



COCHLEAR™ NUCLEUS® SYSTEM RELIABILITY REPORT

Volume 18 | December 2019

Reporting to European Consensus Statement,
International Classification of Reliability,
ANSI/AAMI C186 Standard and ISO 5841-2.

Paisley H., Cochlear Nucleus System Recipient

Hear now. And always





David F., Cochlear Nucleus System Recipient

A MESSAGE FROM OUR CEO

Human needs have always been our inspiration. We start with people in mind and reliability is incredibly important in helping recipients experience a life full of hearing.

I am proud that Cochlear has now provided more than 600,000 implantable hearing devices to people of all ages across more than 180 countries. When someone chooses Cochlear, they are choosing a quality partner who will support their hearing experience over the long term. We are the leader in implant reliability for both adults and children, and no other cochlear implant manufacturer can demonstrate the same reliability track record. We also strive to continuously develop new technologies for our recipients, whether their hearing solution was implanted today or many years ago.

Last year we released the Cochlear™ Nucleus® Profile™ Plus Series Implant (CI600), providing access to MRI at 1.5 Tesla and 3.0 Tesla without removal of the internal magnet. This implant builds on the industry-leading design of the Profile Series (CI500), offering the thinnest implant platform and electrodes in the world¹. Cochlear was the first manufacturer to allow access to MRI scans with removable implant magnets in 1997, and we have been working on improvements ever since. I am pleased to see that we continue to lead in reliability and continue to deliver the best possible experience for both patients and healthcare professionals.



A handwritten signature in black ink, appearing to read 'Dig Howitt', with a stylized flourish at the end.

Dig Howitt
CEO & President

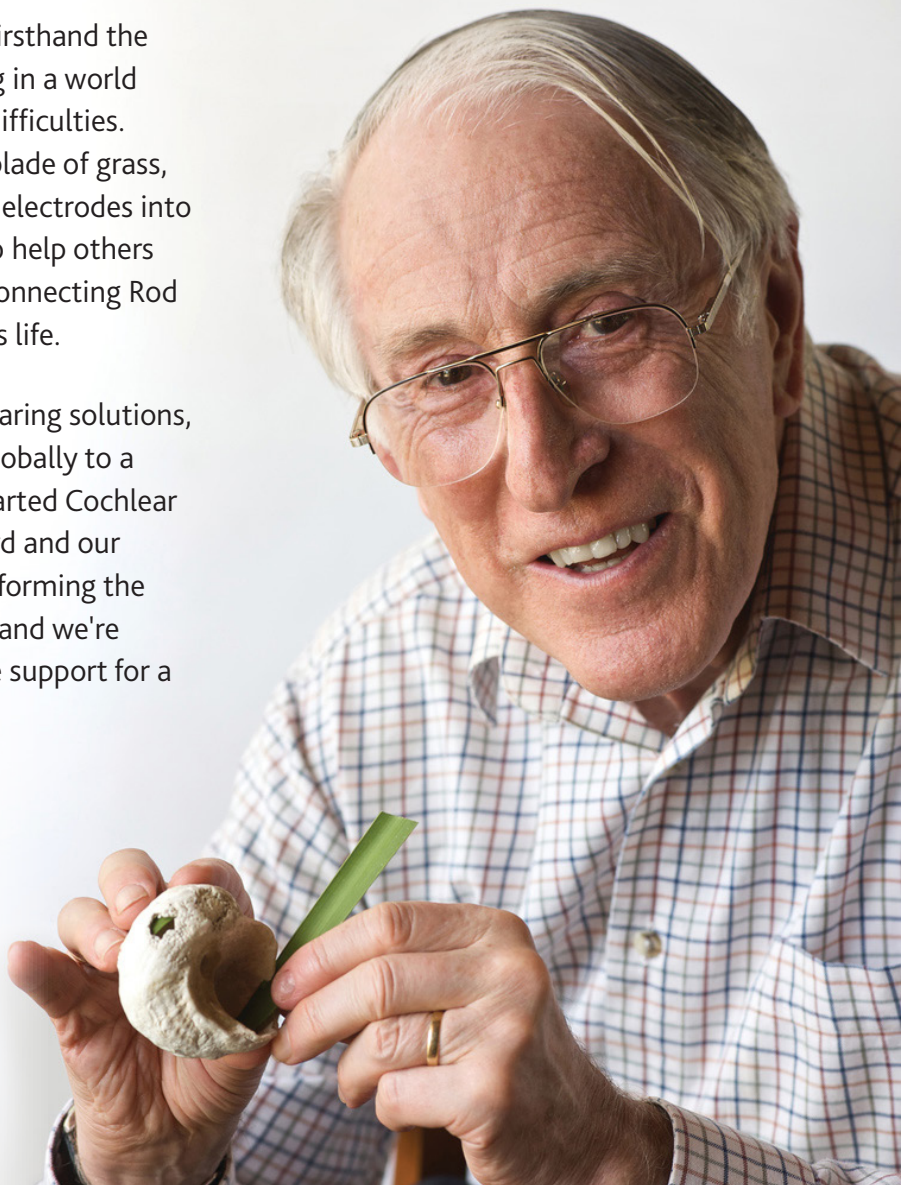
PROVEN OVER TIME

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

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

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

Professor Graeme Clark



ABOUT THIS REPORT

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

IMPLANT RELIABILITY DATA

The implant data in this report is based on the reporting methodology recommended by ***International Standard ISO 5841-2^{2,3}***, the reporting principles outlined in the ***European Consensus Statement on Cochlear Implant Failures and Explantations⁴*** and expert recommendations from the ***International Classification of Reliability for Implanted Cochlear Implant Receiver Stimulators⁵***. This report meets the standards for cochlear implant reliability reporting outlined in these standards.

For implant reliability data based on the reporting standards and methodology recommended by ***ANSI/AAMI CI86 – Cochlear implant systems: Requirements for safety, functional verification, labeling and reliability reporting⁶***, please visit www.cochlear.com/intl.

SOUND PROCESSOR RELIABILITY DATA

The sound processor data in this report meets the reporting standards and methodology recommended by ***ANSI/AAMI CI86 – Cochlear implant systems: Requirements for safety, functional verification, labeling and reliability reporting⁶***.

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



Fleur D., Cochlear Nucleus System Recipient

IMPLANT RELIABILITY

COMPLIANCE WITH IMPLANT RELIABILITY REPORTING STANDARDS

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

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

COCHLEAR'S IMPLANTS ARE THE
MOST RELIABLE⁷
IN THE INDUSTRY[^]

[^] Latest generation of cochlear implants currently available as at 31 December 2019.

CONSENSUS STATEMENT PRINCIPLES

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

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

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

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

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

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

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

ANSI/AAMI CI86 STANDARD REQUIREMENTS

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

* CSR is identical to Cumulative Survival Percentage (CSP).

** 'Mother' data refers to all data collected for a particular model of implant including all modifications to that model.

COCHLEAR REPORTING PRACTICE	COCHLEAR COMPLIANCE	MED-EL COMPLIANCE ⁸	ADVANCED BIONICS COMPLIANCE ⁹	OTICON COMPLIANCE ¹⁰
<p>All device failures are reported to the competent authority.</p> <p>Cochlear uses the calculation procedures of both ISO 5841-2:2000² and ISO 5841-2:2014.³</p> <p>All device failure modes are included, including failures due to external impact.</p>	✓	<p>?</p> <p>Compliance with ISO 5841-2^{2,3} not explicitly stated.</p>	✓	✓
<p>The source of data is Cochlear's global complaints handling database.</p> <p>Sample size and time period are specified with each report.</p>	✓	<p>✗</p> <p>Sample size not included.</p>	✓	<p>✗</p> <p>Sample size not included.</p>
<p>All models and all versions of each model are included in reports.</p> <p>Descriptions of any significant technical modifications are given.</p>	✓	<p>✗</p> <p>COMBI 40+ no longer reported. PULSAR no longer reported.</p>	✓	<p>✗</p> <p>Pre-2006 devices are no longer reported.</p>
<p>Reports aggregate the reliability of all devices (pre- and post-modification). If the post-modification is significantly different, post-modification is reported separately from the aggregate of all devices.</p>	✓	<p>✗</p> <p>COMBI 40+ no longer reported. PULSAR no longer reported.</p>	✓	✓
<p>A new device is attributed when there has been a change in either the case and/or the electrodes and/or the electronics and has been labelled by its own CE mark. Market practice is that all cochlear implants are labeled by one CE mark per authority.</p>	✓	<p>?</p> <p>Not explicitly stated.</p>	✓	✓
<p>Reports show separate data for adults and children.</p> <p>This Nucleus Reliability Report contains reliability data with 95% confidence intervals, in compliance with the consensus statement.⁴</p>	✓	<p>✗</p> <p>No split data on adults and children. Confidence intervals not included.</p>	✓	<p>✗</p> <p>No split data on adults and children.</p>
<p>Device survival time begins with closure of the wound.</p>	✓	<p>?</p> <p>Not explicitly stated.</p>	✓	<p>?</p> <p>Not explicitly stated.</p>
COCHLEAR REPORTING PRACTICE				
<p>Cochlear provides implant data in compliance with the requirements for reliability reporting at www.cochlear.com</p>	✓	✗	✗	✗

WHY IMPLANT RELIABILITY MATTERS

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

WHAT IS CUMULATIVE SURVIVAL PERCENTAGE (CSP)?

