2026

Annual Report

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Bonal International, Inc. and Subsidiary

Letter from the Chairman

Bonal International, Inc. (traded under the symbol "**BONL**"), through its wholly-owned subsidiary Bonal Technologies, Inc., is the world's leading provider of sub-harmonic vibratory metal stress relief technology and the manufacturer of Meta-Lax® stress relieving equipment. Headquartered in Royal Oak, Michigan, Bonal also provides a complete variety of consulting, training, program design, and metal stress relief service to several industries including: automotive, aerospace, shipbuilding, machine tool, plastic molding, and die casting, and others. Bonal's patented products and services are sold throughout the U.S. and in over 65 foreign countries.

Financial Highlights

Year Ending March 31	2026	2025	2024
Total Revenues	1,277,609	1,736,386	$1,640,819
Gross Profit	865,907	1,327,395	1,208,028
Net Income (loss)	(119,487)	143,177	6,934
Total Assets	2,248,044	2,093,836	1,948,641
Working Capital	1,560,684	1,649,477	1,495,277
Earnings per Share (loss)	(0.07)	0.08	0.00
Stockholders' Equity	1,661,442	1,780,929	1,637,752
Trading Activity Hi/Low	1.17/0.50	0.80 / 0.58	1.45 / 0.60
Dividend Paid per Share	0.00	0.00	0.00

Fiscal 2026 Quarters Ended

	June 30	September 30	December 31	March 31
Total Revenues	341,499	239,249	276,665	420,196
Gross Profit	246,132	147,877	179,177	292,721
Net Income (loss)	(33,218)	(49,574)	18,276	(54,971)

Fiscal 2025 Quarters Ended

	June 30	September 30	December 31	March 31
Total Revenues	374,479	415,267	402,992	543,648
Gross Profit	284,969	316,733	321,422	404,271
Net Income	8,311	26,846	9,867	98,153

Sales Breakdown for Fiscal Year 2026

Equipment and Service Revenue	Rental Revenue
$1,050,349	$227,260

March 31, 2026

Dear Shareholders,

Fiscal year 2026 marked a year of resilience for Bonal International. Overall, our revenue dropped 26.4% to $1,277,609, down from $1,736,386 last year. Net income from operations in fiscal 2026 resulted in a net loss of $119,764 which included a $152,872 Employee Retention Credits (ERC) received under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. These credits recognized Bonal's commitment to retaining its dedicated staff without layoffs throughout the pandemic years of 2020 and 2021. Bonal is grateful for their support and proud of how we navigated those earlier challenges.

Fiscal 2026 began with tariffs being placed on imported steel and other imported supplies which created economic uncertainty in our target metalworking sectors. Tariffs significantly impacted the market environment throughout the year. This led to purchasing freezes by many prospective customers.

During fiscal 2026, we were especially pleased that our loyal customers once again demonstrated strong support for Meta-Lax equipment through their repeat business and referrals. Sales to current customers represented 51% of sales volume (even higher than 50% from the previous year). Notable companies that purchased additional Meta-Lax equipment included Komatsu Mining Equipment and BAE Systems. The aerospace and defense sectors delivered meaningful gains, while exciting new additions to our impressive customer list included Nike (a shoe and clothing manufacturer) and Blue Origin (a rocket engine manufacturer). Our flagship Model 2800 system continued to lead our sales, accounting for 55% of sales volume.

The fourth quarter, saw global energy/fuel prices rise significantly due to the U.S. conflict with Iran. Historically, higher fuel costs have increased demand for Bonal's Meta-Lax stress relief equipment. Meta-Lax represents a perfect solution to the current market needs since it is a superior, sustainable alternative to the high energy consuming traditional, thermal stress relief method. Stress relief is an essential step in the manufacturing of metal parts for preventing distortion and premature fatigue. Compared to natural gas-fired furnaces, Meta-Lax stress relief delivers dramatic energy related advantages especially by reducing energy consumption up to 98%. Beyond cost and time savings, the U.S. Department of Energy has reported that Meta-Lax significantly reduces air pollution, greenhouse gas emissions, and reliance on fossil fuels all of which support our customers' carbon neutrality goals. Our customers have also reported indirect energy savings due to lower rework, less maintenance, and reduced scrap rates. We believe these factors position Bonal to capture additional market share in the near future.

