



Neptune Wellness

April 2023

NASDAQ: NEPT

## CAUTIONARY NOTE AND FORWARD-LOOKING STATEMENT

Statements in this presentation 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 factors and assumptions 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 presentation. Forward- looking information in this presentation 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 our products; the growth of our current and future business lines; the ability to retain key executives and the ability to execute strategic plans.

All forward-looking statements in this document are made based on our current expectations, forecasts, estimates and assumptions and involve risks, uncertainties, and other factors that could cause results or events to differ materially from those expressed in the forward-looking statements. Certain factors that could affect our future results or events are described under Part I, Item 1A “Risk Factors” in our 2022 Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on July 8, 2022 (our “2022 Form 10-K”) and Part II, Item 1A “Risk Factors” in our Quarterly Reports on Form 10-Q filed with the SEC for the quarter ended June 30, 2022, and from time-to-time in our other SEC reports. Readers are cautioned not to place undue reliance on forward-looking statements. We assume no obligation to update such information, except as may be required by law. You should carefully consider the trends, risks, and uncertainties described in this document, our 2022 Form 10-K and other reports filed with or furnished to the SEC before making any investment decision with respect to our securities. If any of these trends, risks, or uncertainties actually occurs or continues, our business, financial condition or operating results could be materially adversely affected, the trading prices of our securities could decline and you could lose all or part of your investment. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.

Neptune Wellness is a **company** dedicated to **growing** disruptive CPG **brands** that are **changing the ways we eat, drink, feel, and live.**

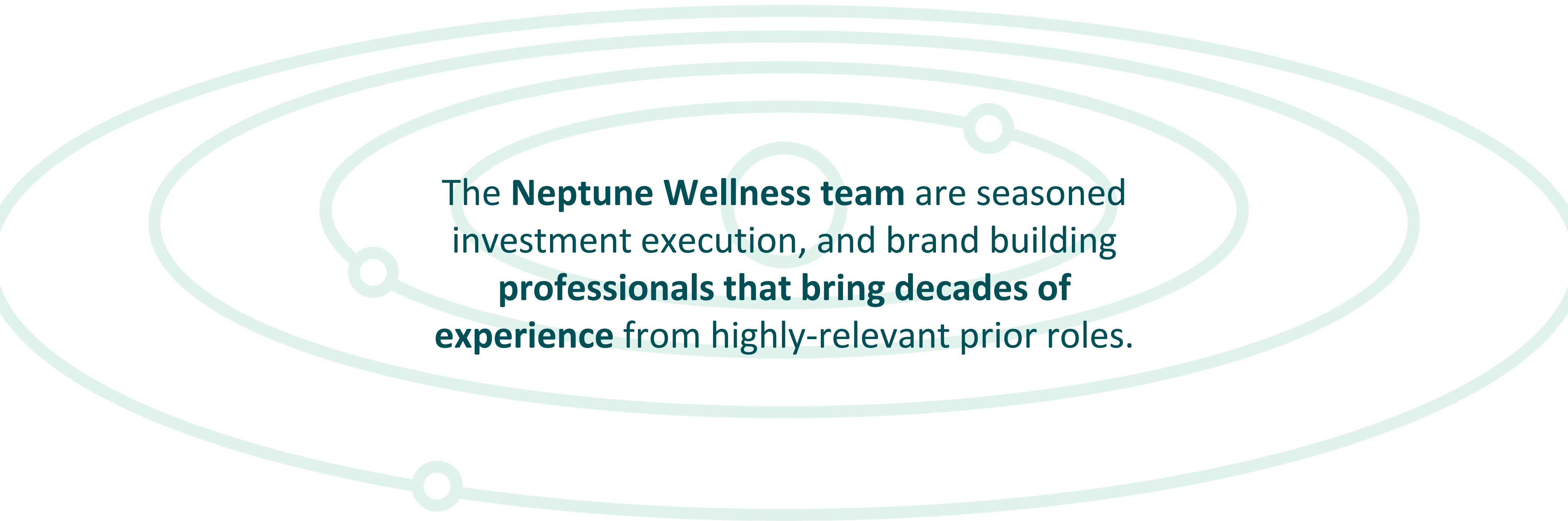


Neptune Wellness is a consumer-packaged goods company that aims to innovate health and wellness products. Founded in 1998 and headquartered in Laval, Quebec, the company focuses on developing a portfolio of high-quality, affordable consumer products that align with the latest market trends for natural, sustainable, plant-based and purpose-driven lifestyle brands. The company's products are available in more than 25,000 retail locations and includes well-known organic food and beverage brands such as Sprout Organics, Nosh, and Nurturme, as well as nutraceuticals brands like Biodroga and Forest Remedies. With its efficient and adaptable manufacturing, supply chain infrastructure, and utilization of tech and AI platforms to enhance customer experience, the company can quickly respond to consumer demand, and introduce new products through retail partners and e-commerce channels.



Our **TEAM**

Of experienced leaders



The **Neptune Wellness team** are seasoned investment execution, and brand building **professionals that bring decades of experience** from highly-relevant prior roles.

# Michael Cammarata

CEO & President



**Michael Cammarata is CEO, President and board member of Neptune Wellness.**

With Cammarata at the helm, Neptune is forging a new path, developing a portfolio of consumer brands, in the following verticals: organic food & beverage, personal care & beauty and nutraceuticals.

Prior to Neptune, Cammarata was the co-founder and chief executive officer of Schmidt's Naturals, an all-natural personal care company acquired by Unilever in 2017. Post-acquisition, Cammarata joined Unilever as global chief executive officer of Schmidt's, stewarding the brand's hyper-growth before the end of 2018 and developing Unilever AI program Alex. With decades of experience in the entertainment and tech industries and a deep relationship with global retailers, Michael's vision for Neptune is to be the scaffolding needed to take a brand from the present into the future.



**schmidt's**

**SPROUT**  
ORGANICS

**BIODROGA**



# Raymond Silcock

CFO



**Ray Silcock is a Chief Financial Officer** with a successful career improving sales and profit performance for leading public and private-equity owned companies including Campbell Soup, US Tobacco, Diamond Foods, Swift & Co, Cott Corporation and Perrigo Company plc. A decisive leader with strong strategic, business planning, M&A, and cost containment skills, he is recognized for his ability to quickly identify, through in-depth analytics, the key drivers restraining performance and for reducing or eliminating unnecessary costs to free up internally generated funds in support of faster growth strategies.





# Sarah Tynan

CEO Sprout Organics



**Sarah Tynan is the CEO of Sprout Organics.** An accomplished business executive with over 14 years of general management, sales and marketing leadership at Newell Brands, Unilever and Newell Rubbermaid. A results driven, strategic leader with a consistent record of driving business growth through people leadership, customer development, creative solutions and extraordinary execution. Extensive experience integrating new businesses, building strategic customer relationships, developing new capabilities and in restructuring underperforming organizations to meet the needs of a rapidly changing global marketplace.





## Brand experts & Marketing team



**Evan Kinkel, and Tyler Segel** comprise Neptune's in-house design and marketing department. They come with over 20+ years experience working in consumer-packaged goods. They have led the creative vision and direction of several well-known brands to exponential growth (and in some cases, acquisition) over the past decade.



**STUMPTOWN**  
COFFEE ROASTERS



*Hangar 1*<sup>®</sup>  
VODKA



**schmidt's**







# Cedrick Billequey

GM Bidroga and Nutraceutical Segement



BIODROGA



## John Wirt

Chief Legal Officer, Executive Vice President of Legal and Business Affairs, General Counsel



Our collective experience  
that changed the game





# Company Strategy

Neptune Wellness **recently underwent significant restructuring, and transitioning to a pure-play CPG company** with an **objective to grow a portfolio of brands** in the following categories: Food & Beverage, Nutraceuticals, Beauty & Wellness, Personal Care, and Pet. This divestment from the time and cost-intensive cannabis operations has allowed us to innovate and adapt quickly to consumer and channel trends.

We are pleased to report strong sales growth and a raised growth outlook for the year, despite macro-economic challenges. Profitable growth is our top priority, and these results demonstrate the resilience of consumer goods and the strength of our brands.

The **changes made to our organization** have led to improved accountability, agility, and faster decision-making, **allowing us to better meet consumer needs**. Our brands continue to drive growth through innovation, such as the CoComelon & Sprout partnership. Additionally, we are committed to keeping sustainability and purpose at the heart of our business, as it serves as a **pathway to profit** while making a **positive impact on people and the planet**.

