



Dear Investors:

When I joined Neptune Wellness Solutions last year I outlined a long-term business plan and vision. I committed to doing things in what I described as “the right way” to unlock the company’s full potential, challenging everyone — and everything — within the business, while rebuilding our foundation and looking toward the future. I am delighted to report that we are now seeing the results of these initial efforts across all areas of Neptune.

Despite unexpected and unprecedented challenges presented by the COVID-19 pandemic, Neptune generated revenue growth in fiscal 2020 and completed a corporate restructuring that includes six new business units and enhancements to our board through strategic appointments, and world-class additions to our day-to-day leadership team and sales force.

We have transitioned Neptune into a fully diversified and integrated health and wellness platform that includes strong positioning in the growing cannabis and hemp sector, fully leverages its production and development capabilities, and now rapidly and broadly addresses the \$4.2 trillion consumer wellness industry.¹ We anticipate, despite this scale, that the market will grow at an even higher rate even after the resolution of the COVID-19 pandemic — and are positioning the business accordingly. In the United States, we moved toward a brand strategy that lowers costs and effectively meets the needs of the market. In Canada, we will soon launch our first cannabis brand.

In short, we have quickly built a culture that is nimble and responsive to ever changing consumer trends.

We are building brands, innovating and delivering value to all of our investors, business partners and stakeholders.

ANNUAL REVENUE SPIKES

Neptune produced revenue growth of 69% over the prior year and 4% sequential growth compared with the third quarter – a significant achievement given the ongoing industry challenges and the impact of the COVID-19 pandemic.

I credit the year-over-year and sequential growth to significant gains in our cannabis business, which continues to gain momentum during the first quarter of fiscal 2021 with new capacity becoming operational and new business wins, as well as significant momentum across our consumer brands and wellness and health innovations segments.

Our outlook for FY21 Q1 reflect these initiatives, investments and the talent that we added over the last several quarters. We now expect Q1 results will show significant revenue growth of 300% to 400% over the same quarter last year.

While the costs associated with our Phase 2 start-up and cannabis business development negatively impacted profitability in the fourth quarter and full year, we have established a strong platform to drive significant revenue growth. Additionally, we invested to develop new brands and launch new products in our consumer brands division.

¹ <https://globalwellnessinstitute.org/press-room/press-releases/wellness-now-a-4-2-trillion-global-industry/>

Through our flagship consumer-facing brands, Forest Remedies™ and Ocean Remedies™, we are setting a path to redefine health and wellness by building a broad portfolio of natural, sustainable and purpose-driven lifestyle brands and consumer packaged goods products in key health and wellness markets, including hemp, nutraceuticals, personal care and home care.

In addition to launching new brands during the fourth quarter, we also laid the groundwork to accelerate our revenue growth, including addressing operational challenges, adding new products and turnkey solutions, and leveraging our industry leading relationships to present Neptune as a broad health and wellness platform. We anticipate the results of these activities to drive accelerated revenue growth in the first quarter of fiscal 2021 and beyond.

COVID-19 CHALLENGES

While unforeseen, Neptune responded quickly to the pandemic. First and foremost, we worked to safeguard our employees and partners. We then navigated the challenges to operate effectively in the current environment.

Within our production facilities, our high-quality standards and operational guidelines were well suited to the new realities of business operations. Our staff responded to the challenge, adapting to social distancing and safety requirements, and we have continued to service our customers without any material disruptions to operations.

While the pandemic impacted some of our growth objectives, such as the pace of roll-out of our consumer-facing brands at retail, Neptune's quick response and broadening business opportunities allowed us to generate sequential quarterly growth. Further uncertainties exist, but our team is even better prepared for future challenges.

Neptune has also responded to consumer demand with new innovations that reflect the current market situation, including the launch of hand sanitizers and Neptune Air. These product opportunities are highly efficient, allowing us to increase or decrease the supply chain capabilities quickly to maximize profit and meet consumer demand. We can rapidly bring these products to market through utilization of our turnkey supply chain solutions and the collective experience of an impressive team assembled over the past year.

Our focus will continue to be on safeguarding the health and wellness of our employees, while leveraging our decades of expertise in specialty ingredient formulation to change consumer habits and provide for a sustainable future for ourselves and generations to come.