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

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

CALCULATION OF CSP

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

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

HOW ARE THE RESULTS SHOWN?

What data is in this report?

The data in this report covers the entire life of implant models and registered implants* worldwide.

MORE PEOPLE CHOOSE COCHLEAR THAN ANY OTHER IMPLANT BRAND

Number of registered implants - 31 December 2019

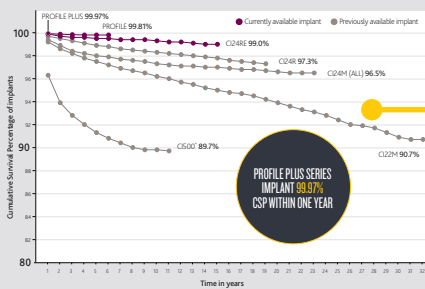
DEVICE	ADULTS	CHILDREN	COMBINED
Profile [®] Plus	4,302	2,385	7,205
Profile [®]	50,287	40,376	90,403
C24RE	79,297	136,635	195,932
C500	15,385	14,507	29,892
C24R	18,679	34,831	53,510
C24H (All)	2772	11,750	19,522
C22H	9,670	2,995	12,665

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

YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
Profile Plus	99.97																															
Profile	99.92	99.88	99.84	99.81	99.81	99.81																										
C24RE	99.92	99.87	99.85	99.84	99.83	99.83	99.84	99.84	99.84	99.83	99.82	99.82	99.81	99.81	99.82																	
C500	99.92	99.85	99.82	99.82	99.82	99.82	99.84	99.84	99.85	99.85	99.85	99.85	99.85	99.85	99.87																	
C24R	99.92	99.85	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	99.83	
C24H (All)	99.94	99.83	99.84	99.83	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	
C22H	99.92	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	99.82	

OVER 400,000
REGISTERED COCHLEAR
NUCLEUS IMPLANTS
WORLDWIDE

Nucleus[®] Implant Reliability



What is combined data?

Combined data is the cumulative survival percentage of both adults and children populations combined.

How are results shown?

Results for adults and children are shown separately with 95% confidence intervals (I) as stipulated by the consensus statement.⁴

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

MORE PEOPLE CHOOSE COCHLEAR THAN ANY OTHER IMPLANT BRAND

OVER 410,000
REGISTERED COCHLEAR
NUCLEUS IMPLANTS
WORLDWIDE

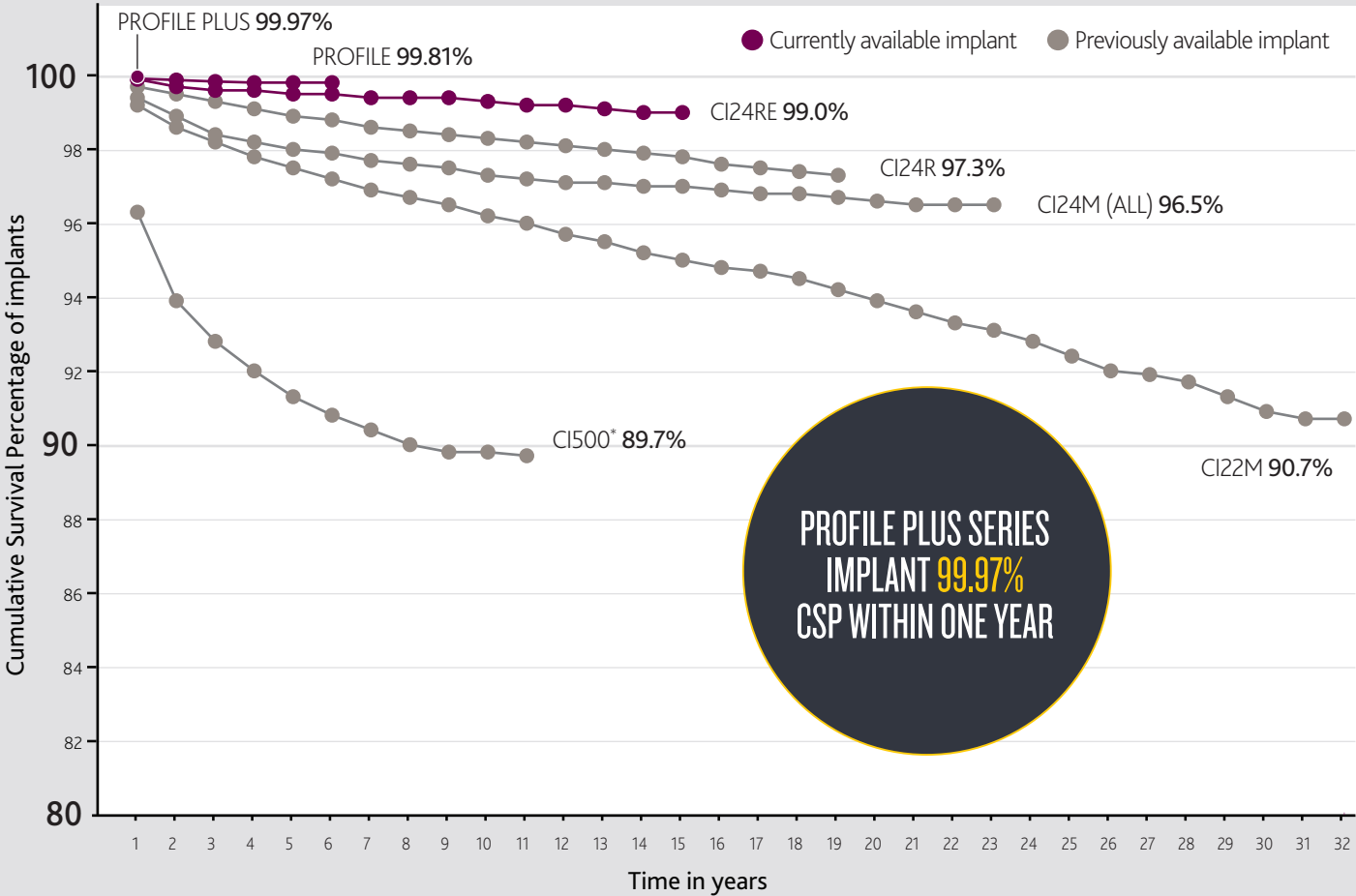
Number of registered implants - 31 December 2019

DEVICE	ADULTS	CHILDREN	COMBINED
Profile™ Plus	4,920	2,385	7,305
Profile™	50,287	40,116	90,403
CI24RE	79,297	116,635	195,932
CI500	15,385	14,507	29,892
CI24R	18,679	34,831	53,510
CI24M (All)	7,772	11,750	19,522
CI22M	9,670	7,995	17,665

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

YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
Profile Plus	99.97																															
Profile	99.92	99.88	99.84	99.81	99.81	99.81																										
CI24RE	99.9	99.7	99.6	99.6	99.5	99.5	99.4	99.4	99.4	99.3	99.2	99.2	99.1	99.0	99.0																	
CI500	96.3	93.9	92.8	92.0	91.3	90.8	90.4	90.0	89.8	89.8	89.7																					
CI24R	99.7	99.5	99.3	99.1	98.9	98.8	98.6	98.5	98.4	98.3	98.2	98.1	98.0	97.9	97.8	97.6	97.5	97.4	97.3													
CI24M (All)	99.4	98.9	98.4	98.2	98.0	97.9	97.7	97.6	97.5	97.3	97.2	97.1	97.1	97.0	97.0	96.9	96.8	96.7	96.6	96.5	96.5	96.5										
CI22M	99.2	98.6	98.2	97.8	97.5	97.2	96.9	96.7	96.5	96.2	96.0	95.7	95.5	95.2	95.0	94.8	94.7	94.5	94.2	93.9	93.6	93.3	93.1	92.8	92.4	92.0	91.9	91.7	91.3	90.9	90.7	90.7

Nucleus® Implant Reliability



REGISTERED IMPLANT DATA FOR COMBINED ADULTS AND CHILDREN AT 31 DECEMBER 2019

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

NUCLEUS[®] PROFILE[™] PLUS SERIES IMPLANT

Number of registered Profile[™] Plus Series Implants - 31 December 2019

ADULTS	CHILDREN	COMBINED
4,920	2,385	7,305



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

Commercially released in 2019, the Profile Plus Series Implant has delivered 99.97% reliability within one year, with 100% reliability for children within one year.

