

To Our Shareholders, Employees & Partners:

Well, what a year it has been...

I am pleased to report that Cumberland has been able to successfully manage through the pandemic, in spite of the significant market headwinds and other challenges that we encountered. Our facilities remained open, our operations have continued, and we have been able to keep our organization intact.

While there has been a significant impact on the hospital admissions and physician office visits associated with many of our brands, we are very fortunate to enjoy a diversified product portfolio, along with a diversified customer base. We quickly adjusted our market strategies, retooled our sales communications and reinvented the way in which we operate our business. We developed new methods to interact with our customers and support the patients that need our medicines.

As a result, we were able to generate another year of overall revenue growth:

- Special customers, international sales and co-promotion sales filled the gaps in domestic sales.
- Fourth quarter revenues were \$10 million, up 10% over the prior year period.
- Net revenues for the full year were \$37 million, a 9% increase over 2019.
- We ended 2020 with total assets of over \$96 million, including \$25 million in cash and investments.

We launched several national initiatives during 2020 to help hospitals access our acute care brands during the healthcare emergency. Our **Vibativ**[®] product was used to help COVID-19 patients who developed bacterial infections in their lungs. It is a potent antibiotic, FDA approved to treat hospital and ventilator acquired pneumonia that can result from a variety of infectious agents. It has been very rewarding to learn of cases from across the country where Vibativ has been successfully used to cure pneumonia in COVID patients.

I am also pleased to report that we introduced two products in 2020.

- Early in the year, we implemented the national launch of our *Next Generation Caldolor*[®] product featuring a ready to use formulation in a pre-mixed bag, offering time and cost savings associated with its administration.
- We ended the year with the initial introduction of our FDA-approved **RediTrex**[®] line of injectable methotrexate products, featuring an innovative delivery system for patients with arthritis.

We have been closely monitoring our supply chain including the facilities that supply the raw materials, along with those that manufacture our products. Overall, the chain has remained intact with batches of finished goods shipped to us and then onto the warehouses that supply our country's hospital and retail pharmacies. There was one exception, as the facility packaging **Omeclamox**[®]-Pak encountered financial difficulties due to the pandemic and suspended operations.

We learned that they are reorganizing, and we are awaiting a resumption of their operations.

Understandably, enrollment in our clinical trials has declined due to closures and restrictions in the institutions that recruit the needed patients. We are working with the study sites as they reopen and look forward to a resumption of patient accrual on a more normalized basis, as we work toward the completion of each clinical trial.

During 2020 we were able to maintain the compliance and reporting requirements that apply to us as a publicly traded, biopharmaceutical company. Those efforts included hosting a successful FDA audit of our corporate facility and processes.

Lastly, following an incredible year of change for everyone, Cumberland remains steadfast on emerging from the pandemic, with an outstanding organization focused on maximizing the potential of our existing brands, while continuing to build a portfolio of differentiated products. I am confident the resilience and ingenuity we discovered within our team this past year has bolstered a strong foundation, that we can build upon in 2021 and beyond.

I would like to acknowledge and thank my colleagues for their continued dedication and valuable contributions. Together, we remain focused on our mission of advancing patient care through the delivery of high-quality medicines.

All the best,



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