COMPANY UPDATE

To Our Shareholders, Employees & Partners:

Our revenue momentum continues as Cumberland has now enjoyed double digit revenue growth for the fourth consecutive quarter. Revenues totaled $8.7 million in the second quarter of 2017 an increase of 17% over the prior year period. **Ethyol®,** our newest brand, contributed $2.1 million in sales during the quarter and $5.8 so far, this year. Meanwhile, our financial position remained strong with approximately $90 million in total assets, including nearly $50 million in cash and marketable securities.

One of our key strategic objectives is to maximize the potential of our existing brands - as we believe that an FDA approved product is a very valuable asset. Towards that goal, we announced in April a new **Kristalose®** co-promotion partnership with ***Poly Pharmaceuticals***. Poly's sales organization is featuring our brand with physician audiences that we don't cover promoting the benefits of Kristalose to thousands of new medical providers. We are excited to have secured this partnership and expect Poly's efforts will support the growth in Kristalose sales during the multi-year agreement term.

Earlier this year, we announced the acquisition of the exclusive U.S. rights to **Totect®** through an agreement with the ***Clinigen Group plc*.** Totect is our second oncology support product and complements our current hospital product line. It's is an FDA-approved emergency oncology intervention which is indicated to treat the toxic effects of anthracycline chemotherapy in case of extravasation (drug leakage). With the agreement in place, we began preparation for the product's launch and recently, we initiated distribution and sales of Totect in the United States. We next plan to launch promotion of this important oncology product in September, following our national sales meeting and brand training. With the introduction of Totect, Cumberland's commercial product line now includes seven FDA approved brands.

Meanwhile, we also continued to advance our clinical pipeline programs with initial patient enrollment underway in our **Vasculan®** and **Portaban™** Phase II studies. We also submitted and obtained FDA clearance for an investigational new drug (IND) for the **Boxaban™** program this year and have now begun initiating its second Phase II trial at medical centers across the country.

During the second quarter, our earnings were impacted by an allowance for increased Medicaid rebates and a non-cash adjustment to our tax asset. We do continue to have $44 million in tax loss carry forward available associated with the prior exercise of stock options. We believe Cumberland's shares are undervalued and have continued our share repurchased program.

We recently moved our line of credit to ***Pinnacle Bank***, which is also headquartered in Nashville and one of the 50 largest financial institutions in the United States. The new facility provides for up to $20 million to support our initiative to acquire rights to select additional products.

Finally, I would like to acknowledge and thank our team for their efforts during the first half of 2017. We all remain focused on our mission of advancing patient care through the delivery of high-quality pharmaceutical products. We will be sure to keep you updated on our progress as we work towards a strong finish to the year.

With best wishes,

August 2017