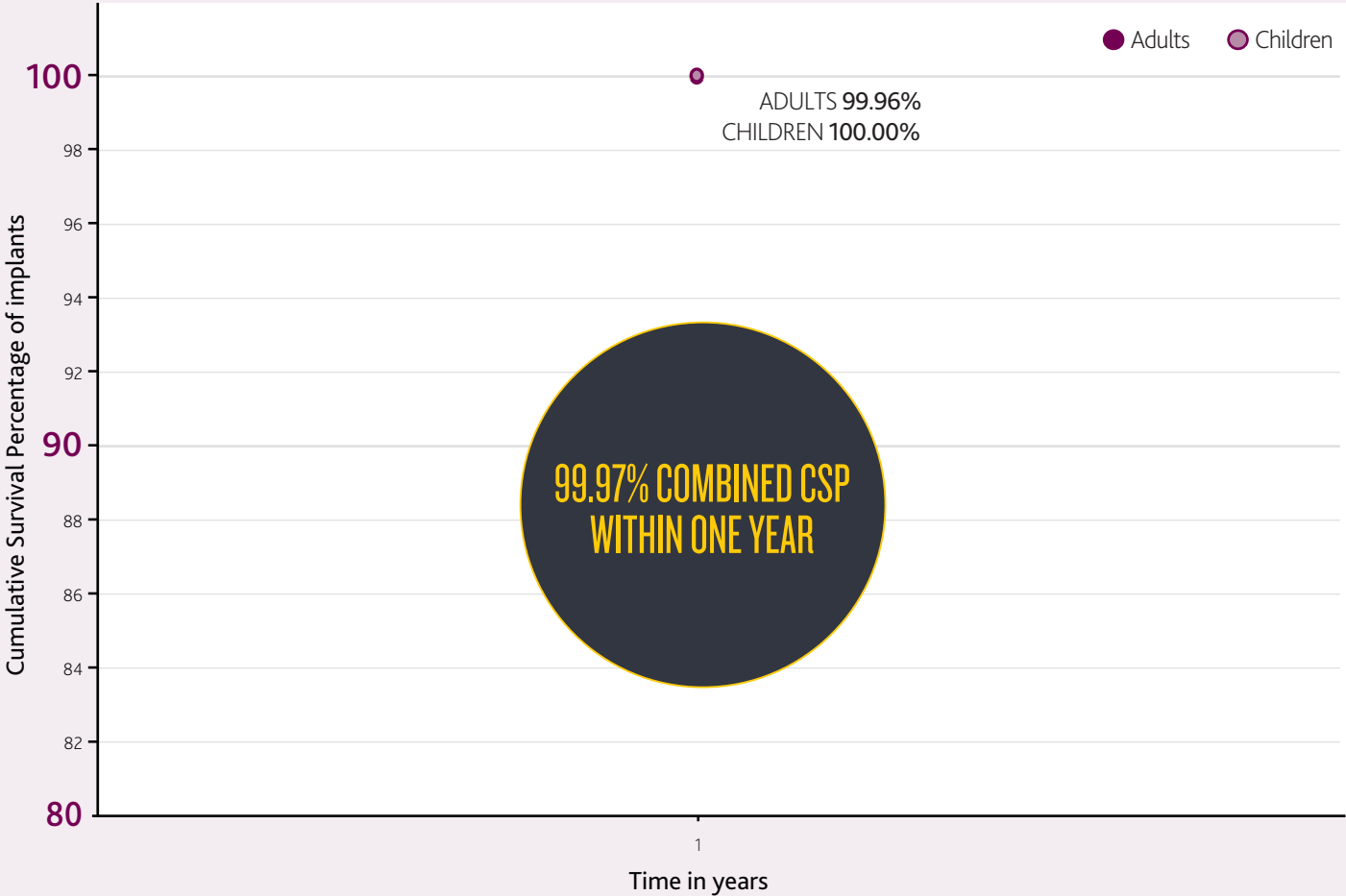
Profile Plus Series Implant Cumulative Survival Percentage

YEAR	1
Adults	99.96
Children	100.00
Combined	99.97

Cochlear Nucleus Profile Plus Implant with Slim Modiolar Electrode (CI632)



Profile Plus Series Implant Reliability



REGISTERED IMPLANT DATA FOR ADULTS AND CHILDREN AT 31 DECEMBER 2019

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

NUCLEUS PROFILE SERIES IMPLANT

Number of registered Profile Series Implants - 31 December 2019

ADULTS	CHILDREN	COMBINED
50,287	40,116	90,403



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

The Profile Series Implant sets a new standard in implant reliability with a 99.81% combined Cumulative Survival Percentage within six years.

Profile Series Implant Cumulative Survival Percentage

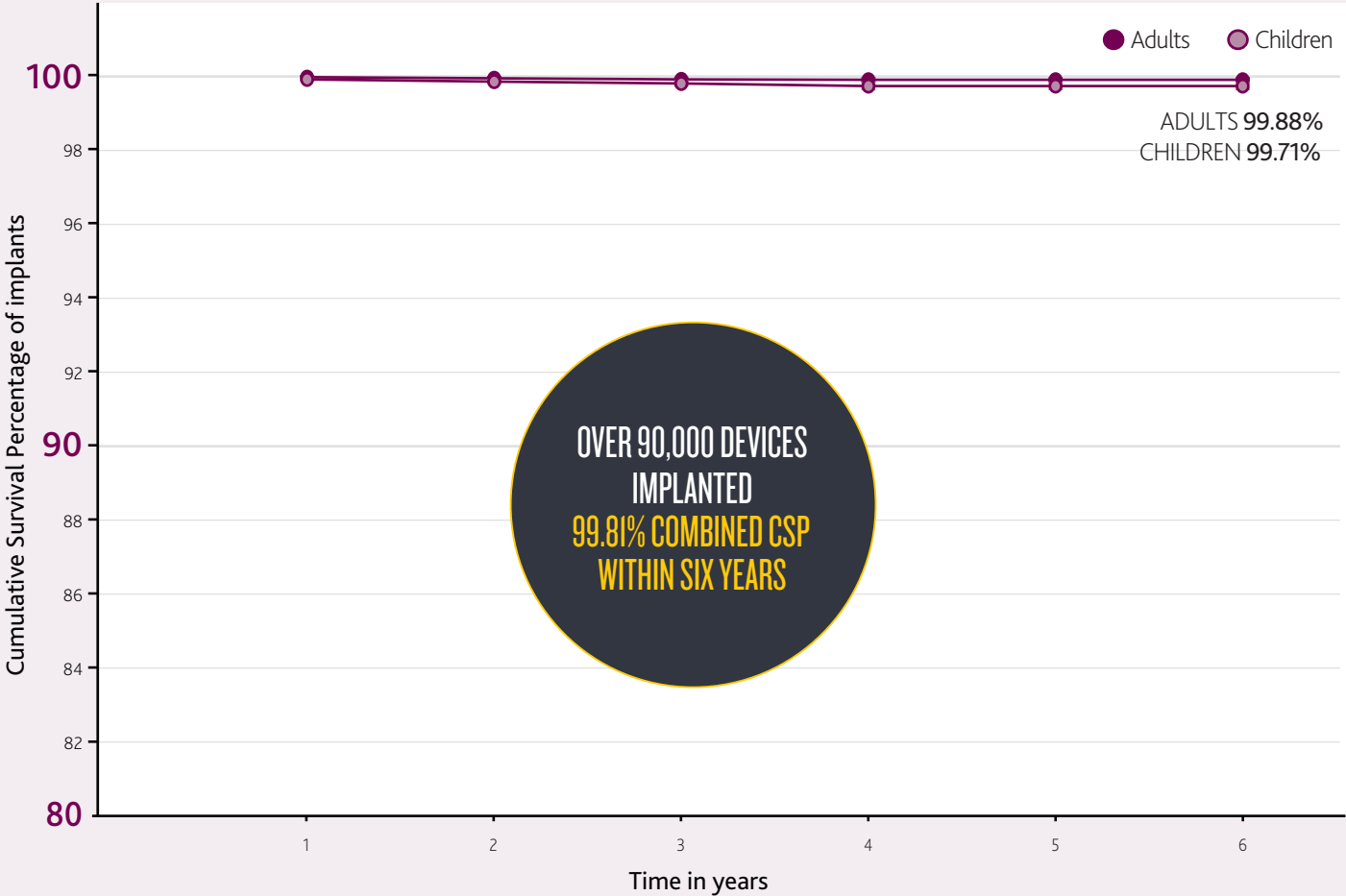
YEAR	1	2	3	4	5	6
Adults	99.95	99.92	99.89	99.88	99.88	99.88
Children	99.89	99.83	99.78	99.71	99.71	99.71
Combined	99.92	99.88	99.84	99.81	99.81	99.81

Cochlear Nucleus Profile Implant with Slim Modiolar Electrode (CI532)



