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August 18<sup>th</sup> 2020

Dear Valued Customer,

As we continue to navigate challenges resulting from the COVID-19 pandemic, we want to continue to provide you with updates on the anticipated supply recovery of our Kangaroo™ ePump and Joey enteral feeding pump sets. While previous communications had indicated anticipated improvement in our output through the summer, our supplier continues to manage through pandemic-related staffing issues that are, unfortunately, delaying our service improvement plan. Please find additional details below:

### **Pre-COVID-19**

- Over 12 months ago, an increase in total global demand exceeded production capacity of our supplier.
- A rolling backorder ensued, resulting in a supply shortage with daily production and shipments.
- A plan to restore service was implemented with additional machinery installation to be completed in May 2020.

### **COVID-19 impact on manufacturing and capacity expansion**

- Starting in March 2020, the business experienced an incremental rise in global pump set demand due to an increase of intubated patients from COVID-19.
- In April 2020, a government mandate required our supplier to send home any staff members considered vulnerable to COVID-19, which impacted approximately 20% of the workforce.
- In Mid-April 2020, physical distancing procedures on assembly lines reduced output by 25%.
- In May 2020, new machines were installed for increased output; however, the production ramp was limited due to labor constraints.
- In June 2020, new physical barriers were implemented on all lines to allow for more technicians, but labor constraints due to government safety mandates remained in place.
- In July 2020, additional personnel were hired to cover labor restrictions and initial improvements in COVID levels allowed for some personnel to return to work. As a result:
  - We expect to bring production back to 100% of pre-COVID-19 volumes by the end of September 2020.
  - As we achieve full staffing levels, we will activate the additional equipment installed in May 2020 which will further increase production above pre-COVID-19 volumes and support relief in total service levels [Table 1].
- Pump sets are currently deployed in the U.S. daily via fair share allocation.

### **Nutrition delivery alternatives [Table 2]**

Throughout this shortage, we have communicated alternatives to pump sets for delivering enteral nutrition. COVID-19 has impacted availability of these alternatives (please see the details below).

The recovery dates listed above are estimates only and are affected by changes in demand. Cardinal Health reserves the right to further update the information contained in this communication in its sole discretion.

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- Gravity Feeding Sets
    - Following initial support in limited volumes for COVID-19 impacted sites, Cardinal Health gravity sets are on fair share allocation for historical customers due to significant increases in demand and are currently on a rolling backorder.
  - Manual Syringe Feeding
    - Feeding with an oral tip or ENFit® syringe.
    - Cardinal Health standard and ENFit® syringes are available.
  - Always consult with a clinician to determine the optimal feeding alternative for a patient.

**Due to the unprecedented and shifting demand levels resulting from COVID-19, the anticipated service improvement dates have been updated [See Tables 1-2]. We are monitoring the situation daily and will communicate any additional anticipated changes to this recovery timeline as we identify continued impact on both supply and demand.**

As part of our commitment to regular and transparent communication, we have launched a digital communication series and developed a website to keep you informed of our progress toward recovery. Visit [www.cardinalhealth.com/byyourside](http://www.cardinalhealth.com/byyourside) for more information. Please contact either Cardinal Health Customer Service at (800) 964-5227 or your local Cardinal Health sales representative if you have questions or concerns.

We recognize the impact of this rolling backorder and are committed to stabilizing our service levels as quickly as possible. Thank you for your understanding and patience. We greatly value your continued business.

Sincerely,



Kelley Moffett

Global Vice President, Nutritional Delivery



Scott Donnelly

& US Category Vice President, Specialty Products

**Table 1. Kangaroo™ Item Codes Affected by the Rolling Backorder**

| Code   | Description   | Targeted Improvements to Service Levels(1) | Anticipated Healthy Inventory Levels (Fill rate >98%) |
|--------|---|--|---|
| 775100 | Kangaroo™ ePump ENPlus Spike with 1000 mL Flush Bag     | Winter 2020                                | Summer 2021   |
| 773662 | Kangaroo™ ePump 1000 mL Pump Set with 1000 mL Flush Bag | Winter 2020                                | Summer 2021   |
| 674668 | Kangaroo™ ePump 500 mL Pump Set with 500 mL Flush Bag   | Late Fall 2020                             | Early Winter 2021                                     |
| 775659 | Kangaroo™ ePump ENPlus Spike Set                        | Late Fall 2020                             | Early Winter 2021                                     |
| 773656 | Kangaroo™ ePump 1000 mL Bag                             | Late Fall 2020                             | Early Winter 2021                                     |
| 772055 | Kangaroo™ ePump 500 mL Bag                              | Early Winter 2020                          | Summer 2021   |
| 716154 | Kangaroo™ ePump Sterile 100 mL Burette Set              | Late Fall 2020                             | Early Winter 2021                                     |
| 765100 | Kangaroo™ Joey ENPlus Spike with 1000 mL Flush Bag      | Winter 2020                                | Summer 2021   |
| 763662 | Kangaroo™ Joey 1000 mL Pump Set with 1000 mL Flush Bag  | Winter 2020                                | Summer 2021   |
| 765559 | Kangaroo™ Joey ENPlus Spike Set                         | Late Summer 2020                           | Early Winter 2020                                     |
| 763656 | Kangaroo™ Joey 1000 mL Bag                              | Late Summer 2020                           | Early Winter 2020                                     |
| 762055 | Kangaroo™ Joey 500 mL Bag                               | Winter 2020                                | Summer 2021   |

