

November 15, 2024

Dear Valued Customer,

We are writing to provide an update on BP Cuff supply continuity in follow-up to our initial communication on Oct. 23, 2024. We understand the critical importance of supply continuity and are committed to providing transparent and proactive communications. Thank you for your understanding as we navigate this challenge.

To help support our customers' ability to plan for patient care, Baxter is sharing its expectations for production and increases in allocation levels across several BP Cuff product groups for customers and distributors in the U.S.

Baxter production fully resumed on Oct. 31 with volumes consistent to pre-disruption volumes. Weekly shipments are also consistent with prior periods. Please note that there is a typical 1 to 2-week lag time for product to flow through the full distribution network.

As previously communicated, our Blood Pressure Cuff manufacturing facility experienced a temporary raw material shortage, reducing production for 18 days. On Oct. 23, we communicated conservation measures, including a recommended cleaning protocol along with a 20% allocation guidance for distributors.

On Nov. 11, **we increased our allocation guidance to 40%**. Allocation will continue to remain in place for a subset of our SKUs, while others are improved or removed from allocation entirely. In order to prioritize the Disposable FlexiPort Standardization/RAW product categories, we are reducing production of Disposable FlexiPort Fully-Configured (Soft and Vinyl) cuffs. We encourage users of Disposable FlexiPort Fully-Configured Cuffs to consider Trimline as an alternative. Your local Baxter representative can provide a crosswalk matrix to guide you accordingly.

Please reference the matrix below for updated, category-level allocation guidance, starting Nov. 18. These recommendations are in place to navigate unnaturally high order volumes and help achieve an equitable, efficient and responsible distribution of available supply.

	Blood Pressure Cuff Type	Allocation Guidance (Nov 18, 2024)	Anticipated Allocation (Dec, 2024)
Disposable	FlexiPort Standardization/RAW Soft	60%	75%
	FlexiPort Fully-Configured Soft	20%	20%
	Trimline Soft	80%	90%
	FlexiPort Standardization/RAW Vinyl	60%	75%
	FlexiPort Fully-Configured Vinyl	20%	20%
	Trimline Vinyl	80%	90%
	Neonatal Soft	100%	100%
	Neonatal Vinyl	100%	100%
Reusable	FlexiPort Standardization/RAW Reusable	90%	90%
	FlexiPort Fully-Configured Reusable	100%	100%
	Trimline Reusable	100%	100%
	Two-Piece Reusable	100%	100%

Supply volumes to our distributors are determined based on historical ordering from April 2024 to Sep. 2024. Supply will continue to be spread across open orders based on historical, fair usage logic which in some cases means fulfilling partial orders. For example, a customer that has represented 15% of historical demand will receive 15% of the weekly supply, spread across their open orders. This process is consistent for all orders, and is managed first in, first out, down to the local distribution center level. Baxter will continue to provide weekly detailed summaries to channel partners regarding inbound supply quantities, order information, SKU and “ship to” location detail to maintain transparency.

We have made significant capital investments to accelerate the recovery production of the FlexiPort Standardization/RAW (Soft and Vinyl). We also continue to recommend thoughtful conservation of supply, consideration of a cleaning protocol, and/or the temporary adoption of the Flexiport Reusable configuration which will be more available. Those part numbers can be found in the matrix below.

Cuff Size	Part Number	UOM
Small Infant	REUSE-06	1/EA
Infant	REUSE-07	1/EA
Small Child	REUSE-08	1/EA
Child	REUSE-09	1/EA
Small Adult	REUSE-10	1/EA
Adult	REUSE-11	1/EA
Adult Long	REUSE-11L	1/EA
Large Adult	REUSE-12	1/EA
Large Adult Long	REUSE-12L	1/EA
Thigh	REUSE-13	1/EA

Should your team need additional information on cleaning and disinfecting protocol, please route those questions to HST_Medinfo@baxter.com. We have a team of Medical Science Liaisons who are monitoring and responding to these inquiries as quickly as possible.

We are working expeditiously to mitigate the impact on you and your patients. Thank you for your partnership and understanding as we work to clear our backlog.

Sincerely,

Your Baxter Representative