3.9 mm

Profile Series Implant Reliability



REGISTERED IMPLANT DATA FOR ADULTS AND CHILDREN AT 31 DECEMBER 2019

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

NUCLEUS CI24RE SERIES IMPLANT

Number of registered CI24RE Series implants - 31 December 2019

ADULTS	CHILDREN	COMBINED
79,297	116,635	195,932



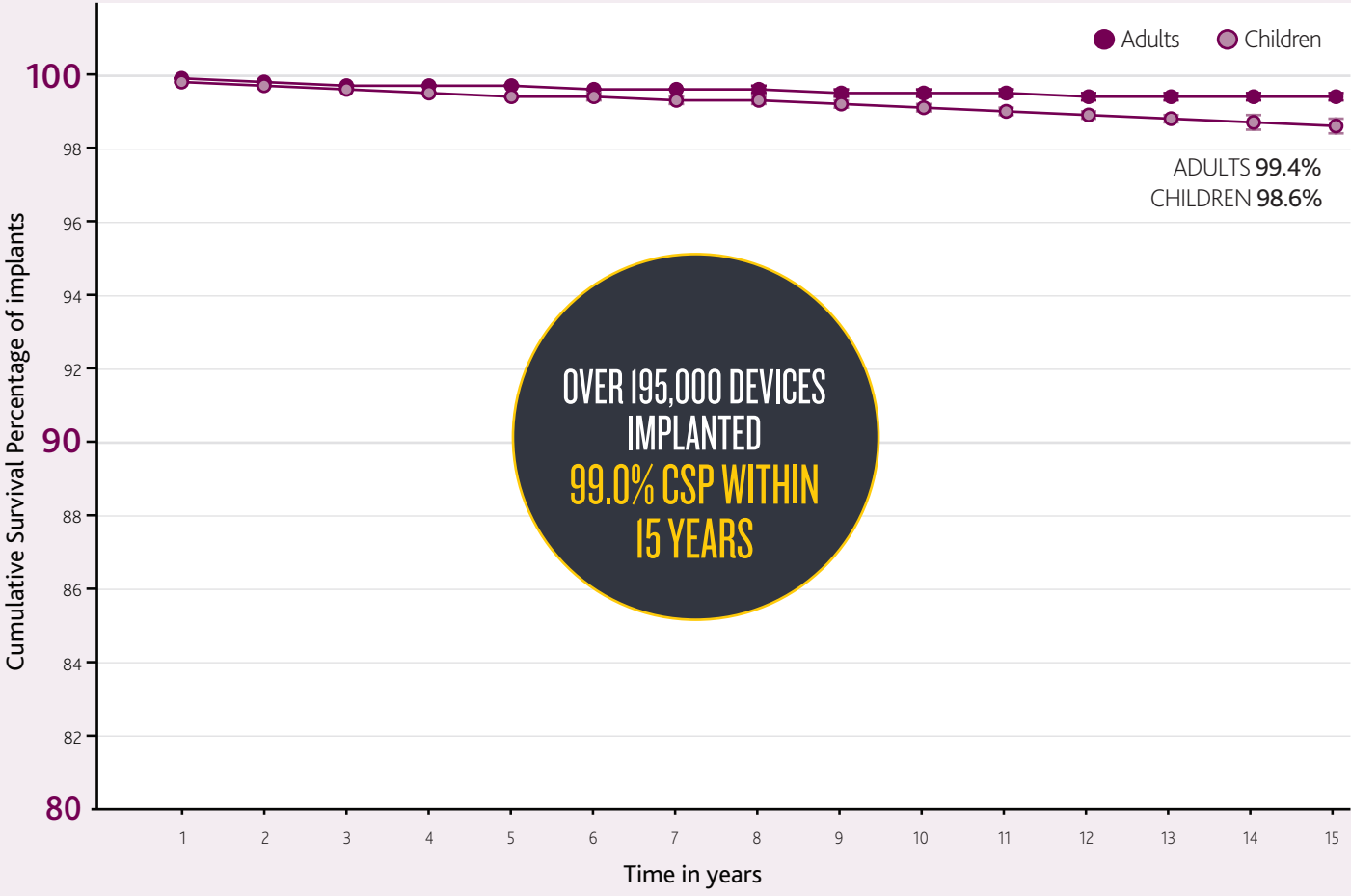
The CI24RE Series is the world's most widely used cochlear implant.*
Released in 2005, it has a 99.0% combined Cumulative Survival Percentage within 15 years.

CI24RE Series Cumulative Survival Percentage

YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Adults	99.9	99.8	99.7	99.7	99.7	99.6	99.6	99.6	99.5	99.5	99.5	99.4	99.4	99.4	99.4
Children	99.8	99.7	99.6	99.5	99.4	99.4	99.3	99.3	99.2	99.1	99.0	98.9	98.8	98.7	98.6
Combined	99.9	99.7	99.6	99.6	99.5	99.5	99.4	99.4	99.4	99.3	99.2	99.2	99.1	99.0	99.0

* Based on available data⁹. MED-EL does not report number of registered cochlear implants.

CI24RE Series Reliability



REGISTERED IMPLANT DATA FOR ADULTS AND CHILDREN AT 31 DECEMBER 2019

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



Lennart A., Cochlear Nucleus System Recipient

PREVIOUSLY AVAILABLE IMPLANTS

NUCLEUS® CI500 SERIES IMPLANT



Number of registered CI500 Series implants - 31 December 2019

ADULTS	CHILDREN	COMBINED
15,385	14,507	29,892

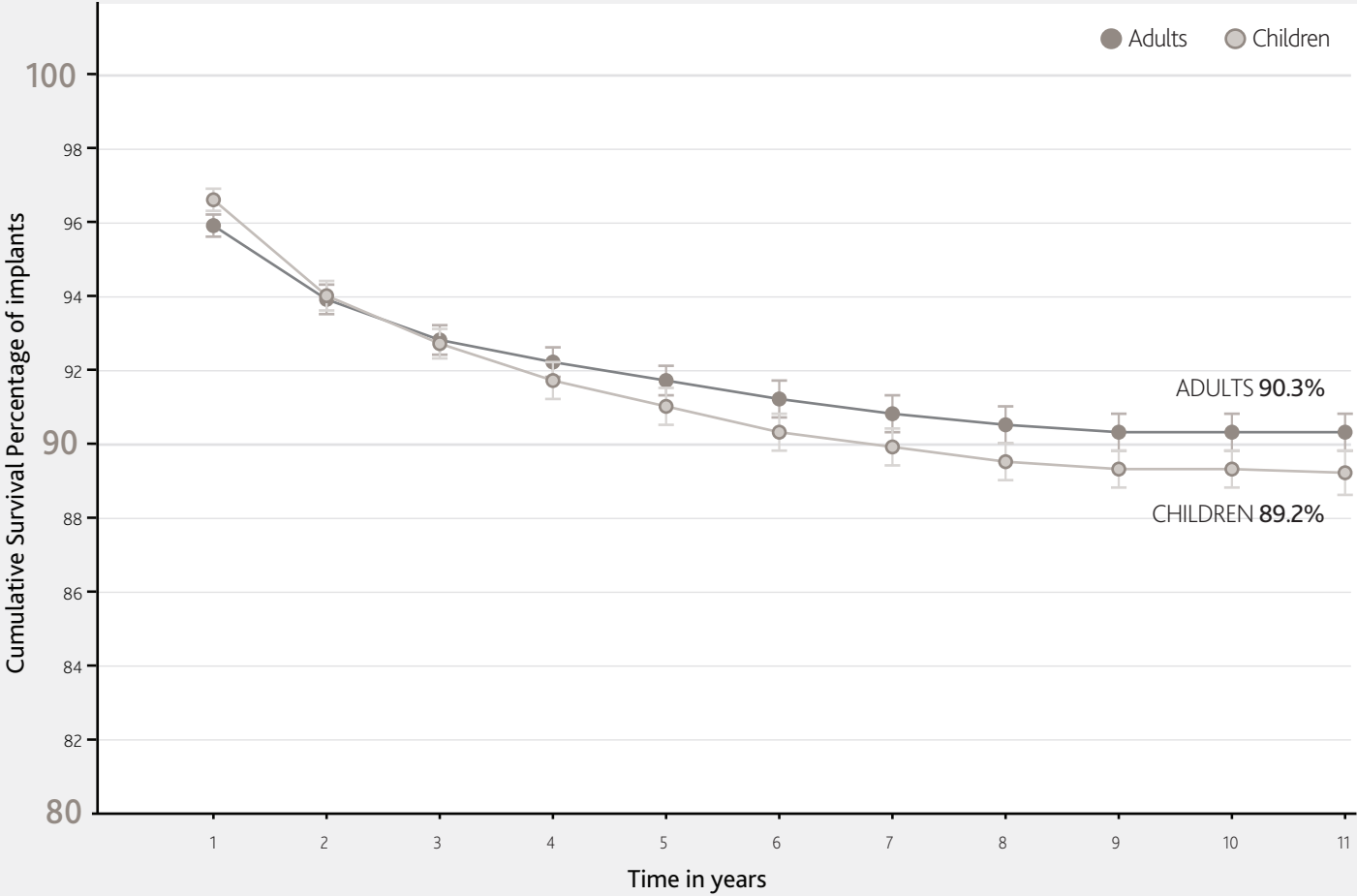
Released in 2009, the CI500 Series has a combined Cumulative Survival Percentage of 89.7% within 11 years.

