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28 April 2020

Cochlear Limited Share Purchase Plan

- The SPP has received strong support and accordingly Cochlear has decided to increase the SPP offer size by \$170 million to \$220 million
- The Institutional Placement and SPP have raised a total of \$1.1 billion
- The retail proportion of Cochlear's ownership remains materially unchanged on completion of the Institutional Placement and SPP
- Allocation of new shares under the SPP was based on shareholdings as at the SPP record date of 24 March 2020
- All participating retail shareholders have, subject to the SPP regulatory cap of \$30,000, received above their prorated allocation if they provided sufficient application monies.

Cochlear Limited (ASX:COH) confirms the completion of its share purchase plan (**SPP**) which was announced on 25 March 2020 and closed on 23 April 2020.

The SPP followed the successful institutional placement of \$880 million worth of shares to existing shareholders at \$140 per share being a discount of 16.7% to the prevailing market price (**Institutional Placement**). In allocating Institutional Placement shares, Cochlear was mindful to ensure institutional investors received at least their pro rata allocation where they applied for it. Some institutional shareholders who were early supporters to the underwriting process received in excess of pro-rata.

This Institutional Placement was made to protect Cochlear for a temporary but uncertain time frame. This action was driven by the extreme events caused by the global COVID-19 pandemic, including the uncertainty for elective surgeries in key markets globally.

The SPP was an offer for all eligible shareholders and was targeted at retail shareholders. Retail shareholders participated in the SPP at the same price as participants in the Institutional Placement. This was a valuable option for retail shareholders due to the success of the Institutional Placement and the share price trading well above the Institutional Placement price.

There are a small number of retail shareholders with larger holdings, who are restricted by the legislated \$30,000 participation cap from receiving a pro rata allocation. Cochlear hopes its continued strength will be beneficial for them into the longer term. The Chairman, CEO & President and most Directors fit into this group of shareholders.

The SPP offer was made to 36,724 eligible shareholders and valid applications totaling approximately \$417 million were received from 16,651 shareholders. This represents a participation rate of approximately 45% of eligible shareholders at the record date of 24 March 2020 (**Record Date**). The average SPP application amount was approximately \$25,000.

Given the strong support shown by eligible shareholders for the SPP, the Directors exercised their discretion under the terms of the SPP to increase the size of the SPP offer to \$220 million (a \$170 million increase from the original target of \$50 million). As foreshadowed in the Chairman's letter and the terms and conditions in the Share Purchase Plan Booklet, the scale back is on a pro rata basis having regard to the relative shareholding of eligible shareholders (as at the Record Date) who applied for new fully paid ordinary shares (**New Shares**) in the SPP.

In addition:

- (a) if an applicant applied for a value of Cochlear shares less than their pro rata amount, then they receive the value of Cochlear shares that they applied for;
- (b) all applicants that have deposited at least \$1,400 in application monies will be allotted a minimum of 10 SPP shares; and
- (c) if the scale back produces a fractional number, one extra SPP share will be allocated (provided enough application money is available to pay for the extra SPP share).

Some examples of the allocations based on an application amount of \$30,000 are as follows:

Number of shares on Record Date	Allocation
522 or more	214
500	205
300	123
100	41
50	21
10	10
1	10

Cochlear Chairman Mr Rick Holliday-Smith said *"We are pleased with the high level of retail participation in the SPP. As a result, we have lifted the SPP amount from \$50 million to \$220 million. The retail shareholders have benefited from being able to participate in the raising after the institutional investors had fortified Cochlear's balance sheet by contributing \$880 million in the placement on 25 March 2020. The total amount of capital raised under the placement and SPP of \$1.1 billion ensures Cochlear continues to have undoubted liquidity during the current market uncertainties caused by the global COVID-19 pandemic."*

In accordance with the terms of the SPP, the issue price for New Shares under the SPP is \$140 per New Share. Approximately 1.57 million New Shares will be issued under the SPP on 30 April 2020 and those shares are expected to commence trading on ASX on 1 May 2020. New Shares issued under the SPP will rank equally with existing Cochlear shares on issue.

Holding statements will be dispatched to successful applicants and refunds for application money where applications were scaled back will be processed on 5 May 2020.

Shareholders with questions in relation to the SPP may contact Cochlear's registry from 8.30am to 5.00pm (Sydney time) Monday to Friday on 1300 128 740 (callers within Australia) or +61 3 9415 4238 (callers outside Australia).

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This announcement is authorised by the Board of Directors.

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