



Dear Investors,

The first quarter of fiscal 2021 marked a turning point for Neptune Wellness. Our company quadrupled first-quarter revenue to more than \$21.3 million and generated improvements in gross profit margin, which reflects increasing volumes and efficiencies.

We attribute these milestones to our team's hard work. They remained agile and responsive to changing market conditions amid the COVID-19 pandemic, as we sped up new product initiatives and executed against the strategy of a fully integrated health and wellness business. We've built our brands and innovations, moved closer to the consumer and offered exceptional service to our B2B customers. We now move forward with a focus on CPG, a direct-to-consumer business model and enhancing our own IP.

Neptune has never had more opportunities to capitalize on proven health and wellness product categories while leveraging extraction, nutrition and cannabis expertise to take advantage of the expanding plant-based revolution.

Expanding retail footprint and market share

Our consumer and hemp-based products now sell across North America. As more clarity develops around cannabis regulations and countries move toward legalization, we can quickly scale our brands to introduce additional cannabis products to complement our hemp and essential oils lines. We are focused now on markets where we can make an immediate impact, which gives us a faster route to profitability and growth than other cannabis companies.

Furthermore, our work with likeminded and established CPG companies will ensure our natural and effective products touch every space in of the household. We see the opportunity to take cannabis beyond recreational consumption. With cannabinoids' antifungal, antibacterial and moisturizing properties, we can revolutionize products from toothpaste to deodorants to hand sanitizers and disinfectant wipes. Cannabinoids and plant-based ingredients are CPG's future, and innovative partnerships and product development put us at the forefront.

We currently sell our emerging brands direct-to-consumer and through a retail partnership with Albertson's, among others. We will launch with Amazon by the third quarter and we will continue to invest in ecommerce to stay close to consumers.

New Products, Licenses and Reach

Before the end of the year, we will debut our Jane Goodall-branded lines of essential oils and hand sanitizers. We will also continue to advance our R&D for disinfecting wipes, products that

represent several billion dollar market opportunities and an area that needs new products and innovations to meet surging demand.

In Canada, we recently gained approval from Health Canada to sell cannabis products, including edibles, extracts and topical products. This is in addition to our processing license and precedes the launch of our proprietary cannabis brands in Canada, which will sell under the “Mood Ring” brand name. The authorization further complements our white-label offering to provide additional value for our B2B customers.

The market for hand sanitizers is robust, and our new hand sanitizer has emerged as an important product. Since July 2020, Costco has sold our hand sanitizer in the Northeastern and Southeastern United States, and we have not yet found a ceiling for demand in these regions. In coming months, we will start shipping to the Midwest and West Coast. Our hand sanitizer is effective and safe and provides a premier experience with a pleasant scent and application feel that uses essential oils, aloe vera and fruit extract. We currently offer six scented varieties and plan to feature seasonal scent offerings in the future. We anticipate sustained demand for hand sanitizer, as consumers maintain their healthy habits and look for affordable products that do more than just fill a practical need. We’ve seen dramatic growth this year, we are grateful to the consumer response and we work diligently to keep up with demand.

Bolstered Operations and Leadership

During the quarter, Health Canada approved our cold storage and additional operating space. And our Sherbrooke facility now processes using cold ethanol to give our production, operations, products and customers a significant advantage. The facility ships product for all our key customers, including our recently announced new hemp extraction customer.

We also continued to build our leadership team and sales organization. In July, we hired Eric Gharakhanian as director of Product Development, Health & Wellness Innovations. He will build our personal and products portfolio with a focus on sustainable sanitation wipes and hand sanitizers, among other innovations. He joined Neptune from The Clorox Co., and his background as an organic chemist is an asset for our product innovation pipeline and sustainability initiatives.

In addition to our strong leadership push, we’re also in the process of modernizing our infrastructure and team resources, including a potential new top-tier global banking relationship that when finalized will give us improved access to capital and credit. We completed an equity financing in early July with two new institutional investors to provide capital to support our rapid growth.

Focus on Accelerated Growth

We’ve built a new Neptune with improvements across the platform in preparation for continued growth driven by our fully operational cannabis and hemp business in Canada and the United States, as well as our Health and Wellness Innovations and Turnkey Solutions

business units. Our shift from a B2B extraction company to a fully integrated health and wellness platform with a strong B2C focus is well underway.

I look forward to sharing more updates as we center our efforts on our CPG offering's long-term potential in cannabis and B2C opportunities, we move closer to the consumer, and we redefine health and wellness.

Best 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. 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 <https://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 letter.