The CI500 Series was voluntarily recalled in September 2011.

CI500 Series Cumulative Survival Percentage

YEAR	1	2	3	4	5	6	7	8	9	10	11
Adults	95.9	93.9	92.8	92.2	91.7	91.2	90.8	90.5	90.3	90.3	90.3
Children	96.6	94.0	92.7	91.7	91.0	90.3	89.9	89.5	89.3	89.3	89.2
Combined	96.3	93.9	92.8	92.0	91.3	90.8	90.4	90.0	89.8	89.8	89.7

CI500 Series Reliability



REGISTERED IMPLANT DATA FOR ADULTS AND CHILDREN AT 31 DECEMBER 2019

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

NUCLEUS CI24R IMPLANT

Number of registered CI24R implants - 31 December 2019

ADULTS	CHILDREN	COMBINED
18,679	34,831	53,510

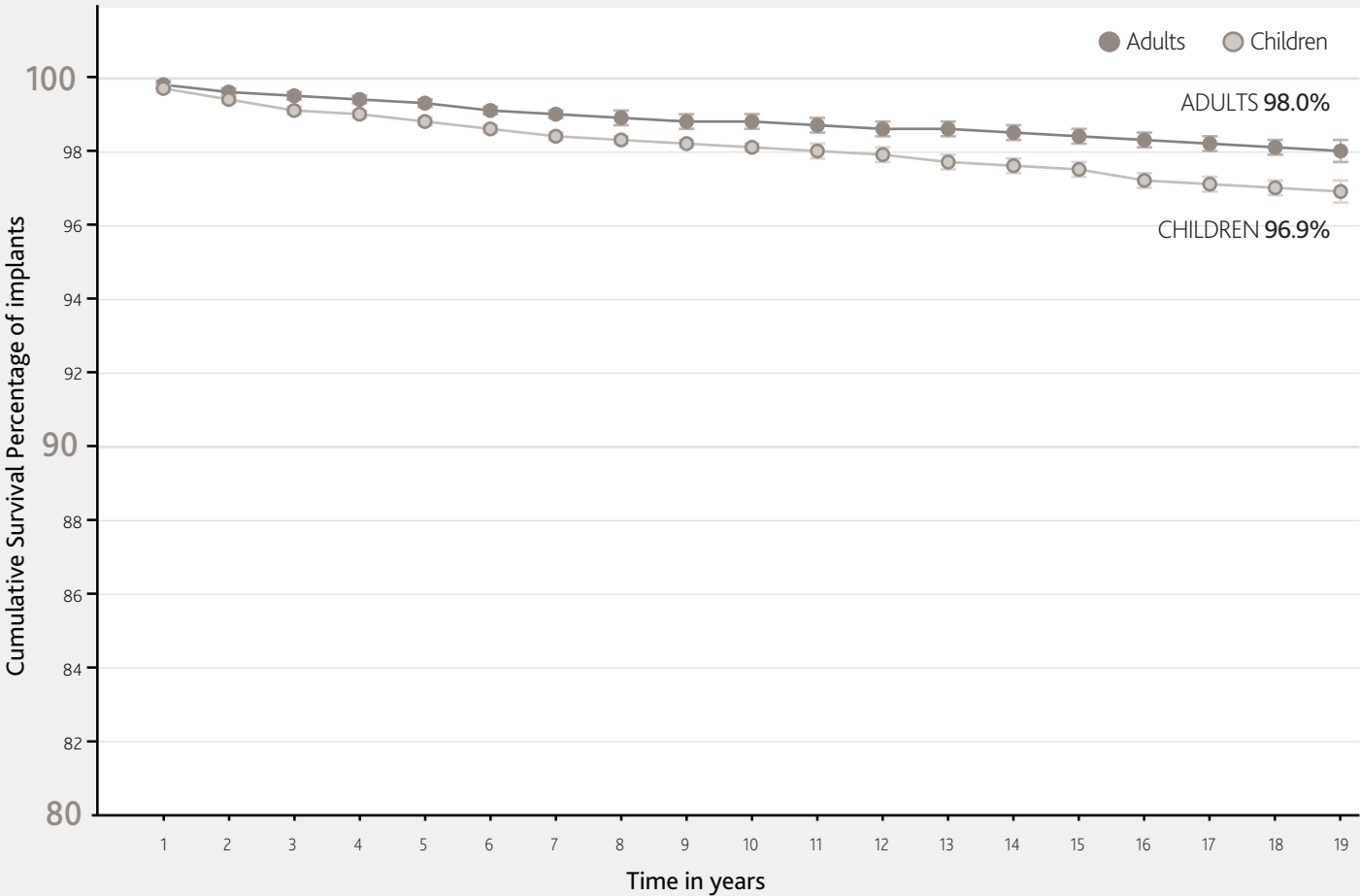


The CI24R was released in 2000 with perimodiolar (Contour Advance®) and straight electrodes. Within 19 years, the CI24R implant has a combined Cumulative Survival Percentage of 97.3%.

CI24R Cumulative Survival Percentage

YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Adults	99.8	99.6	99.5	99.4	99.3	99.1	99.0	98.9	98.8	98.8	98.7	98.6	98.6	98.5	98.4	98.3	98.2	98.1	98.0
Children	99.7	99.4	99.1	99.0	98.8	98.6	98.4	98.3	98.2	98.1	98.0	97.9	97.7	97.6	97.5	97.2	97.1	97.0	96.9
Combined	99.7	99.5	99.3	99.1	98.9	98.8	98.6	98.5	98.4	98.3	98.2	98.1	98.0	97.9	97.8	97.6	97.5	97.4	97.3

CI24R Reliability



REGISTERED IMPLANT DATA FOR ADULTS AND CHILDREN AT 31 DECEMBER 2019

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

NUCLEUS CI24M IMPLANT

Number of registered CI24M implants - 31 December 2019

	ADULTS	CHILDREN	COMBINED
ALL	7,772	11,750	19,522
POST**	6,071	9,225	15,296

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

Within 23 years, the CI24M implant has a combined Cumulative Survival Percentage of 96.5%.

