

Pricing Adjustment Notification

January 11, 2022

Dear Philips Customer,

Economic factors such as freight and material costs, labor shortages and overall inflation across North America are driving costs higher for businesses across many industries. Like many other suppliers, these higher costs are impacting Philips.

Over the years, Philips has absorbed costs associated with tariffs and other operating expenses, managing those costs within our own structure. However, based on the current economic factors listed above, we must combine our internal cost reductions and efficiency improvements with an approximate price increase of 10%. We are sharing this letter with you to make you aware of this change to support your planning and budgeting. Please note that any prices included as prior contractual commitments will be honored per the term of such commitment. Otherwise, new pricing will go into effect with a phased approach from February 01, 2022. Please see the appendix for details by product category. The complete list of affected items with new prices will be shared with you by your Philips representative.

We will continue to monitor economic conditions to identify opportunities that could offer more relief in the future. Philips remains committed to partnering with you to deliver the best possible care to your patients through quality, innovative solutions. Thank you for allowing us to continue to help meet your needs and the needs of your patients as we navigate the evolving economic environment together.

Sincerely yours,



Eline de Graaf
National Business Leader
Sleep & Respiratory Care



Robert Blake
Business Sales Leader
Sleep & Respiratory Care

Appendix: Price Increase Summary by Product Category

CATEGORY – Sleep*	Products	Increase	Timing
Sleep Therapy (EMD)	Sleep Therapy devices and accessories (e.g., DreamStation 2, Heated Tube 15mm, etc.)	10%	<i>Post resuming Sleep Devices sales</i>
Patient Interface (PI)	Sleep Therapy masks, cushions and accessories (e.g., DreamWear FullFace mask, Amara Gel, etc.)	2%	February 01, 2022
Sleep Diagnostics	Sleep Therapy Diagnostics devices and accessories (e.g., Alice NightOne, Omnilab Advanced, etc.)	10%	<i>Post resuming Omnilab sales</i>
NightBalance	NightBalance devices and accessories	10%	January 15, 2022
CATEGORY – Respiratory*	Products	Increase	Timing
Oxygen Concentrators	Oxygen concentrators and accessories (EverFlo, SimplyGo, etc.)	10%	February 01, 2022
Home Ventilation	Invasive and non-invasive ventilators and accessories (Trilogy Evo, Cough Assist, etc.)	10%	February 01, 2022
Nebulizers	Nebulizer devices and accessories (e.g., Innospire Essence, Innospire Go, SideStream, etc.)	10%	February 01, 2022
Asthma	Asthma products and accessories (e.g., OptiChamber Diamond, Flow Meters, etc.)	10%	February 01, 2022

*Some of the smaller accessories and materials may be exempt from the planned price increase. Please refer to the new price list shared by your Philips representative for the exact list of materials where prices are changing.