

Letter to Stockholders

Dear Stockholder:

We are pleased to announce that sales increased by \$684,620 (27%) during the first quarter of 2024 compared with the same period in 2023. Sales increased for both cosmetic ingredients and medical lubricants. Cosmetic ingredients increased by \$1,114,581 (146%) and medical lubricants increased by \$7,108 (2%). The significant increase in cosmetic ingredient sales primarily came from our largest distributor, Ashland (“ASI”). ASI saw increases throughout their territories with the greatest increase coming from China. ASI believes that the competition in China, may be softening due to an increase in sales from new customers. We are hopeful that this marks a shift in the Chinese market, and that the trend of increased sales and new customer wins will continue. The substantial increase seen in cosmetic ingredients was partially offset by a decrease in our pharmaceutical products. Sales of pharmaceuticals decreased by \$403,901 (30%). The decrease in pharmaceutical sales came from reduced sales of Renacidin. In the fourth quarter of 2023 our contract manufacturer temporarily shut down their facility forcing us to allocate our existing stock of Renacidin in order to maintain sufficient supply levels to fill orders. We received new lots of Renacidin at the end of Q1 and have started to fill orders in their entirety.

As part of our ongoing efforts to expand the market for Renacidin we recently began a focus group study with the aim of gaining clinical insights on Renacidin. This study will be conducted with healthcare professionals participating in in-depth interviews. We hope this study will be a precursor to a larger marketing campaign designed to reach prescribers that are currently unaware of Renacidin and foster a network of professionals to assist with clinical inquiries. We expect the focus group study to be completed by the end of Q2. While our marketing study will focus on the market within the United States (“U.S.”), we are still in negotiations with a distributor to expand our reach of Renacidin into Europe. We will, in conjunction with our distribution partner, continue to explore the medical landscape outside the U.S. to fully understand what is needed to bring Renacidin to more patients throughout the world.

We are delighted to announce that Denise Costrini has joined the United Guardian team as our new marketing director. Denise brings a wealth of marketing, strategy, and leadership experience from her previous roles with market leading companies in the personal care industry, including Ashland Inc., Croda Inc. and The Dow Chemical Company. Over the next few months, Denise will be assessing our current market performance, conducting market research, and looking for opportunities to grow our market share in personal care. She will also work closely with our marketing partners to build customer relationships, create additional marketing materials, and develop our marketing strategy for the future.

We remain dedicated to expanding our distributor relationships. We are still in negotiations with ASI on a new distribution agreement for our cosmetic ingredients and hope to have the agreement finalized by the end of Q2. Our sexual wellness ingredients are currently being marketed by Brenntag Specialties (“Brenntag”), in the U.S. and Canada. We continue to have conversations with the Brenntag team on the possibility of expanding this agreement into new regions where opportunities have been identified.

We are also in the final stages of negotiations on a new marketing agreement for our medical lubricants. The agreement will initially include two countries in Europe, with the possibility of expanding that to other European countries as well as countries in the Middle East and Africa.

Our research team is actively developing new ingredients in three product categories. In the cosmetic ingredients category, we are in various stages of development for both skincare and haircare applications. In the medical lubricants category, we are developing products for three medical customers. These projects are ongoing with one in late-stage development. And lastly, in the sexual wellness ingredient category we are developing new ingredients for the Natrajel™ line to meet market needs identified from customer and distributor feedback.

The start of 2024 has been incredibly positive as we begin to make headway on our growth efforts. We believe the addition of our new marketing director will allow us to expand our market presence and take advantage of additional growth opportunities.

Sincerely,

UNITED-GUARDIAN, INC.

A handwritten signature in black ink that reads "Donna Vigilante". The signature is written in a cursive style with a large, sweeping initial "D".

Donna Vigilante
President