In addition to our core business, Neptune also operates as a platform, working closely with Private Equity firms, Founders, and Organic growth brands to help them **achieve their full potential**. We provide guidance and support to these partners in **realizing their visions and reaching their goals**.

## Focus on consumer growth equity investments through a founder lens

<b>Check Size</b>	<b>\$5M -\$25M</b> sweet spot, but ability to flex up or down when needed
<b>Position</b>	<b>Majority</b> with board seat(s) and majority rights
<b>Revenue</b>	<b>\$10M -\$75M</b>
<b>Profitability</b>	<b>Profitable</b> or <b>near-term path</b> to profitability
<b>Geography</b>	<b>U.S. and Canada</b> , opportunistically international



# Sector expertise provides competitive advantages throughout the brand investment cycle

## Sourcing

Bankers | Tradeshows | Investors

*Able to identify and access premier opportunities and secure higher win rate*

## Value Add

Operators | Search Firms  
Co-Manufacturers | Distributors  
| Brokers | Brand/Marketing/PR  
Finance | Product Development

*Able to plug network into companies to build better businesses*

## Diligence

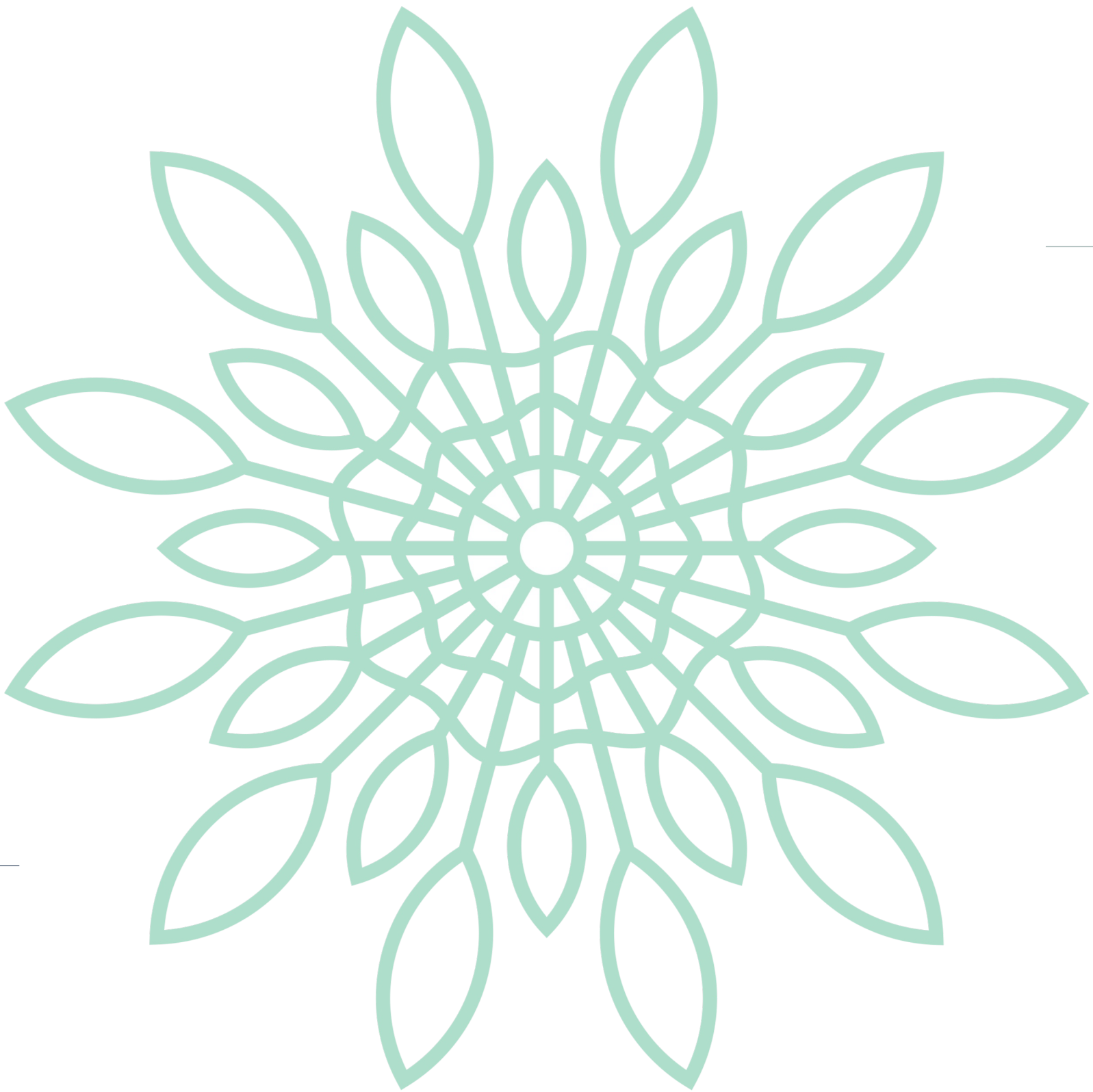
Retailers | Lenders | Accountants

*Able to tap insider knowledge to better assess situations*

## Exit

Strategics | Acquirors

*Able to identify and hit key metrics for maximum valuations*



# Case study 1

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Sprout  
Organics





*Crawl, Walk, RUN!*





# Sprout Organics Overview

A fast-growing organic brand focused on plant-based organic family meals and snacks.

- The third-largest organic baby food brand on Amazon.
- Market share gains: sales outperforming the organic baby food category in all time periods measured (period ending June 18, 2022, source: Nielsen).
- Two fastest growing organic meal items nationally, and the highest sales velocity in the Toddler Meals segment (period ending December, 31, 2022, source: Nielsen).
- In 29,350 doors vs 18,500 doors a year-ago, accessing over 90% of the market.
- 100% organic with honest labeling.
- 50% of Sprout line veggie-leading (two times more than competition).
- CoComelon co-branded exclusive partnership launched in 2022.
- 1st to launch plant powered snacks & pouches, Wafflez product, and popped veggie snacks.
- Expanded into new product categories into Toddler meals beyond the Baby Food Aisle.
- North American expansion during by launching into Loblaws, the largest grocer in Canada.



# Sprout Transformation

Key Areas of Focus		Pre-Neptune	Post-Neptune
Brand Attributes	Strong Customer and Channel Validation	2 <sup>nd</sup> or 3 <sup>rd</sup> Highest Velocities In Pouches, Snacks, and Meals	
	High Net Promoter Score And Customer Loyalty	Sprout Customer Cart Size in Grocery +36% Higher Than The Avg Customer	
Operational Improvements	Whitespace Opportunity	No Distribution in Walmart, Target, 40% of Organic Market	Distribution in Walmart, Target, CVS, 90% of Organic Market
	Brand Extension	Baby Primarily, Small Snack Business	Penetration in Meal Category and Upage Snacks
	Opportunity For Identified Packaging/ Marketing Improvements		
	Licensing Applicability	No Licensing in Place	CoComelon Partnership, #1 Kids Brand
	Omnichannel Expansion	Strong Performer on Amazon	Launch of DTC, Top Performer on Amazon and Instacart
	SG&A Leverage	Sprout 40 Employees	Sprout 14 Employees

The playbook employed and enabled by Neptune is highly replicable in the future with additional brand targets



Sprout has been making delicious organic meals and snacks for babies and toddlers since 2008





# Full Suite of Current Baby and Toddler Products, With Additional Up-Age Products Launching

## 6+ Month Pouches



- 12 Flavors
- 3.5 oz pouches with twist-off, resealable cap

## 8+ Month Pouches



- 9 Flavors
- 4 oz pouches with twist-off, resealable cap

## 12+ Month Pouches



- 12 Flavors
- 4 oz pouches with twist-off, resealable cap

## Toddler Curlz



- 5 Flavors, 1.48 oz Tins
- Curl shape easy for little fingers to pick up and self-feed; crunchy texture that toddlers love

## Toddler Wafflez



- 5 Flavors, 5 Packets / Box
- Oven baked waffle snack made with stoneground wheat flour and whole fruits & veggies

## Toddler Crinklez



- 2 Flavors, 1.48 oz Bags
- 1st air-popped veggie and snack for toddlers; Plant Powered from organic chickpeas

## Toddler Chews



- 1 Flavor, 5 Packets / Box
- Pressed Fruit & Veggie Snack; Soft, bite-sized pieces perfect for toddlers

