

COMPANY UPDATE

March 2024

To Our Shareholders, Employees & Partners:

In many ways 2023 was a building year for Cumberland, as we continued to integrate our newest products, while also delivering several significant achievements. During the year we took a fresh look at our mission statement and refined it to better capture the spirit of what we do each day at Cumberland. Our mission is now:

Working together to provide unique products that improve the quality of patient care.

In 2023 we were able to manage our business to deliver net revenues of \$40 million. Our gross margins remained attractive, resulting in \$6 million in cash generated from operations. Our balance sheet also remained strong, as we ended the year with \$82 million in total assets – including \$18 million in cash, \$53 million in liabilities and \$30 million of shareholders' equity.

We continued to repurchase Cumberland shares on the open market, as we believe they represent an attractive long-term investment opportunity. We also feel that shareholders' and management's interests are closely aligned, given the significant inside ownership in the company. Several of our board members continued to purchase Cumberland shares throughout 2023.

We are pleased to share a few exciting updates from the year, including growth opportunities for our portfolio of brands.

- Following the FDA's approval to expand the labeling for **Caldolor**[®] in May, our non-opioid agent may now be administered for the treatment of pain and fever in patients 3 to 6 months of age. This expanded use was further supported by the publication of positive results from a clinical study investigating the safety and pharmacokinetics of Caldolor in newborns. We are thrilled to extend Caldolor's labeling for these youngest of patients.
- Additionally, we shared the results of the first pediatric study investigating the safety and pharmacokinetics of our **Vibativ**[®] product. The results suggest that a single dose of Vibativ can be safely administered to children to fight certain serious skin and lung infections.
- Meanwhile, we completed the expansion of our oncology sales division as we work to deliver our newest brand, **Sancuso**[®], to cancer patients.
- Throughout the year we continued to work with our partners in their efforts to register and launch **Vibativ** in several international markets, which should provide significant future catalysts for the brand.
- We also continued to advance our pipeline of new product candidates through a series of Phase II clinical trials evaluating **ifetroban** for patients with a series of unmet medical needs. We were excited to announce that we obtained FDA clearance of our application for a Phase II study in patients with idiopathic pulmonary fibrosis.

Finally, we updated our **Sustainability Metrics**, and key findings for 2023 include Cumberland's:

- Providing 3 million doses of our products to patients
- Safely disposing of nearly 6,000 pounds of damaged and expired products
- Having no products recalled and no clinical trials terminated due to failure to practice good clinical standards

These important accomplishments would not have been possible without the dedication of our incredible team.

I would like to thank everyone at Cumberland for their valuable contributions over the last year. We look forward to a successful 2024 and sharing updates throughout the year.

All the best,