CI24M Cumulative Survival Percentage

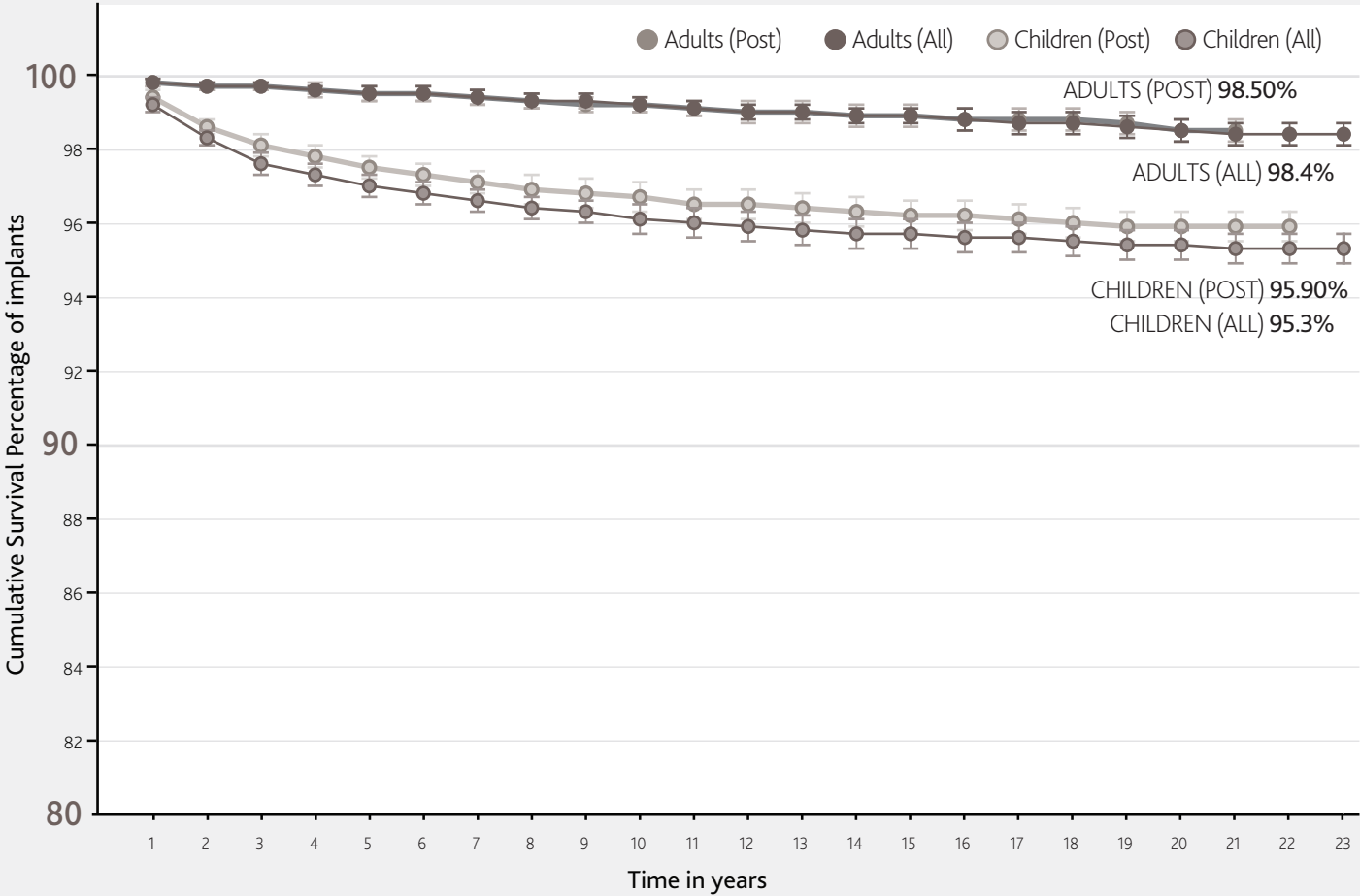
YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Adults (All)	99.8	99.7	99.7	99.6	99.5	99.5	99.4	99.3	99.3	99.2	99.1	99.0	99.0	98.9	98.9	98.8	98.7	98.7	98.6	98.5	98.4	98.4	98.4
Children (All)	99.2	98.3	97.6	97.3	97.0	96.8	96.6	96.4	96.3	96.1	96.0	95.9	95.8	95.7	95.7	95.6	95.6	95.5	95.4	95.4	95.3	95.3	95.3
Combined (All)	99.4	98.9	98.4	98.2	98.0	97.9	97.7	97.6	97.5	97.3	97.2	97.1	97.1	97.0	97.0	96.9	96.8	96.8	96.7	96.6	96.5	96.5	96.5
Adults (Post)	99.8	99.7	99.7	99.6	99.5	99.5	99.4	99.3	99.2	99.2	99.1	99.0	99.0	98.9	98.9	98.8	98.8	98.8	98.7	98.5	98.5	#	#
Children (Post)	99.4	98.6	98.1	97.8	97.5	97.3	97.1	96.9	96.8	96.7	96.5	96.5	96.4	96.3	96.2	96.2	96.1	96.0	95.9	95.9	95.9	95.9	#
Combined (Post)	99.5	99.1	98.7	98.5	98.3	98.2	98.0	97.9	97.8	97.7	97.5	97.5	97.4	97.3	97.3	97.2	97.2	97.1	97.0	96.9	96.9	96.9	#

** 'Post' refers to the addition of a structural support component to improve impact strength.

Individual populations are less than the minimum required for a valid calculation.^{2,3}



CI24M Reliability



REGISTERED IMPLANT DATA FOR ADULTS AND CHILDREN AT 31 DECEMBER 2019

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

NUCLEUS CI22M IMPLANT

Number of registered CI22M implants - 31 December 2019

ADULTS	CHILDREN	COMBINED
9,670	7,995	17,665



Released in 1985, the CI22M implant was the first commercially available multi-channel cochlear implant in the world.

Within 32 years, the CI22M implant has a combined Cumulative Survival Percentage of 90.7%.

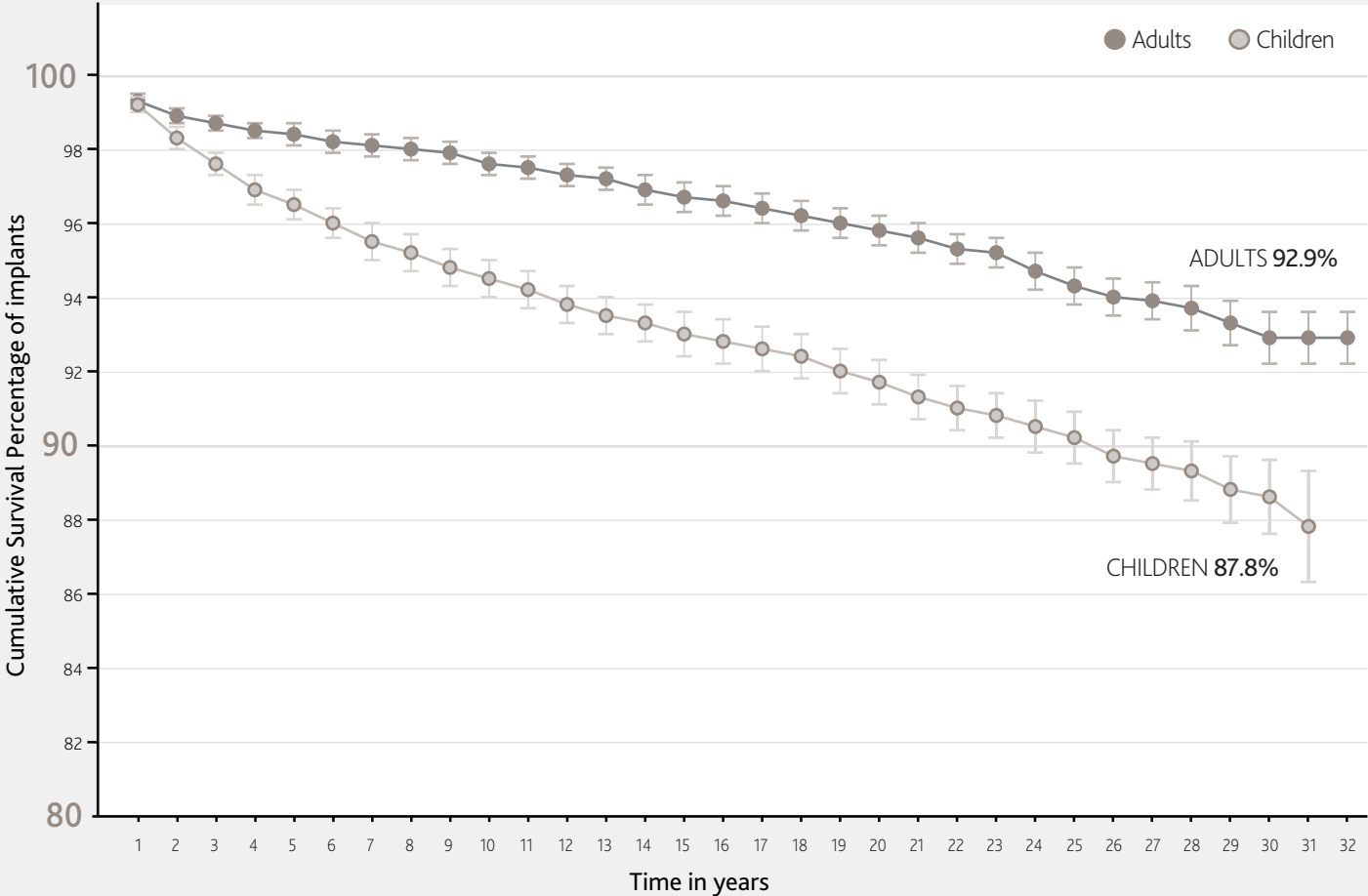
CI22M Cumulative Survival Percentage

YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Adults	99.3	98.9	98.7	98.5	98.4	98.2	98.1	98.0	97.9	97.6	97.5	97.3	97.2	96.9	96.7	96.6
Children	99.2	98.3	97.6	96.9	96.5	96.0	95.5	95.2	94.8	94.5	94.2	93.8	93.5	93.3	93.0	92.8
Combined	99.2	98.6	98.2	97.8	97.5	97.2	96.9	96.7	96.5	96.2	96.0	95.7	95.5	95.2	95.0	94.8

YEAR	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
Adults	96.4	96.2	96.0	95.8	95.6	95.3	95.2	94.7	94.3	94.0	93.9	93.7	93.3	92.9	92.9	92.9
Children	92.6	92.4	92.0	91.7	91.3	91.0	90.8	90.5	90.2	89.7	89.5	89.3	88.8	88.6	87.8	#
Combined	94.7	94.5	94.2	93.9	93.6	93.3	93.1	92.8	92.4	92.0	91.9	91.7	91.3	90.9	90.7	90.7

Individual populations are less than the minimum required for a valid calculation.^{2,3}