## Toddler Meals



- 4 Flavors, 5g+ Protein Each
- One 5oz ready-to-eat meal per package

## PB & Yayz Snack Sized Sandwich Bars



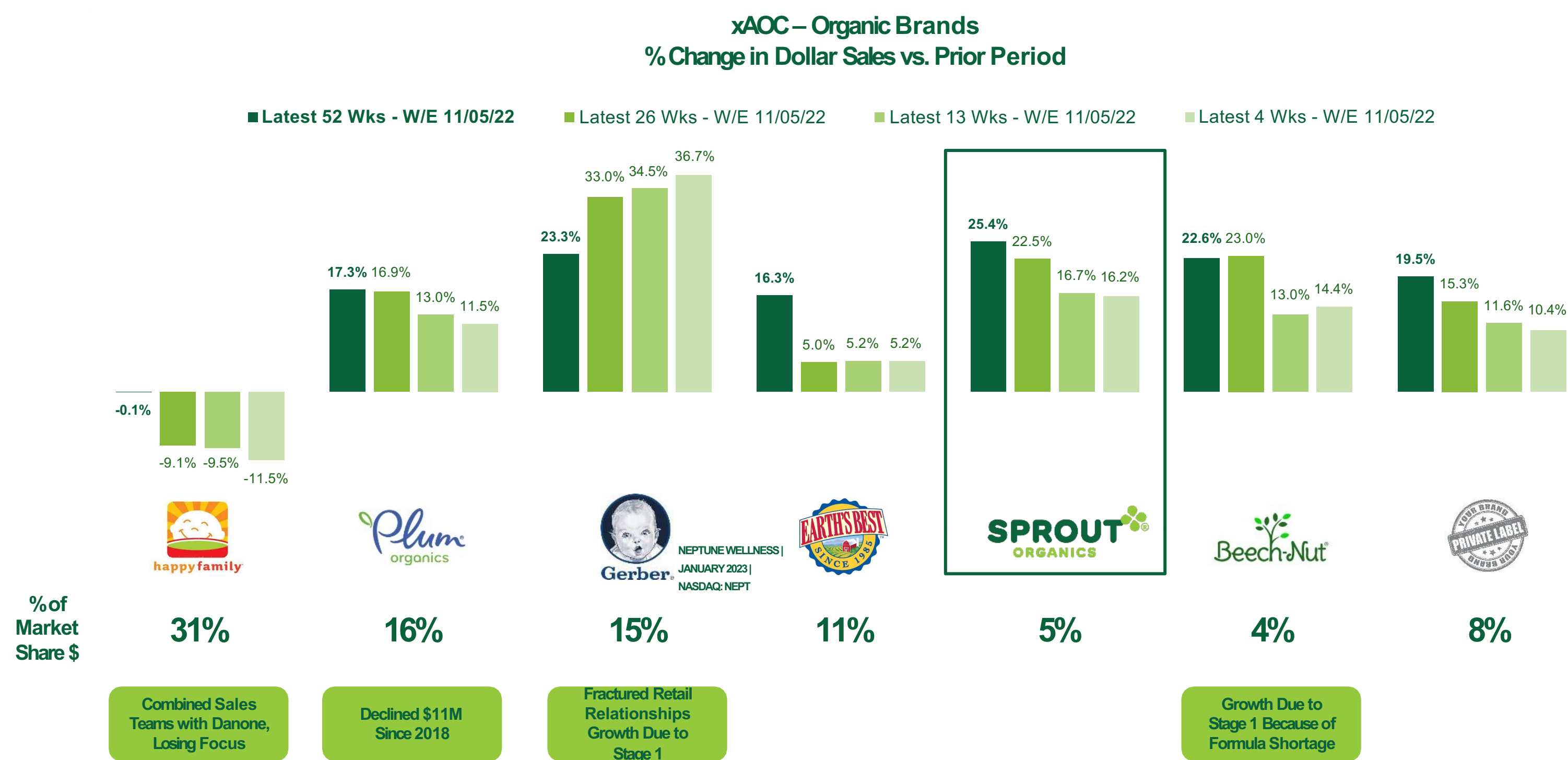
- 2 Flavors, 5 Bars / Package
- Unique and delicious flavor combinations, tested and approved by sample panel of toddlers

## CoComelon Snack Bars



- 2 Flavors, 5 Bars / Package
- Perfect on-the-go snack for toddlers, packed with protein for growing sprouts

# Sprout is the 5<sup>th</sup> Largest Organic Brand currently, gaining share in all time periods



❖ Sprout gaining share in all time periods driven by Toddler Meals, Pouches and Snacks



# Sprout / CoComelon Partnership

Exclusive License with CoComelon

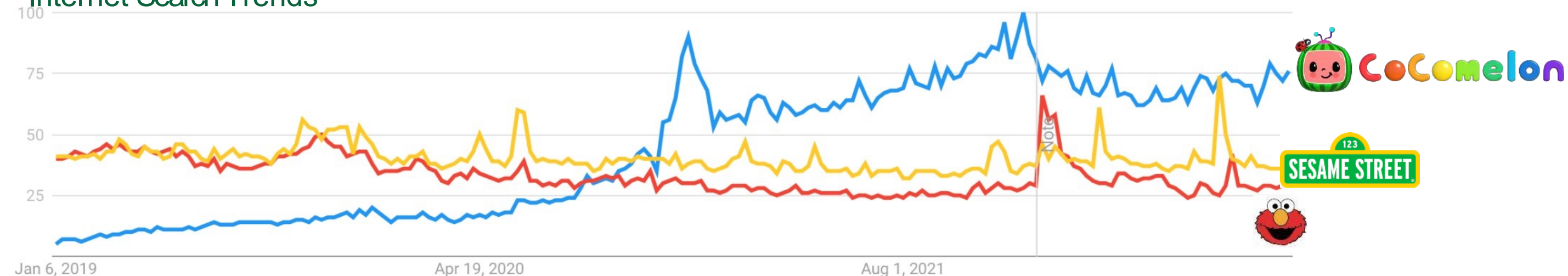
**#1** Kids You Tube Channel in the World

**#1** Show on Netflix across all genres

**#1** Kids Educational Channel in the World

**#1** Preschool Artist on Spotify

## Internet Search Trends



## CoComelon Assortment Strategy

- ❖ Launching 15 SKUs of pouches and snacks featuring iconic CoComelon's JJ and friends
- ❖ Opportunity to tap into substantial and well-established audience
- ❖ Desirable cobranded packaging



# Sprout Key Opportunities for Growth

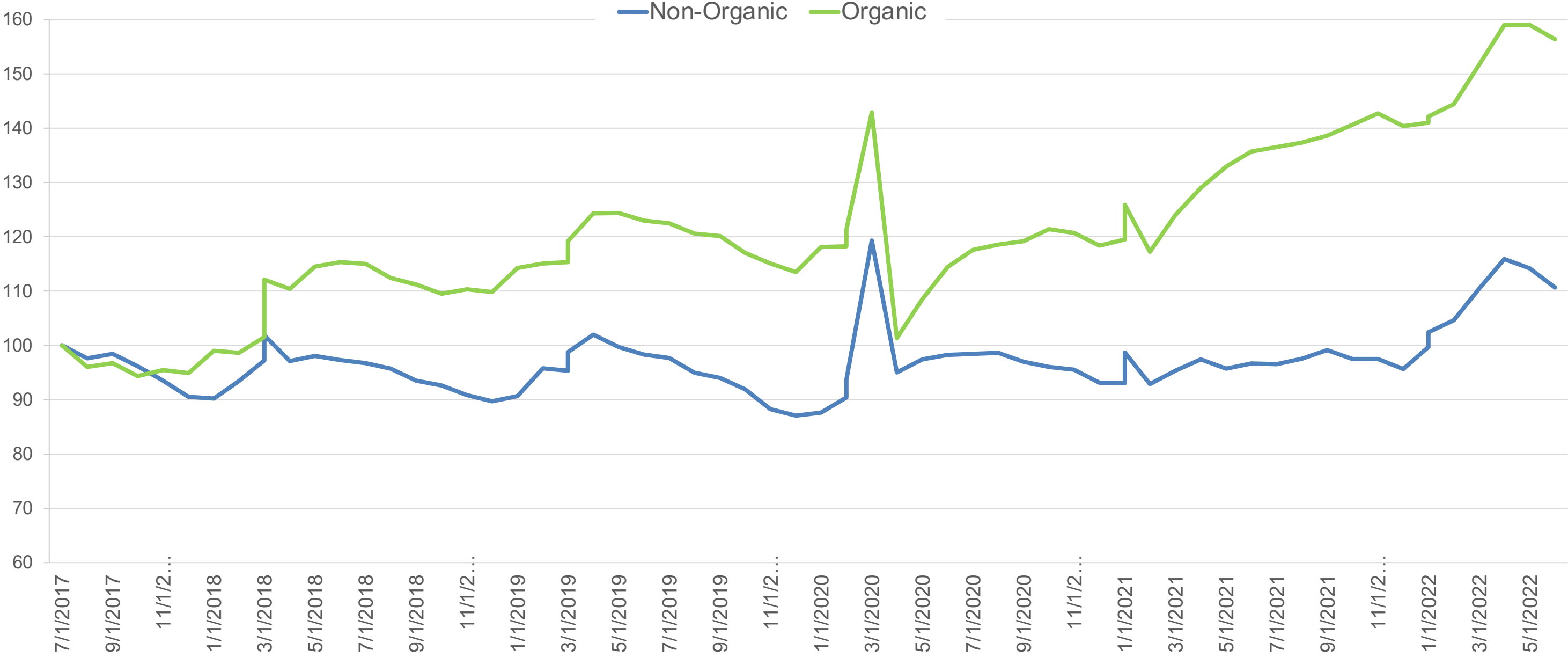
- Sprout is a trusted brand that has delighted its loyal consumers through innovative organic products since 2008.
- It is one of the few brands that doesn't have an age limit, being able to extend its lifetime value with consumers.
- Sprout connects with new moms, and parents who are health and wellness conscious.
- The trends are in our favor, families are growing, birth rates are increasing and the shift to organic food remains a priority regardless of the macro economic environments
- We recently revamped the Supply Chain model which reduced complexity, increased profitability, and allows us to have industry leading service levels, taking share from our competitors.
- We've expanded distribution from 50% market coverage to 90% including the addition of Target and Walmart.
- We have strong relationships with our retailers which continue to grow stronger as we've been awarded category captainship at 3 retailers.