Looking forward, we are well-prepared to capitalize on the growing global interest in the best high-quality, energy-efficient alternative to traditional thermal stress relief. With Meta-Lax poised to gain even greater recognition, we look ahead with optimism.

Thank you for your continued loyalty and confidence in Bonal International.

Sincerely,

Thomas E. Hebel

Chairman

Independent Accountant's Review Report

Board of Directors and Stockholders
Bonal International, Inc. and Subsidiary

We have reviewed the accompanying consolidated financial statements of Bonal International, Inc. and Subsidiary (the Company), which comprise the consolidated balance sheet as of March 31, 2026 and 2025, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years ended March 31, 2026, 2025, and 2024, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Bonal International, Inc. and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Cohen & Company Ltd.

St. Clair Shores, Michigan
July 28, 2026

COHEN & COMPANY, LTD.
Registered with the Public Company Accounting Oversight Board

800.229.1099 | 866.818.4538 FAX | cohenco.com

Consolidated Balance Sheet

	March 31, 2026	March 31, 2025
Assets		
Current Assets		
Cash and cash equivalents	$ 958,779	$ 1,057,375
Accounts receivable-trade, net of allowance for credit losses of $2,175 for both years	180,956	192,970
Inventories, net	568,672	608,937
Prepaid expenses and other current assets:		
Prepaid expenses	40,047	38,365
Refundable income taxes	16,500	11,700
Other current assets	48,788	35,464
Total current assets	1,813,742	1,944,811
Property and Equipment, Net	9,084	18,857
Deferred Tax Asset	18,500	64,200
Other Assets		
Operating lease right-of-use assets	389,784	44,491
Finance lease right-of-use asset - Net	16,934	21,477
Total assets	**$ 2,248,044**	**$ 2,093,836**
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 79,738	$ 80,143
Accrued and other current liabilities:		
Accrued compensation	66,728	103,644
Customer deposits and advances	27,945	59,770
Accrued income tax liabilities		200
Other accrued liabilities	4,803	1,576
Current portion of operating lease liabilities	69,043	45,501
Current portion of finance lease liability	4,801	4,500
Total current liabilities	253,058	295,334
Long-Term Liabilities		
Operating lease liabilities	321,159	
Finance lease liability	12,385	17,573
Stockholders' Equity	1,661,442	1,780,929
Total liabilities and stockholders' equity	**$ 2,248,044**	**$ 2,093,836**

See Independent Accountant's Review Report and notes to the consolidated financial statements.

Consolidated Statement of Operations

	Year Ended March 31,		
	2026	2025	2024
Net Sales			
Contract revenue	$ 1,050,349	$ 1,502,926	$ 1,436,317
Rental revenue	227,260	233,460	204,502
Total net sales	1,277,609	1,736,386	1,640,819
Cost of Sales	411,702	408,991	432,791
Gross Profit	865,907	1,327,395	1,208,028
General and Administrative Expenses	1,109,230	1,200,247	1,244,010
Operating Income (Loss)	(243,323)	127,148	(35,982)
Nonoperating Income (Expense)			
Interest income	36,499	11,424	5,611
Interest expense	(1,202)	(820)	(496)
Other income (expense)	127,585	(2,052)	(1,949)
Total nonoperating income	162,882	8,552	3,166
Income (Loss) - Before income taxes	(80,441)	135,700	(32,816)
Income Tax Expense (Benefit)	39,046	(7,477)	(39,750)
Net Income (Loss)	**$ (119,487)**	**$ 143,177**	**$ 6,934**
Per-Share Data - Net Income **(Loss)**	$ (0.07)	$ 0.08	$ 0.00
Average Number of Shares Used in per Share Computation	1,747,922	1,747,922	1,747,922

See Independent Accountant's Review Report and notes to the consolidated financial statements.

