

Letter to Stockholders

Dear Stockholder:

We had a slow start to the year with both sales and net income decreasing in the first quarter of 2025 compared to the first quarter of 2024. Sales decreased by 24% from \$3,254,944 in the first quarter of 2024 to \$2,481,127 in the first quarter of 2025. Net income also decreased to \$560,895 (\$0.12 per share) in the first quarter of 2025 compared to \$925,442 (\$0.20 per share) in the first quarter of 2024. Sales of pharmaceuticals and medical lubricants increased by 23% and 43%, respectively. Pharmaceutical sales in the first quarter of 2025 increased compared to the first quarter of 2024 due to the Renacidin[®] supply disruption that occurred at the end of 2023 and continued into the first quarter of 2024. In the first quarter of 2024, we were forced to allocate our remaining stock of Renacidin which caused sales to decrease, as we could not fill orders completely. In the first quarter of 2025, we were able to fill orders in their entirety which resulted in an increase in sales compared to the same quarter in 2024. The increase in medical lubricant sales was driven by greater demand from two of our large contract manufacturer customers in India and China. Unfortunately, the increases in our pharmaceutical and medical lubricant sales were not large enough to offset the decrease in cosmetic ingredient sales. Cosmetic ingredient sales decreased by 63% in the first quarter of 2025 compared to the same period in 2024. The decrease was primarily due to decreased purchase orders from our largest distributor, Ashland Specialty Ingredients (“ASI”). ASI stated that the main reason for the reduced purchase orders was due to them working off excess stock levels. Competition in China for our cosmetic ingredients is still strong and with the tariffs that have been imposed on China from the United States Federal Government we are experiencing even more competitive pressure. We are working with ASI closely to maintain our market share. We believe the best strategy to compete with local Asian companies, in the short term, is to offer more competitive pricing to maintain our market share. In the long term, we are working on new innovations to gain an advantage over the competition.

Renacidin continues to be a priority on our growth journey. We completed a payer study in May of this year and are in the process of devising a strategy to reduce the barriers to growth that were identified. We determined with our first study that awareness and availability were concerns for healthcare practitioners (“HCPs”). In our second study we determined that the payer landscape presents challenges not previously identified, as well as an opportunity to expand our market share. We will use the second half of 2025 to create a value proposition for Renacidin that address both HCPs and payers. We believe by increasing awareness and availability we will be able to grow our Renacidin sales domestically. We will also use this information to expand our sales of Renacidin outside the United States when the time is right.

We continue to work with our cosmetic ingredient marketing and distribution partners to build brand awareness for our Lubrajel[®] line of hydrogels. In the first quarter of 2025 we saw sales increase by 101% for our four other distribution partners. We believe this is a clear example of how our internal marketing activities over the past year have helped our distribution partners further engage with customers and drive brand awareness. We are very pleased with how our distribution partners have responded to the new marketing tools and are excited to continue providing marketing support to generate new business. We continue to have discussions with ASI on a new marketing and distribution agreement for our cosmetic ingredients. While finalizing this agreement has taken longer than expected, we are actively working with ASI to negotiate the terms of our agreement. We are

hopeful that an agreement will be signed later this year. We have also begun providing the ASI teams in several regions with additional marketing tools. They are eager to use these tools to engage customers, and we believe by providing additional support we will begin to see new project wins.

Our Natrajel® line of sexual wellness ingredients is starting to gain interest and one product from this line has been approved in a commercial formulation. We expect to see sales later this year for this Natrajel product. Brenntag Specialties (“Brenntag”), our marketer and distributor of the sexual wellness line in Mexico, Canada, and the United States, has been promoting these products at trade shows and during customers visits and believes we are well positioned for growth as this market continues to see new developments. Many customers that Brenntag has spoken with are interested in creating sexual wellness products and are waiting for the right opportunity to enter this emerging space. We are finalizing an agreement to extend our relationship with Brenntag for a new territory in Europe. We expect this agreement to be signed shortly.

We signed a new marketing and distribution agreement in the first quarter of 2025 with Azelis which expands our relationship in the UK and Ireland to now include the medical market. We believe this new agreement will allow us to expand our medical lubricant business and create opportunities to build closer customer relationships in this space. We are currently preparing documentation, training materials and tools for Azelis to support their marketing efforts. We will continue to provide updates as we move forward.

We continue to believe that innovation is a key component to growing our business and our R&D team has several new products that are in late-stage development. These products include a skin care ingredient designed to provide longer hydration benefits, a hair care ingredient that meets the growing need for natural ingredients and a new Natrajel ingredient for the sexual wellness market that addresses an unmet need. The skin care and sexual wellness ingredients will be presented to our distribution partners next month and we are looking forward to their feedback. We continue to work on our new hair care ingredient. We hope that our effort to create products specifically for the hair care market will open up new opportunities. The hair care market is an untapped market for us, and it will take additional time to create the data and marketing material needed to introduce our products successfully. Our marketing team has started to tease the introduction of our products into hair care with our distribution partners, and the response has been positive. In addition, we continue to develop new products for our medical customers with several projects in various stages of development and our marketing team will be creating brochures, sample kits and training presentations to further expand our presence in the medical market.

Lastly, I want to express my gratitude to the Board of Directors for appointing me as its newest Board member. The Board has shown tremendous support in my role as President and has helped to shape the vision for the Company’s future. I am honored to join this group of professionals and look forward to bringing our vision to life and creating a stronger business in the years to come.

Sincerely,

UNITED-GUARDIAN, INC.

A handwritten signature in black ink, appearing to read "Donna Vigilante". The signature is fluid and cursive, with a large initial "D" and "V".

Donna Vigilante
President