. This approach reflects our ability to influence and manage environmental impacts across our global operations.

Emissions are calculated using activity data collected from all sites under operational control and applying relevant jurisdiction-specific emission factors. The report covers Cochlear sites that fall within this boundary at Group-level.

Scope 2 emissions are reported on both a location-based and market-based basis. Market-based Scope 2 emissions are calculated in accordance with the GHG Protocol Scope 2 Guidance using eligible contractual instruments, including Large-scale Generation Certificates (LGCs) and supplier-specific emission factors, where available. Residual mix factors are applied where applicable, and grid-average emission factors are used where market-based data is not available. This approach aligns with the hierarchy of emission factors set out in the GHG Protocol Scope 2 Guidance. As the availability of energy procurement and supplier emissions data improves, we expect to increase the use of higher-order market-based instruments within the GHG Protocol hierarchy to further enhance our Scope 2 market-based emissions reporting.

Except for the inclusion of refrigerant emissions in the Current Period, the methodology is consistent with prior periods.

Inputs and assumptions

Inputs and assumptions applied are described as follows:

Scope 1:

- **Natural gas:** consumption data sourced from utility invoices. Where actual consumption is not available, estimations are made based on historical or comparable sites. Jurisdiction-specific emission factors sourced from Australia National Greenhouse Accounts Factors 2025 (NGA 2025), UK Department for Environment, Food and Rural Affairs (DEFRA 2025), UK Department for Business, Energy & Industrial Strategy (DBEIS 2025) and US Environmental Protection Agency.
- **Fuel for owned vehicles:** consumption is estimated based on odometer readings. Associated emissions are a minor contributor to Scope 1 emissions. Emission factors sourced from UK Government DEFRA & DBEIS 2025.
- **Refrigerants:** consumption data is estimated based on actual refrigerant recharge data recorded during maintenance activities. Emission factors sourced from UK Government DEFRA & DBEIS 2025.

Scope 2:

- **Electricity:** consumption data sourced from utility invoices. Where actual consumption is not available, estimates are made based on historical or comparable site area intensity and geographic location. For reporting location-based emissions, location-specific grid electricity emission factors are used, sourced from databases published by national agencies for Australia (NGA 2025) and Malaysia (Sustainable Energy Development Authority Malaysia), and the International Energy Agency for other sites. For reporting market-based emissions, residual mix factors are used where available, sourced from Australia NGA 2025 and the New Zealand Energy Certificate System (NZECS) Residual Supply Mix.

Selection of the measurement approach

The measurement methodologies for Scope 1 and 2 GHG emissions are selected in line with the principles outlined below:

- **Consistency** with the GHG Protocol Corporate Standard.
- **Completeness** across all material emission sources.
- **Reliability and auditability**, supported by documented internal controls and processes.
- **Feasibility**, using estimation methods only where direct measurement cannot practically or reliably be obtained.

Key judgements and estimation uncertainties associated with these measurements are described in section 1.3. Assumptions, judgement and estimates of this Sustainability Report.

Exposure to physical climate risks across our operations and value chain is described in section 3.1 Climate-related risks and opportunities of this Sustainability Report.

Our operations and value chain span multiple regions, all of which are exposed to climate-related hazards to some degree, resulting in a portion of our assets and business activities being vulnerable to physical climate risks, depending on their specific location.

Cochlear has undertaken a qualitative assessment of the proportion of its assets and business activities exposed to climate-related transition and physical risks. Cochlear's direct operational exposure to transition and physical risk is assessed as low based on the scenarios outlined in section 3.1. Climate-related risks and opportunities of this Sustainability Report, reflecting our industry and business model, which has low carbon-intensive supply chain dependencies and low exposure to regulatory and macroeconomic shifts driven by carbon reduction policies. Cochlear's primary area of potential physical risk vulnerability relates to inventory and critical operational assets, including manufacturing and warehouse facilities. Quantification of the climate-related attribution is not separately identifiable from broader operational and market risks at this time.

Cochlear has also assessed the amount and percentage of assets or business activities aligned with climate-related opportunities as minimal in this period.

