Philips statement on recent settlement with the U.S. Securities and Exchange Commission



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BY PHILIPS

Amsterdam, the Netherlands - Royal Philips(NYSE: PHG; AEX: PHIA) has reached a settlement with the U.S. Securities and Exchange Commission (SEC) to resolve a previously disclosed SEC inquiry regarding alleged tender irregularities in the medical device industry in China between 2014 and 2019. The U.S. Department of Justice (DOJ) has closed its parallel inquiry into these matters.

In anticipation of a resolution for these inquiries, Philips recorded a provision in Q4 2022. These matters have previously been disclosed in Philips' Annual Reports 2019 through 2022.

Philips fully cooperated with the SEC and DOJ. The company undertook a thorough internal investigation into the matter, supported by third-party experts, and took remedial measures. Under the terms of the settlement, which concerns Philips' compliance with the internal controls and recordkeeping provisions of the U.S. Foreign Corrupt Practices Act (FCPA), and without admitting or denying the SEC's allegations, Philips will pay a total amount of approximately USD 62 million (approximately EUR 57 million) in disgorgement, civil penalties, and pre-judgment interest.

Resolving these legacy matters is important to Philips. Everyone at Philips is committed to achieving and maintaining the highest standards in its global business, building on a culture of integrity and compliance. Philips has substantially invested in the deployment and enhancement of compliance policies, procedures, controls, and awareness programs, which are regularly reviewed and updated.

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 74,000 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 statement 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. Click here to read more Click here to read less

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