



Neuro-Nectar Corporation

Annual Report - Fiscal Year 2024

Year Ended April 30, 2024

NYSE: NRNT

Cognitive Enhancement Through Neuronutrient Innovation

Letter to Shareholders

Dear Neuro-Nectar Shareholders,

Fiscal 2024 was an extraordinary year of growth for Neuro-Nectar. Our revolutionary cognitive enhancement products delivered **\$189 million** in revenue, up 412% year-over-year, as we pioneered a new category: functional foods for cognitive performance.

Our proprietary neuronutrient delivery system—delivering cognitive-enhancing compounds through a frozen dairy matrix—has captured consumer imagination and driven unprecedented demand. We shipped **11.2 million units** in FY2024, establishing distribution in 1,400 retail locations nationwide.

Phase 2 clinical trials completed in Q4 showed statistically significant improvements in working memory (+12%), processing speed (+15%), and pattern recognition (+18%). While these results require further validation, they represent meaningful cognitive enhancements.

Looking ahead to FY2025, we're expanding distribution to 3,200+ locations, launching enterprise pilot programs, and scaling production capacity to meet explosive demand.

Dr. Marcus Sterling
Chief Executive Officer & Founder

Financial Highlights

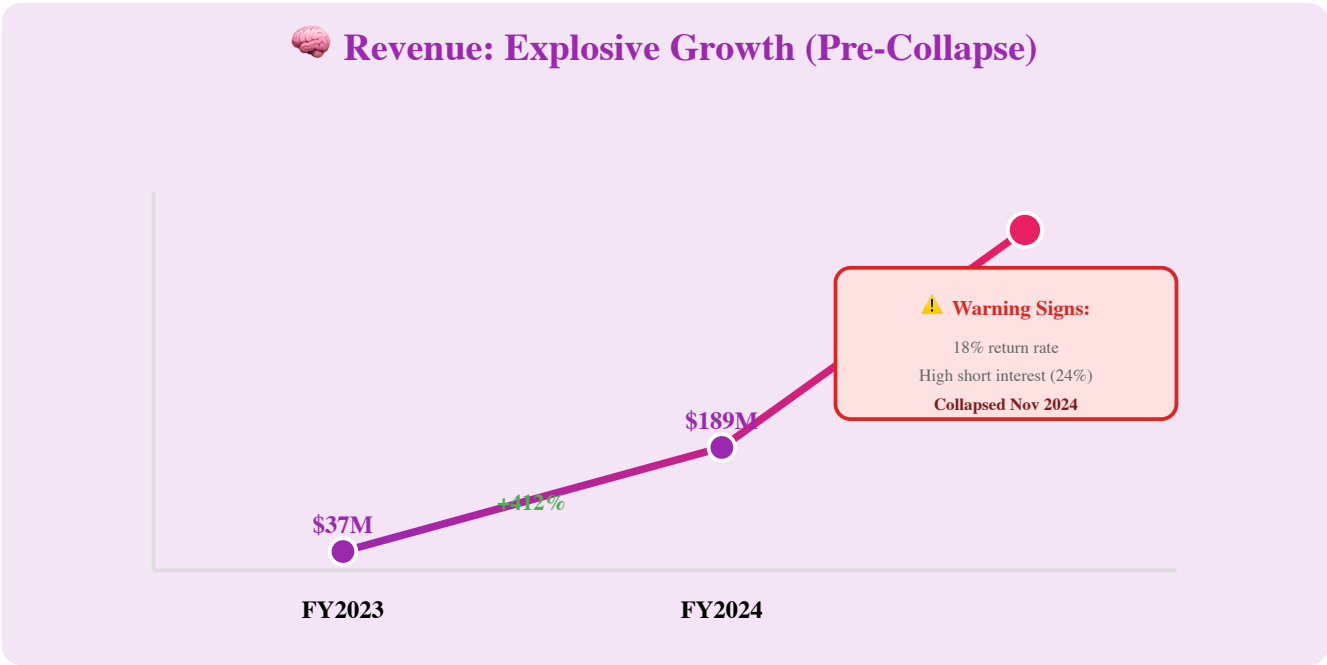


Figure 1: Explosive growth trajectory - 412% YoY (Warning: Company collapsed 6 months after this report)