Cochlear will seek to quantify this disclosure in future reporting periods as its measurement capabilities mature.

5.3. Emission target

We defined a medium-term GHG emissions reduction target for our operational emissions in 2022 with a target year of 2030. The target was informed by the Science Based Targets initiative (SBTi) methodology and the objectives of the Paris Agreement, with a market-based method, on the same organisational boundary as Scope 1 and Scope 2 emissions disclosed above. The target covers greenhouse gas emissions, including carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O). The target and the methodology for setting the target has not been validated by a third party.

By 2030, we are targeting Scope 1 and Scope 2 absolute net zero emissions across our operations. Cochlear's decarbonisation strategy is focused on achieving the maximum feasible gross reduction in absolute operational emissions, with a limited use of carbon credits. That is, carbon credits are expected to be used only for residual emissions that cannot be practically abated and are not intended to replace or reduce the emphasis on direct emissions reduction activities. While the extent of future reliance on carbon credits is not yet known, we intend for net emissions outcomes to remain broadly aligned with gross emissions reductions, subject to the level of carbon credits ultimately required.

Cochlear will purchase and surrender certified carbon credits sourced from recognised third-party schemes. The types of carbon credits will be defined in alignment with our strategy, to address any shortfall in emissions reductions needed to achieve the target.

This assessment recognises uncertainty related to future operational, technological and market conditions, particularly the availability, integrity and cost of carbon offsets. We will continue to reassess our approach as market and regulatory expectations evolve.

Scope 1 and 2 emissions have decreased significantly since FY19, with the steepest reductions achieved in the early years of the target period, primarily through the rapid uptake of renewable energy at our manufacturing sites. Progress is now tracking along a linear pathway toward our 2030 target. To continue this pathway, we will assess and prioritise opportunities to reduce Scope 1 emissions, considering their operational and economic viability. For Scope 2 emissions, we will continue to focus on increasing the use of renewable electricity where available and appropriate for our operations.

The emissions disclosed above represent gross Scope 1 and Scope 2 emissions. No carbon credits were used to offset these emissions during the Reporting Period, consistent with prior periods.

We monitor progress against our target using the below metrics:

- Absolute Scope 1 emissions (tCO_2-e)
- Absolute Scope 2 emissions (market-based, tCO_2-e)

Our target is reviewed annually as part of our ongoing progress monitoring conducted by the Group Sustainability Team with oversight of the Audit and Risk Committee. The review includes:

- Performance against target and consideration of potential decarbonisation initiatives.
- External developments, including technology, regulation and stakeholder expectations.
- Appropriateness of underlying assumptions, methodologies and baselines.
- Potential risks that may affect delivery of targets, including resourcing and organisational capacity.

There have been no changes to our net zero (Scope 1 and Scope 2) emissions target since it was set in 2022.

5.4. Climate transition plan

We have commenced evaluating strategic actions to enhance resilience to climate-related matters. We plan to develop a transition plan, with key elements of the plan to be disclosed in the subsequent report.

5.5. Carbon pricing

We currently do not apply an internal carbon price in decision-making.

6. Directors' Declaration

In the opinion of the Directors of Cochlear Limited (the Company), reasonable steps have been taken by the Company to ensure the substantive provisions of Cochlear Limited's Sustainability Report for the financial year ended 30 June 2026, set out on pages 175 to 188, are in accordance with the Corporations Act 2001 (Cth), including section 296C and 296D, and the Australian Sustainability Reporting Standards (being AASB S2 Climate-related Disclosures).

Signed in accordance with a resolution of the Directors.