RESTRUCTURING COMPLETE

In order to position ourselves as leading innovators, partners and brand developers, and to further accelerate growth and productivity and capture increased value across our markets, we implemented a restructure of the company into six distinct business units, with a salesforce aligned to each:

- **Consumer Brands:** This includes our Forest Remedies™ and Ocean Remedies™ brands. We launched each brand during the fourth quarter through both retail and e-commerce channels and have continued to expand our product lines.
- **Cannabis and Hemp:** This includes our extraction operations in Canada and the United States. We remain well-positioned in these fast-growth markets. With Phase 2 in Sherbrooke recently becoming operational, we are positioned to rapidly expand our Canadian operations with a significant cost and quality advantage. We are also close to a further enhancement of Phase 2 with the continued testing of our cold ethanol technology nearly complete, which will further cement our productivity and cost leadership in the rapidly growing cannabis extraction market in Canada. These capabilities are evident with our recent announcement of a major new extraction client win to be serviced from the Sherbrooke facility.
- **Turnkey Solutions:** This was built on our Biodroga business, brings tremendous value and power. Our product development and supply chain capabilities and relationships allow us to rapidly provide end-to-end consumer solutions and have been a core advantage with recent new product launches and our speed to market.
- **Wellness and Health Innovations:** This facet of the business allows us to expand the product portfolio where we have and will continue to rapidly respond to evolving consumer trends. The recent product announcements of hand sanitizers and Neptune Air non-contact thermometers utilize a highly flexible and low-cost supply chain infrastructure — and we will continue to innovate with additional wellness and health innovations.
- **Neptune Ventures:** This platform provides for future opportunities through strategic investments and as an incubator for emerging technologies. This unit is an important contributor to our long-term growth and shareholder value creation.
- **Neptune Royalties:** This business unit will focus on growing and capitalizing on our intellectual property and licensing opportunities. We have significant intellectual property and capabilities across our organization that can provide a high margin, high value return to our shareholders through this unit.

NEW LEADERSHIP

The market opportunities and the strong foundation we have built have already resonated, to the extent that Neptune has attracted candidates with significant experience and proven success across the consumer products industry. We have added proven leadership to our C-Suite with strong additions across our operations, sales and finance functions. We continue to have a pipeline of new talent to support our growth.

In March, we introduced former MediPharm Labs Chief Operating Officer, David Mayers, as our Chief Operating Officer. David has quickly become an integral part of our executive leadership team and has been instrumental in the commercialization of our Sherbrooke expansion.

In April, Dr. Toni Rinow joined us as Chief Financial Officer. Dr. Rinow has hit the ground running, leveraging her significant operation and finance experience to the Neptune team. Toni has made an immediate impact on every aspect of Neptune's operations. She goes beyond traditional finance functions in terms of strategic input and steering the company through corrective actions, key performance indicator management and supports me in executing our vision for culture, brand and strategy. Dr. Rinow is trained in artificial intelligence and together we'll lead the company through innovation and emerging digital trends.

Additionally, we added Scott Antony as Senior Vice President of U.S. Retail Sales. He joined Neptune from Unilever, bringing with him significant consumer products sales experience. Russel Jay joined us as Vice President of Sales, bringing additional food, drug and mass sales leadership. Finally, we also named Robert DiPede as Senior Vice President of the Wellness and Health Innovation division.

MOMENTUM CARRIES NEPTUNE FORWARD

Neptune's accomplishments have come amid the significant challenges of the COVID-19 pandemic, and we continue to support customers uninterrupted.

We remain focused on a model that keeps our overhead low while allowing us to be agile and responsive to the market without using a lot of capital. We have built strong strategic partnerships, adding product development, supply chain, sales and marketing capabilities to the organization, including partnering with International Flavors & Fragrances and American Media. Additionally, we secured a licensing partnership with the legendary wildlife conservationist Dr. Jane Goodall which will allow us to co-create Forest Remedies™ consumer products.

Neptune Wellness Solutions has never been better positioned with more opportunities from multiple products categories than we have today. Our team is committed to capitalizing on every opportunity to build our business, with highly motivated and energized leadership to effect change and continue the momentum we have built for our investors. This creation of this platform will continue to build upon and drive accelerated growth and shareholder value.

Warm regards,

Michael Cammarata

A Note About Forward-Looking Statements. Statements in this letter 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 letter. Forward-looking information in letter includes, but is not limited to, information or statements about the impact of the novel coronavirus ("COVID-19") pandemic on our future financial position, operations and financial performance, our ability to execute on strategy, and our ability to successfully develop, produce, supply, promote or generate any revenue from the sale of consumer goods, wellness products or any cannabis-based and hemp-based products in the legal market. The forward-looking statements contained in this letter 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 letter are made as of the date of this letter. 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". Neither NASDAQ nor the Toronto Stock Exchange accepts responsibility for the adequacy or accuracy of this release.