UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission file number: 001-33637

Cumberland Pharmaceuticals Inc.

(Exact Name of Registrant as Specified In Its Charter)

Tennessee	**62-1765329**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
1600 West End Avenue, Suite 1300, Nashville, Tennessee	**37203**
(Address of Principal Executive Offices)	**(Zip Code)**

(615) 255-0068

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:		
Class	Trading Symbol	Name of exchange on which registered
Common stock, no par value	CPIX	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.) Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 14,961,137 shares of common stock as of May 6, 2025.

CUMBERLAND PHARMACEUTICALS INC.
INDEX

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

CUMBERLAND PHARMACEUTICALS INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Unaudited)

	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 15,108,413	$ 17,964,184
Accounts receivable, net	10,487,925	11,701,466
Inventories, net	4,098,859	3,999,995
Prepaid and other current assets	2,181,954	2,786,513
Total current assets	31,877,151	36,452,158
Non-current inventories	9,939,236	11,005,499
Property and equipment, net	298,740	277,365
Intangible assets, net	16,986,962	17,973,449
Goodwill	914,000	914,000
Operating lease right-of-use assets	7,177,490	6,176,923
Other assets	2,742,299	2,784,016
Total assets	$ 69,935,878	$ 75,583,410
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 13,927,623	$ 13,914,266
Operating lease current liabilities	371,094	356,508
Current portion of revolving line of credit	—	5,100,000
Other current liabilities	11,220,902	12,250,955
Total current liabilities	25,519,619	31,621,729
Revolving line of credit - long term	5,240,733	10,176,170
Operating lease non-current liabilities	4,829,054	4,939,739
Other long-term liabilities	6,005,853	6,299,795
Total liabilities	41,595,259	53,037,433
Equity:		
Shareholders' equity:		
Common stock—no par value; 100,000,000 shares authorized; 14,961,137 and 13,952,624 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	51,367,883	46,821,425
Accumulated deficit	(22,710,863)	(23,967,931)
Total shareholders' equity	28,657,020	22,853,494
Noncontrolling interests	(316,401)	(307,517)
Total equity	28,340,619	22,545,977
Total liabilities and equity	$ 69,935,878	$ 75,583,410

See accompanying Notes to Condensed Consolidated Financial Statements.

CUMBERLAND PHARMACEUTICALS INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Unaudited)

	Three months ended March 31,	
	2025	**2024**
Net revenues	$ 11,713,055	$ 8,497,701
Costs and expenses:		
Cost of products sold	1,425,714	1,575,542
Selling and marketing	4,231,980	4,154,588
Research and development	1,295,076	1,158,253
General and administrative	2,463,008	2,367,907
Amortization	1,005,330	1,110,661
Total costs and expenses	10,421,108	10,366,951
Operating income (loss)	1,291,947	(1,869,250)
Interest income	125,709	96,746
Interest expense	(163,802)	(118,526)
Income (loss) before income taxes	1,253,854	(1,891,030)
Income tax expense	(5,670)	(11,442)
Net income (loss)	1,248,184	(1,902,472)
Net loss (income) at subsidiary attributable to noncontrolling interests	8,884	(43,791)
Net income (loss) attributable to common shareholders	$ 1,257,068	$ (1,946,263)
Earnings (loss) per share attributable to common shareholders		
- basic	$ 0.08	$ (0.14)
- diluted	$ 0.08	$ (0.14)
Weighted-average shares outstanding		
- basic	14,942,522	14,098,022
- diluted	15,259,824	14,098,022

See accompanying Notes to Condensed Consolidated Financial Statements.

CUMBERLAND PHARMACEUTICALS INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three months ended March 31,	
	2025	**2024**
Cash flows from operating activities:		
Net income (loss)	$ 1,248,184	$ (1,902,472)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization expense	1,031,584	1,150,685
Amortization of operating lease right-of-use assets	285,184	285,184
Share-based compensation	74,212	78,754
Increase (decrease) in non-cash contingent consideration	44,976	(230,430)
Decrease (increase) in cash surrender value of life insurance policies over premiums paid	81,182	(129,217)
Noncash interest expense	5,362	3,810
Net changes in assets and liabilities affecting operating activities:		
Accounts receivable	1,213,541	(1,066,410)
Inventories, net	967,399	170,469
Other current assets and other assets	60,371	205,619
Operating lease liabilities	(219,493)	(213,825)
Accounts payable and other current liabilities	(600,043)	(645,542)
Other long-term liabilities	(293,942)	156,728
Net cash provided by (used in) operating activities	3,898,517	(2,136,647)
Cash flows from investing activities:		
Additions to property and equipment	(47,630)	(41,621)
Net investment in manufacturing facility	(1,162,357)	—
Additions to intangible assets	(18,199)	(16,565)
Net cash used in investing activities	(1,228,186)	(58,186)
Cash flows from financing activities:		
Proceeds from ATM offering, net	5,266,334	—
Borrowings on line of credit	—	11,000,000
Payments on line of credit	(10,035,437)	(7,700,000)
Cash settlement of contingent consideration	(511,131)	(630,701)
Payments made in connection with repurchase of common shares	(245,868)	(247,605)
Net cash provided by (used in) financing activities	(5,526,102)	2,421,694
Net increase (decrease) in cash and cash equivalents	(2,855,771)	226,861
Cash and cash equivalents at beginning of period	$ 17,964,184	$ 18,321,624
Cash and cash equivalents at end of period	$ 15,108,413	$ 18,548,485

See accompanying Notes to Condensed Consolidated Financial Statements.

CUMBERLAND PHARMACEUTICALS INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Equity
(Unaudited)

	Common stock		Accumulated deficit	Noncontrolling interests	Total equity
	Shares	Amount			
Balance, December 31, 2023	14,121,833	$ 47,091,602	$ (17,488,161)	$ (343,572)	$ 29,259,869
Share-based compensation	163,991	78,754	—	—	78,754
Repurchase of common shares	(125,870)	(246,599)	—	—	(246,599)
Net income (loss)	—	—	(1,946,263)	43,791	(1,902,472)
Balance, March 31, 2024	14,159,954	$ 46,923,757	$ (19,434,424)	$ (299,781)	$ 27,189,552

	Common stock		Accumulated deficit	Noncontrolling interests	Total equity
	Shares	Amount			
Balance, December 31, 2024	13,952,624	$ 46,821,425	$ (23,967,931)	$ (307,517)	$ 22,545,977
Share issuances	1,000,000	4,715,950	—	—	4,715,950
Share-based compensation	62,350	74,212	—	—	74,212
Repurchase of common shares	(53,837)	(243,704)	—	—	(243,704)
Net income (loss)	—	—	1,257,068	(8,884)	1,248,184
Balance, March 31, 2025	14,961,137	$ 51,367,883	$ (22,710,863)	$ (316,401)	$ 28,340,619

See accompanying Notes to Condensed Consolidated Financial Statements.

CUMBERLAND PHARMACEUTICALS INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

(1) ORGANIZATION AND BASIS OF PRESENTATION

Cumberland Pharmaceuticals Inc. ("Cumberland," the "Company," or as used in the context of "we," "us," or "our"), is a specialty pharmaceutical company focused on the acquisition, development and commercialization of branded prescription pharmaceuticals. We are dedicated to our mission of working together to provide unique products that improve the quality of patient care.

Our primary target markets are hospital acute care, gastroenterology and oncology. These medical specialties are characterized by relatively concentrated prescriber bases that we believe can be served effectively by small, targeted sales forces. We promote our approved products through our hospital, field and oncology sales forces in the United States. We continue to build a network of established international partners with the needed regulatory and commercial capabilities to register and provide our medicines to patients in their countries.

Cumberland's growth strategy involves maximizing the potential of our existing brands, while continuing to build a portfolio of differentiated products. We currently own six products approved by the FDA in the United States. We are also continuing to build international partnerships to bring our medicines to patients in other countries. Additionally, we look for opportunities to expand our brands into new patient populations through clinical trials, new product presentations and our support of select, investigator-initiated studies. Meanwhile, our clinical team is developing a pipeline of new product candidates to address poorly met medical needs. We also pursue opportunities to acquire additional marketed brands as well as late-stage development product candidates in our target medical specialties.