Alison Deans
Chair

Dig Howitt
CEO & President

Independent auditor's report

To the shareholders of Cochlear Limited

Report on specified Sustainability Disclosures of Cochlear Limited presented in the Sustainability Report prepared in accordance with the Corporations Act 2001

Review Conclusion on specified Sustainability Disclosures as required under Corporations Act 2001

We have conducted a review of the following specified Sustainability Disclosures presented in the Sustainability Report of *Cochlear Limited* for the year ended 30 June 2026 in accordance with Australian Standards on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

Specified Sustainability Disclosure	***Reporting requirement of Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D) (the Criteria)***	***Locations in Sustainability Report***
Governance disclosures	*Paragraph 6*	*Section "2. Governance", pages 178-180*
Strategy (risk and opportunities) disclosures	*Subparagraphs 9(a), 10(a) and 10(b)*	*Section "3. Strategy", pages 181-185*
Scope 1 greenhouse gas emissions	*Subparagraphs 29(a)(i)(1) to (2) and 29 (a)(ii) to (v)*	*Section "5.1 GHG emissions" and "5.2 Measurement approach", pages 187-188*
Scope 2 greenhouse gas emissions (location-based and market-based)		*Section "5.1 GHG emissions" and "5.2 Measurement approach", pages 187-188*

The requirements of AASB S2 identified in the table on the left form the Criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the specified Sustainability Disclosures specified in the table on the left do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for Conclusion

Our review has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant Criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the "Summary of Work Performed" section of our report.

Our responsibilities under ASSA 5000 are further described in the "Auditor's responsibilities" section of our report.

We comply with the independence and other ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited.

Our firm applies Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, issued by the AUASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

KPMG

Other Information

The Directors of Cochlear Limited are responsible for the Other Information. The Other Information comprises the Cochlear Limited's Annual Report including the Financial Report and Sustainability Report, but does not include the specified Sustainability Disclosures and our review report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the Other Information and we do not express any form of conclusion thereon, with the exception of the Financial Report and our respective audit reports.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the Other Information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the specified Sustainability Disclosures

The Directors of Cochlear Limited are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining a system of internal control that it determines is necessary to enable the preparation of specified Sustainability Disclosures in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the specified Sustainability Disclosures may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

For climate risks and opportunities, there is inherent uncertainty as a result of using assumptions about future events and management's actions that may not occur.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts, (ii) information used to determine emission factors and (iii) the values needed to combine emissions of different gases.

Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement to identify and assess the risks of material misstatement, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to the assessed risks of material misstatement at the disclosure level.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Enquired with relevant Cochlear management to understand the governance structures and reporting process;
- Enquired with relevant Cochlear management to understand the process for developing the governance, strategy and metrics scope 1 and scope 2

greenhouse gas emissions (location-based and market-based) and targets disclosures;

- Reviewed year-over-year movements in the Scope 1 and Scope 2 emissions (location-based and market-based) and enquired of any significant movements;
- Reviewed internal documentation including policies, charters, minutes of meetings, and risk management frameworks, and process notes;
- Reviewed Cochlear's process undertaken to identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;
- Assessed the suitability and application of the Criteria in respect of the specified Sustainability Disclosures;
- For scope 1 and scope 2 greenhouse gas emissions (location-based and market-based), tested underlying data to source documentation on a sample basis;
- Vouched the emission factors by tracing the factor to its respective third-party source;
- Re-performed calculations of scope 1 and 2 greenhouse gas emissions (location-based and market-based), and reviewed documentation on a sample basis; and
- Evaluated the overall presentation of the specified Sustainability Disclosures.

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Rachel Gatt

Rachel Gatt
Partner
18 August 2026

Mark Spicer
Partner
18 August 2026

GRI Content Index

Cochlear Limited has reported the information cited in this GRI content index for the period from 01 July 2025 to 30 June 2026 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021. No sector guidelines apply.