(1) We anticipate that at the timeframe indicated supply will be greater than demand meaning customers will be able to access the product they need. However, distributors including Cardinal Health will still be below target inventory safety stock levels.

**Table 2. Alternatives to Enteral Pump Sets for Enteral Nutrition Delivery**

| Item Code  | Product Description                      | Current Inventory Status   |
|------------|--|--|
| 8884702500 | Kangaroo™ Gravity Set 1000 mL            | Rolling backorder due to significant increase in demand. Fulfilling orders via fair share process. |
| 702505     | Kangaroo™ Large Bore Gravity Set 1000 mL | Rolling backorder due to significant increase in demand. Fulfilling orders via fair share process. |

| Item Code | Product Description                   | Standard or ENFit® | Current Inventory Status |
|-----------|---------------------------------------|--------------------|--------------------------|
| 401S      | 1ML PURPLE ORAL SYRINGE- Non Sterile  | Standard           | Healthy                  |
| 401SG     | 1ML PURPLE ORAL SYRINGE STRL- Sterile | Standard           | Healthy                  |
| 403S      | 3ML PURPLE ORAL SYRINGE- Non Sterile  | Standard           | Healthy                  |
| 403SG     | 3ML PURPLE ORAL SYRINGE STRL- Sterile | Standard           | Healthy                  |
| 406S      | 6ML PURPLE ORAL SYRINGE- Non Sterile  | Standard           | Healthy                  |
| 406SG     | 6ML PURPLE ORAL SYRINGE STRL- Sterile | Standard           | Healthy                  |
| 410S-     | 10ML PURPLE ORAL SYRINGE- Non Sterile | Standard           | Healthy                  |

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|            |   |          |                             |
|------------|---|----------|-----------------------------|
| 412SG      | 12ML PURPLE ORAL SYRINGE STRL- Sterile      | Standard | Healthy by end of September |
| 435SG      | 35ML PURPLE ORAL SYRINGE STL- Sterile       | Standard | Healthy                     |
| 460SG      | 60ML PURPLE ORAL SYRINGE STL- Sterile       | Standard | Healthy                     |
| 401SE      | MONOJECT 1 ML ENFIT SYRINGE- Sterile        | ENFit®   | Healthy                     |
| 403SE      | MONOJECT 3 ML ENFIT SYRINGE - Sterile       | ENFit®   | Healthy                     |
| 406SE      | MONOJECT 6 ML ENFIT SYRINGE- Sterile        | ENFit®   | Healthy                     |
| 412SE      | ENFIT 12 ML SYRINGE- Sterile                | ENFit®   | Healthy                     |
| 435SE      | MONOJECT 35 ML ENFIT SYRINGE- Sterile       | ENFit®   | Healthy                     |
| 460SE      | MONOJECT 60 ML ENFIT SYRINGE- Sterile       | ENFit®   | Healthy                     |
| 8881101015 | 1ML SYRINGE PURPLE EN-FIT TIP- Non Sterile  | ENFit®   | Healthy                     |
| 8881103015 | 3ML SYRINGE PURPLE EN-FIT TIP- Non Sterile  | ENFit®   | Healthy                     |
| 8881106015 | 6ML SYRINGE PURPLE EN-FIT TIP- Non Sterile  | ENFit®   | Healthy                     |
| 8881112015 | 12ML SYRINGE PURPLE EN-FIT TIP- Non Sterile | ENFit®   | Healthy                     |
| 8881135015 | 35ML SYRINGE PURPLE EN-FIT TIP- Non Sterile | ENFit®   | Healthy                     |
| 8881160015 | 60ML SYRINGE PURPLE EN-FIT TIP- Non Sterile | ENFit®   | Healthy                     |

\*We continue to produce daily across the portfolio and ship to our customers. The above does not reflect a total shortage, but instead a rolling backorder during which we continue to consistently ship product while leading up to the recovery date. The recovery dates above are our best estimate based on our current knowledge but are subject to additional change as market conditions continue to evolve.