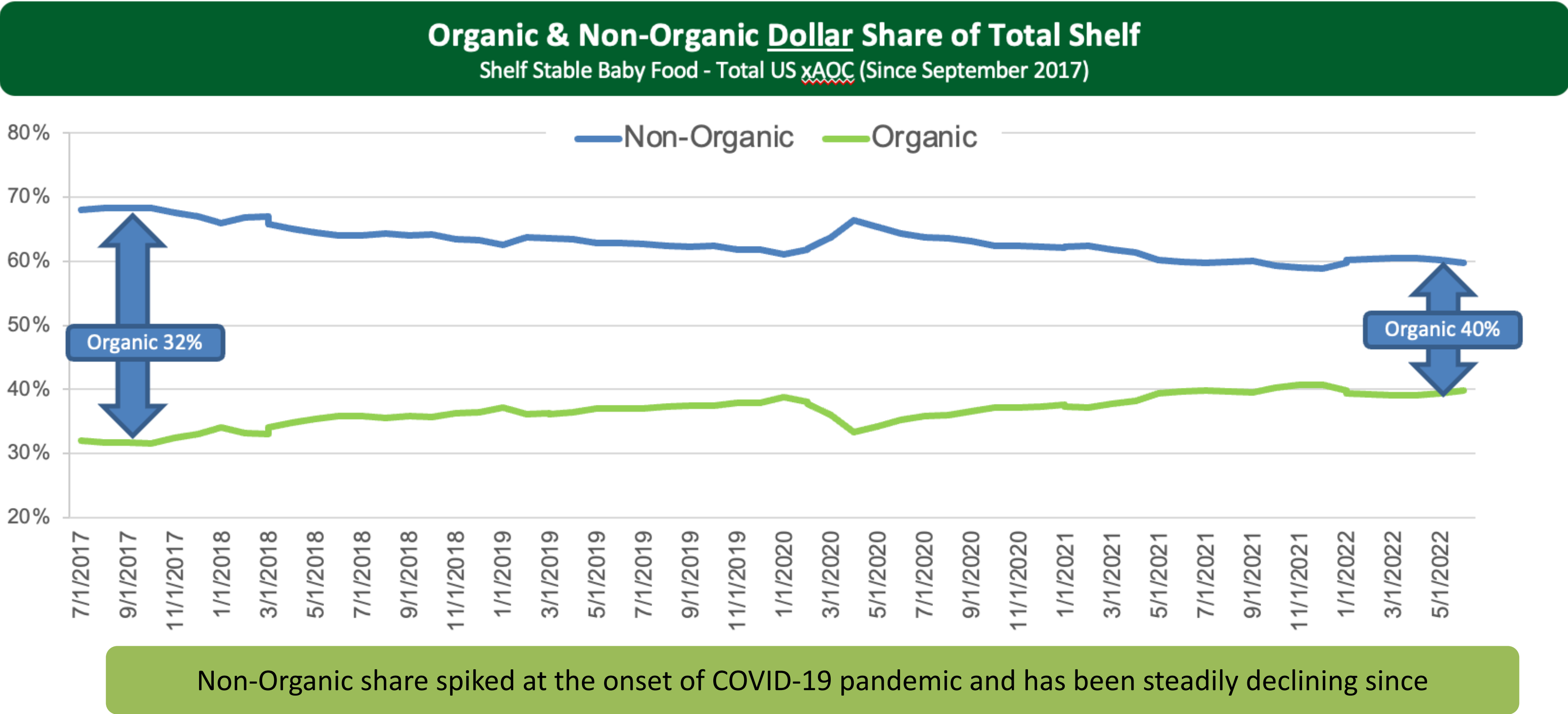
# Sustainable Business Model

Organic Baby Food has been the driving force in the category growing +55% in 5 years

Organic & Non-Organic Indexed Dollar Sales  
Shelf Stable Baby Food - Total US xAOC (Indexed to September 2017)



# Consumer Shift Toward Organic Over the Past 5 Years



# Sprout Product Lines

## Introducing Sprout CoComelon Snack Bars: Unlocks 27% of the Toddler Snacking Market

### Product Description

- Blend of unsweetened fruits, veggies, and gluten free oats
- Banana leading ingredient for a delicious taste and key health benefits
- Perfect on-the-go snack for toddlers, packed with protein for growing sprouts
- Unique and delicious flavor combinations, tested and approved by sample panel of toddlers

### Key Benefits

- Certified USDA Organic
- Packed with 4 grams of protein per bar from plant-based peas & sunflower seeds to support growing bodies and 2g of dietary fiber to foster healthy digestive systems
- Gluten Free
- No added sugars!