The Company's products are manufactured by third parties, which are overseen by our quality control and manufacturing professionals. We work closely with our warehousing and distribution partners to make our products available in the U.S.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements of the Company have been prepared on a basis consistent with the December 31, 2024, audited consolidated financial statements and include all adjustments, consisting of only normal recurring adjustments, necessary to fairly present the information set forth herein. All significant intercompany accounts and transactions have been eliminated in consolidation. The unaudited condensed consolidated financial statements have been prepared in accordance with the regulations of the Securities and Exchange Commission (the "SEC"), and certain information and disclosures have been condensed or omitted as permitted by the SEC for interim period presentation. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 Annual Report on Form 10-K"). The results of operations for the three months ended March 31, 2025, are not necessarily indicative of the results to be expected for the entire fiscal year or any future period.

Recent Accounting Guidance

Recent Accounting Pronouncements

In November 2023, the FASB issued final guidance in Update 2023-07, which is intended to improve transparency of segment disclosures, primarily through expanded disclosures for significant segment expenses. The guidance is effective for annual periods beginning in 2024 and interim periods beginning in 2025. With the Company having only one segment, the adoption, effective January 1, 2024, did not have a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Standards Not Yet Adopted

In December 2023, the FASB issued final guidance to improve transparency of income tax disclosures. The final guidance requires enhanced disclosures primarily related to existing rate reconciliation and income taxes paid information. The guidance is effective for 2025 annual reporting. Early adoption is permitted. This new guidance will result in incremental disclosures in the notes to the Company's income tax disclosures.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("Update 2024-03"), which requires companies to disclose additional information for certain relevant expense categories in the Statements of Operations and within the notes to the financial statements. Update 2024-03 is effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted and can be applied either prospectively to financial statements issued for reporting periods after the effective date, or retrospectively to prior periods which are presented in the financial statements. We are currently assessing the impact of the requirements on our consolidated financial statements and disclosures.

Accounting Policies

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates under different assumptions and conditions. The Company's most significant estimates include: (1) its allowances for chargebacks and accruals for rebates and product returns, (2) the allowances for obsolescent or unmarketable inventory and (3) valuation of contingent consideration liabilities associated with business combinations.

Operating Segments

The Company has one operating segment which is specialty pharmaceutical products. Management has chosen to organize the Company based on the type of products sold. Operating segments are identified as components of an enterprise about which separate discrete financial information is evaluated by the chief operating decision maker, or decision-making group, in making decisions regarding resource allocation and assessing performance. The Company, which uses consolidated financial information in determining how to allocate resources and assess performance, has concluded that our specialty pharmaceutical products compete in similar economic markets and similar circumstances. Substantially all of the Company’s assets are located in the United States and total revenues are primarily attributable to U.S. customers.

Trade and Note Receivables Policy

Management evaluates the application of Current Expected Credit Losses (CECL) to all of its financial instruments including trade and note receivables. CECL is applicable to all financial instruments measured at amortized cost. Therefore for the Company, this principally relates to trade receivables and two notes receivable. CECL also requires the measurement of expected credit losses on a collective (pool) basis when similar risk characteristics exist. This may include, either individually or in combination, some of the following characteristics of Accounting Standards Codification ("ASC") 326-20-55-5:

a. Internal or external credit score/rating
b. Risk ratings or classification
c. Financial asset type
d. Size
e. Effective interest rate
f. Term
g. Geographical location
h. Historical or expected credit loss patterns
i. Reasonable and supportable forecast periods

The standard requires entities to pool financial assets but allows them to choose which risk characteristics to use. Under the requirements of the guidance, the Company reassesses at the end of each reporting period whether the pool of assets continues to display similar risk characteristics.

With over twenty years of experience, Cumberland has experienced virtually no write downs of receivables as most of our receivables are due from large successful pharmaceutical, healthcare or government customers, consistently making payments on account. Although the payment behaviors of all of our customers are consistently reliable, for the sake of transparency, we have separated our customer base into seven separate pools. The Company performs a monthly analysis of aged accounts receivable to determine how much, if any, of the accounts receivable balance should be reserved as potential bad debt. The Company reviews all balances over 90 days past due for a possible reserve and considers any specific factors or information for balances aged under 90 days if there are indicators that the balance should be reserved, such as other aged balances with the customer or bankruptcy as well as any economic issues with a customer industry or region.

(2) EARNINGS (LOSS) PER SHARE

The following table reconciles the numerator and denominator used to calculate basic and diluted earnings (loss) per share for the three months ended March 31, 2025 and 2024:

	Three months ended March 31,	
	2025	**2024**
Numerator:		
Net income (loss) attributable to common shareholders	$ 1,257,068	$ (1,946,263)
Denominator:		
Weighted-average shares outstanding – basic	14,942,522	14,098,022
Dilutive effect of other securities	317,302	—
Weighted-average shares outstanding – diluted	15,259,824	14,098,022

As of March 31, 2025 and 2024, restricted stock awards and options to purchase 810,211 and 496,859 shares of common stock, respectively, were outstanding but were not included in the computation of diluted earnings per share because the effect would be antidilutive.

(3) REVENUES

Product Revenues

The Company accounts for revenues from contracts with customers under ASC 606.

The Company's net revenues consisted of the following for the three months ended March 31, 2025 and 2024:

	Three months ended March 31,	
	2025	**2024**
Products:		
Kristalose	$ 3,484,310	$ 3,195,609
Sancuso	2,256,294	1,827,769
Vibativ	1,378,066	1,605,489
Caldolor	1,307,439	1,470,699
Acetadote	151,651	80,203
Omeclamox-Pak	(5,387)	(1,615)
Vaprisol	(600)	8,662
RediTrex	(347)	35,556
Other revenue	3,141,629	275,329
Total net revenues	$ 11,713,055	$ 8,497,701

There was no Omeclamox-Pak net revenue for the first quarter of 2025 due to our lack of commercial inventory of this product. The packager for our Omeclamox-Pak product encountered financial difficulties due to the impact of COVID-19. As we have not been able to identify an alternative site to package the product, we discontinued the sales of Omeclamox-Pak and expensed the remaining brand intangible assets in late 2023. For the three months ended March 31, 2025 and 2024, the amounts noted resulted from normal distribution adjustments.

With regard to Vaprisol, we are in the process of transitioning to a new manufacturing partner, who was issued a U.S. Food and Drug Administration ("FDA") Form 483 in the second quarter of 2022. Once these FDA Form 483 related issues are satisfactorily resolved, we will then resubmit our application for their facility to the FDA for approval. For the three months ended March 31, 2025, the amounts are normal sales deduction adjustments. For the three months ended March 31, 2024, the amounts reflected our share of sales of a special, interim compounded product introduced to the market in late 2023.

Effective June 30, 2023, the Company returned all rights of RediTrex back to Nordic and will receive a long-term royalty on any sales of the product in the future. For the three months ended March 31, 2025 and 2024, the revenue amounts represented normal distribution and accrual adjustments.

Other Revenues

The Company has agreements with international partners for commercialization of the Company's products with associated payments included in other revenues. Those agreements provide that each of the partners is responsible for seeking regulatory approvals for the product, and following approval, each partner will be responsible for the ongoing distribution and sales in the respective international territories. Cumberland is typically entitled to receive a non-refundable, up-front payment at the time each agreement is executed as consideration for the product dossier and for the rights to the distinct intellectual property rights in the respective international territory. These agreements also typically provide for additional payments upon a partner's achievement of a defined regulatory approval and sales milestones. The Company may also be entitled to receive royalties on future sales of the products and a transfer price on supplies. The contractual payments associated with the partner's achievement of regulatory approvals, sales milestones and royalties on future sales are recognized as revenue upon occurrence, or at such time that the Company has a high degree of confidence that the revenue would not be reversed in a subsequent period.

Other revenues include funding from federal grant programs including those provided by the FDA and from those secured by Cumberland Emerging Technologies Inc. ("CET") through the Small Business Administration's Small Business Innovation Research and Small Business Technology Transfer Research ("SBIR/STTR") programs. There was no grant revenue from these federal grant programs for the three months ended March 31, 2025 and was approximately $0.1 million for the three months ended March 31, 2024.

Other revenues also include lease income generated by CET's Life Sciences Center which is a research facility that provides scientists with access to flexible lab space and other resources to develop biomedical products. This lease income, as noted in Footnote 5 - Leases, was approximately $0.2 million for the three months ended March 31, 2025 and 2024.