Disclosure	Annual Report (AR) section / External reference	SDGs	UNGC
GRI 2: General Disclosures 2021			
2-1 Organisational details	About Cochlear (AR)		
2-2 Entities included in the organisation's sustainability reporting	Our company (AR)		
2-3 Reporting period, frequency and contact point	About this report (AR)	16	
2-4 Restatements of information	Emissions and energy use (AR) – From FY26, fugitive emissions from refrigerant gases are also included in Scope 1.	16	
2-5 External assurance	Independent limited assurance report (AR)	16	
2-6 Activities, value chain and other business relationships	Responsible supply chain (AR) Cochlear Modern Slavery Statement	16	
2-7 Employees	Our people (AR)	16	
2-8 Workers who are not employees	Our people (AR)	16	
2-9 Governance structure and composition	Governance and risk (AR)	16	
2-10 Nomination and selection of the highest governance body	Governance and risk (AR)	16	
2-11 Chair of the highest governance body	Governance and risk (AR) - Board of directors	16	
2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability report (AR) - Governance	16	1, 7
2-13 Delegation of responsibility for managing impacts	Sustainability Report (AR) – Governance Governance and Risk (AR) – Board Skills Matrix	16	1, 7, 10
2-14 Role of the highest governance body in sustainability reporting	Sustainability Report (AR) – Governance	16	1, 7
2-15 Conflicts of interest	Cochlear Global Code of Conduct	16	10
2-16 Communication of critical concerns	Cochlear Global Code of Conduct	16	10
2-17 Collective knowledge of the highest governance body	Governance and Risk (AR) – Board Skills Matrix	16	
2-18 Evaluation of the performance of the highest governance body	Governance and Risk (AR) – Board performance evaluation and Executive performance evaluation	16	
2-19 Remuneration policies	Remuneration report (AR)	8	1, 7, 10

GRI Disclosures	Location	SDGs	UNGC
GRI 2: General Disclosures 2021			
2-20 Process to determine remuneration	Remuneration Report (AR) – Executive remuneration framework	8	
2-21 Annual total compensation ratio	Information currently not disclosed.	16	
2-22 Statement on sustainable development strategy	Our strategy (AR) - Our sustainability approach	16	1, 7
2-23 Policy commitments	Environmental responsibility (AR) Cochlear Global Code of Conduct Cochlear Modern Slavery Statement	16	1, 7, 8, 10
2-24 Embedding policy commitments	Cochlear Global Code of Conduct	16	
2-25 Processes to remediate negative impacts	Sustainability approach (AR) - Environmental responsibility Sustainability approach (AR) - Environmental management Cochlear Global Code of Conduct	16	7, 8, 9
2-26 Mechanisms for seeking advice and raising concerns	Cochlear Global Code of Conduct	16	10
2-27 Compliance with laws and regulations	Lawful, ethical and responsible behaviour (AR) Cochlear Global Code of Conduct	16	1, 2, 8
2-28 Membership associations	Sustainability approach (AR)	All SDGs	
2-29 Approach to stakeholder engagement	Sustainability approach (AR) - Sustainability topics	16	
2-30 Collective bargaining agreements	Cochlear Global Code of Conduct	8	3
GRI 3: Material Topics 2021			
3-1 Process to determine material topics	Sustainability approach (AR) - Sustainability topics	17	
3-2 List of material topics	Sustainability approach (AR) - Sustainability topics	17	1, 2, 7, 8
3-3 Management of material topics	Sustainability approach (AR) - Sustainability topics	17	1, 2, 7, 8, 10
GRI 102: Climate Change 2025			
102-1 Transition plan for climate change mitigation	Sustainability report (AR) Environmental responsibility (AR) Emissions and energy use (AR)	13	8, 9
102-2 Climate change adaptation plan	Sustainability report (AR) Environmental responsibility (AR) Emissions and energy use (AR)	13	8, 9
102-4 GHG emissions reduction targets and progress	Sustainability report (AR) Environmental responsibility (AR) Emissions and energy use (AR)	13	8, 9