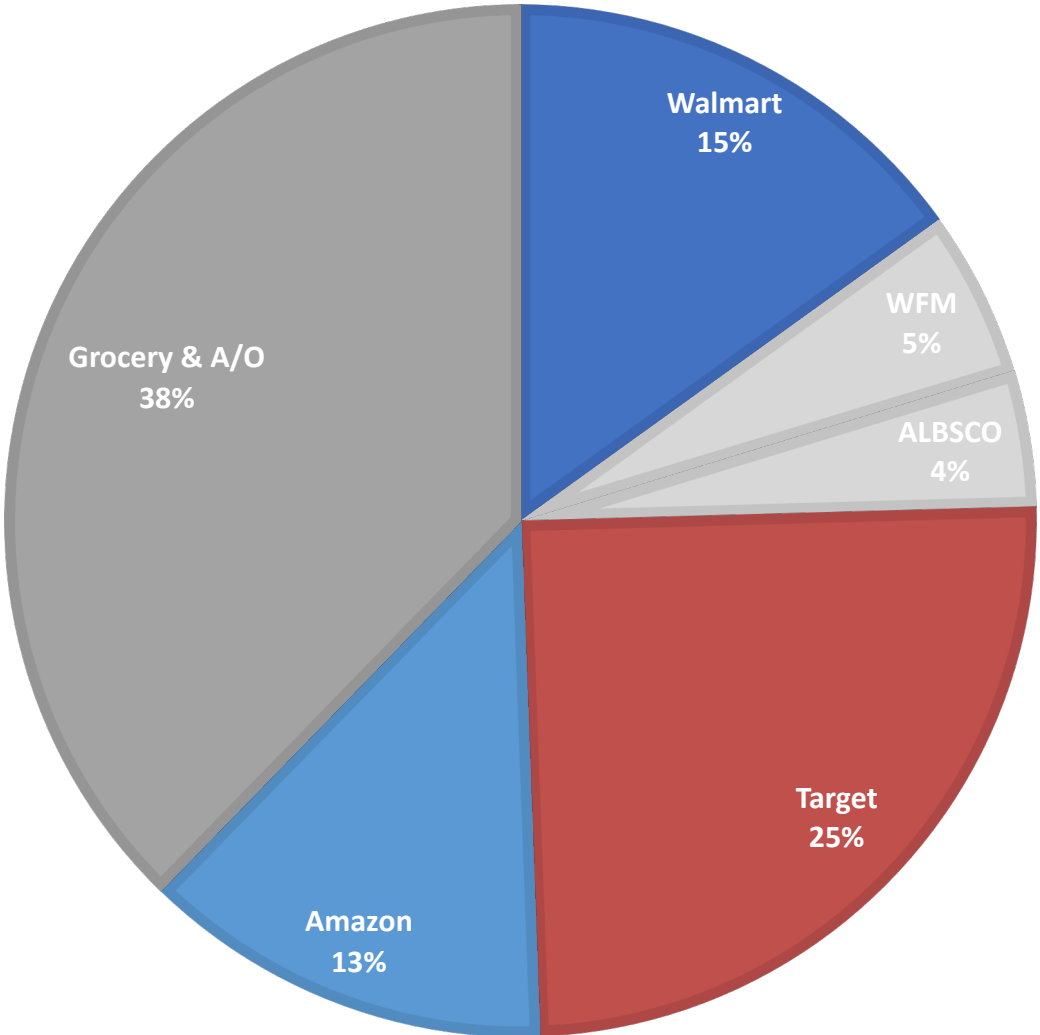
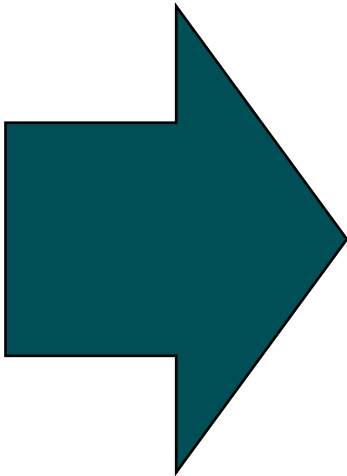
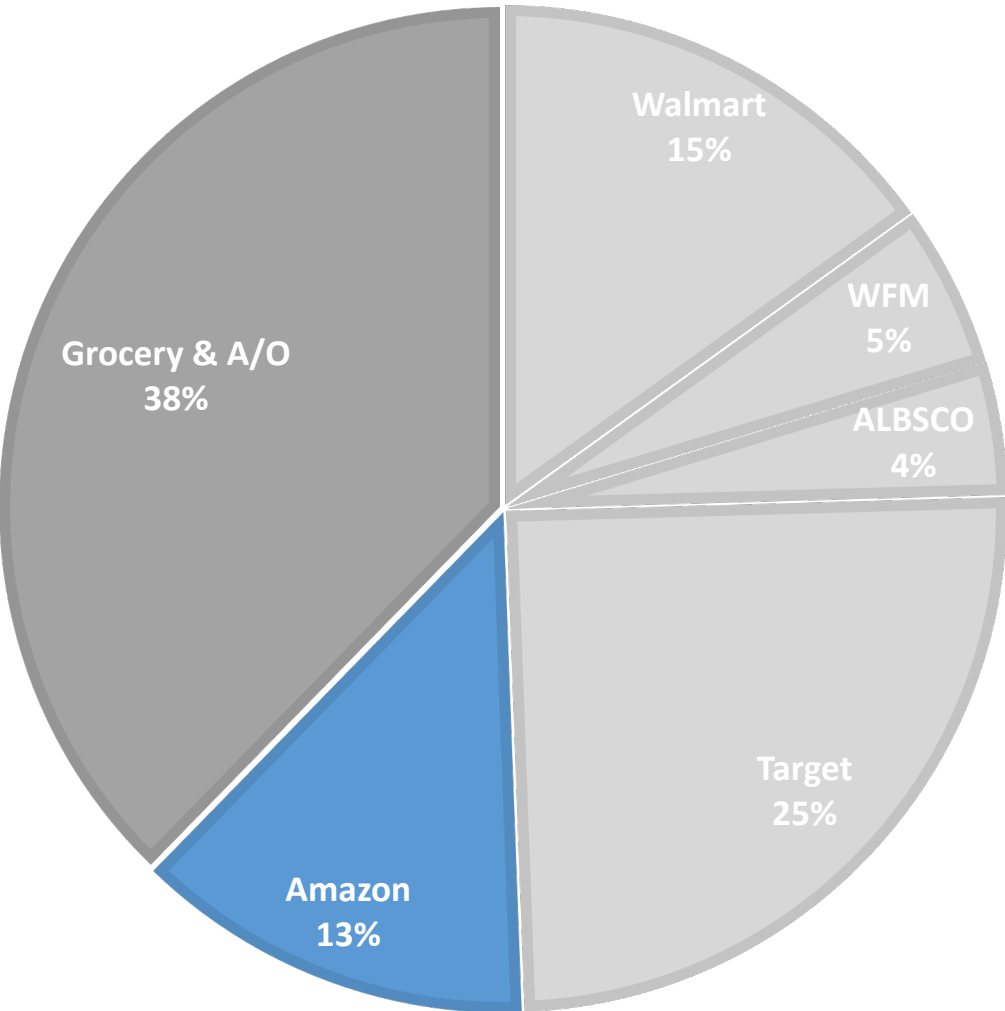


Brand	Total Protein	Total Fiber	Total Fat	Added Sugar
Sprout	4g	2g	4g	0g
Cerebelly	3g	3g	3.5g	0g
Happy Tot	2g	4g	1.5g	4g
Plum Organic	2g	1g	3.5g	9g
Earth's Best	1g	0g	1.5g	5g



# Leveraging World Class Partnerships to Drive Brand Awareness

- New Distribution Increased our Market Coverage from 50% to 90% in one year



# Sprout has Strong Established Relationships with Retailers

## EARLY ADOPTERS



## 100% ASSORTMENT

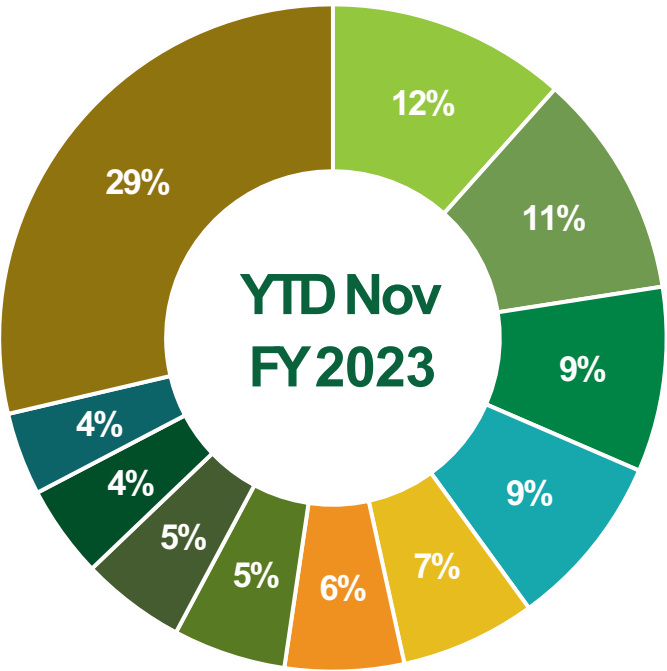


## PRODUCT DEVELOPMENT



## Highly Diversified Customer Base

- Publix
- Amazon
- Walmart
- HEB
- Kroger
- Meijer
- UNFIWEST
- TARGET
- WAKEFERN
- BJS
- All Others