During the three months ended March 31, 2025, the Company received a $3.0 million milestone payment associated with the approval of Vibativ for the Chinese market. We recognized as revenue all but $25,000 of the milestone payment which is the estimated cost of virtual marketing training that will take place prior to the launch of the product in the Chinese market.

(4) INVENTORIES

The Company works closely with third parties to manufacture and package finished goods for sale. Based on the arrangements with the manufacturer or packager, the Company will either take title to the finished goods at the time of shipment or at the time of arrival at the Company's warehouses. The Company then holds such goods in inventory until distribution and sale. These finished goods inventories are stated at the lower of cost or net realizable value with cost determined using the first-in, first-out method.

The Company continually evaluates inventory for potential losses due to excess, obsolete or slow-moving goods by comparing sales history and projections to the inventory on hand. When evidence indicates that the carrying value may not be recoverable, a charge is taken to reduce the inventory to its current net realizable value. At March 31, 2025 and December 31, 2024, there were no cumulative net realizable value charges for potential obsolescence and discontinuance losses necessary.

The Company purchases the active pharmaceutical ingredient ("API") for Kristalose and maintains the inventory of that raw material. API for the Company's Vaprisol and Vibativ brands were included in the assets associated with the acquisition of those brands and are also included in the raw materials inventory. As part of the Vibativ acquisition, the Company acquired API and work in process inventories of $15.6 million that were all initially classified as non-current inventories at the date of acquisition.

As these APIs are consumed in the manufacture of our products, the value of the API involved is transferred from raw materials to finished goods.

Consigned inventory represents Authorized Generic inventory stored with our partner until shipment to their customers.

At March 31, 2025 and December 31, 2024, the Company's net inventories consisted of the following:

	March 31, 2025	December 31, 2024
Raw materials and work in process	$ 10,832,574	$ 11,982,045
Consigned inventory	195,976	126,090
Finished goods	3,009,545	2,897,359
Total inventories	14,038,095	15,005,494
less non-current inventories	(9,939,236)	(11,005,499)
Total inventories classified as current	$ 4,098,859	$ 3,999,995

At March 31, 2025 and December 31, 2024, the Company's non-current inventories consisted of the following:

	March 31, 2025	December 31, 2024
Vibativ Raw Materials	$ 5,356,857	$ 6,180,347
Kristalose Raw Materials	2,421,705	2,672,720
Vaprisol Raw Materials	1,172,849	1,172,849
Sancuso Raw Materials	384,906	458,684
Caldolor Raw Materials	13,970	—
Acetadote Raw Materials	27,106	23,915
Ifetroban Raw Materials	150,403	166,923
Vibativ Finished Goods	163,688	183,057
Caldolor Finished Goods	178,130	77,382
Omeclamox	69,622	69,622
Total inventories classified as non-current	$ 9,939,236	$ 11,005,499

(5) LEASES

On November 15, 2021, Cumberland entered into a lease (the "Broadwest Lease"), pursuant to which the Company leases approximately 16,903 rentable square feet of space (the "Leased Premise") at the Broadwest office campus located in Nashville, Tennessee with 1600 West End Avenue Partners, LLC (the "Landlord"). The Leased Premise serves as the Company's corporate headquarters. The initial term of the Lease is one hundred fifty-seven (157) months, with two consecutive options to renew for a period of 5 years each, with the commencement date of October 25, 2022. This lease currently expires in November 2035.

The Company is responsible for paying rent to the Landlord under the lease beginning three months after the commencement date. The Company pays a base rent of $33.06 per square foot of rentable space with a gradual rental rate increase of 2.5% for each year thereafter of the prior year's base rental. In addition to the monthly base rent, the Company is responsible for its percentage share of the operating expenses of the building. The lease also provided for a tenant improvement allowance which was used to build out the space.

On October 24, 2022, CET provided the notice of exercise to extend the lease with The Gateway to Nashville, LLC (the "Gateway Lease") for five years. The lease is for approximately 14,200 square feet of wet laboratory and office space in Nashville, Tennessee where CET operates the CET Life Sciences Center. The wet laboratory and office space is leased through April 2028. The Company also subleases a portion of the space under this lease.

Also included within the right-of-use assets are start up expenditures related to new supply agreements with Nephron Pharmaceuticals Corporation ("Nephron") for our Vaprisol product and Kindos Pharmaceuticals Co., Ltd. ("Kindos") for our Vibativ product. These expenditures are classified as embedded leases resulting in right-of-use assets to be amortized over the life of the contracts. As of March 31, 2025, the right-of-use assets for Nephron and Kindos was $0.7 million and $1.3 million, respectively, and included in the total right-of-use assets of $7.2 million.

Operating lease liabilities were recorded as the present value of remaining lease payments not yet paid for the lease term discounted using the incremental borrowing rate associated with each lease. Operating lease right-of-use assets represent operating lease liabilities adjusted for lease incentives and initial direct costs. As the Company’s leases do not contain implicit borrowing rates, the incremental borrowing rates were calculated based on information available at the commencement date of each lease. Incremental borrowing rates reflect the Company’s estimated interest rates for collateralized borrowings over similar lease terms.

The weighted-average remaining lease term for the Broadwest Lease and Gateway Lease is 9.4 years and 10.2 years at March 31, 2025 and March 31, 2024, respectively. The weighted-average incremental borrowing rate used to discount the present value of the remaining lease payments for both leases is 9.37% and 9.38% at March 31, 2025 and December 31, 2024, respectively.

Lease Position

At March 31, 2025 and December 31, 2024, the Company's lease assets and liabilities were as follows:

Right-of-Use Assets	March 31, 2025	December 31, 2024
Operating lease right-of-use assets	$ 7,177,490	$ 6,176,923

Lease Liabilities	March 31, 2025	December 31, 2024
Operating lease current liabilities	$ 371,094	$ 356,508
Operating lease non-current liabilities	4,829,054	4,939,739
Total	$ 5,200,148	$ 5,296,247

As of March 31, 2025, cumulative future minimum sublease income under non-cancelable operating subleases totals approximately $0.2 million which includes the 90-day notice required for lease termination. Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) are as follows:

Maturity of Lease Liabilities at March 31, 2025	Operating Leases
2025	616,606
2026	909,911
2027	934,180
2028	740,791
2029	650,766
After 2029	4,196,635
	8,048,889
Less: Interest	2,848,741
Present value of lease liabilities	$ 5,200,148

Rent expense is recognized over the expected term of the lease, including renewal option periods, if applicable, on a straight-line basis as a component of general and administrative expense. Rent expense and sublease income were as follows:

	Three months ended March 31,	
	2025	2024
Rent expense	$ 354,752	$ 355,064
Sublease income	$ 158,629	$ 155,683

(6) SHAREHOLDERS' EQUITY AND DEBT

Share repurchases

Cumberland currently has a share repurchase program available to repurchase its common stock pursuant to Rule 10b-18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In January 2019, the Company's Board of Directors established the current $10 million repurchase program to replace the prior authorizations. During the three months ended March 31, 2025 and March 31, 2024, the Company repurchased 53,837 and 125,870 shares of common stock, respectively, for approximately $0.2 million during each period. At March 31, 2025, there remains approximately $2.2 million available under the current repurchase program for common share repurchases.

Share purchases and sales

In the Company's November 2024 trading window, several members of Cumberland's Board of Directors entered into agreements for trading plans to purchase shares of the Company's stock pursuant to Rule 10b5-1 of the Exchange Act. These purchases are designed to increase ownership in the Company by the members of the Board. The plans became effective on March 3, 2025, and as of March 31, 2025, a total of 1,285 shares have been purchased through these trading plans.

Share Sales

The Company filed an updated Form S-3 with the SEC in December 2023, which was declared effective December 26, 2023 (the "Current Registration Statement"). The Company entered into an agreement with H.C. Wainwright & Co., LLC (H.C. Wainwright") to establish a new At the Market ("ATM") program under the Current Registration Statement. On March 20, 2024, the Company filed a related prospectus supplement in connection with the sale and issuance of shares having an aggregate gross sales price of up to $5.8 million. On February 5, 2025, the Company issued 1,000,000 shares under an ATM for an aggregate amount of $5.5 million. As a result of this transaction, deferred offering costs of $0.6 million related to the ATM were reclassified as a reduction of paid-in-capital. On February 14, 2025, the Company filed a prospectus supplement to amend the previous prospectus supplement to increase the maximum gross sales price from $5.8 million to $10 million. The Company intends to continue an ATM feature through H.C. Wainwright, that would allow the Company to additionally issue shares of its common stock.

