COMPANY UPDATE

To Our Shareholders, Employees & Partners:

I am pleased to report excellent progress in 2017 in advancing toward our goal of sustainable growth and profitability. Over the past few years, we have taken steps to transform our company. Those efforts have strengthened Cumberland's market presence and diversified our business.

Net revenues in 2017 were $41 million, an increase of 25% over the prior year. We continued to maintain a strong financial position with $93 million in total assets and $50 million in cash and investments at the end of the year.

During 2017 we expanded our commercial product line with the acquisition of the exclusive U.S. rights to **Totect®** (dexrazoxane hydrochloride) - the second product to emerge from our alliance with the British **Clinigen Group**. Totect is an FDA-approved, hospital based oncology intervention drug, indicated to treat the toxic effects of anthracycline chemotherapy. We launched Totect during a national shortage of dexrazoxane, resulting in strong initial demand for the brand. To support oncology patients during the shortage, we provided emergency shipments of the product to cancer centers and children's hospitals across the country.

Meanwhile, we were pleased to see that both **Caldolor®** and **Vaprisol®** were the subject of favorable clinical publications in 2017. One study on Caldolor demonstrated its ability to significantly reduce fever in hospitalized children. Another study provided evidence that Caldolor can significantly improve post-operative pain control while also significantly reducing opioid use in patients undergoing surgery. Vaprisol was highlighted in a publication as a well-tolerated solution for hyponatremia - a potentially serious condition that continues to be a leading type of electrolyte imbalance seen in hospitalized patients.

In 2017 we also signed and fully implemented a new co-promotion arrangement with **Poly Pharmaceuticals, Inc.** They're a privately held U.S. specialty pharmaceutical company that began introducing **Kristalose®** to medical specialties we don't cover. Poly's sales organization is more than doubling the number of nationwide physicians called upon with Kristalose, bringing the brand's message to thousands of new medical professionals.

Our clinical pipeline programs continued to advance in 2017. Patient enrollment progressed in our Phase II **Vasculan®** and **Portaban®** studies, and we initiated our second **Boxaban®** study after FDA clearance earlier in the year. All three product candidates address patient conditions for which there is currently no effective treatment.

By design, Cumberland is a very different company today than we were just a few years ago. Our product portfolio has grown, our reach has substantially increased, and our pipeline now addresses several market opportunities in the hundreds of millions of dollars. This diversified strategy has driven our double-digit top line growth over the last year, and our momentum is strong. We are confident that we have put the key pieces in place to help us to deliver on our goals.

Finally, I'd like to acknowledge and thank our team for all their fine efforts, and for doing their part in advancing our mission of improving patient care through the delivery of high-quality pharmaceutical products.

With best wishes,

March 2018