GRI Disclosures	Location	SDGs	UNGC
GRI 102: Climate Change 2025			
102-5 Scope 1 GHG emissions	Sustainability report (AR) Emissions and energy use (AR)	13	8, 9
102-6 Scope 2 GHG emissions	Sustainability report (AR) Emissions and energy use (AR)	13	8, 9
102-7 Scope 3 GHG emissions	Sustainability report (AR) Emissions and energy use (AR)	13	8, 9
102-8 GHG emissions intensity	Sustainability report (AR) Emissions and energy use (AR)	13	8, 9
102-10 Carbon credits	Sustainability report (AR) Emissions and energy use (AR)	13	8, 9
GRI 103: Energy 2025			
103-1 Energy policies and commitments	Sustainability report (AR) Environmental responsibility (AR)	13	8, 9
103-2 Energy consumption and self-generation within the organization	Emissions and energy use (AR)	13	8, 9
103-3 Upstream and downstream energy consumption	Emissions and energy use (AR)	13	8, 9
103-4 Energy intensity	Emissions and energy use (AR)	13	8, 9
103-5 Reduction in energy consumption	Emissions and energy use (AR)	13	8, 9
GRI 201: Economic Performance 2016			
201-1 Direct economic value generated and distributed	Cochlear at a glance (AR) Financial performance (AR)	3, 8, 10	
201-2 Financial implications and other risks and opportunities due to climate change	Sustainability report (AR)	13	7, 8, 9
201-3 Defined benefit plan obligations and other retirement plans	Financial report (AR) - Defined benefit plans	16	
201-4 Financial assistance received from government	Financial report (AR) - Other income	16	
GRI 205: Anti-corruption 2016			
205-2 Communication and training about anti-corruption policies and procedures	Lawful, ethical and responsible behaviour (AR) Cochlear Global Code of Conduct	3, 16	10
GRI 207: Tax 2019			
207-1 Approach to tax	Creating value responsibly (AR) - Tax transparency	1, 10, 17	
207-2 Tax governance, control, and risk management	Creating value responsibly (AR) - Tax transparency Tax Contribution Report 2026		

GRI Disclosures	Location	SDGs	UNGC
GRI 303: Water and Effluents 2018			
303-5 Water consumption	Environmental responsibility (AR) - Resource efficiency	12	8, 9
GRI 306: Waste 2020			
306-2 Management of significant waste-related impacts	Environmental responsibility (AR) - Resource efficiency	12	8, 9
GRI 308: Supplier Environmental Assessment 2016			
308-1 New suppliers that were screened using environmental criteria	Responsible supply chain (AR) Cochlear Modern Slavery Statement	8, 9, 10, 13	8
308-2 Negative environmental impacts in the supply chain and actions taken	Responsible supply chain (AR) Cochlear Modern Slavery Statement	8, 9, 10, 13	8
GRI 401: Employment 2016			
401-1 New employee hires and employee turnover	Our people (AR) - Engagement	3, 8	
GRI 403: Occupational Health and Safety 2018			
403-1 Occupational health and safety management system	Supporting the wellness and safety of our teams (AR)	3, 8	
403-3 Occupational health services	Supporting the wellness and safety of our teams (AR)	3, 8	
403-4 Worker participation, consultation, and communication on occupational health and safety	Supporting the wellness and safety of our teams (AR)	3, 8	
403-5 Worker training on occupational health and safety	Supporting the wellness and safety of our teams (AR)	3, 8	
403-6 Promotion of worker health	Supporting the wellness and safety of our teams (AR)	3, 8	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Supporting the wellness and safety of our teams (AR)	3, 8	
403-8 Workers covered by an occupational health and safety management system	Supporting the wellness and safety of our teams (AR)	3, 8	
403-9 Work-related injuries	Our people (AR) - Safety and wellbeing	3, 8	
403-10 Work-related ill health	Our people (AR) - Safety and wellbeing	3, 8	
GRI 404: Training and Education 2016			
404-1 Average hours of training per year per employee	Our people (AR) - Engagement	8	
404-2 Programs for upgrading employee skills and transition assistance programs	Attract, develop and retain world-class talent (AR)	8	
GRI 405: Diversity and Equal Opportunity 2016			
405-1 Diversity of governance bodies and employees	Our people (AR)	5	6