Restricted Share Grants and Incentive Stock Options

During the three months ended March 31, 2025 and March 31, 2024, the Company issued 35,110 shares and 50,500 shares of restricted stock, respectively, to advisors and directors. Restricted stock issued to advisors generally cliff-vests on the fourth anniversary of the date of grant and for directors on the one-year anniversary of the date of grant. During the three months ended March 31, 2025 and March 31, 2024, the Company also issued 177,100 and 187,600 incentive stock options, respectively, to employees that cliff-vest on the fourth anniversary of the date of grant, and are largely set to expire in 2035 and 2034, respectively.

Stock compensation expense is presented as a component of general and administrative expense in the condensed consolidated statements of operations as it relates to these restricted share grants and options. For the three months ended March 31, 2025 and 2024, stock compensation expense was $0.07 million. Of this amount, we recorded a credit of $3,503 related to the forfeiture of unvested restricted stock awards and incentive stock options.

Debt Agreement

On September 5, 2023, the Company entered into a new Revolving Credit Loan Agreement (the "Loan Agreement") with Pinnacle Bank. This facility provides for an aggregate principal funding amount of up to $25 million. The initial revolving line of credit is up to $20 million, with the ability for Cumberland to increase the amount to $25 million, under certain conditions. It has a 3-year term expiring on October 1, 2026. The interest rate is based on Benchmark (Term SOFR) plus a spread of 2.75%. Cumberland is subject to one financial covenant, the maintenance of a Funded Debt Ratio, determined on a quarterly basis. Borrowings under the line of credit are collateralized by substantially all of our assets.

On May 6, 2024, the Company entered into a First Amendment to the Loan Agreement which provides an alternative to the financial covenant by delivering to the lender a borrowing base certificate and complying with certain borrowing base requirements which set forth a maximum revolver amount equal to the lessor of (a) up to $20 million or (b) the sum of the Company's cash balances and eligible accounts receivable.

As of March 31, 2025 and December 31, 2024, the Company had $5.2 million and $15.3 million, respectively, in borrowings outstanding under its revolving credit facility. The applicable interest rate under the Loan Agreement was 7.125% at March 31, 2025.

Joint Venture Agreement

In August 2020, Cumberland entered into an agreement with WinHealth Investment (Singapore) Ltd creating *WHC Biopharmaceuticals, Pte. Ltd*. The joint venture, as a limited liability company, will focus on acquiring, developing, registering, and commercializing development stage and commercial stage biopharmaceuticals for China, Hong Kong and other Asian markets. The agreement provided for initial investment from WinHealth in the form of a $0.2 million equity contribution and an initial investment from Cumberland in the form of a $0.2 million convertible note, which was funded during the first quarter of 2021. The joint venture will seek additional future capital from additional investors and has entered into exclusive option agreements to license product candidates from both Cumberland Pharmaceuticals Inc. and Cumberland Emerging Technologies Inc.

(7) INCOME TAXES

As of March 31, 2025, the Company has approximately $52.7 million in federal net operating loss carryforwards including approximately $44.1 million of net operating loss carryforwards resulting from the exercise of nonqualified stock options. These have historically been used to significantly offset income tax obligations. The Company expects it will continue to pay minimal income taxes during 2025 and beyond, through the continued utilization of these net operating loss carryforwards, on any taxable income generated from our operations.

(8) COLLABORATIVE AGREEMENTS

Cumberland is a party to several collaborative arrangements with research institutions to identify and pursue promising pharmaceutical product candidates. The funding for these programs is primarily provided through SBIR/STTR programs and other grant awards. The Company has determined that these collaborative agreements, with the exception of the collaborative payment discussed in Note 10, related to Vibativ and Sancuso contingent consideration payments, do not meet the criteria for accounting under ASC Topic 808, *Collaborative Agreements*. The agreements do not specifically designate each party's rights and obligations to each other under the collaborative arrangements. Except for patent defense costs, expenses incurred by one party are not required to be reimbursed by the other party. Expenses incurred under these collaborative agreements are included in research and development expenses and funding received from grants are recorded as net revenues in the condensed consolidated statements of operations.

(9) COMMITMENTS AND CONTINGENCIES

The company is involved in litigation arising in the normal course of business. The Company does not believe that the disposition or ultimate resolution of existing claims or lawsuits will have a material adverse effect on the business or financial condition of the Company.

(10) PRODUCT ACQUISITIONS AND RETURN OF PRODUCT RIGHTS

Vibativ

During November 2018, the Company executed an agreement with Theravance Biopharma ("Theravance") to acquire the assets and global rights to Vibativ including responsibility for the marketing, distribution, manufacturing and regulatory activities associated with the brand. Vibativ is a patented, FDA approved injectable anti-infective for the treatment of certain serious bacterial infections including hospital-acquired and ventilator-associated bacterial pneumonia and complicated skin and skin structure infections. It addresses a range of Gram-positive bacterial pathogens, including those that are considered difficult-to-treat and multidrug-resistant.

Cumberland accounted for the transaction as a business combination in accordance with ASC 805 and the product sales are included in the results of operations subsequent to the acquisition date. The Company made an upfront payment of $20 million at the closing of the transaction and a $5 million milestone payment in early April 2019. In addition, Cumberland has agreed to pay royalties of up to 20% of on-going net sales of the product in the U.S. after a $3 million threshold is met. The future royalty payments were recognized at their acquisition-date fair value as a contingent consideration liability, as part of the contingent consideration transferred in the business combination. Cumberland prepared the valuations of the contingent consideration liability utilizing significant unobservable inputs. As a result, the valuation is classified as Level 3 fair value measurement.

The following table presents the changes in the fair value of the contingent consideration liability that is remeasured on a recurring basis. The contingent consideration earned and accrued in operating expenses is paid to Theravance quarterly.

Balance at December 31, 2024	$	3,242,999
Cash payment of royalty during the period		(273,028)
Change in fair value of contingent consideration included in operating expenses		117,265
Contingent consideration earned and accrued in operating expenses		—
Balance at March 31, 2025	$	3,087,236

The contingent consideration liability of $3.1 million was accounted for as $0.9 million of other current liabilities and $2.2 million of other long-term liabilities on the condensed consolidated balance sheet as of March 31, 2025.

Sancuso

On January 3, 2022, Cumberland acquired the U.S. rights to the FDA-approved oncology-supportive care medicine Sancuso from Kyowa Kirin, Inc. ("Kyowa Kirin"), the U.S. affiliate of Japan-based Kyowa Kirin Co., Ltd.

Sancuso is the first and only FDA-approved prescription patch for the prevention of nausea and vomiting in patients receiving certain types of chemotherapy treatment. The active drug in Sancuso, granisetron, slowly dissolves in the thin layer of adhesive that sticks to the patient's skin and is released into their bloodstream over several days, working continuously to prevent chemotherapy-induced nausea and vomiting ("CINV"). It is applied 24 to 48 hours before receiving chemotherapy and can prevent CINV for up to five consecutive days. Alternative oral treatments must be taken several times (day and night) to deliver the same therapeutic doses.

Cumberland acquired U.S. rights to Sancuso and assumed full commercial responsibility for the product in the United States – including its marketing, promotion, distribution, manufacturing and medical support activities. The product's FDA registration was subsequently transferred from Kyowa Kirin to Cumberland in August 2023.

Cumberland has also accounted for this transaction as a business combination in accordance with ASC 805 and the product sales are included in the results of operations subsequent to the acquisition date. The Company made an upfront payment of $13.5 million at the closing of the transaction. The agreement called for milestone payments of up to $3.5 million based on the attainment of various approvals and sales performance. In January 2023, Cumberland made a $1.0 million milestone payment to Kwoya Kirin based on the FDA approval of a manufacturing site for the product. In October 2023, Cumberland made a $0.5 million milestone payment based on the successful transfer of the product's FDA registration from Kyowa Kirin to Cumberland.

The remaining $2.0 million in milestones are tied to achievement of certain annual sales levels for the product.

In addition, Cumberland has agreed to pay a royalty of up to 10% of on-going net sales of Sancuso. The future royalty payments were required to be recognized at their acquisition-date fair value as a contingent consideration liability, as part of the contingent consideration transferred in the business combination. Cumberland has prepared a valuation of the contingent consideration liability utilizing significant unobservable inputs. As a result, the valuation is classified as Level 3 fair value measurement.

