



## EARNINGS RELEASE

*SOURCE: Neptune Wellness Solutions Inc.*

### **Neptune Reports Fourth Quarter and Fiscal 2021 Results Announces First Quarter Revenue Range of \$10 to \$12 Million**

**LAVAL, QUÉBEC, CANADA – July 15, 2021** – Neptune Wellness Solutions Inc. ("Neptune" or the "Company") (NASDAQ: NEPT) (TSX: NEPT), a diversified and fully integrated health and wellness company focused on plant-based, sustainable and purpose-driven lifestyle brands, today announced its financial and operating results for the three-month and twelve-month periods ending March 31, 2021.

#### **Fourth Quarter and Full Year Financial Highlights**

- Reported fourth quarter revenue of \$6.8 million compared to \$9.5 million in the comparable period in fiscal 2020 and was a 127% acceleration versus the third quarter 2021 reported revenue of \$3.3 million. Reported fiscal year 2021 revenue of \$46.8 million, which increased 58% versus the full fiscal year 2020 of \$29.6 million.
- Reported fourth quarter gross profit loss of \$24.8 million compared to a reported gross profit loss of \$1.1 million in the comparable period in fiscal 2020 and reported fiscal year 2021 gross profit loss of \$36.2 million compared to a gross profit loss of \$1.8 million for the fiscal year 2020.
- Reported fourth quarter net loss of \$60.3 million compared to a reported net loss of \$39.2 million in the comparable period in fiscal 2020 and reported fiscal year 2021 net loss of \$168.6 million compared to a net loss of \$60.9 million for the fiscal year 2020.
- Adjusted EBITDA loss for the fourth quarter was \$24.7 million compared to an Adjusted EBITDA loss of \$5.8 million in the comparable period in fiscal 2020. Adjusted EBITDA loss for fiscal year 2021 was \$52.7 million compared to an Adjusted EBITDA loss of \$19.9 million for the fiscal year 2020.

“Fiscal 2021 was the most challenging year in Neptune’s history due to the global pandemic and our transformation into a diversified, health and wellness CPG company,” said Michael Cammarata, President and Chief Executive Officer of Neptune Wellness. “As indicated in our first quarter revenue range of \$10 to \$12 million, we are now positioned to accelerate top-line growth and leverage costs. Neptune will continue driving organic brand growth through increased distribution and innovation, complimented by strategic, accretive acquisitions, which should lead to improved margins, and ultimately outsized shareholder returns longer-term.”

## **Fourth Quarter Business Highlights**

- Entered an agreement with Société québécoise du cannabis (“SQDC”), Quebec’s sole legal retailer for recreational cannabis, for the sale of recreational cannabis products, which will be sold under the PanHash brand.
- Received amended license by Health Canada to sell dried cannabis flower and pre-rolled cannabis in Canada.
- Developed and licensed CoQ10-enhanced and CBD-enhanced fish oil supplements using our MaxSimil technology and licensed to existing customers.
- Acquired majority stake in Sprout Food, an organic baby and toddler snack food company. Sprout is currently the #5 organic baby food brand in the U.S. and #3 on Amazon.
- Raised gross proceeds of US\$55 million in an equity offering to a syndicate of institutional investors.

## **Subsequent Events and Business Updates**

- Entered a supply agreement with Alberta Gaming, Liquor and Cannabis (“AGLC”), the wholesaler and sole online retailer for recreational cannabis in Alberta. Combined with other provincial supplier agreements, Neptune can now sell recreational cannabis products, under its Mood Ring and PanHash brands, to nearly 1,900 licensed retail locations across Alberta, British Columbia, Ontario, and Quebec.
- Launched High-CBD capsules and oil under the PanHash brand in Quebec.
- Launched three new Mood Ring SKU’s, including dried flower in the province of British Columbia. Mood Ring Florida Citrus Kush is Neptune's first branded flower product.
- Began selling Sprout organic baby foods into substantially all Target stores in the U.S. and Walmart.com, significantly increasing the brand’s distribution.
- Announced a multi-year licensing agreement between Sprout and CoComelon. With more than 110 million YouTube subscribers, CoComelon is the #1 children's entertainment and educational show in the world.
- Given the first quarter of fiscal 2022 has ended, management announced it expects revenue for the fiscal quarter ended June 30<sup>th</sup> to be within a range of \$10 to \$12 million. If achieved, this would represent a sequential growth rate of about 47% to 76% versus the fourth quarter reported revenue of \$6.8 million.

## **Conference Call Details**

Neptune will host a conference call with management on Thursday, July 15<sup>th</sup> at 5:00 PM EST. The call will be webcast and can be accessed at [www.investors.neptunewellness.com](http://www.investors.neptunewellness.com). To listen to the live call, please go to the website at least 15 minutes early to register, download and install any necessary audio software. The webcast will be archived for approximately 30 days.

The audited consolidated financial statements of Neptune Wellness Solutions Inc., which were prepared in accordance with IFRS, and the management discussion and analysis report for the year ended on March 31, 2021 have been filed on SEDAR at [www.sedar.com](http://www.sedar.com) and on EDGAR at [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml), and may also be found on our investor relations website at [www.investors.neptunewellness.com](http://www.investors.neptunewellness.com). All amounts are in Canadian dollars except if specified otherwise.

The Company restated its previously reported condensed consolidated interim financial statements as at and for the three-month and six-month periods ended September 30, 2020 and as at and for three-month and nine-month periods December 31, 2020 with respect to recognition of revenue relating to two transactions, for which revenues were recognized during the three-month period ended September 30, 2020, that did not meet the conditions for recognition of revenue pursuant to the guidance of IFRS 15, specifically related to transfer of control of goods. Accordingly, the cost of sales, trade receivables and inventories were adjusted. The related inventories were written down during the third and fourth quarters of fiscal year 2021, resulting in a restatement for the three-month and nine-month periods ended December 31, 2020.

### **About Neptune Wellness Solutions Inc.**

Headquartered in Laval, Quebec, Neptune is a diversified health and wellness company with a mission to redefine health and wellness. Neptune is focused on building a portfolio of high quality, affordable consumer products in response to long-term secular trends and market demand for natural, plant-based, sustainable and purpose-driven lifestyle brands. The Company utilizes a highly flexible, cost-efficient manufacturing and supply chain infrastructure that can be scaled to quickly adapt to consumer demand and bring new products to market through its mass retail partners and e-commerce channels. For additional information, please visit: <https://neptunewellness.com/>.

### **Disclaimer – Safe Harbour Forward–Looking Statements**

Forward-looking statements contained in this press release involve known and unknown risks, uncertainties and other factors that may cause actual results, performance and achievements of Neptune Wellness Solutions to be materially different from any future results, performance or achievements expressed or implied by the said forward-looking statements.

*Neither NASDAQ nor the Toronto Stock Exchange accepts responsibility for the adequacy or accuracy of this release.*

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