

Q2-FY2018 Conference Call Presentation

(Period Ended September 30, 2017)

November 14, 2017



DISCLAIMER

CAUTION REGARDING NON-IFRS FINANCIAL MEASURES

The Corporation uses an adjusted financial measure, Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) called non-IFRS operating loss when the Corporation or segment is in a loss position, to assess its operating performance. This non-IFRS financial measure is directly derived from the Corporation's financial statements and is presented in a consistent manner. The Corporation uses this measure for the purposes of evaluating its historical and prospective financial performance, as well as its performance relative to competitors. This measure also helps 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 EBITDA (or non-IFRS operating loss when in a loss position) 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 financial condition and operating results. Neptune's method for calculating Adjusted EBITDA (or non-IFRS operating loss) may differ from that used by other corporations.

Neptune obtains its Consolidated Adjusted EBITDA (or non-IFRS operating loss) measurement by adding to net income (loss), finance costs, depreciation, amortization and impairment loss and income taxes and by subtracting finance income. Other items such as insurance recoveries from plant explosion, royalty settlements, net gain on sale of assets, legal fees related to royalty settlements, tax credits recoverable from prior years and acquisition costs that do not impact core operating performance of the Corporation are excluded from the calculation as they may vary significantly from one period to another. Finance income/costs include foreign exchange gain (loss) and change in fair value of derivatives. Neptune also excludes the effects of certain non-monetary transactions recorded, such as stock-based compensation, from its Adjusted EBITDA (or non-IFRS operating loss) calculation. The Corporation believes it is useful to exclude this item as it is a non-cash expense. Excluding this item does not imply it is non-recurring.



DISCLAIMER

CAUTIONARY NOTE AND FORWARD-LOOKING STATEMENT

This presentation contains certain forward-looking statements with respect to the Company. These forward-looking statements, by their nature, require the Company to make certain assumptions and necessarily involve known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking statements. Forward-looking statements are not guarantees of performance. These forward-looking statements, including financial outlooks, may involve, but are not limited to, comments with respect to the Company's business or financial objectives, its strategies or future actions, its targets, expectations for financial condition or outlook for operations and future contingent payments. Words such as "may", "will", "would", "could", "expect", "believe", "plan", "anticipate", "intend", "estimate", "continue", or the negative or comparable terminology, as well as terms usually used in the future and the conditional, are intended to identify forward-looking statements. Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances. The Company considers these assumptions to be reasonable based on information currently available to it, but cautions the reader that these assumptions regarding future events, many of which are beyond its control, may ultimately prove to be incorrect since they are subject to risks and uncertainties that affect the Company and its business.

For additional information with respect to these and other factors and assumptions underlying the forward-looking statements made in this presentation, see the Company's quarterly and annual Management Discussion and Analysis filed with the Canadian securities commissions. The forward-looking information set forth herein reflects the Company's expectations as at the date of this presentation and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.



HIGHLIGHTS NUTRACEUTICAL Q2-FY2018

Completed divestiture of bulk krill oil manufacturing and distribution activities while Sherbrooke site retained for new business focus

Gain of \$23.9 million on krill oil divestiture

Total proforma cash of \$31.8 million, debt repayment of \$17.2 million in Q2 and now stands at \$4.9 million

Nutraceutical revenue of \$6.8 million down from \$11.6 million last year, up sequentially by 4% coming from the Solution Business

Net income of \$20.0 million versus a net loss of \$0.7 million

Non-IFRS loss of \$0.2 million compared to Adjusted EBITDA of \$0.8 million last year



OTHER BUSINESS HIGHLIGHTS NUTRACEUTICAL

Michel Timperio, Melody Harwood and Eric Krudener appointed President, Head of Scientific & Regulatory Affairs and Director Product and Brand Development of Cannabis business, respectively

Board approved \$5 million capital expenditure program for Cannabis business

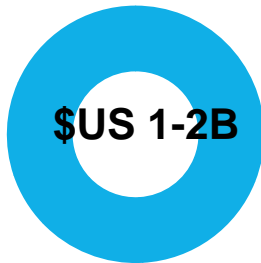
Cannabis roadmap to be presented on November 28 in New York City



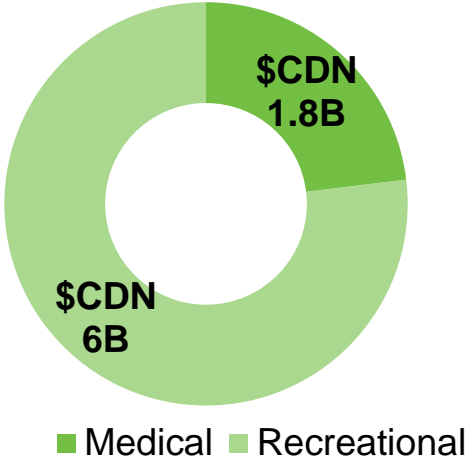
NEPTUNE'S AREAS OF FOCUS

Neptune's Areas of Focus

**Solutions
Business***

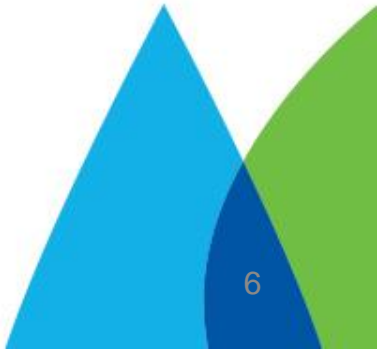


Legal Cannabis in Canada**



*2016 market size – NEPT est.