The following table presents the changes in the fair value of the contingent consideration liability that is remeasured on a recurring basis.

Balance at December 31, 2024	$	1,516,000
Cash payment of milestones and royalty during the period		(238,103)
Change in fair value of contingent consideration included in operating expenses		(72,289)
Contingent consideration earned and accrued in operating expenses		140,392
Balance at March 31, 2025	$	1,346,000

The contingent consideration liability earned and accrued in operating expenses is paid to Kyowa Kirin quarterly. The contingent consideration liability of $1.3 million was accounted for as $0.67 million of current liabilities and $0.68 million of other long-term liabilities on the condensed consolidated balance sheet as of March 31, 2025.

RediTrex

On July 12, 2022, the Cumberland entered into an amendment to an agreement with Nordic Group B.V.("Nordic") returning all the U.S. rights to RediTrex back to Nordic including the trademark and market authorization effective June 30, 2023. The companies have cooperated on the transition and Cumberland will receive a long-term royalty on any Nordic sales of the product.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Disclosure regarding forward-looking statements

The following discussion contains certain forward-looking statements which reflect management's current views of future events and operations. These statements involve certain risks and uncertainties, and actual results may differ materially from them. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results may differ significantly from the results discussed in these forward-looking statements. Some important factors which may cause results to differ from expectations include: availability of additional debt and equity capital; market conditions at the time additional capital is required; our ability to continue to acquire branded products; product sales; management of our growth and integration of our acquisitions and generally unpredictable conditions in national and international markets. While forward-looking statements reflect our beliefs and best judgment based upon current information, they are not guarantees of future performance. Other important factors that may cause actual results to differ materially from forward-looking statements are discussed in the sections entitled "Risk Factors" and "Special Note Regarding Forward-Looking Statements" of our Annual Report on Form 10-K for the year ended December 31, 2024, and our other filings with the SEC. We do not undertake to publicly update or revise any of our forward-looking statements, even in the event that experience or future changes indicate that the anticipated results will not be realized. The following presentation of management's discussion and analysis of financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included in this report on Form 10-Q.

OVERVIEW

Our Business

Cumberland Pharmaceuticals Inc. ("Cumberland," the "Company," or as used in the context of "we," "us," or "our"), is a specialty pharmaceutical company focused on the acquisition, development and commercialization of branded prescription pharmaceuticals. We are dedicated to our mission of working together to provide unique products that improve the quality of patient care.

Our primary target markets are hospital acute care, gastroenterology and oncology. These medical specialties are characterized by relatively concentrated prescriber bases that we believe can be served effectively by small, targeted sales forces. We promote our approved products through our hospital, field and oncology sales divisions in the United States. We continue to build a network of established international partners with the needed regulatory and commercial capabilities to register and provide our medicines to patients in their countries.

Our portfolio of brands approved for marketing by the U.S. Food and Drug Administration ("FDA") includes:

- **Acetadote®** (*acetylcysteine*) injection, for the treatment of acetaminophen poisoning;
- **Caldolor®** (*ibuprofen*) injection, for the treatment of pain and fever;
- **Kristalose®** (*lactulose*) oral solution, a prescription laxative for the treatment of constipation;
- **Sancuso®** (*granisetron*) transdermal, for the prevention of nausea and vomiting in patients receiving certain types of chemotherapy treatment;
- **Vaprisol®** (*conivaptan*) injection, to raise serum sodium levels in hospitalized patients with euvolemic and hypervolemic hyponatremia; and
- **Vibativ®** (*telavancin*) injection, for the treatment of certain serious bacterial infections including hospital-acquired and ventilator-associated bacterial pneumonia, as well as complicated skin and skin structure infections.

In addition to these commercial brands, we recently completed a Phase II study in patients with cardiomyopathy associated with *Duchenne muscular dystrophy* (“DMD”).This rare, fatal genetic neuromuscular disease results in deterioration of the skeletal, heart and lung muscles. The next steps for this DMD Program include further data analysis and completion of a full study report in preparation for an end-of-Phase-II meeting with the FDA to determine next steps associated with the product’s development and commercialization.

We also have Phase II clinical programs underway evaluating our ifetroban product candidate in patients with 1) Systemic Sclerosis (“SSc”) or scleroderma, a debilitating autoimmune disorder characterized by diffuse fibrosis of the skin and internal organs and 2) Idiopathic Pulmonary Fibrosis (“IPF”), the most common form of progressive fibrosing interstitial lung disease. Investigational new study applications have been cleared by the FDA enabling us to launch clinical studies in each of these areas.

Cumberland has built core competencies for the acquisition, development and commercialization of pharmaceutical products in the U.S., and we believe we can leverage this existing infrastructure to support our continued growth. Our management team consists of pharmaceutical industry veterans with experience in business development, product development, regulatory, manufacturing, sales, marketing and finance.

Our business development team identifies, evaluates, and negotiates product acquisition, licensing and co-promotion agreements. Our product development team creates proprietary formulations, manages our clinical studies, prepares our FDA submissions and staffs our medical call center. Our quality and manufacturing professionals oversee the manufacturing, release and shipment of our brands. Our marketing and sales organization is responsible for our commercial activities, and we work closely with our distribution partners to ensure the availability and delivery of our products.

GROWTH STRATEGY

Cumberland's growth strategy involves maximizing the potential of our existing brands, while continuing to build a portfolio of differentiated products. We currently own six products approved by the FDA in the United States. We are also building international partnerships to bring our medicines to patients in other countries. Additionally, we look for opportunities to expand our brands into new patient populations through clinical trials, new product presentations and our support of select, investigator-initiated studies. Meanwhile, our clinical team is developing a pipeline of new product candidates to address poorly met medical needs. We also pursue opportunities to acquire additional marketed brands, as well as late-stage development product candidates in our target medical specialties.

We are supplementing these activities with the earlier-stage product development at Cumberland Emerging Technologies ("CET"), our majority-owned subsidiary. CET partners with academic research institutions to identify and support the progress of promising new product candidates, which Cumberland can further develop and commercialize.

Specifically, we are seeking long-term, sustainable growth by:

- **Supporting and expanding the use of our marketed products.** We continue to evaluate our products following their FDA approval to determine if additional clinical data could expand their market and use. For example, we have secured pediatric approval of Acetadote and Caldolor and expanded the labeling for both brands accordingly. We also added pre-surgery dosing for Caldolor, and more recently included newborns to the patients who can benefit from the product.

- **Selectively adding complementary brands.** In addition to our product development activities, we are also seeking to acquire approved brands or late-stage development product candidates to continue to build our portfolio. We seek under-promoted, FDA-approved drugs as well as late-stage development products that can improve patient care. We will continue to target product acquisition candidates that are competitively differentiated and have valuable intellectual property or other protective features. Our acquisitions of Vibativ and Sancuso are examples of the implementation of this strategy.

- **Progressing our clinical pipeline and incubating future product opportunities at CET.** We believe it is important to build a pipeline of innovative new product opportunities, as we are doing through our ifetroban Phase II development programs. We are also supplementing our acquisitions and late-stage development activities with the early-stage product development activities at CET.

- **Leveraging our infrastructure through co-promotion partnerships.** We believe that our commercial infrastructure can help drive prescription volume and product sales. We also look for select partners that can complement our capabilities and enhance opportunities for our brands. For example, our co-promotion partnerships have allowed us to expand the support for Kristalose across the United States.

- **Building an international contribution to our business.** We have established our own commercial capabilities, including three sales divisions, that focus on the U.S. market for our products. We are also working with a network of established international partners to register our products and make them available to patients in their countries. We will continue to support our partners' registration and commercialization efforts in their respective territories. The acquisition of Vibativ resulted in several new international partners and market opportunities.

- **Managing our operations with financial discipline.** We continually work to manage our expenses in line with our revenues, to deliver positive cash flow from operations. We seek to maintain favorable gross margins and a strong balance sheet.

RECENT DEVELOPMENTS

FDA Approves Acetadote® sNDA

Cumberland previously announced the FDA approval of a supplemental New Drug Application for Acetadote®, our IV treatment for preventing or lessening liver injury after ingestion of potentially toxic quantities of acetaminophen.

Acetaminophen, a common over-the-counter pain reliever and fever reducer, is the leading cause of acute liver failure in the United States. Each year, thousands of individuals experience accidental or intentional acetaminophen poisoning, leading to serious liver damage.