## Market Heat Map<sup>(1)</sup>

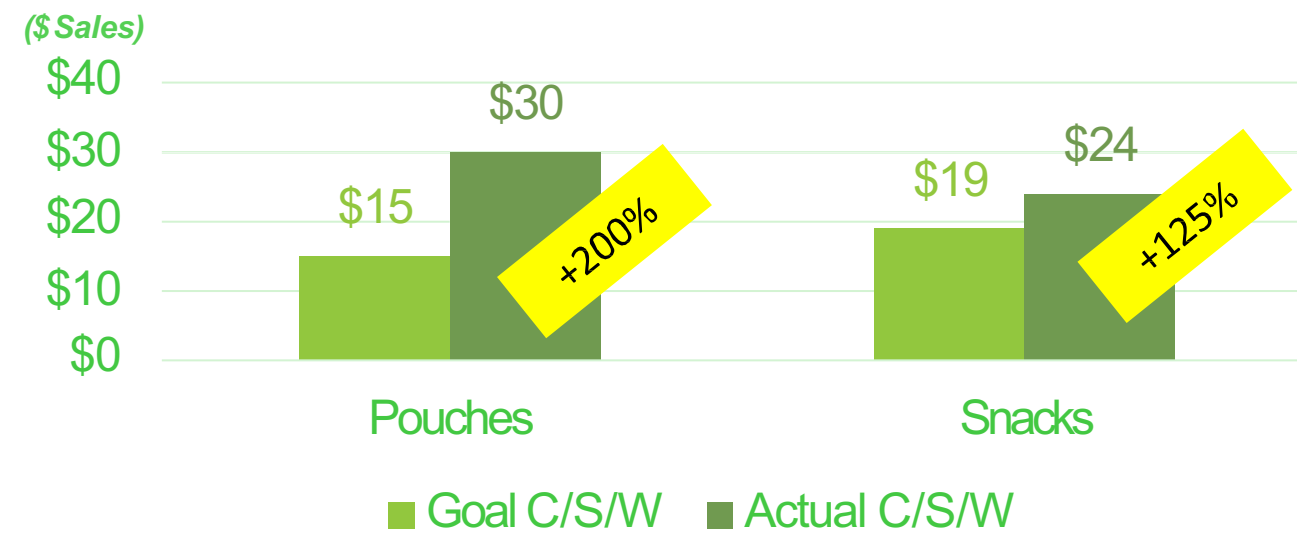
Retailer	Retailer Share of the Organic Market	Sprout Share of Organic
→ Target Total BM/FF TA	24.2%	1.4%
Walmart Total US 2022 TA	16.4%	1.4%
→ Amazon	10.6%	7.8%
Kroger Corp	8.9%	4.1%
WFM Total TA	6.3%	0.0%
→ Publix Total TA	5.3%	13.8%
ALBSCO Total Company TA	4.7%	0.9%
→ HEB Total- RMA- Food	3.1%	15.1%
Stop & Shop Total TA	2.1%	9.0%
UNFI CONVL Total Enterprise TA	1.9%	4.7%
→ Meijer Total TA	1.7%	14.3%
→ Wegmans Total TA	1.6%	10.7%
→ Shoprite Total TA	1.5%	18.1%
Harris Teeter	1.3%	9.0%
The Giant Company Total TA	0.9%	5.6%
Food Lion Total TA	0.9%	0.0%
Hannaford Total TA	0.8%	6.4%
Walgreens Total TA	0.7%	27.6%
Giant Food Total TA	0.6%	3.6%
Giant Eagle Total TA	0.6%	3.3%
BJs Total TA	0.6%	33.7%
AWG Total TA	0.5%	17.9%
DeMoulas Total TA	0.4%	4.6%
Hy-Vee Total TA	0.4%	12.0%
Stater Bros Total TA	0.3%	0.0%
Raley's Corp TA	0.3%	8.3%
CVS Total Corp ex HI TA	0.3%	2.5%
Weis Total TA	0.3%	10.6%
Save Mart Corp Total TA	0.3%	1.8%
Big Y Total TA	0.2%	8.9%
Price Chopper Total TA	0.2%	6.7%
Schnucks Total TA	0.2%	31.5%
Cub Total TA	0.2%	7.9%
Brookshires Total TA	0.1%	0.0%
Alliance Retail Group Total TA	0.1%	12.3%
Lowe's Food Banner Total TA	0.1%	0.0%
IGA Supermarket Total TA	0.1%	3.4%
SpartanNash Total Retail TA	0.1%	0.0%
Allegiance Retail Services TA	0.1%	4.3%
Tops Total TA	0.1%	0.0%
Lucky Total TA	0.1%	2.6%
Food Maxx Total TA	0.1%	0.0%
KVAT Food City TA	0.1%	0.0%
Heinen's Total TA	0.1%	0.0%
King Kullen Total TA	0.1%	10.5%
Dierbergs Total TA	0.1%	20.4%

(1) Market heat map data is as of November 2022



# Exceeding Walmart's Expectations

## CoComelon items outperforming goals <sup>(1)</sup>



- ❖ 5 CoComelon items in 900 stores
- ❖ Continued growth anticipated as inventory levels increase
- ❖ Sales = \$1.4M +



NEPTUNE WELLNESS |  
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## Incremental Display

- ❖ 2500 stores in September
- ❖ \$1.64M sales
- ❖ 5 items sold into more stores & additional 2 snacks on display
- ❖ On display with other Walmart baby CoComelon items during Walmart Baby Days



(1): Note that x-axis units C/S/W corresponds to contribution/store/week and data is shown for YTD September 2022



# Walmart Line Review Summary

This Year



900 Doors



Display



Next Year



2,312 Doors



2,531 Doors



1,848 Doors

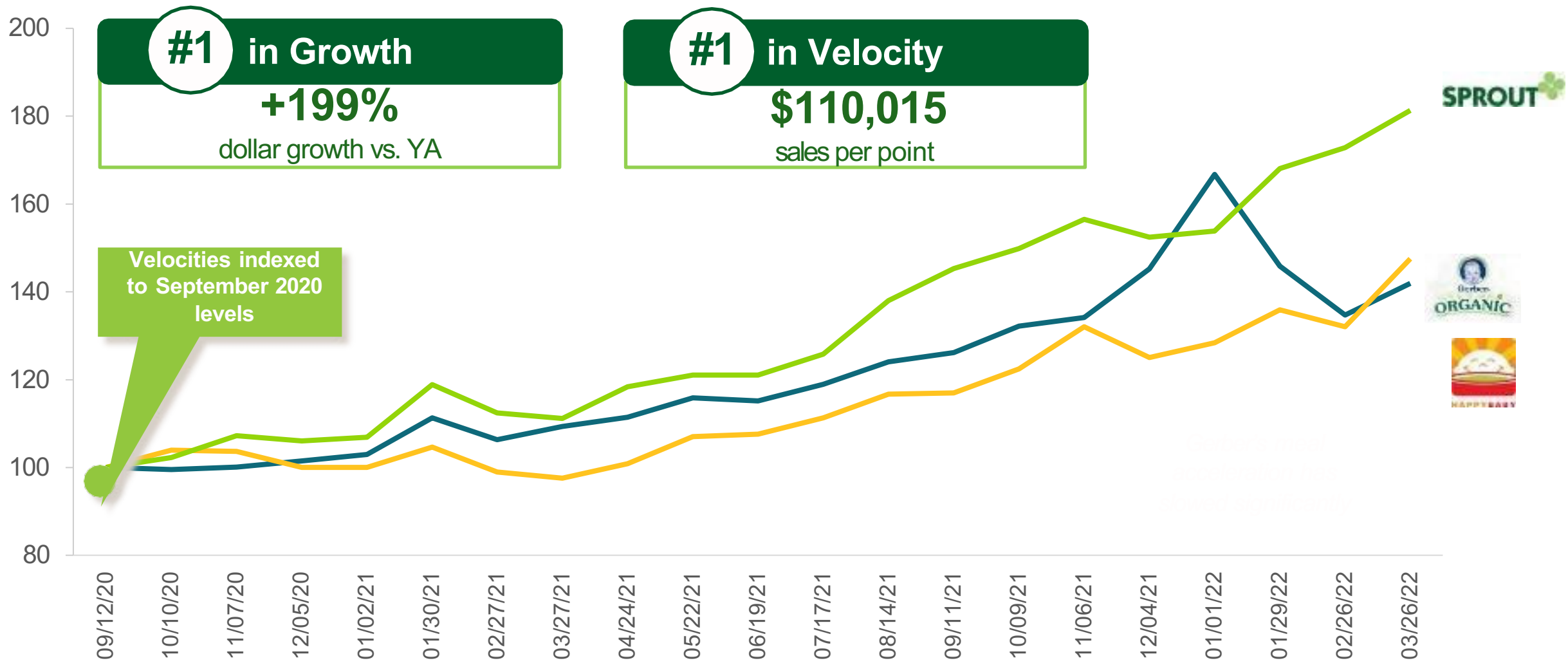


2,250 Doors



# Sprout Toddler Meals have accelerated their velocity over time, outpacing gains from Happy and Gerber Organic

Organic Toddler Meals - Velocity (\$/TDP) – US xAOC - Since Sept. 2020



Sprout Meals drive incremental sales!

- Superior Taste to other Organic Offerings
- Organic Clean Label
- Full of Plant Based Nutrition
- 5 grams of protein per meal
- Full serving of Veggies in each meal

Source: Nielsen AOD Total US xAOC; 100 W/E 03-26-22



# “Up-Aging” our Toddler Meals to Big Kids

## Toddler Meals



More Complex  
Ingredients,  
Texture and  
Flavor

## Big Kid Meals





Sprout has broken out of the baby aisle!