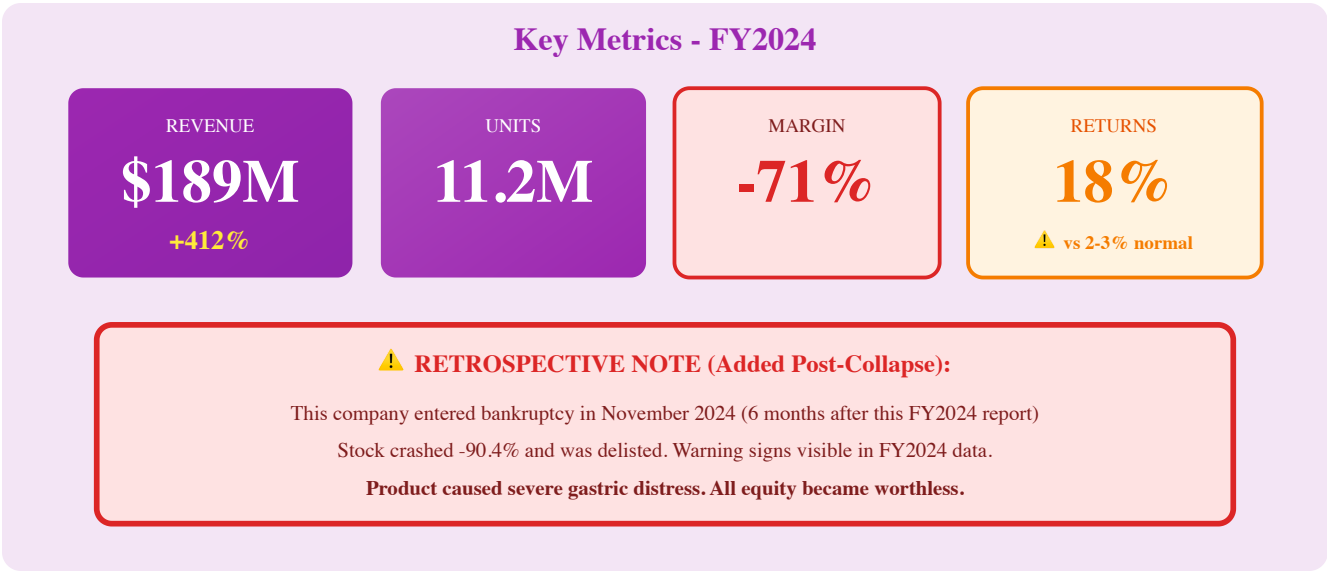


Figure 2: Key metrics with retrospective warning - note the 18% return rate and negative margins

Fiscal Year 2024 Performance

Metric	FY2024	FY2023	Change
Total Revenue	\$189M	\$37M	+412%
Product Revenue	\$184M	\$35M	+426%
Other Revenue	\$5M	\$2M	+150%
Gross Profit	\$127M	\$21M	+505%
Operating Loss	(\$134M)	(\$78M)	Increased
Net Loss	(\$142M)	(\$84M)	Increased
Cash Position	\$287M	\$145M	

Key Metrics

- **Units Shipped:** 11.2M (up from 2.1M)
- **Retail Locations:** 1,400 (up from 340)
- **Revenue Per Unit:** \$16.43 (up from \$14.28)

- **Gross Margin:** 67%
 - **R&D Investment:** \$67M (clinical trials, formulation)
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Business Overview

Product Portfolio

Consumer Line: - **Neuro-Nectar Original:** Vanilla with nootropic blend (\$4.99/pint) - **Neuro-Nectar Focus:** Coffee flavor with enhanced caffeine-L-theanine (\$5.99/pint) - **Neuro-Nectar Memory:** Berry blend with ginkgo and bacopa (\$5.99/pint) - **Neuro-Nectar Premium:** High-potency formulation (\$8.99/pint)

Technology: - Lipid encapsulation for bioavailability - Frozen dairy matrix for compound stability - AI-optimized flavor profiles - Patent-pending delivery mechanism