**2021 market projections , CANACCORD Genuity November 28th 2016.





OUR NEXT PHASE FOCUS IS CONSISTENT WITH OUR MISSION...AND NOW WILL INCLUDE LEGAL CANNABIS

Our Mission:

Leverage our scientific and innovative expertise to create and provide our customers globally with the best nutritional and wellness products solutions.

NEPTUNE

SOLUTIONS
BUSINESS

 Biodroga

SPECIALTY
INGREDIENTS

 MaxSimil[®]
Patented Lipid Absorption Technology

CONSUMER
BRANDS

OCEANO³

ACASTI
PHARMA

 CaPre[™]



LEGAL CANNABIS BUSINESS





OUR NEXT PHASE OF FOCUS – CANNABIS



- **Medical and Adult cannabis** oil extraction markets present significant opportunity and fits well with Company mission, regulatory expertise and technology platform
- Building-up management team
- Go ahead from the Board for \$5.0 million capital expenditure program
- Business manufacturing and commercialization strategy to be shared with investors on November 28, 2017



SOLUTIONS BUSINESS A KEY GROWTH PLATFORM FOR THE FUTURE...

- In recent months, Solutions Business was strengthened with various initiatives to support the next growth phase
- Acquisition opportunities in the US\$ 1-2 billion Solutions Business industry exist
- Expect double digit organic revenue growth for the Solutions Business
- Potential technology platform for innovative new ingredients and applications such as MaxSimil®





Q2-2018 FINANCIAL RESULTS – NUTRACEUTICAL SEGMENT

	Q2-2018 (Sept 30) (3 months)		Q2-2017 (Aug. 31) (3 months)		Q2-2018 vs Q2-2017	Q1-2018 (June 30) (3 months)		Q2-2018 vs Q1-2018 vs
	\$	% of sales	\$	% of sales	% of variation	\$	% of sales	% of variation
(in thousands of CAD \$, except for income (loss) per share and %)								
Revenues from sales	6,548		11,313		-42%	6,297		4%
Gross margin on sales	1,881	29%	2,313	20%	-19%	2,209	35%	-15%
Royalties revenues	246		274		-10%	234		5%
Total gross margin as per FS *	2,127		2,587		-18%	2,443		-13%
R&D expenses net of tax credits	(345)	5%	(356)	3%	-3%	(393)	6%	-12%
SG&A	(2,976)	45%	(2,496)	22%	19%	(2,820)	45%	6%
Adjusted EBITDA (Non-IFRS operating loss)	(164)	-3%	769	7%		622	10%	
Net gain on sale of assets	23,871		-			-		
Net income (loss)	20,043	306%	(668)	-6%		(1,166)	-19%	
Net income (loss) - CONSO	16,117	246%	(2,419)	-21%		(3,367)	-53%	
Basic and diluted income (loss) per share - CONSO	0.24		(0.02)			(0.02)		

* Q2-2018 gross margin excludes an impairment loss on inventories of \$1,719 due to the sale of assets to Aker BioMarine.



FINANCIAL POSITION NUTRACEUTICAL

(in thousands of CAD \$)	Sept. 30, 2017	June 30, 2017
Cash, cash equivalents and restricted short-term investments (proforma after DEC payment on October 6, 2017)	31,821	4,513
Total debt (proforma, see above)	4,862	21,718
Net cash, cash equivalents and restricted short-term investments	26,959	(17,205)

Evolution of Cash Position Until Year-End	In millions of CAD \$
Nutraceutical Segment cash as of 09/30/2017	31.8
CAPEX related to Cannabis business	5.0
Investments to support Cannabis business	2.1-3.1
Debt repayment	0.7
Projected Nutraceutical Segment cash as of 03/31/2018	23-24



LOOKING AHEAD ...

- Solid balance sheet with \$34.3 million in cash
- Board approved \$5 million capital expenditure program to support cannabis business
- Executing strategy to develop cannabis oil extraction opportunity in estimated CAD \$7.8 billion* industry in Canada by 2021
- Remain involved in krill oil via our 34% investment in Acasti Pharma, krill oil softgels in our Solutions Business, and our Oceano3 branded products
- Solutions Business remains a solid platform and expected to grow double digit
- Management attention to be fully focused on growth opportunities going forward
- Business update meeting in NY on November 28, 2017



“The Cannabis Roadmap” Will Detail the Market Opportunity and Business Plan

Business update meeting in New York City on November 28, 2017 from 8:00 AM (EST) to 10:00 AM (EST) to discuss its entry into the legal cannabis market in Canada via the extraction and commercialization of cannabis oil. Neptune CEO Jim Hamilton and other members of senior management will conduct an in-depth overview of the cannabis market in Canada, the company’s business plan, a timeline of anticipated milestones and the potential economics of this new business venture.

Date: Tuesday, November 28, 2017

Time: 8:00 AM EST

Location: New York Athletic Club
180 Central Park South
New York, New York

Webcast: A live webcast of the meeting and presentation can be accessed at: <http://neptunecorp.com/en/investors/events-and-presentations/>
A webcast replay of the meeting will be available shortly thereafter in the Investors section of Neptune’s website under Investor Events and Presentations.



THANK YOU