Consolidated Statement of Stockholders' Equity

	Class A Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance - April 1, 2023	**$ 8,740**	**$ 688,212**	**$ 933,866**	**$ 1,630,818**
Net Income			6,934	6,934
Balance - March 31, 2024	**8,740**	**688,212**	**940,800**	**1,637,752**
Net Income			143,177	143,177
Balance - March 31, 2025	**8,740**	**688,212**	**1,083,977**	**1,780,929**
Net Loss			(119,487)	(119,487)
Balance - March 31, 2026	**$ 8,740**	**$ 688,212**	**$ 964,490**	**$ 1,661,442**

See Independent Accountant's Review Report and notes to the consolidated financial statements.

Consolidated Statement of Cash Flows

	Year Ended March 31,		
Cash Flow Provided by (Used in) Operating Activities	**2026**	**2025**	**2024**
Net income (loss)	$ (119,487)	$ 143,177	$ 6,934
Adjustments to reconcile net income (loss) to net cash and cash equivalents provided by (used in) operating activities:			
Depreciation and amortization	11,173	11,847	9,511
Loss on disposal of property and equipment			461
Operating lease expense	43,735	73,553	72,034
Finance lease amortization	4,543	2,625	
Deferred income taxes	45,700	(12,200)	(21,900)
Net change in:			
Accounts receivable-trade, net	12,014	(39,971)	97,113
Inventories, net	40,265	10,176	38,605
Prepaid expenses and other current assets	(15,006)	6,323	30,107
Refundable income taxes	(4,800)	24,200	(35,900)
Accounts payable	(405)	28,199	31,640
Accrued expenses and other current liabilities	(65,714)	27,078	16,514
Operating lease liabilities	(44,327)	(75,332)	(71,560)
Net cash provided by (used in) operating activities	(92,309)	199,675	173,559
Cash Flow Used in Investing Activity			
Purchase of property and equipment	(1,400)	(12,772)	(7,723)
Cash Flow Used in Financing Activity			
Repayments of finance lease liability	(4,887)	(2,029)	
Net Increase (Decrease) in Cash and Cash Equivalents	(98,596)	184,874	165,836
Cash and Cash Equivalents - Beginning of year	1,057,375	872,501	706,665
Cash and Cash Equivalents - End of year	**$ 958,779**	**$ 1,057,375**	**$ 872,501**
Supplemental Financial Information			
Income taxes paid	**$ 20,000**		
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows from operating leases	**$ 45,801**	**$ 77,442**	**$ 75,602**
Operating cash flows from finance lease (i.e. interest portion)	**$ 1,179**	**$ 931**	
Non-Cash Investing and Financing Transaction			
Right-of-use assets obtained in exchange for operating lease liabilities	**$ 389,028**		
Right-of-use asset obtained in exchange for finance lease liability		**$ 24,102**	

See Independent Accountant's Review Report and notes to the consolidated financial statements.

Note 1 - Nature of Business and Summary of Significant Financial Accounting Policies

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of Bonal International, Inc. and its wholly-owned subsidiary, Bonal Technologies, Inc. (collectively, the Company). All material intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements.

Nature of Business - Headquartered in Royal Oak, Michigan, Bonal Technologies, Inc. provides a complete variety of consulting, training, program design, and metal stress relief services to several industries including: automotive, aerospace, mining, petroleum, shipbuilding, welding, machine tooling, plastic molding, racing, engine building, armament, and die casting. The Company's patented technology and its three distinct product lines: (1) Meta-Lax Stress Relief, (2) Pulse Puddle Arc Welding (PPAW), and (3) Black Magic, are sold throughout the United States and in over 60 countries.