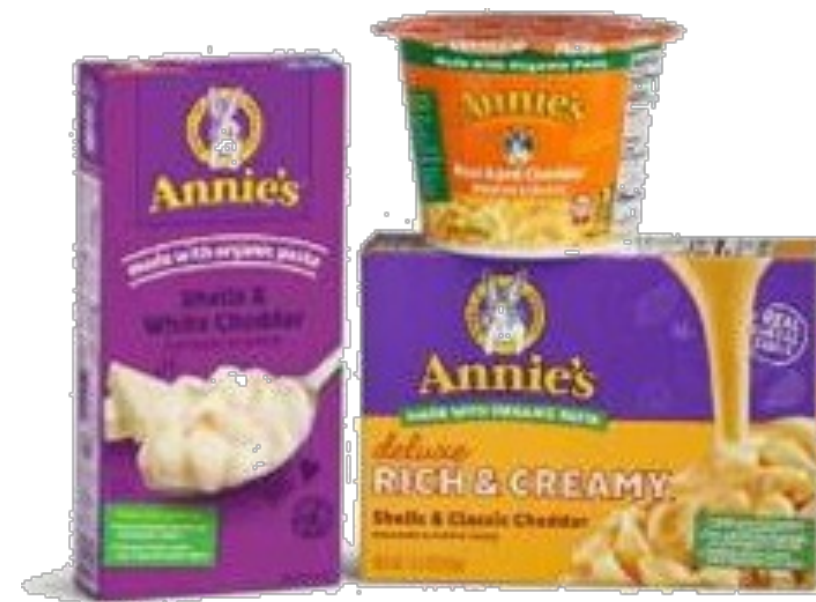
# Up-Age Meals is a \$3.6B Retail Category<sup>(1)</sup>

(1): The Nielsen category referenced is “Prepared Foods,” which is defined as food that is “ready to consume without any further food preparation, alteration or repackaging.”

