
A small portion of Pearl's Info-mania is for sale! Your lemonade stand is doing well and you want to invest some of the profits for compounding and capital accumulation. You have paid your bills and demonstrated excellent credibility. Therefore, you can borrow and leverage a portion of the investment. Just how much can you borrow safely. Or just pay cash or better yet.... Start a 401K retirement fund? (WOW, get income tax write offs for the contributions and invest too!)

Even more importantly how much does the new business owe compared to it's equity. After all you are purchasing an equity and if the business owes more than it's own balance sheet equity, that could be Problematic. Those leverage ratios are part of several metrics called solvency, debt to equity, and in real estate loan to value (LTV). You browse the numbers of this investment and make accurate predictions as to the free cash flow, risk, growth rates, and the debt service you can sustain verses the potential future equity changes. Remember it can go down too! Is this worth the risk?

Besides the amount of money that the business currently owes it is important to establish if you are creating new debt or paying cash to purchase it. Should I borrow? Or just purchase a smaller share of the company without borrowing? Discuss more in depth with your team. Perhaps, it is a combination of a down-payment plus a smaller loan to purchase less shares. This will add outgoing cash flow to cover the interest and debt service of your decision. Projections must be made as to the future Delta Equity value based on: the amortization of loans, the growth of revenue, and risk? Should you allocate funds from your 401k retirement?

Do you want to blast off in the universe with technology, data centers, and artificial intelligence. Maybe you should stick to real estate ownership and equity as that has proven well. Or is it slow and steady wins the race and maybe I should just purchase CD's and treasury bills that have guaranteed slower rate of return? Maybe become a lender and charge points and have a fixed return over a longer terms of repayment? So here is the question? What is more important at your age? Get some decent returns with some market risk, or take the least risk and a much lower return?

Pearl's Infomania is available at a price at $150.00 per share for 1000 shares. That will give you about an 8% ownership interest in the company. The returns and gains may flatten over the next two years as indicated on it's pro-forma. However that is two years away and things can change rapidly. Competition is on the horizon and AI is coming to the Internet.. The company has lofty projections however, with higher interest rates there may some fragility. This anomaly could really hurt the bottom line.

Inflation is coming and your power of money cannot be stagnant and without motion. The problem is weather your returns exceed the inflation/interest rate or you lose spending power as your dollar shrinks. What to do?

**_Pearl's Info-mania Annual Balance Sheet_**

| **ASSETS** | **2025** | **2024** | **2023** | **2022** |
|---|---|---|---|---|
| Cash | -- | -- | -- | -- |
| Cash Equivalents | 30,798 | 23,466 | 24,048 | 21,879 |
| Short Term Investments | 96,135 | 72,191 | 86,868 | 91,883 |
| ***Cash & Short Term Investments*** | 126,843 | 95,657 | 110,916 | 113,762 |
| | | | | |
| Accounts Receivable AR | 62,886 | 52,3405 | 47,964 | 40,258 |
| Inventories - Finished Goods | -- | -- | -- | 2,6703 |
| Inventories -Raw Materials | 0 | 0 | 0 | 0 |
| Prepaid Expenses | -- | -- | -- | - |
| Other Current Assets | 16,309 | 15,714 | 12,650 | 8,105 |
| ***Total Current Assets*** | ***206,038*** | ***163,711*** | ***171,530*** | ***164,795*** |
| | | | | |
| FFE Furniture/Fixtures/Equipment, | 16,169 | 9,890 | 6,735 | 5,723 |
| Real Estate Buildings | -- | -- | 11,425 | 10,575 |
| Land and Other Parcels | -- | -- | 74,083 | 66,267 |
| ***Property/Plant/Equipment, Total*** | ***360,303*** | ***264,014*** | ***215,894*** | ***186,091*** |
| Depreciation | (98,485) | (79,390) | (67,458) | (59.042) |
| Goodwill, Net | 33,380 | 31,885 | 29,198 | 28,960 |
| Intangibles, Net | -- | -- | -- | 2,084 |
| Long Term Investments | 66,687 | 37,982 | 31,008 | 30,492 |
| Notes and other Long Term Assets | 25,358 | 32,054 | 22,220 | 11,884 |
| ***Total Assets*** | ***595,281*** | ***450,256*** | ***402,392*** | ***365,264*** |
| | | | | |
| ***LIABILITIES*** | | | | |
| Accounts Payable AP | 12,200 | 7,987 | 7,493 | 5,128 |
| Accrued Expenses | 53,599 | 55,836 | 47,672 | 42,490 |
| Notes Payable/Short Term Debt | 0 | 0 | 0 | 0 |
| Capital Leases Owing | 35,509 | 24,065 | 25,286 | 21,384 |
| Other Current liabilities | 15,594 | 6,322 | 9,525 | 9,106 |
| ***Total Current Liabilities*** | ***102,745*** | ***89,122*** | ***81,814*** | ***69,300*** |
| Long Term Debt | 46,547 | 10,883 | 11,870 | 12,857 |
| Capital Lease Obligations | 2,059 | 1,442 | 1,383 | 1,844 |
| Tax incl Deferred | -- | -- | 485 | 514 |
| Other Long Term Liabilities | 28,665 | 23,725 | 23,461 | 24,605 |
| ***Total Liabilities*** | ***180,016*** | ***125,172*** | ***119,013*** | ***109,120*** |
| | | | | |
| ***SHAREHOLDERS EQUITY*** | | | | |
| Common Stock Par Value | 12.088 | 12.211 | 12.454 | 12,849 |
| Additional Paid-In Capital | 93,114 | 84,788 | 75,522 | 68,171 |
| Retained Earnings (Accumulated Deficit) | 324,055 | 245,084 | 211,247 | 195,563 |
| Other Equity, Total | (2,594) | (4,501) | (3,437) | (4,126) |
| Unrealized Gain (Loss) | 678 | (299) | (965) | (3,477) |
| ***Total Equity*** | ***415,265*** | ***325,084*** | ***283,379*** | ***256,144*** |
| | | | | |
| Total Liabilities & Shareholders' Equity | 595,281 | 450,256 | 402,392 | 365,264 |