CI22M Reliability



REGISTERED IMPLANT DATA FOR ADULTS AND CHILDREN AT 31 DECEMBER 2019

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



Michael D., Cochlear Nucleus System Recipient

SOUND PROCESSOR RELIABILITY

WHY SOUND PROCESSOR RELIABILITY MATTERS

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

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

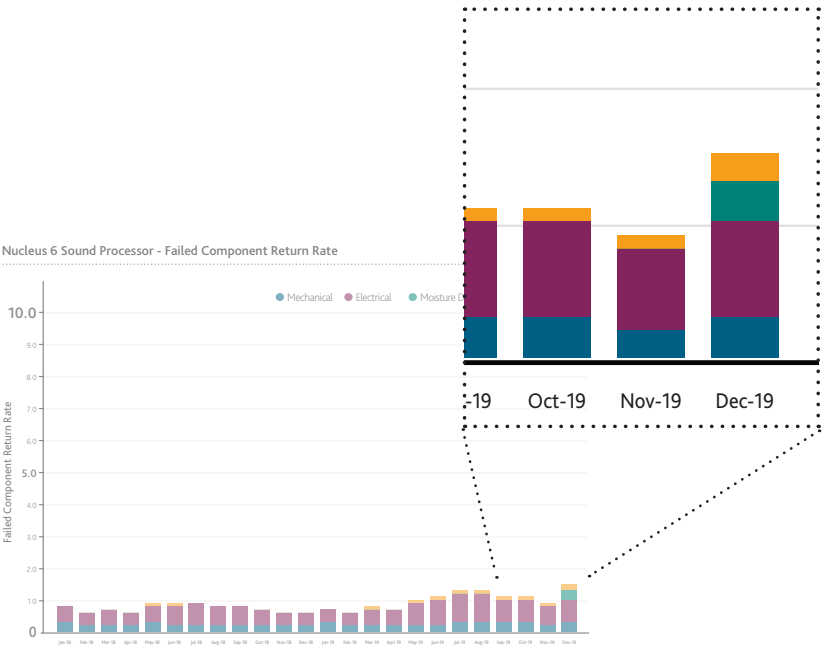
WHAT IS FAILED COMPONENT RETURN RATE (FCRR)?

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

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

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

HOW ARE THE RESULTS SHOWN?



What is Other/Unknown Failure?

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

What is Moisture Damage Failure?

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

What is Electrical Failure?

A functional failure of the electronics or the electronic assembly.

What is Mechanical Failure?

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

What is Fault-Free data?

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

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

NUCLEUS[®] 7 SOUND PROCESSOR

Released in 2017, the Cochlear[™] Nucleus[®] 7 Sound Processor is our smallest and lightest¹¹ behind-the-ear sound processor offering world-first connectivity and control directly from a compatible smartphone.*



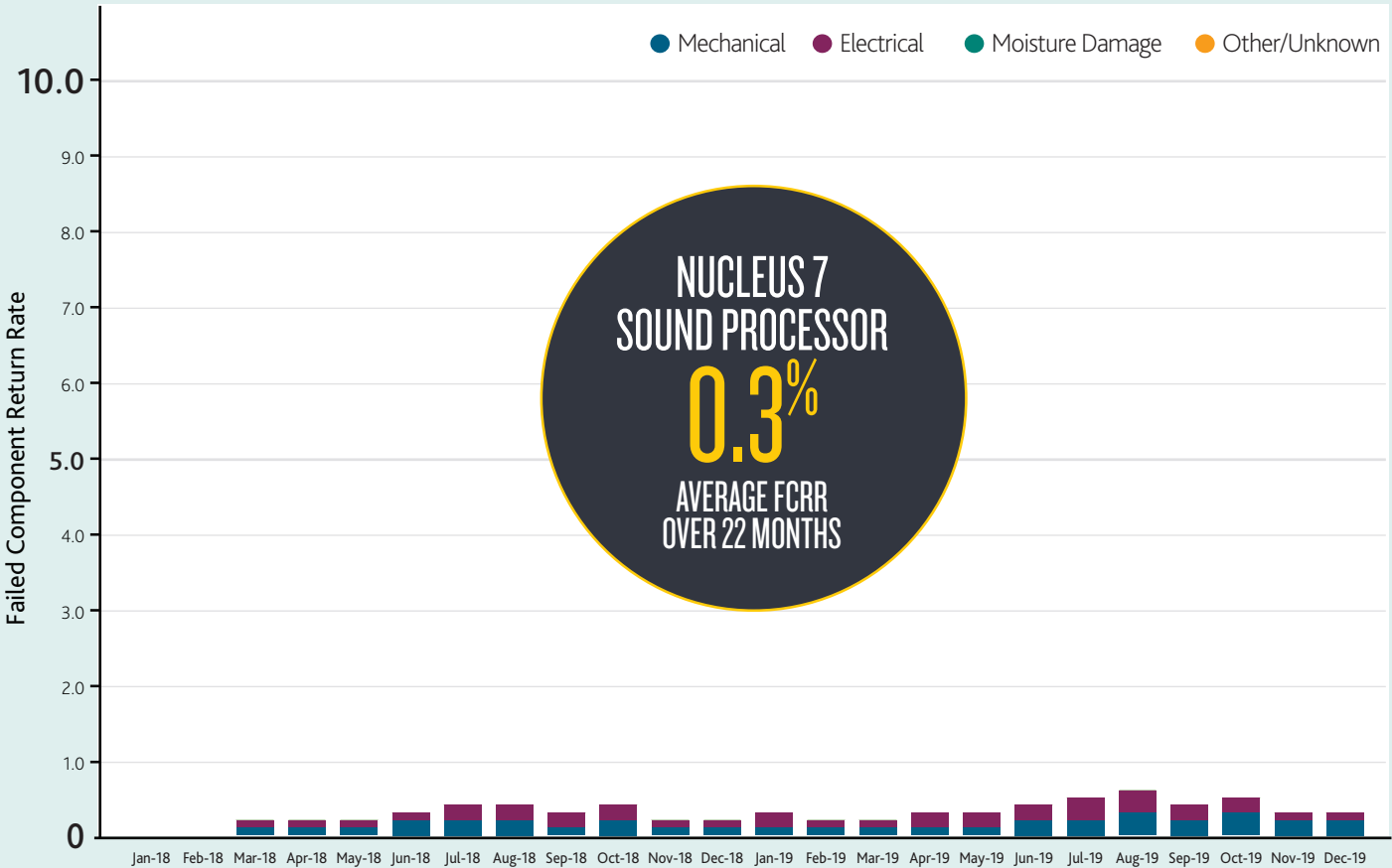
Nucleus 7 Sound Processor Component Return Rate

Fail mode	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Mechanical	-	-	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%
Electrical	-	-	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.1%	0.2%	0.1%	0.1%
Moisture	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fault-Free	-	-	0.3%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%

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

* The Cochlear Nucleus 7 Sound Processor is compatible with Apple and Android[™] devices. For compatibility information visit www.cochlear.com/compatibility.
Note: the first device return was received in March 2018

