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Medline Canada Communication Update Regarding the Coronavirus (COVID-19)

March 2, 2020

Dear Valued Customer,

The Coronavirus (COVID-19) continues to spread. Today the World Health Organization's Situation Report confirms that the virus is now been identified in 65 countries with 88,930 confirmed cases and 3,043 deaths.

We want to share with you some important facts about this fluid situation, and how Medline is managing the supply chain.

- The Chinese government is prioritizing facemasks and Personal Protective Equipment (PPE) production for the domestic China market. We expect a reduction in capacity and/or delayed shipments from our factories as a result.
- The Chinese government extended the Chinese New Year holidays causing production workers to return to work much later than planned. Most production facilities are not well-staffed, affecting production capacity in multiple product categories.
- The Hubei Province in China is both the origin of the Coronavirus, and where a large percentage of the world's PPE and traditional wound care manufacturing takes place. The Hubei Province government recently extended mandatory factory closures through March 10, 2020. Highways, public transport, rail, river and air travel have all been restricted to emergency medical teams only. Thus, we expect further delays in getting products delivered to ports from Hubei Province.
- These actions are unprecedented, and we have no accurate data on when restrictions will be lifted.

We are beginning to see a real impact on manufacturing operations and a reduction in capacity and/ or delayed shipments for the following products throughout the industry:

- Facemasks - surgical and isolation
- PPE – isolation gowns and coveralls
- Surgical drapes and gowns
- Components for standard and custom packs

Our priority is to ensure our current customers domestically have the essential supplies they need to protect both patients and staff. We are doing all we can to limit and/or reduce supply interruptions. Medline has multiple production locations in our global supply chain for these items. We are ramping up production and thoughtfully managing our inventory in all areas possible, while we diligently monitor the situation in China.





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This is a challenging time in healthcare, but we are all in this together. Medline's commitment - to you and the millions of Canadians that depend on us for their healthcare needs - is to continue to be a transparent in our communications. We are an accountable partner and will work diligently behind the scenes to manage and de-risk the supply of essential products to service the Canadian market.

We will continue to keep you informed as events unfold.

Together improving lives,

A handwritten signature in black ink that reads "Ernie Philip". The signature is written in a cursive, flowing style.

Ernie Philip
President
Medline Canada

