

## COMPANY UPDATE

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*To Our Shareholders, Employees & Partners:*

These are exciting times at Cumberland! The Company is embarking on a path which will launch us on a growth trajectory. Many of the steps to do that have been put in place over the past year, and we now expect to see the results of those efforts.

In May we announced the acquisition of the exclusive U.S. rights to **Ethiol**<sup>®</sup> through an agreement with the *Clinigen Group plc*. Ethiol is an FDA approved cytoprotective drug indicated used to support select patients undergoing radiation treatment for head and neck cancers and those undergoing chemotherapy for ovarian cancers. Cumberland is responsible for all distribution, promotion, and medical support of Ethiol in the U.S. Ethiol is our first oncology support product and complements our current hospital product line.

During the second quarter, we announced an expansion to our pipeline with the addition of **Vasculan**<sup>™</sup> for the treatment of systemic sclerosis (SSc). Also known as scleroderma, it is a deadly autoimmune disorder that involves a thickening of the skin and internal organs. Unfortunately, there is no approved treatment for this condition and we are excited to investigate Vasculan as a potential therapeutic for the unmet medical need and life-threatening condition these scleroderma patients face.

Along with this newest addition to our pipeline, we are advancing our other two candidates - **Boxaban**<sup>®</sup> and **Hepatoren**<sup>®</sup>. The initial Phase II clinical studies have been completed and have provided favorable top line results. We are finalizing our analysis and reports from these studies as we also plan next steps for both development programs.

Total net revenues during the first half of 2016 were \$15 million resulting in adjusted earnings of \$2 million or \$.13 per share. **Kristalose**<sup>®</sup> remains our largest selling product and **Caldolor**<sup>®</sup> our fastest growing brand. We also continued to enjoy a significant contribution from the next generation **Acetadote**<sup>®</sup> products as well as ongoing sales from our newer products – **Vaprisol**<sup>®</sup> and **Omeclamox**<sup>®</sup>-**Pak**. We maintained a strong financial position ending the first half of the year with nearly \$90 million in total assets, including over \$50 million in cash and marketable securities. We also implemented our ongoing share buyback program with an additional \$10 million available for the initiative.

I am also pleased to report an expansion to our Board of Directors with the planned appointment of **Caroline Young**. She is the former president of the *Nashville Healthcare Council* and former Executive Director of the *Tennessee Biotechnology Association*. Her extensive experience in health care, biotechnology, international and organizational development provide for an excellent addition to our Board.

Finally, I would like to thank our team for their steadfast efforts during the first half of 2016. We continue to remain focused on our mission - advancing patient care through the delivery of high-quality pharmaceutical products. We look forward to keeping you updated as we work towards a strong second half of the year.

With best wishes,



August 2016