



Dear Investors,

As I outlined in a letter to you in August, transparency is a core value not just for Neptune, but for me as the CEO. As such, I want to provide another update on Neptune's recent announcements and our vision going forward.

Strategic Partnerships

On November 11, 2019, we were thrilled to announce a new partnership with International Flavors & Fragrances (IFF) to collaborate on the development of hemp-derived consumer products. IFF is a leading innovator of scent, taste and nutrition, with 97 manufacturing facilities, 105 R&D centers and 33,000 customers globally. It co-creates more than 150,000 unique consumer products annually.

IFF has a wealth of IP, technical expertise and product development know-how, which will accelerate our entrance in the B2C market with hemp-derived CBD consumer products under our Forest Remedies™ brand. These products should be available at U.S. retailers in the first half of calendar 2020. The Initial launch will include a variety of topical products across aromatherapy, a market estimated at approximately \$3 billion annually. More category launches should follow and the total SKU count could ultimately exceed 50 SKUs.

IFF will also have the opportunity to become a shareholder of Neptune and will receive 2,000,000 warrants, each warrant allowing the holder to purchase one common share of Neptune at an exercise price of US \$12.00 per share with a 5-year expiration date.

On October 4, 2019, Neptune announced a partnership with American Media LLC (AMI) that will provide Neptune with \$12 million USD of advertising and creative services. What I like about this partnership is that it is more than a simple customer/supplier relationship. AMI will have the opportunity to become a Neptune shareholder with the warrants it has received as part of this agreement.

American Media will enable Neptune to reach a wide audience to accelerate the commercialization of our brands in the U.S. This agreement aligns well with our strategy to get closer to the end consumer by changing the way that hemp-derived CBD ingredients are utilized and consumed, expanding them into personal care and household cleaning products markets.

Neptune USA

Our sales pipeline in the U.S. is healthy. We recently announced a two-year contract for extraction services, which could exceed \$20 million U.S. dollars. We have also signed contracts with two well-established U.S. based nutraceutical companies to provide finished products and bulk hemp extracts.

To further support our U.S. growth initiatives, we appointed Brett Dubose as Vice-President of Sales for the U.S. Region. Brett will play a key role in helping Neptune accelerate market penetration in the U.S. We will appoint additional staff and continue to invest in talent to ensure we are a leader in both Canada and the U.S.

Research & Development Initiatives

Neptune has twenty years of experience in omega-3s and almost ten years in cannabis and hemp. While on the surface, these may seem like two very different areas, they complement each other very well. Our



R&D team is working hard to design and run studies to demonstrate these synergies. We already have clinical studies on-going or upcoming to examine the benefits of our proprietary omega-3 formulation, MaxSimil, for workout recovery, cardiovascular health and supporting the gut microbiome. Furthermore, to follow up on our nonclinical study suggesting that MaxSimil can increase the absorption of cannabinoids, in early 2020, we are running a human pharmacokinetic study to demonstrate MaxSimil is a superior carrier oil for cannabinoids. Finally, we have designed two formulations of MaxSimil with CBD and other natural ingredients to help with workout recovery and occasional anxiety. Clinical studies to demonstrate the benefits of these formulations are currently being designed and will commence in 2020.

The Road Ahead

My first three months at the helm of Neptune have been exciting and rewarding. We are at a tipping point in our development where our revenue growth should accelerate in the coming quarters. Our balance sheet is strong with ample cash to carry our near-term expansion plans. We believe the current softness in equity markets are short-term and that over time our true potential will be better reflected. We have been expanding and diversifying our core customer base, including the additional nutraceutical and consumer package goods customers.

As part of the global plant-based movement, consumers are demanding natural, safe and effective products. At Neptune Wellness, we are leading the way and changing how people consume and use cannabis and intend to expand hemp-derived ingredients into personal care and household cleaning products markets.

Stay tuned!

Michael Cammarata

Caution Regarding Non-IFRS Financial Measures

The Corporation uses two adjusted financial measures, Adjusted Segment Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted Segment EBITDA) and Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA) to assess its operating performance. These non-IFRS financial measures are directly derived from the Corporation's financial statements and are presented in a consistent manner. The Corporation uses these measures for the purposes of evaluating its historical and prospective financial performance, as well as its performance relative to competitors. These measures also help the Corporation to plan and forecast for future periods as well as to make operational and strategic decisions. The Corporation believes that providing this information to investors, in addition to IFRS measures, allows them to see the Corporation's results through the eyes of management, and to better understand its historical and future financial performance. Securities regulations require that companies caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, they should not be considered in isolation. The Corporation uses Adjusted Segment EBITDA and Adjusted EBITDA to measure its performance from one period to the next without the variation caused by certain adjustments that could potentially distort the analysis of trends in our operating performance, and because the Corporation believes it provides meaningful information on the Corporation's financial condition and operating results. Neptune's method for calculating Adjusted Segment EBITDA and Adjusted EBITDA may differ from that used by other corporations. Neptune obtains its Adjusted Segment EBITDA measurement by adding depreciation and amortization and stock-based compensation to segment income (loss) from operating activities before corporate expenses. Neptune obtains its Adjusted EBITDA measurement by adding to net income (loss), net finance costs and depreciation and amortization and by subtracting income tax recovery. Other items such as stock-based compensation, litigation provisions, acquisition costs and severance and related costs that do not impact core operating performance of the Corporation are also added back as they may vary significantly from one period to another. Adjusting for these items does not imply they are non-recurring.

Forward-Looking Statements

Statements in this press release that are not statements of historical or current fact constitute "forward-looking statements" within the meaning of the U.S. securities laws and Canadian securities laws. Such forward-looking statements involve known and unknown risks, uncertainties, and other unknown factors that could cause the actual results of Neptune to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. In addition to statements which explicitly describe such risks and uncertainties, readers are urged to consider statements labeled with the terms "believes," "belief," "expects," "intends," "projects," "anticipates," "will," "should," or "plans" to be uncertain and forward-looking. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Forward-looking information in this press release includes, but is not limited to, information or statements about our ability to successfully develop, produce, supply, promote or generate any revenue from the sale of any cannabis-based and hemp-based products in the legal market. The forward-looking statements contained in this press release are expressly qualified in their entirety by this cautionary statement and the "Cautionary Note Regarding Forward-Looking Information" section contained in Neptune's latest Annual Information Form (the "AIF"), which also forms part of Neptune's latest annual report on Form 40-F, and which is available on SEDAR at www.sedar.com, on EDGAR at www.sec.gov/edgar.shtml and on the Investor section of Neptune's website at www.neptunecorp.com. All forward-looking statements in this press release are made as of the date of this press release. Neptune does not undertake to update any such forward-looking statements whether as a result of new information, future events or otherwise, except as required by law. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in Neptune public securities filings with the Securities and Exchange Commission and the Canadian securities commissions. Additional information about these assumptions and risks and uncertainties is contained in the AIF under "Risk Factors".