Nucleus 7 Sound Processor - Failed Component Return Rate



NUCLEUS KANSO[®] SOUND PROCESSOR

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

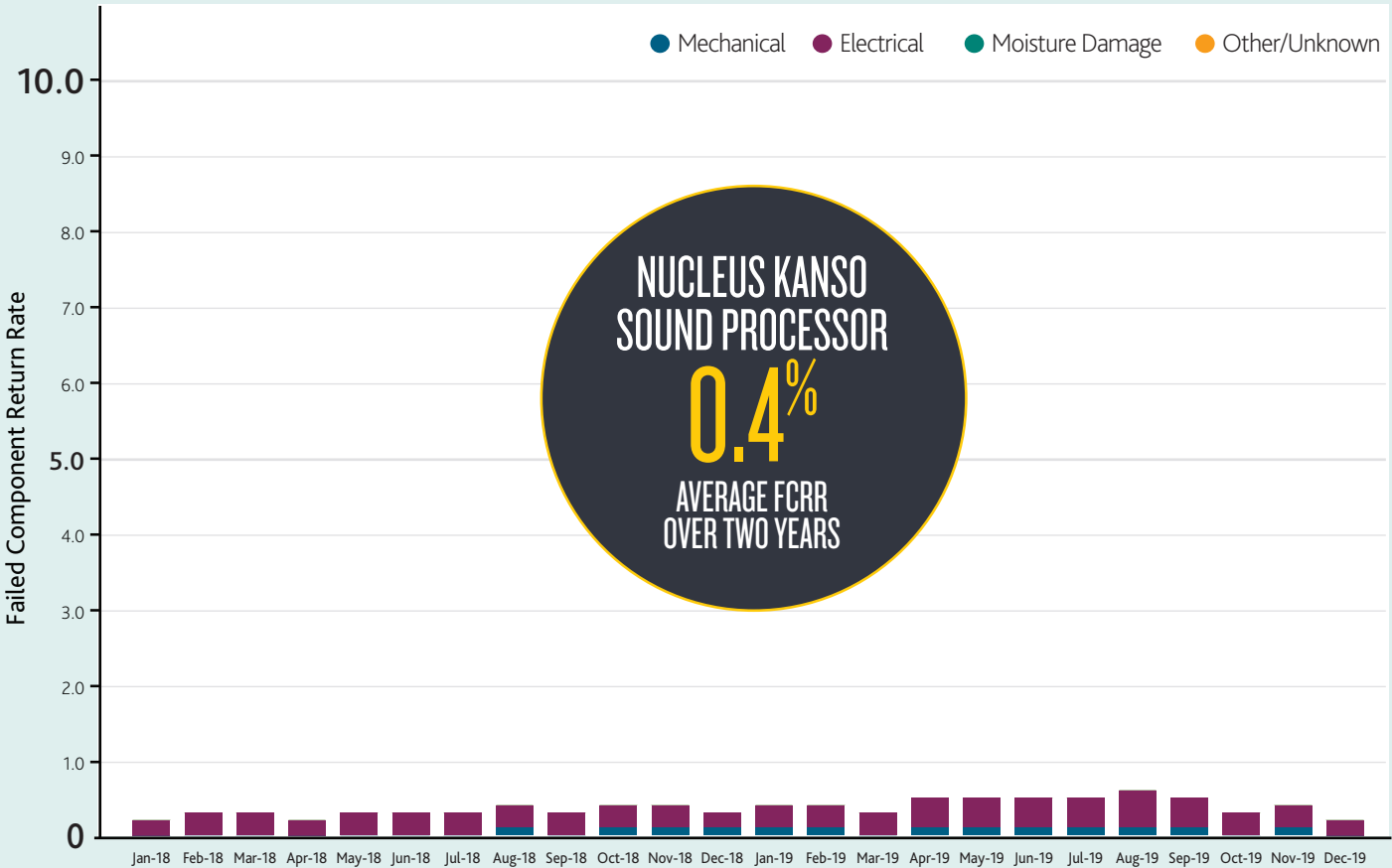


Nucleus Kanso Sound Processor Component Return Rate

Fail mode	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Mechanical	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.1%	0.1%
Electrical	0.2%	0.3%	0.3%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%
Moisture	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fault-Free	0.5%	0.5%	0.6%	0.4%	0.5%	0.5%	0.4%	0.5%	0.5%	0.4%	0.5%	0.4%

Fail mode	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Mechanical	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.0%
Electrical	0.3%	0.3%	0.3%	0.4%	0.4%	0.4%	0.4%	0.5%	0.4%	0.3%	0.3%	0.2%
Moisture	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fault-Free	0.5%	0.5%	0.5%	0.5%	0.3%	0.4%	0.4%	0.3%	0.3%	0.4%	0.3%	0.2%

Nucleus Kanso Sound Processor - Failed Component Return Rate



NUCLEUS 6 SOUND PROCESSOR

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



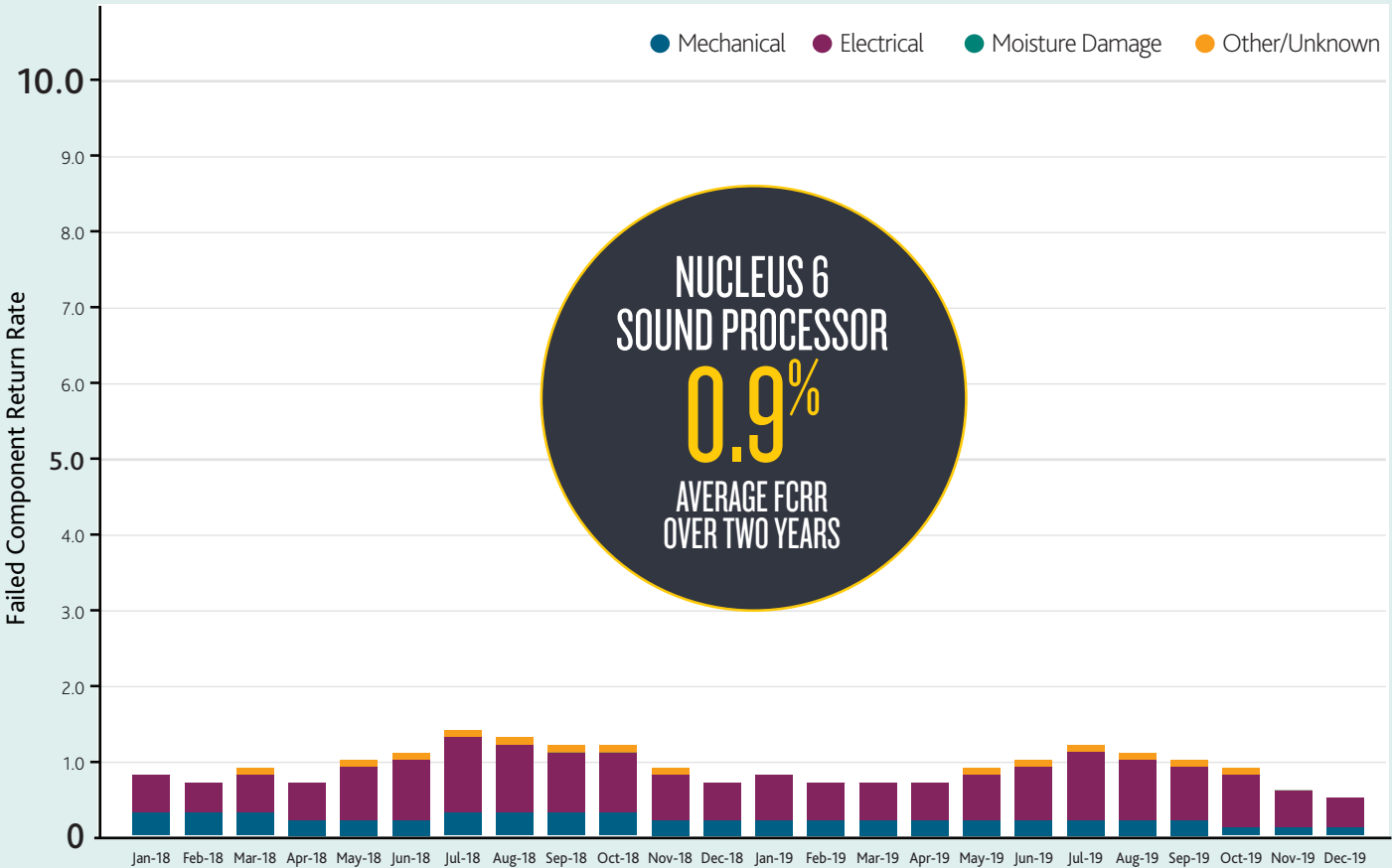
Nucleus 6 Sound Processor Component Return Rate

Fail mode	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Mechanical	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%
Electrical	0.5%	0.4%	0.5%	0.5%	0.7%	0.8%	1.0%	0.9%	0.8%	0.8%	0.6%	0.5%
Moisture	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%
Fault-Free	0.3%	0.2%	0.3%	0.3%	0.3%	0.4%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%

Fail mode	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Mechanical	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
Electrical	0.6%	0.5%	0.5%	0.5%	0.6%	0.7%	0.9%	0.8%	0.7%	0.7%	0.5%	0.4%
Moisture	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%
Fault-Free	0.2%	0.2%	0.2%	0.2%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%

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

Nucleus 6 Sound Processor - Failed Component Return Rate



APPENDIX

GRAPHICAL REPRESENTATION OF IMPLANT DATA

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

RECEIVER/ STIMULATOR	IMPLANTS*
Profile™ Plus Series	Cochlear™ Nucleus® Profile™ Plus with Contour Advance Electrode (CI612) Cochlear Nucleus Profile Plus with Slim Straight Electrode (CI622) Cochlear Nucleus Profile Plus with Slim Modiolar Electrode (CI632)
Profile Series	Cochlear Nucleus Profile with Contour Advance Electrode (CI512) Cochlear Nucleus Profile with Slim Straight Electrode (CI522) Cochlear Nucleus Profile with Slim Modiolar Electrode (CI532) Cochlear Nucleus Profile Auditory Brainstem Implant (ABI541)
CI24RE Series	Nucleus Freedom® with Contour Advance Electrode Nucleus Freedom with Straight Electrode Cochlear Nucleus CI422 Cochlear Implant Cochlear Hybrid™ L24 Cochlear Implant
CI500 Series	Cochlear Nucleus CI512 Cochlear Implant Cochlear Nucleus CI513 Cochlear Implant Cochlear Nucleus CI551 Double Array Cochlear Implant Cochlear Nucleus ABI541 Auditory Brainstem Implant
CI24R	Nucleus 24 with Contour Advance Electrode Nucleus 24 with Contour® Electrode Nucleus 24k with Straight Electrode
CI24M	Nucleus 24 with Straight Electrode Nucleus 24 with Double Array Nucleus 24 Auditory Brainstem Implant [ABI]
CI22M	Nucleus 22

* Implant availability varies by market.

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NOTES

[illegible]

NOTES

[illegible]

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As the global leader in implantable hearing solutions, Cochlear is dedicated to helping people with moderate to profound hearing loss experience a life full of hearing. We have provided more than 600,000 implantable devices, helping 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 innovative future technologies. We have the industry's best clinical, research and support networks.

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Cochlear Ltd (ABN 96 002 618 073) 1 University Avenue, Macquarie University, NSW 2109, Australia Tel: +61 2 9428 6555 Fax: +61 2 9428 6352

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

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

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