The new dosing regimen simplifies the administration of Acetadote by combining the first two bags of the standard regimen into a single, slower infusion. This streamlined approach has been implemented in hospitals across multiple countries and demonstrated to reduce the frequency of medication errors and potentially serious non-allergic anaphylactoid reactions without compromising effectiveness. By simplifying the dosing regimen, health care providers can administer the life-saving treatment more efficiently, potentially improving patient outcomes.

New Study Compares Caldolor® (ibuprofen injection) to ketorolac

We also announced the publication of new real-world outcomes research involving 150,000 patients, which compared our Caldolor® (ibuprofen) injection to its key competitor – ketorolac – in both adult and pediatric populations. The study, published in *Frontiers of Pain Research*, provided compelling evidence that Caldolor is associated with a significantly reduced incidence of adverse drug reactions (ADRs) and improved health care utilization when compared to ketorolac.

This extensive, retrospective, payer database analysis evaluated the records of over 17 million patients who had received either Caldolor or ketorolac. Ultimately, 31,046 Caldolor and 124,184 ketorolac adult patients were selected and compared for ADRs and subsequent health care resource utilization, which includes inpatient, outpatient and emergency department visits as well as all procedures and prescriptions during the follow up time of 29 days. An additional 5,579 pediatric patients were identified in each arm and compared in a separate claims analysis.

Key findings reveal that, in adults, Caldolor was associated with a 45% reduction in renal dysfunction ($p<0.001$) and a 78% decrease in hematuria rates ($p<0.001$) when compared to ketorolac. Notably, patients also experienced fewer gastrointestinal complications as well as reduced headaches, nausea and abdominal pain. Among pediatric patients, the results showed Caldolor was associated with a 51-65% lower rate of ADRs, including headache and nausea, with 95% confidence intervals supporting clinical significance.

Caldolor also demonstrated a positive impact on health care resource utilization (HCRU) when compared to ketorolac, with decreased emergency room and outpatient visits, as well as a shortened hospital length of stay for both adults and children.

These findings underscore Caldolor's potential to improve patient care by reducing their treatment complications, while also delivering potential saving for health care systems through decreased hospital readmissions and shortened treatment times.

Ifetroban Clinical Studies

In February, we announced positive top-line results from the Phase II study evaluating our ifetroban product candidate in patients with Duchenne muscular dystrophy (DMD). This marks a breakthrough for these patients, as it is the first successful Phase II study specifically targeting the cardiac complications of their condition. These study results were selected for a late-breaking presentation in March at the Muscular Dystrophy Association's Clinical & Scientific Conference. That platform allowed us to share our promising results with the global DMD community, including leading researchers, clinicians and patient advocates who are working tirelessly to improve outcomes for those affected by this devastating disease. The next steps for our DMD program include further data analysis and completion of a full study report in preparation for an end-of-Phase-2 meeting with the FDA to determine the requirements for the product's approval.

We have been evaluating our ifetroban product candidate in a Phase II clinical programs evaluating our ifetroban product candidate in patients with Systemic Sclerosis or scleroderma, a debilitating autoimmune disorder characterized by diffuse fibrosis of the skin and internal organs. Enrollment in the study is now complete, and we are monitoring the clinical sites in preparation to lock the database and begin evaluating the study. We expect to announce top-line results from this study later this year.

In addition, we have a Phase II clinical program underway in patients with Idiopathic Pulmonary Fibrosis, the most common form of progressive fibrosing interstitial lung disease. Patient enrollment is now underway in medical centers across the U.S. We have also completed a pilot Phase II study involving 1) patients suffering from Hepatorenal Syndrome, a life-threatening condition involving liver and kidney failure, 2) patients with Portal Hypertension associated with chronic liver disease and 3) patients with Aspirin-Exacerbated Respiratory Disease, a severe form of asthma. There were no significant safety issues identified with the use of ifetroban in these patients. Additional pilot studies of ifetroban are underway, through several investigator-initiated trials. We are awaiting results from these various studies before deciding on the best development path for the registration of ifetroban, our first new chemical entity.

International Agreements

We continue to support our international partners in their efforts to register Vibativ® in their countries.

We recently learned that our potent antibiotic Vibativ received approval from the regulatory authorities in China. That milestone provides us with access to the world's second-largest pharmaceutical market – and we look forward to the launch of our product there.

We previously announced a new partnership with Saudi Arabia-based Tabuk Pharmaceutical to introduce Vibativ into the Middle East. The arrangement provided Tabuk exclusive rights to distribute Vibativ in Saudi Arabia and Jordan, with the option to expand into other countries in the region. Tabuk has obtained the final approvals needed to commercialize Vibativ in Saudi Arabia. In late 2024, we began shipping Vibativ there and completed the needed product training to launch the product in that country.

We also entered into an agreement with D.B. Pharm to register and commercialize our Vibativ product in South Korea. D.B. Pharm also distributes our Caldolor product there. They have filed for the approval of Vibativ and we have been supporting their efforts through the review process of their application in the country. The Korean regulatory authorities did not approve the initial submission, and indicated that additional manufacturing information will be required. We will work with D.B. Pharm to address the additional requirements.

Additionally, in late 2024, PiSA Pharmaceutical, our partner for Caldolor in Mexico, completed and submitted a dossier to COFEPRIS, Mexico's equivalent to the FDA, for the product's approval in that country.

Competition

The pharmaceutical industry is characterized by intense competition and rapid innovation. Our continued success in developing and commercializing pharmaceutical products will depend, in part, upon our ability to compete against existing and future products in our target markets. Competitive factors directly affecting our markets include but are not limited to:

- product attributes such as efficacy, safety, ease-of-use and cost-effectiveness;
- brand awareness and recognition driven by sales, marketing and distribution capabilities;
- intellectual property and other exclusivity rights;
- availability of resources to build and maintain developmental and commercial capabilities;
- successful business development activities;
- extent of third-party reimbursements, insurance coverage; and
- establishment of advantageous collaborations to conduct development, manufacturing or commercialization efforts.

Our products face competition from other branded products, generics and alternate medical treatments. Our task is to position each brand to feature its competitive advantages, implement a well-thought-out marketing plan and provide focused sales, field-based medical and other tactical support.

Kristalose is a dry powder crystalline prescription formulation of lactulose indicated for the treatment of constipation. The U.S. constipation therapy market includes various prescription and over the counter, or OTC, products. There are several branded prescription products which we believe are our primary competitors including Amitiza®, Movantik®, Linzess® and Vibrant®.

There are several hundred OTC products used to treat constipation marketed by numerous pharmaceutical and consumer health companies. MiraLax® (polyethylene glycol 3350), previously a prescription product, was indicated for the treatment of constipation and manufactured and marketed by Bayer. MiraLax was converted to an OTC product and as a result the FDA rescinded the approval of the generic prescription polyethylene glycol 3350 products.

There are also other lactulose products available in the U.S. including Constulose, Enulose and Generalac, as well as several generics. Prescriptions for our Kristalose product are often substituted and filled by one of these generic products. During the first quarter of 2025, a generic crystalline lactulose product was approved, available from PAI Pharma.

Tariffs

The United States and other countries have recently begun imposing new tariffs on international trade. While pharmaceuticals have been largely exempt from these recently imposed U.S. tariffs, such exemptions may be removed in the future. We continue to monitor and evaluate the impacts of tariffs on our business and the results of our operations.

Summary

We are entering an exciting time for our Company. We remain in the early stages of capitalizing on numerous opportunities and expect our momentum to continue. Our ongoing success can be driven by growth from our approved brands, expanded international partnerships, progress in our clinical development programs and the potential addition of select acquisitions. We will remain focused on our efforts and look forward to future opportunities to carry out our mission and report on our progress throughout the remainder of the year and beyond.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT JUDGMENTS AND ESTIMATES

Please see a discussion of our critical accounting policies and significant judgments and estimates in Note 1 to the Company's Condensed Consolidated Financial Statements accompanying this report and the section entitled "Management’s Discussion and Analysis of Financial Condition and Results of Operations" in our 2024 Annual Report on Form 10-K.

Accounting Estimates and Judgments

The preparation of condensed consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. We base our estimates on past experience and on other factors we deem reasonable given the circumstances. Past results help form the basis of our judgments about the carrying value of assets and liabilities that cannot be determined from other sources. Actual results could differ from these estimates. The Company's most significant estimates include: (1) its allowances for chargebacks and accruals for rebates and product returns, (2) the allowances for obsolescent or unmarketable inventory and (3) valuation of contingent consideration liabilities associated with business combinations.