Basis of Accounting - The Company maintains its books on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Cash and Cash Equivalents - The Company considers all highly liquid investments with original maturities of six months or less to be cash equivalents. The Company maintains balances in various cash accounts which may, at times, exceed the amount of related federal insurance. The Company has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash. At March 31, 2026 and 2025, cash and cash equivalents consisted of the following:

	2026	2025
Cash in financial institutions	$ 618,066	$ 728,010
Certificates of deposit	340,713	329,365
	$ 958,779	$ 1,057,375

Concentrations - The Company had four customers that accounted for approximately 70% and four customers that accounted for approximately 75% of accounts receivable-trade, net at March 31, 2026 and 2025, respectively. Due to the nature of the Company's business, the customers that comprise these concentrations change from year to year.

Use of Estimates - The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting year. Actual results could differ from those estimates, and such differences may be material.

Accounts Receivable and Allowance for Credit Losses - The Company operates in the metal working industries and its accounts receivable are primarily derived from wholesale customers. Since the Company's trade receivables are largely similar, the Company evaluates its allowance for credit losses as one portfolio segment. Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. The Company does not charge interest on unpaid accounts receivable balances. Accounts receivable are stated at amounts billed to the customer.

Note 1 - Nature of Business and Summary of Significant Financial Accounting Policies (Continued)

Accounts Receivable and Allowance for Credit Losses (continued) - At each consolidated balance sheet date, the Company recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. Accounts receivable are evaluated individually when they do not share similar risk characteristics which could exist in circumstances where amounts are considered at risk or uncollectible.

The allowance estimate is derived from a review of the Company's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Company. The Company believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Company's portfolio segment has remained consistent since the Company's inception.

The Company has elected to early adopt Accounting Standards Update 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets.* The Company has elected the practical expedient to assume that current conditions as of the consolidated balance sheet date do not change for the remaining life of the accounts receivable. The Company has also elected to apply the subsequent collection policy election by considering collection activity through the date the consolidated financial statements are available to be issued, when estimating expected credit losses for these assets.

The Company writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or as an offset to credit loss expense in the year of recovery, in accordance with the Company's accounting policy election. The total amount of write-offs was immaterial to the consolidated financial statements as a whole for the years ended March 31, 2026, 2025, and 2024.

The Company had accounts receivable-trade, net of approximately $153,000 at April 1, 2024.

Inventories - Inventories consist of raw materials, work in progress, and finished goods and are stated at the lower of cost, determined on the first-in, first-out (FIFO) method, or net realizable value. Finished goods include a rental fleet for units rented to customers on a short term basis. At March 31, 2026 and 2025, approximately $96,000 and $83,000, respectively, relate to rental units within finished goods. A valuation allowance is provided for obsolete and slow moving inventory to write down costs to net realizable value. The Company has recorded an obsolescence reserve as of March 31, 2026 and 2025, of approximately $10,000.

Note 1 - Nature of Business and Summary of Significant Financial Accounting Policies (Continued)

Property and Equipment - Property and equipment are recorded at cost. Depreciation and amortization of property and equipment is provided by use of the straight-line and accelerated methods over the estimated useful lives of the assets as follows:

Machinery and equipment	7 - 10 years
Displays	5 years
Transportation equipment	5 years
Office furniture and equipment	3 - 10 years
Leasehold improvements	lease term

Revenue Recognition - The Company's revenues primarily result from the sale of new and used metal stress relief products and accessories and related rental, servicing, repair, and training services. The issuance of a purchase order is generally the point at which a contract is identified for accounting and financial reporting purposes. The Company recognizes revenue for the sale of new and used units, and the related servicing, repair, and training services when the Company satisfies its performance obligation under the contract by transferring the promised product or service to the customer when the customer obtains control of the product or service. For products, this generally happens at the point of shipment. Products sold by the Company are delivered via shipment from the Company's facilities. For services, this happens upon completion of the service. The Company's contracts primarily consist of a single performance obligation.

