Philips reaches resolution of US economic loss litigation

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BY PHILIPS

Amsterdam, the Netherlands – Royal Philips(NYSE: PHG, AEX: PHIA) announced today that the company and certain of its US subsidiaries, including Philips Respironics, have reached an agreement to resolve all economic loss claims in the US Multidistrict Litigation (MDL) related to Philips Respironics' voluntary recall of certain sleep and respiratory care devices. This settlement, which is expected to be submitted to the US District Court for the Western District of Pennsylvania later today, does not include or constitute any admission of liability, wrongdoing, or fault by any of the Philips parties.

The agreement, which is subject to approval by the court, will provide predefined cash awards to all eligible participants in the US depending on the type of device, extended warranties on all replacement devices, and an additional cash award if they return the recalled device to Philips Respironics. The settlement will further compensate certain individuals who acquired replacement devices post-recall.

The final cost of the settlement may vary based on, among other things, how many patients participate in the settlement and what the Court awards for the professional fees relating to the resolutions. Philips Respironics has recorded a provision for an amount of EUR 575 million in the first quarter of 2023 to cover for the estimated costs of the final settlement.

Subject to final Court approval, payments to class members under the settlement are not expected to begin until the first quarter of 2024 at the earliest.

The agreement does not settle any personal injury or medical monitoring claims in the MDL, which the Philips parties have moved to dismiss.

Amsterdam, the Netherlands –

www.RespironicsCPAP-ELSettlement.com.

Royal Philips (NYSE: PHG, AEX: PHIA) is a leading health technology company focused on improving people's health and well-being through meaningful innovation. Philips' patient- and people-centric innovation leverages advanced technology and deep clinical and consumer insights to deliver personal health solutions for consumers and professional health solutions for healthcare providers and their patients in the hospital and the home. Headquartered in the Netherlands, the company is a leader in diagnostic imaging, ultrasound, image-guided therapy, monitoring and enterprise informatics, as well as in personal health. Philips generated 2022 sales of EUR 17.8 billion and employs approximately 71,500 employees with sales and services in more than 100 countries. News about Philips can be found at www.philips.com/newscenter.

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This release contains certain forward-looking statements with respect to the financial condition, results of operations and business of Philips and certain of the plans and objectives of Philips with respect to these items. Examples of forward-looking statements include statements made about the strategy, estimates of sales growth, future EBITA, future developments in Philips' organic business and the completion of acquisitions and divestments. By their nature, these statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these statements.

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