GRI Disclosures	Location	SDGs	UNGC
GRI 408: Child Labor 2016			
408-1 Operations and suppliers at significant risk for incidents of child labor	Responsible Supply Chain (AR) Cochlear Global Code of Conduct Cochlear Modern Slavery Statement	8	5
GRI 409: Forced or Compulsory Labor 2016			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Responsible Supply Chain (AR) Cochlear Global Code of Conduct Cochlear Modern Slavery Statement	8	4
GRI 411: Rights of Indigenous Peoples 2016			
411-1 Incidents of violations involving rights of indigenous peoples	Reconciliation Action Plan (AR)	1, 8, 10	1
GRI 413: Local Communities 2016			
413-1 Operations with local community engagement, impact assessments, and development programs	Cochlear Foundation	3, 4, 8, 10	
GRI 414: Supplier Social Assessment 2016			
414-1 New suppliers that were screened using social criteria	Responsible Supply Chain (AR) Cochlear Modern Slavery Statement	8, 9, 10, 13	1, 3, 4, 5
414-2 Negative social impacts in the supply chain and actions taken	Responsible Supply Chain (AR) Cochlear Modern Slavery Statement	8, 9, 10, 13	1, 3, 4, 5
GRI 415: Public Policy 2016			
415-1 Political contributions	Public policy engagement (AR)	3, 16	10
GRI 416: Customer Health and Safety 2016			
416-1 Assessment of the health and safety impacts of product and service categories	Leading on product quality and reliability (AR)	3, 9, 12	

GRI Disclosures	Location	SDGs	UNGC
GRI 417: Marketing and Labeling 2016			
417-1 Requirements for product and service information and labeling	Leading on product quality and reliability (AR) In addition, our Quality Management System is intended to be compliant with the following quality management standards, regulations and directives: • EN ISO 13485:2016 • ISO 13485:2016 • CFR Title 21 Part 820 (Quality Management System Regulation) • CFR Title 21 Part 4 (streamlined approach) • Medical Device Regulation (EU) 2017/745 : 2017 • Active Implantable Medical Device Directive 90/385/EEC • Therapeutic Good Act 1989 • Therapeutic Goods (Medical Device) Regulations 2002 (Australia) • Canadian Medical Device Regulation (SOR/98-282) • MHLW Ministerial Ordinance no. 169 (Japan) • Medical Device Act (South Korea) • Good Manufacturing Practices RDC National Health Surveillance Agency (ANVISA) 665/2022 (Brazil) • NMPA (2014) China No. 64 Order of Good Manufacturing Practice for Medical Devices and associated regulations.	3, 9, 12	
GRI 418: Customer Privacy 2016			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cyber security (AR) Data privacy (AR)	16	

FY26 References

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1. Cochlear estimates based on the published economic model findings of Neve et al 2021 (Neve OM, Boerman JA, van den Hout WB, Briaire JJ, van Benthem PPG, Frijns JHM. Cost-benefit Analysis of Cochlear Implants: A Societal Perspective. Ear Hear. 2021 Sep/Oct;42(5):1338-1350. doi: 10.1097/AUD.0000000000001021. PMID: 33675588; PMCID: PMC8378541). Dollar amount relates to all recipients implanted with a cochlear implant in FY26 across the developed.

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1. Seo HW, Ryu S, Han SY, Lee SH, Chung JH. Cochlear Implantation Is Associated With Reduced Incidence of Dementia in Severe Hearing Loss. Ear Hear. Published online April 9, 2025. doi:10.1097/AUD.0000000000001660D
2. Sarant J, Harris D, Busby P, Maruff P, Schembri A, Dowell R, Briggs, R. The Effect of Cochlear Implants on Cognitive Function in Older Adults: Initial Baseline and 18-Month Follow Up Results for a Prospective International Longitudinal Study
3. Cutler H, Gumbie M. Olin EM, Parkinson B, Bowman R, Quadri H, Mann T. The cost effectiveness of unilateral cochlear implants in UK adults. The European Journal of Health Economics (2022) 23:763–779. The cost-effectiveness of unilateral cochlear implants in UK adults
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Shareholder information

Additional information required by Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report. The information presented is as at 25 July 2025.

