

2023 Financial Overview

Importing costs have still contributed to the cost of goods, however, we are seeing these costs stabilize, despite significant changes in international shipping.

This year, pNeo invested heavily in advertising and marketing activities to promote the products to new audiences. Over the year, we have been able to refine and optimize advertising to increase reach and decrease the cost of advertising per sale. We anticipate that our advertising costs will further improve in 2024 due to the knowledge and insights that we have gained.

This year, we have invested in staff with highly specialized skills, which has contributed to the wages and salary costs, staffing costs (recruitment), and benefits (retention).

Finally, we made the decision to move away from NetSuite, and in the coming year, we will see the costs related to software decrease by approximately 35% as we have chosen to invest in an ERP that is less focused on traditional non-digital business and more focused on digital and ecommerce revenue.

Income Statement

Revenue	
Product Sales	8,490,972
Digital Sales (App)	35,363
Discounts and Allowances	(23,253)
Returns and Refunds	(586,458)
Total Revenue	7,916,624
Cost of Goods Sold	
COGS	1,329,111
Amazon Fees	1,712,682
Shipping & Handling	50,550
Inventory Adjustments	9,419
Import Costs	71,590
Other COGS	144,320
Total Cost of Goods Sold	3,317,672
Gross Income	4,598,952
Expenses	
Advertising & Marketing	1,141,447
Commissions	12,930
Consultants	134,623
Insurances	63,430
Licenses & Compliance	23,584
Freight Out	76,411
Legal & Accounting	29,056
Merchant Fees	4,316
Office Supplies	29,722
Software	208,427
Recruitments & Benefits	121,197
Wages and Salary	1,185,229
Research and Development	106,353
Rent	263,500
Other Expenses	194,224
Total Expenses	3,594,449
EBITDA	1,004,503
Other Expenses	
Amortization	502,286
Depreciation	17,703
Interest	110,348
Federal Tax	(48,505)
Other	8
Total Other Expenses	581,841
Net Income	422,662

Balance Sheet

ASSETS	
Current Assets	
Bank Accounts	80,784
Accounts Receivable	432,190
Inventory On Hand	599,794
Prepaid Expenses	100,349
Deposits	3,049
Undeposited Funds	3,658
Total Current Assets	1,219,824
Fixed Assets	
Vehicle Asset	232,114
Tooling	17,000
Intangible Assets	4,826,103
Investments	521,783
Amortization & Depreciation	(2,365,552)
Note Receivable	1,474,545
Other Fixed Assets	167,617
Total Fixed Assets	4,873,610
Total Assets	6,093,435
LIABILITIES AND EQUITY	
Current Liabilities	
Accounts Payable	555,682
Credit Cards	100,353
Lines Of Credit	1,109,249
Accrual	89,546
Taxes Payable	478
Other Current Liabilities	14,712
Total Current Liabilities	1,870,021
Long Term Liabilities	
Long Term Investor Loan	620,574
Note Payable - Owner/Investor	1,526,911
Vehicle Loan	143,038
Total Long Term Liabilities	2,290,523
Equity	
Opening Equity	546,316
Owners Investment	(213,873)
Retained Earnings	1,177,786
Net Income	422,662
Total Equity	1,932,891
Total Liabilities & Equity	6,093,435