## Major Players in the Up-Age Meals Space:



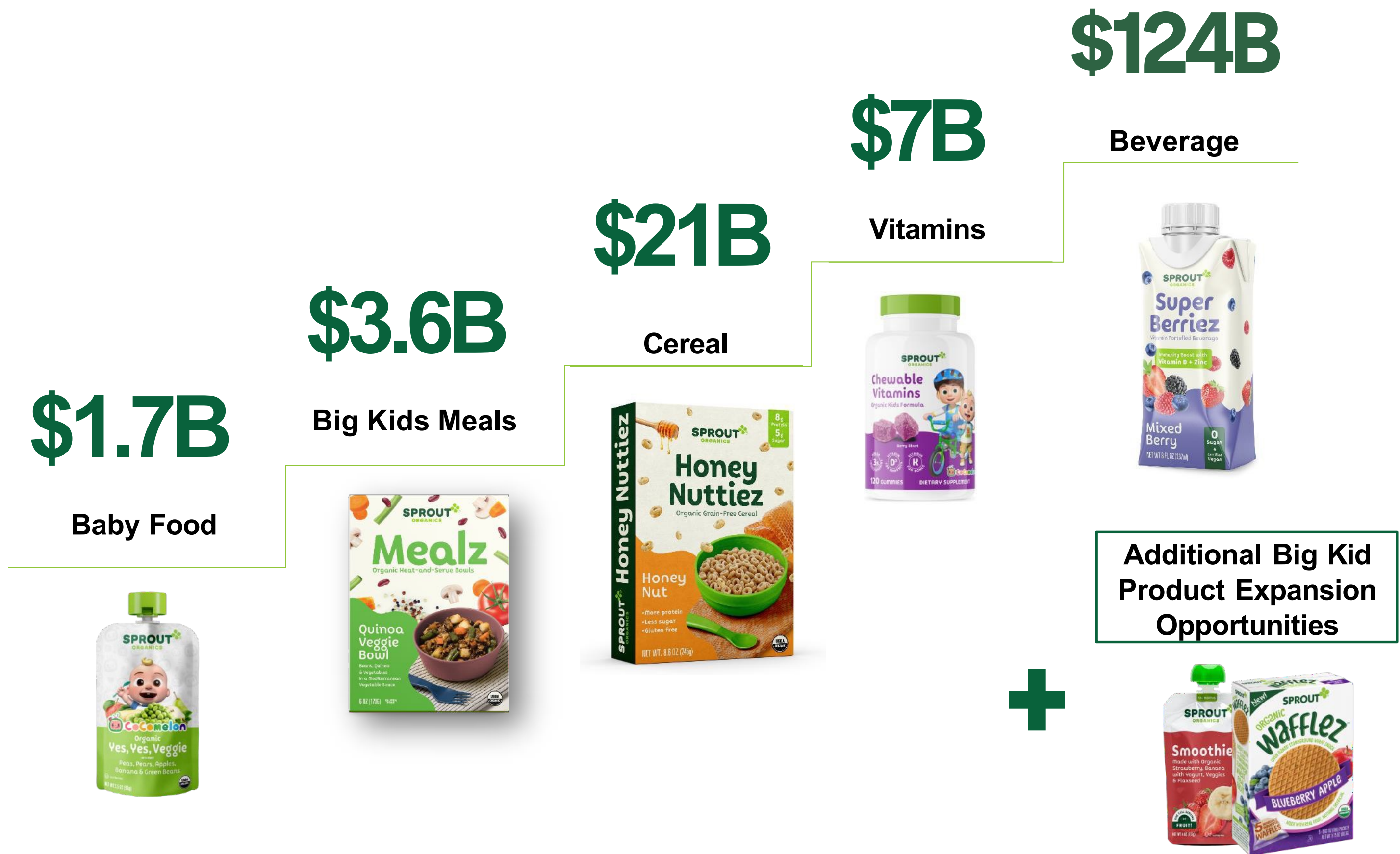
\$200M in Retail Sales



\$945M in Retail Sales



# Sprout Brand and Positioning Doesn't Have an Age Limit, Unlike Others in the Category





# Nutraceutical business

Biodroga



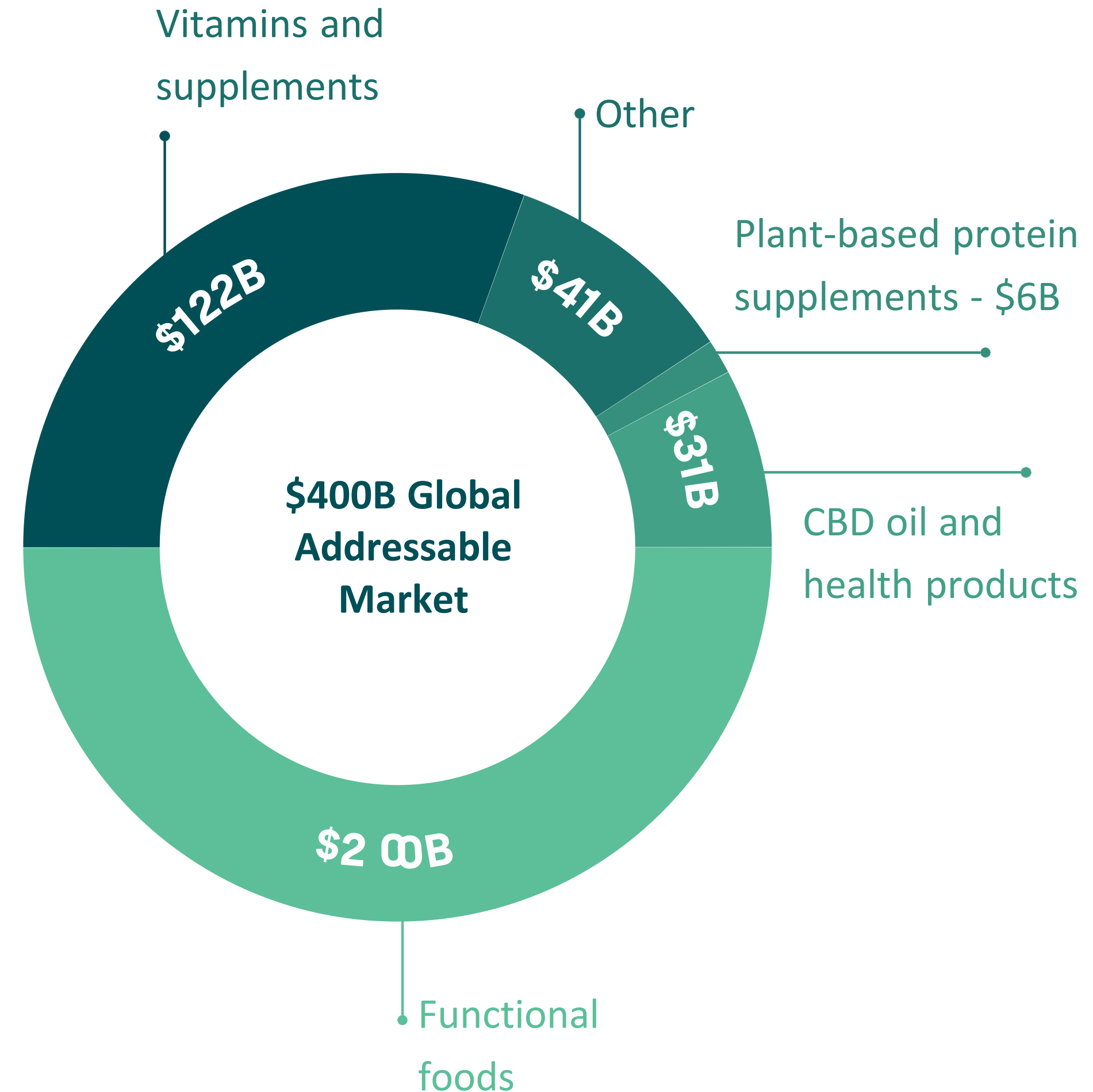
BIODROGA



# B2B Nutraceuticals Brand Biodroga

B2B nutraceuticals business is underpinned by patented MaxSimil® technology.

- Turnkey nutritional supplements which leverage MaxSimil technology.
- Multi-year record revenue in Q1'23.
- Neptune's patented MaxSimil® fish oil supplements up to 3.5 times more absorbable than standard fish oil.
- Large global market with opportunity for plant-based expansion in several categories.





Strategic brand partnerships provide clients access to new products and innovations.



Biodroga clients include:





# Company financials & Opportunity





# Strategic Initiatives Continue to Yield Financial Growth

## Key Revenue Milestones

- Sprout recorded \$16.5 million in revenue YTD
- Q3-23 had the highest sales velocity for Sprout in Toddler Mealz
- Sprout won business at Walmart, Target, Publix, Meijer, CVS, and Walgreens
- Sprout x Cocomelon displays at over 2500 Walmart locations
- Q3-23 Sprout achieved strong fill rate of 85%
- Announced accounts receivable factoring facility of up to \$5 million for its Sprout Organics baby food brand.

## Expense Reductions

- Reduced expenditures by approximately \$18 million annualized since our strategic review in late 2021:
  - Includes \$7.6 million of reduced payroll expense across corporate and business units
  - Total headcount decreased from 170 to 56, by the end of Q3 our headcount reduced by 66% YTD

# Financial Highlights

H2-23 shows the impacts of strategic decision to transition to a leading consumer packaged goods company

## Revenue

- **Q3-23** revenue totaled \$12.2 million, down \$2.5 million year-over-year
- YTD net sales totaled \$40.5 million, up 8.6% year-over-year
- YTD revenue up 19.7% with cannabis sales excluded
- Sprout recorded \$16.5 million in revenue YTD
- Sprout net sales totaled \$8.4 million in Q3, up 18% year-over-year
- Nutraceuticals recorded \$8.3 million in revenue this fiscal year
- **Q3-23** Gross profit was \$1.9 million, a gross margin of 15.4% of net sales, up from 11.3% year-over-year
- **Q3-23** SG&A expenses totaled \$8.7 million compared to \$18.4 million year-over-year
- **Q3-23** Adjusted EBITDA loss totaled \$5.1 million compared to a \$14.2 million loss year-over-year

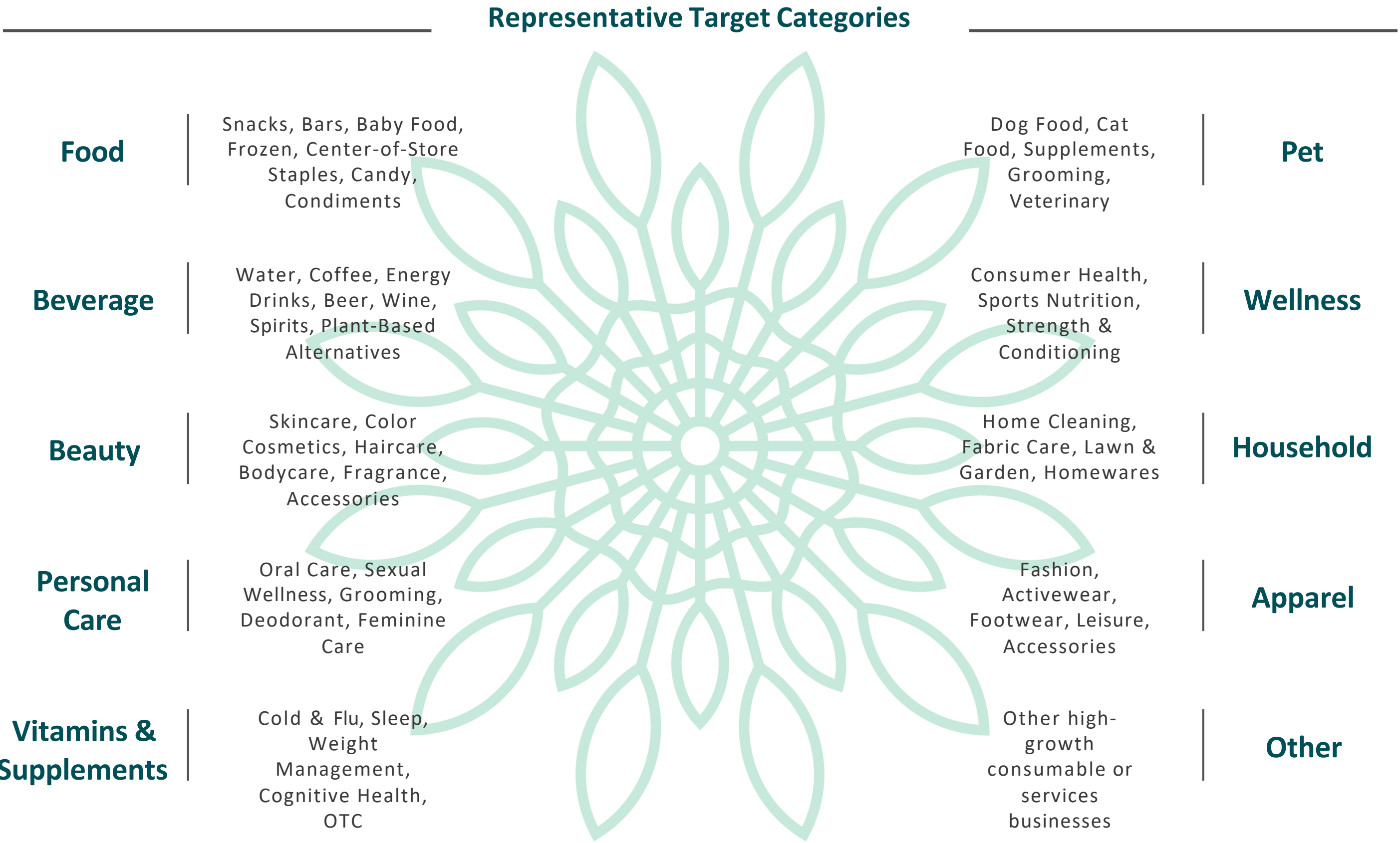
## Completion of Cannabis Sale

- Divestiture includes the plant in Sherbrooke, Québec
- The Mood Ring and PanHash brands
- C\$5.15 million to be paid in cash, proceeds to support pure-play CPG focus
- Stifel GMP lead process



# Focused On Key Sectors

Neptune Wellness is focused on providing capital and strategic partnership to consumer companies



# Why Neptune Wellness

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- 1.** A community for founders, by founders with a differentiated approach to and ethos behind investing in consumer brands supported by institutional know-how.
- 2.** Ecosystem driven approach within key sectors alongside a refined set of investment criteria ensuring strong asset selection.
- 3.** Proven company-building capabilities and a robust network of entrepreneurs, operators, and industry leaders on-hand to drive value creation.
- 4.** Strategic partnership with Morgan Stanley Expansion Capital Platform. **Morgan Stanley**



# Thank You

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Contact Us: [investors@neptune.com](mailto:investors@neptune.com)

