



Dear Valued Customer,

We want to provide an important update regarding recent U.S. trade policy changes and their impact on Aspen Surgical's product portfolio. The newly announced tariffs have led to a notable increase in costs, particularly for finished goods and raw materials sourced from international suppliers.

Impact of Tariffs

Fortunately, most of our products sourced from Canada and Mexico remain exempt under the U.S.-Mexico-Canada Agreement (USMCA), including all finished goods re-entering the U.S. from Mexico.

Despite this, Aspen Surgical is significantly affected by elevated tariffs on finished goods and raw material imports from China (a 55% tariff), the EU (a 10% tariff), and select countries in Southeast Asia (a 10% tariff). Key Aspen Surgical portfolios impacted include Surgical Instruments, Electrosurgical Products (including electrodes, pads, pencils, and cauteries), Markers, and Uterine Manipulators, among others. The recently revised Section 232 steel and aluminum tariffs have also raised costs for key raw material inputs in our Blades and Scalpels portfolio.

Mitigation Actions

Aspen Surgical is actively working to move production and material sources where possible, as well as evaluate opportunities to reduce costs in our overall supply chain. While we expect these actions to yield cost benefits, these programs will take time, and the extent of savings will not be sufficient to cover the full tariff impact. We will continue to evaluate every opportunity to internally mitigate increased costs.

Price Adjustments

Despite these mitigation efforts, the changing tariff environment and broader market dynamics require *Aspen Surgical to adjust prices on some impacted products beginning September 1, 2025*. Please be assured that we are approaching this matter diligently and strategically, absorbing a significant portion of the cost increases ourselves to mitigate the impact on our customers. Aspen Surgical has absorbed the cost impact of the increased tariffs since they were implemented. Because the tariff environment is dynamic, we have decided to implement these price adjustments to maintain product quality, service reliability, and continued investment in the solutions you depend on.

Ongoing Monitoring

We will consistently monitor the market landscape and take additional pricing actions when necessary. Further pricing measures will be implemented only as needed.

As always, we remain committed to transparency and will notify you in advance of any other specific pricing updates. Our priority is to minimize disruption and support your planning accordingly.

Thank you for your continued partnership and trust in Aspen Surgical. If you have any questions, please do not hesitate to reach out to your account representative.

Sincerely,

Carl Hall
Chief Commercial Officer