RESULTS OF OPERATIONS

Three months ended March 31, 2025 compared to the three months ended March 31, 2024

The following table presents the unaudited interim statements of operations for continuing operations for the three months ended March 31, 2025 and 2024:

	Three months ended March 31,		
	2025	**2024**	**Change**
Net revenues	$ 11,713,055	$ 8,497,701	$ 3,215,354
Costs and expenses:			
Cost of products sold	1,425,714	1,575,542	(149,828)
Selling and marketing	4,231,980	4,154,588	77,392
Research and development	1,295,076	1,158,253	136,823
General and administrative	2,463,008	2,367,907	95,101
Amortization	1,005,330	1,110,661	(105,331)
Total costs and expenses	10,421,108	10,366,951	54,157
Operating income (loss)	1,291,947	(1,869,250)	3,161,197
Interest income	125,709	96,746	28,963
Interest expense	(163,802)	(118,526)	(45,276)
Income (loss) before income taxes	1,253,854	(1,891,030)	3,144,884
Income tax expense	(5,670)	(11,442)	5,772
Net income (loss)	$ 1,248,184	$ (1,902,472)	$ 3,150,656

The following table summarizes net revenues by product for the periods presented:

	Three months ended March 31,		
	2025	**2024**	**Change**
Products:			
Kristalose	$ 3,484,310	$ 3,195,609	$ 288,701
Sancuso	2,256,294	1,827,769	428,525
Vibativ	1,378,066	1,605,489	(227,423)
Caldolor	1,307,439	1,470,699	(163,260)
Acetadote	151,651	80,203	71,448
Omeclamox-Pak	(5,387)	(1,615)	(3,772)
Vaprisol	(600)	8,662	(9,262)
RediTrex	(347)	35,556	(35,903)
Other revenue	3,141,629	275,329	2,866,300
Total net revenues	$ 11,713,055	$ 8,497,701	$ 3,215,354

Net revenues. Net revenues for the three months ended March 31, 2025, were $11.7 million compared to $8.5 million for the three months ended March 31, 2024. As detailed in the table above, net revenue increased for three of our marketed products during the first quarter of 2025, Kristalose, Sancuso and Acetadote.

Kristalose revenue was $3.5 million for the first quarter of 2025 and $3.2 million for the same period in the prior year. The increase was the result of sales to our co-promotion partner.

Acetadote revenue includes net sales of our Acetadote brand and our share of net sales from our Authorized Generic. During the first quarter of 2025, there was an increase of $0.1 million in the product's revenue when compared to the prior year period due to an increase in sales of our Authorized Generic.

There were no Vaprisol branded product sales for the first quarter of 2025 as Cumberland is currently out of inventory of the product as we await FDA approval on a new manufacturer. The amount represents charges for product returns.

Caldolor revenue was $1.3 million for the first quarter of 2025, compared to $1.5 million for the first quarter of 2024. The decrease results from higher international sales in 2024.

Vibativ revenue was $1.4 million for the three months ended March 31, 2025, and $1.6 million for the same prior year period. The decrease in net revenue of the product was due to lower sales volume.

Sancuso revenue was $2.3 million for the first quarter of 2025, compared to $1.8 million for the first quarter of 2024 resulting in an increase of $0.4 million. The increase resulted primarily from increased shipments as well as lower sales deductions associated with the product for the first quarter of 2025.

Other revenue was $3.1 million for the three months ended March 31, 2025, compared to $0.3 million for the three months ended March 31, 2024. The increase results from a $3 million milestone payment received associated with the approval of Vibativ for the Chinese market.

Cost of products sold. Cost of products sold for the first quarter of 2025 and 2024 were $1.4 million and $1.6 million, respectively. Cost of products sold, as a percentage of net revenues, were 12.2% during the three months ended March 31, 2025, compared to 18.5% during the three months ended March 31, 2024. The favorable percentage decrease is primarily due to milestone payments and higher international sales in 2024 which typically incur higher cost of goods sold as a percentage relative to the lower international revenue on a per unit basis.

Selling and marketing. Selling and marketing expenses for the first quarter of 2025 were nominally increased by $0.1 million compared to the same period last year.

Research and development. Research and development costs for the first quarter of 2025 were $1.3 million compared to $1.2 million for the same period in 2024. The increase is primarily due to a portion of our research and development costs is variable as we continue to fund the ongoing clinical initiatives associated with our pipeline product candidates. These variable costs depend on the number of active trials, study sites and patients as well as the cost per patient in each of our clinical programs.

General and administrative. General and administrative expense for the first quarter of 2025 was $2.5 million compared to $2.4 million for the same period in 2024. The increase is due to higher compensation expenses.

The components of the statements of operations discussed above reflect the following impacts from Vibativ:

Financial Impact of Vibativ	**Three months ended March 31,**	
	2025	**2024**
Net revenue [1]	$ 4,353,066	$ 1,605,489
Cost of products sold [2]	248,441	277,063
Royalty and operating expenses	510,676	478,473
Vibativ contribution	$ 3,593,949	$ 849,953

[1] Net revenue includes $2,975,000 related to a milestone payment received in the three months ended March 31, 2025 and $1,288 related to other income received in the three months ended March 31, 2024.

[2] The Vibativ inventory included in the costs of product sold during the period was acquired and paid for by Cumberland as part of the acquisition of the brand during 2018.

The components of the statements of operations discussed above reflect the following impacts from Sancuso:

Financial Impact of Sancuso	**Three months ended March 31,**	
	2025	**2024**
Net revenue	$ 2,256,294	$ 1,827,769
Cost of products sold [1]	143,976	256,578
Royalty and operating expenses	929,817	527,697
Sancuso contribution	$ 1,182,501	$ 1,043,494

[1] The Sancuso inventory included in the costs of product sold during 2024 was acquired and paid for by Cumberland as part of the acquisition of the brand during 2022.

Amortization. Amortization expense is the ratable use of our capitalized intangible assets including product and license rights, patents, trademarks and patent defense costs. Amortization for the three months ended March 31, 2025 and 2024, totaled approximately $1.0 million and $1.1 million, respectively.

Income taxes. Income tax expense for the three months ended March 31, 2025 and for the three months ended March 31, 2024 was $0.01 million.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

Our primary sources of liquidity are cash equivalents, cash flows from operations and the amounts borrowed under our line of credit. We believe that our internally generated cash flows, existing working capital and our line of credit will be adequate to finance internal growth, finance business development initiatives, and fund capital expenditures for the foreseeable future.

The following table summarizes our liquidity and working capital as of March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
Cash and cash equivalents	$ 15,108,413	$ 17,964,184
Working capital (current assets less current liabilities)	$ 6,357,532	$ 4,830,429
Current ratio (multiple of current assets to current liabilities)	1.2	1.2
Revolving line of credit availability	$ 14,759,267	$ 4,723,830

The following table summarizes our net changes in cash and cash equivalents for the three months ended March 31, 2025 and March 31, 2024:

	Three months ended March 31,	
	2025	2024
Net cash provided by (used in):		
Operating activities	$ 3,898,517	$ (2,136,647)
Investing activities	(1,228,186)	(58,186)
Financing activities	(5,526,102)	2,421,694
Net increase (decrease) in cash and cash equivalents	$ (2,855,771)	$ 226,861

The net $2.9 million decrease in cash and cash equivalents for the three months ended March 31, 2025, was primarily attributable to $6.8 million of cash used in financing and investing activities, partially offset by $3.9 million of cash provided by operating activities.

Cash provided by operating activities totaled $3.9 million for the three months ended March 31, 2025, primarily due to the $1.2 million net income, adjusted by adding back a $1.2 million decrease in accounts receivable, a $1.0 million decrease in inventory, $0.3 million in amortization of operating lease right-of-use assets and $1.0 million in depreciation and amortization expense, partially offset by deducting a $0.2 million decrease in operating lease liability and a $0.6 million decrease in accounts payable and other current liabilities.

Cash used in financing activities totaled $5.5 million for the three months ended March 31, 2025, primarily due to $10.0 million in payments on our line of credit, $0.5 million for cash settlement of contingent consideration, and $0.2 million in cash used to repurchase shares of our common stock, partially offset by $5.3 million in proceeds from our ATM offering.