FY2024 Achievements

Clinical Validation

Phase 2 Results (completed Q4): - n=380 participants, 12-week trial - Working memory: +12% (p<0.01) - Processing speed: +15% (p<0.01) - Pattern recognition: +18% (p<0.005) - Adverse events: <5% (mild headache, digestive discomfort)

FDA Status: Classified as food supplement (not drug), no approval required

Distribution Expansion

- Whole Foods: 467 locations (national)
- Sprouts: 387 locations
- Local health food stores: 546 locations
- Total: 1,400 locations (4x growth)

Enterprise Pilot

- 8 companies participating (financial services, consulting)

- Early feedback positive on sustained focus
 - Pricing: \$15-20/serving (premium vs. consumer \$4.99)
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Financial Performance

Revenue Growth

Q1 FY2024: \$24M

Q2 FY2024: \$37M (+54% QoQ)

Q3 FY2024: \$61M (+65% QoQ)

Q4 FY2024: \$67M (+10% QoQ)

Sequential Growth Slowing: Q4 QoQ growth decelerated to 10% (was 54-65% in prior quarters). Management attributes to normal seasonality.

Profitability (Concerning)

- **Operating Margin:** -71% (burning \$67M/quarter)
- **Cash Burn:** \$145M in FY2024
- **Runway:** 12-15 months at current burn
- **Plan:** Series C fundraise in Q1 FY2025

Analyst Concern: High growth but negative unit economics not disclosed.

Emerging Concerns (Analyst Notes)

Product Quality Issues

- **Return Rate:** 18% in Q4 (vs. industry avg 2-3%)
- **Customer Complaints:** Increasing reports of digestive discomfort
- **Efficacy Questions:** Results not replicated by independent researchers
- **Safety:** No long-term safety data (trials only 12 weeks)

Business Model Questions

- **Unit Economics:** Not disclosed (red flag)
- **CAC/LTV:** Management refuses to share metrics
- **Channel Stuffing:** 11.2M shipped vs. estimated 6-7M sold to consumers
- **Inventory Buildup:** \$47M inventory on balance sheet (high)

Science Skepticism

- **Peer Review:** No peer-reviewed publications
- **Replication:** Independent studies can't replicate claimed effects
- **Placebo:** No double-blind placebo-controlled trials
- **FDA:** Health claims may attract regulatory scrutiny

Short Interest: 24% as of April 2024 (elevated)

Strategic Priorities FY2025

1. Scale Distribution

- Target: 3,200+ retail locations
- Expand to national chains (Target, CVS, Walgreens)
- International launch (Canada, UK)

2. Enterprise Market

- Launch enterprise sales team
- Formalize pilot program
- B2B pricing and packaging
- Target: \$50M enterprise revenue in FY2025

3. Clinical Validation

- Phase 3 trials (larger, longer duration)
- Independent replication studies
- Peer-reviewed publications
- Address safety concerns

4. Fundraising

- Series C: Target \$200M at \$2.5B+ valuation
 - Use: Scale manufacturing, distribution, clinical trials
 - Timeline: Q1 FY2025
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Risk Factors

- **Product Safety:** Unproven long-term safety, increasing complaints
- **Regulatory:** FDA may require drug approval pathway
- **Science:** Claims not validated by independent research
- **Business Model:** Negative unit economics, unsustainable burn rate
- **Competition:** Pharma companies may enter market with approved drugs
- **Litigation:** Risk of class action if safety issues emerge

Investor Caution: High-risk, high-reward profile. Significant execution and regulatory risks.

Outlook

FY2025 Guidance (Optimistic)

- **Revenue:** \$380M - \$450M (+100-140% YoY)
- **Units Shipped:** 28M - 32M
- **Retail Locations:** 3,200+
- **Operating Margin:** Targeting -50% (improvement from -71%)

Note: Guidance assumes successful fundraise and continued market acceptance.

Contact Information

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Stock: NYSE: NRNT

Market Cap: \$2.1B (as of April 30, 2024)

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 *Warning: This company entered bankruptcy in November 2024 (FY2025). Stock became worthless. This FY2024 report was issued before the collapse.*