COMPANY UPDATE

August 2023

To Our Shareholders, Employees & Partners:

I am very pleased to report an overall successful second quarter and year to date financial performance:

- We recorded $10.9 million in revenue during the second quarter, an increase of 6% over the prior year period, and an increase of 18% over the first quarter of this year.
- We generated positive earnings for the second consecutive quarter, and have delivered $1.1 million in net income for the first half of the year.
- Adjusted earnings for the first half of 2023 were $4 million, or $0.27 a share, which is up significantly from the same period last year.
- Our balance sheet remained strong – at mid-year we held approximately $89 million in total assets which included $18 million in cash and investments. Total liabilities were $53 million and shareholders' equity totaled $37 million.

During the second quarter we expanded our oncology sales division as we work to deliver our newest brand – Sancuso – to cancer patients, helping them tolerate their chemotherapy treatments. We also continued to support our international partners in their efforts to register Cumberland brands in China, South Korea and Mexico.

In June, we announced the publication of positive results from a clinical study investigating the safety and pharmacokinetics of our **Caldolor®** product in newborns. The results of this published study supported the recent FDA approval of Caldolor in infants 3 to 6 months of age. Caldolor is the only non-opioid injectable product approved to treat pain and fever in infants, and we are delighted to further expand its labeling for use in these young patients.

We are continuing to sponsor a series of clinical programs to evaluate **ifetroban** – a potent and selective thromboxane receptor antagonist – in patients with unmet medical needs. In May, we announced that the FDA cleared the Investigational New Drug Application for a Phase II study in patients with *Idiopathic Pulmonary Fibrosis* (IPF). It's the newest clinical program in the pipeline for ifetroban, our first new chemical entity. We look forward to launching our FIGHTING FIBROSIS trial – designed to enroll 128 patients in over 20 medical centers across the country.

Meanwhile, enrollment continues in our Phase II studies of patients with *Systemic Sclerosis* and *Duchenne Muscular Dystrophy*. We closed and completed the initial analysis of the data from our Phase II study in patients with a severe form of asthma known as *Aspirin Exacerbated Respiratory Disease* (AERD). As previously mentioned, we will await results from all the Phase II clinical programs before deciding on the best path to further develop the product toward approval.

Despite nursing and other workforce shortages experienced by healthcare providers, supply chain interruptions and overall economic uncertainty – our team remains resilient and focused on our mission of supporting patients by providing quality products. Overall, I believe that it's been a successful first half of the year. We look forward to sharing more updates as we continue to deliver on our objectives and advance the development of new medicines for the future.

All the best,

Please see our corporate website at www.cumberlandpharma.com for links to our product websites for full prescribing and safety information on our brands and for our SEC filings that contain the risk factors associated with our business.