Substantial shareholders

Investor	Number of ordinary shares	%
State Street Corporation	4,692,142	7.2
BlackRock Inc	4,352,496	6.7
The Vanguard Group, Inc	3,854,464	5.9
Total	**12,899,102**	**19.8**

Distribution of shareholders

Number of shares held	Number of ordinary shareholders	% shares
1 - 1,000	54,060	12.45
1,001 - 5,000	2,585	7.61
5,001 - 10,000	115	1.2
10,001 - 100,000	58	2.17
100,001 and over	20	76.57
Total	**56,838**	**100.00**

Non-marketable parcels – 2,383 shareholders held less than a marketable parcel of ordinary shares, based on the closing market price on 24 July 2026 of $111.61.

Voting Rights

Subject to the Corporations Act 2001 (Cth) and the Company's Constitution, each member present at a meeting, whether in person, or by proxy, attorney or corporate representative, shall have one vote on a show of hands, or one vote for each fully paid ordinary share on a poll. Service rights, performance rights and options holders have no voting rights.

On-market share buyback

A total of $0.1 million in shares have been repurchased in financial year 2026 (FY25: $28.3m).

Twenty largest shareholders

	Shareholder	Number of ordinary shares	% of issued capital
1	HSBC Custody Nominees (Australia) Limited	21,892,610	33.48
2	J P Morgan Nominees Australia Pty Limited	12,757,403	19.51
3	Citicorp Nominees Pty Limited	8,127,901	12.43
4	BNP Paribas Noms Pty Ltd	2,255,342	3.45
5	BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	1,668,880	2.55
6	Australian Foundation Investment Company Limited	471,174	0.72
7	HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	457,866	0.70
8	BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	422,231	0.65
9	BNP Paribas Noms Pty Ltd <Global Markets>	353,882	0.54
10	Netwealth Investments Limited <Wrap Services A/C>	347,962	0.53
11	Citicorp Nominees Pty Limited <Citibank NY ADR DEP A/C>	205,661	0.31
12	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	178,694	0.27
13	Mr Christopher Graham Roberts	172,387	0.26
14	BNP Paribas Nominees Pty Ltd <Clearstream>	135,515	0.21
15	HSBC Custody Nominees (Australia) Limited	123,219	0.19
16	IOOF Investment Services Limited <IPS Superfund A/C>	115,214	0.18
17	BNP Paribas Noms (NZ) Ltd	112,419	0.17
18	UBS Nominees Pty Ltd	110,774	0.17
19	IBNP Paribas Noms Pty Ltd Deutsche Bank TCA	110,774	0.17
20	HSBC Custody Nominees (Australia) Limited-GSCO ECA	104,532	0.16
Total		**50,124,086**	**76.65**

The 20 largest shareholders held 76.65% of the ordinary shares of the Company.

Directory

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Shareholder enquiries

Access to shareholding information is available to investors through Cochlear's share registry Computershare.

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Melbourne VIC 3001
Australia

Telephone: 1300 850 505
Email: web.queries@computershare.com.au
Website: www.computershare.com.au

Auditor

KPMG
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Telephone: +612 9335 7000
Website: www.kpmg.com.au

Calendar of events*

26 October 2026	Annual general meeting
16 February 2027	HY27 results announced
17 August 2027	FY27 results announced

* Indicative dates only and subject to change.

Company secretary

Rob McGrory
Kristy Jo

Annual general meeting

The annual general meeting of Cochlear Limited will be held on 26 October 2026 at 10.00am. Further details will be provided in the Notice of Meeting, which will be provided to shareholders in mid-September 2026. The Notice of Meeting will also be available on the ASX Market Announcements Platform and the website, www.cochlear.com.

Hear now. And always

Cochlear is dedicated to helping people with moderate to profound hearing loss experience a world full of hearing. As the global leader in implantable hearing solutions, we have helped more than 800,000 people of all ages to hear and connect with life's opportunities.

We aim to give people the best lifelong hearing experience and access to next generation technologies. We collaborate with leading clinical, research and support networks to advance hearing science and improve care.

That's why more people choose Cochlear than any other hearing implant company.

Cochlear Ltd (ABN 96 002 618 073) 1 University Avenue, Macquarie University, NSW 2109, Australia T: +61 2 9428 6555

www.cochlear.com

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 follow the directions for use. Not all products are available in all countries. Please contact your local Cochlear representative for product information.