Debt Agreement

On September 5, 2023, the Company entered into a new Revolving Credit Loan Agreement with Pinnacle Bank. This facility provides for an aggregate principal funding amount of up to $25 million. The initial revolving line of credit is up to $20 million, with the ability for Cumberland to increase the amount to $25 million, under certain conditions. It has a three year term expiring on October 1, 2026. The interest rate is based on Benchmark (Term SOFR) plus a spread of 2.75%. Cumberland is subject to one financial covenant, the maintenance of a Funded Debt Ratio, determined on a quarterly basis. Borrowings under the line of credit are collateralized by substantially all of our assets.

On May 6, 2024, the Company entered into a First Amendment to the Loan Agreement which provides an alternative to the financial covenant by delivering to the lender a borrowing base certificate and complying with certain borrowing base requirements which set forth a maximum revolver amount equal to the lessor of (a) up to $20 million or (b) the sum of the Company's cash balances and eligible accounts receivable.

OFF-BALANCE SHEET ARRANGEMENTS

During the three months ended March 31, 2025 and 2024, we did not engage in any off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

We are exposed to market risk related to changes in interest rates on our cash on deposit in highly-liquid money market accounts and our revolving credit facility. We do not utilize derivative financial instruments or other market risk-sensitive instruments to manage exposure to interest rate changes. The main objective of our cash investment activities is to preserve principal while maximizing interest income through low-risk investments.

We believe that our interest rate risk related to our cash and cash equivalents is not material. The risk related to interest rates for these accounts would produce less income than expected if market interest rates fall. Based on current interest rates, we do not believe we are exposed to significant downside risk related to a change in interest on our money market accounts at March 31, 2025.

The interest rate risk related to borrowings under our line of credit was based on Term SOFR plus an interest rate spread. The pricing under the Loan Agreement provides for an interest rate spread of 1.75% to 2.75% above Term SOFR with a minimum Term SOFR of 0.90%. The applicable interest rate under the Loan Agreement was 7.125% at March 31, 2025. As of March 31, 2025, we had $5.2 million in borrowings outstanding under our revolving credit facility.

Exchange Rate Risk

While we operate primarily in the United States, we are exposed to foreign currency risk. Currently, we do not utilize financial instruments to hedge exposure to foreign currency fluctuations. We believe our exposure to foreign currency fluctuation is minimal as our purchases in foreign currency have a maximum exposure of 90 days based on invoice terms with a portion of the exposure being limited to 30 days based on the due date of the invoice. Foreign currency exchange gains and losses were immaterial for the three months ended March 31, 2025 and 2024. Neither a five percent increase nor decrease from current exchange rates would have a material effect on our operating results or financial condition.

Item 4. Controls and Procedures

The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company’s disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and is accumulated and communicated to the Company’s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

During the three months ended March 31, 2025, there has not been any change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The information required by this item is incorporated by reference from Part I, Item 1. Financial Statements, Notes to Unaudited Condensed Consolidated Financial Statements, Note 9.

Item 1A. Risk Factors

In addition to the other information set forth in this quarterly report, an investor should consider the risk factors included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities

We currently have a share repurchase program to purchase up to $10 million of our common stock pursuant to Rule 10b-18 of the Exchange Act. In January 2019, our Board of Directors established the current $10 million repurchase program to replace the prior authorizations for repurchases of our outstanding common stock.

The following table summarizes the activity, by month, during the three months ended March 31, 2025:

Period	Total Number of Shares (or Units) Purchased		Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum number (or Approximate Dollar Value) of Shares (or Units) that May be Purchased Under the Publicly Announced Plans or Programs
January	15,770		$2.51	15,770	$ 2,393,735
February	—		—	—	$ 2,393,735
March	38,067	(1)	$5.36	38,067	$ 2,189,608
Total	53,837				

(1) 38,067 shares were repurchased directly in private purchases at the then-current fair market value of common stock.

Item 5. Other Information

Rule 10b5-1 Trading Plans

The following officers and directors of the Company adopted trading plans intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The plans became effective during the three months ended March 31, 2025. The material items of the trading plan are set forth in the table below:

Name of the Director or Officer	Title of the Director or Officer	Date of Adoption	Duration of the Trading Plan	Maximum Dollar Amount to be Used in the Purchase of the Securities
A.J. Kazimi	Chief Executive Officer	November 14, 2024	March 3, 2025 - December 31, 2025	$10,000
Kenneth J. Krogulski	Director	November 14, 2024	March 3, 2025 - December 31, 2025	$50,000
Jamie R. Jones	Director	November 14, 2024	March 3, 2025 - December 31, 2025	$10,000
Caroline R. Young	Director	November 14, 2024	March 3, 2025 - December 31, 2025	$5,000

Item 6. Exhibits

No.	Description
10.1#	Employment Agreement dated March 4, 2025, effective as of January 1, 2025, by and between A.J. Kazimi and Cumberland Pharmaceuticals Inc., incorporated herein by reference to Exhibit 10.11 of the Company's Annual Report on Form 10-K (File No. 001-33637) as filed with the SEC on March 7, 2025.
10.2#	Employment Agreement dated March 4, 2025, effective as of January 1, 2025, by and between Jim Herman and Cumberland Pharmaceuticals Inc., incorporated herein by reference to Exhibit 10.12 of the Company's Annual Report on Form 10-K (File No. 001-33637) as filed with the SEC on March 7, 2025.
10.3#	Employment Agreement dated March 4, 2025, effective as of January 1, 2025, by and between Todd Anthony and Cumberland Pharmaceuticals Inc., incorporated herein by reference to Exhibit 10.13 of the Company's Annual Report on Form 10-K (File No. 001-33637) as filed with the SEC on March 7, 2025.
10.4#	Employment Agreement dated March 4, 2025, effective as of January 1, 2025, by and between Chris Bitterman and Cumberland Pharmaceuticals Inc., incorporated herein by reference to Exhibit 10.14 of the Company's Annual Report on Form 10-K (File No. 001-33637) as filed with the SEC on March 7, 2025.
10.5#	Employment Agreement dated March 4, 2025, effective as of January 1, 2025, by and between John M. Hamm and Cumberland Pharmaceuticals Inc., incorporated herein by reference to Exhibit 10.15 of the Company's Annual Report on Form 10-K (File No. 001-33637) as filed with the SEC on March 7, 2025.
31.1*	Certification of Chief Executive Officer Pursuant to Rule 13-14(a) of the Securities Exchange Act of 1934 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13-14(a) of the Securities Exchange Act of 1934 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	INLINE XBRL INSTANCE DOCUMENT - THE INSTANCE DOCUMENT DOES NOT APPEAR IN THE INTERACTIVE DATA FILE BECAUSE ITS XBRL TAGS ARE EMBEDDED WITHIN THE INLINE XBRL DOCUMENT.
101.SCH*	INLINE XBRL TAXONOMY EXTENSION SCHEMA DOCUMENT
101.CAL*	INLINE XBRL TAXONOMY EXTENSION CALCULATION LINKBASE DOCUMENT
101.DEF*	INLINE XBRL TAXONOMY EXTENSION DEFINITION LINKBASE DOCUMENT
101.LAB*	INLINE XBRL TAXONOMY EXTENSION LABEL LINKBASE DOCUMENT
101.PRE*	INLINE XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE DOCUMENT
104	COVER PAGE INTERACTIVE DATA FILE (FORMATTED AS INLINE XBRL AND CONTAINED IN EXHIBIT 101)

* Filed herewith.

** Furnished herewith.

# Indicates a management contract or compensatory plan

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Cumberland Pharmaceuticals Inc.

Date: May 9, 2025

By: /s/ John Hamm
John Hamm
Chief Financial Officer and Duly Authorized Officer

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, A.J. Kazimi, certify that:

1. I have reviewed this Form 10-Q of Cumberland Pharmaceuticals Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 9, 2025 By: /s/ A.J. Kazimi

A.J. Kazimi
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, John Hamm, certify that:

1. I have reviewed this Form 10-Q of Cumberland Pharmaceuticals Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 9, 2025 By: /s/ John Hamm

John Hamm
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2025 of Cumberland Pharmaceuticals Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, A.J. Kazimi, Chief Executive Officer and John Hamm, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. section 1350), that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ A. J. Kazimi
A.J. Kazimi
Chief Executive Officer
May 9, 2025

/s/ John Hamm
John Hamm
Chief Financial Officer
May 9, 2025