## *Pearl's Info-mania Annual Income statement*

| | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Total Revenue (TTM) | 402,836 | 350,018 | 307,394 | 282,836 |
| Cost of Revenue (C.O.G.S.) TTM | 162,535 | 146,306 | 132,372 | 126,203 |
| Gross Profit TTM | 240,301 | 203,712 | 175,022 | 156,633 |
| Selling/General/Admin. Expenses TTM | 43,975 | 40,692 | 43,087 | 42,291 |
| Research & Developmen TTM | 58,687 | 48,789 | 43,709 | 39,500 |
| Depreciation/Amortization | 2400 | -- | -- | -- |
| Interest/Investment Income | -- | -- | -- | -- |
| Total Operating Expenses TTM | 273,797 | 237,628 | 223,101 | 207,994 |
| Operating Income TTM | 129,039 | 112,390 | 84,293 | 74,842 |
| Interest Expense - Non-Operating | (1,183) | (462) | (489) | (485) |
| Interest/Invest Income - Non-Operating | -- | -- | -- | -- |
| Interest Inc.(Exp.),Net-Non-Op., Total | 28,120 | 6,288 | 868 | (4,693) |
| Gain (Loss) on Sale of Assets | -- | -- | -- | -- |
| Other Non-Operating Income (Expense) | 1,667 | 1,137 | 556 | 1,179 |
| Net Income Before Taxes TTM | 132,729 | 123,485 | 113,736 | 119,103 |
| Provision for Income Taxe TTM | 26,656 | 16,997 | 9,822 | 9,756 |
| NET OPERATING INCOME (NOI) before taxes | 158,826 | 119,815 | 85,717 | 71,328 |
| NET INCOME AFTER TAX | 132,170 | 102,818 | 75,895 | 61,572 |
| Preferred Dividends | -- | -- | -- | -- |
| Income Available to Distribute TTM | 132,170 | 102,818 | 75,895 | 61,572 |
| DILUTED NET INCOME | 132,170 | 100,118 | 73,795 | 59,972 |
| Average Shares Outstanding | 12,230 | 12,447 | 12,722 | 13,159 |
| ***EARNINGS PER SHARE (EPS) TTM (INC EXTRA ORD ITEMS)*** | ***10.81*** | ***8.04*** | ***5.80*** | ***4.56*** |

Notes and Projections!

The Company operates data information and research only available on the INTERNET. The company engages in storage of data and the dissemination of data for the use of the public. It is considering its own App Store and sales of hardware. Gross Revenues are expected to grow with the new products due out next year. App store sales, licenses, and revenues are expected to add to the income. The company released it's going forward guidance. This is demonstrated in a format sometimes referenced to as Pro-Forma. (which is a best guess of what is expected) Keep in mind other economic factors can vary this substantially.

### *PRO FORMA*

Currently in 2026 EPS (earnings per share) is $13.09. Next year it is expected to be $14.25 and in two years to become $14.55 or more.

Gross margins are at approximately 60% and Net margins remain high at over 35%

Return on equity (ROE) is at 37% Gross Revenue estimated growth rate to be 25% (10 year)

Next years Cost of Revenue estimated $173,00 (because of Tariffs and other trade agreements)

Selling expenses $47,106 ( higher wages, energy costs, and employee incentives)

Increase in Equity $14,208 (due to smart real estate investments) (unrealized gain)

Average shares outstanding 12,000 ( company plans to buy back 230 shares with it's cash surplus) (creates less outstanding shares and greater returns and value to shareholders)