The Company utilizes the following practical expedients and policy elections when recognizing revenue and related costs: (1) to apply certain practical expedients available with respect to disclosure requirements, (2) the transaction price is not adjusted for any significant financing component, as the expected time period between when the Company transfers the promised goods to the customer and payment is less than one year, (3) incremental costs of obtaining a contract are expensed when the amortization period is one year or less, (4) ASC 606 is applied to a portfolio of contracts (or performance obligations) with similar characteristics, (5) all shipping and handling activities are accounted for as activities to fulfill the promise to transfer the good, not as a separate performance obligation, and (6) the transaction price excludes tax amounts assessed by governmental authorities that are both (i) imposed on and concurrent with a specific to nonpublic companies with respect to disclosure requirements and (ii) collected from customers.

The Company provides a warranty for its products. Such warranties, however, are limited to standard contractually based periods and are not separately sold, and are considered to be assurance-type warranties that are not separate performance obligations.

Rental revenues are recognized over the term of the lease agreement as the customer receives/consumes the benefit, typically monthly. Generally, rental customers are required to provide security deposits at the inception of the contract. Any remaining deposits are returned within 30 days of the end of the contract.

Note 1 - Nature of Business and Summary of Significant Financial Accounting Policies (Continued)

Leases - The Company determines if an arrangement is, or contains, a lease at the inception date. In evaluating contracts to determine if they qualify as a lease, the Company considers factors such as if the Company has obtained substantially all of the rights to the underlying asset through exclusivity, if the Company can direct the use of the asset by making decisions about how and for what purpose the asset will be used, and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at the commencement date based primarily on the present value of lease payments over the lease term. In determining the discount rate used to measure the ROU assets and lease liabilities, the Company uses rates implicit in the lease, when available. If the rate implicit in the lease is not readily available, the Company has elected to use a risk-free rate for all classes of assets. The risk-free rate used is the “U.S. Treasury Bill Rate” in effect at the commencement of the lease for a similar term. The operating lease ROU assets also include any lease payments made at commencement and exclude lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense is recognized on a straight-line basis over the lease term.

The Company elected to apply the short-term lease exemption. Under this exemption, ROU assets and lease liabilities are not recognized for leases with an initial term of 12 months or less. The Company does not currently have any material short-term lease arrangements.

The Company elected the practical expedient to account for lease and non-lease components as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. Payments for non-lease components, which are primarily comprised of common area maintenance, utilities, insurance, capital expenditures, and real estate taxes that are passed on from the lessor in proportion to the space leased, are recognized in operating expenses in the period in which the obligation for those payments was incurred.

Income Taxes - Deferred tax assets and liabilities are recognized for the future tax benefits and consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company recognizes and discloses uncertain tax positions in accordance with GAAP. As of March 31, 2026 and 2025, and for the years ended March 31, 2026, 2025, and 2024, the Company did not have a liability for unrecognized tax benefits.

Note 1 - Nature of Business and Summary of Significant Financial Accounting Policies (Continued)

Earnings per Common Share - Earnings per common share are based on the number of common shares outstanding at the end of the year.

Subsequent Events - Management has evaluated subsequent events through July 28, 2026, the date the consolidated financial statements were available to be issued.

Note 2 - Inventories

Major classes of inventories are as follows:

	2026	2025
Raw materials	$ 317,144	$ 305,016
Work in process	134,977	162,995
Finished goods	126,622	150,997
Total	**578,743**	**619,008**
Reserve for obsolescence	(10,071)	(10,071)
Total Inventories, Net	**$ 568,672**	**$ 608,937**

Note 3 - Property and Equipment

Major classes of property and equipment are as follows:

	2026	2025
Machinery and equipment	$ 61,810	$ 60,410
Displays	29,078	29,078
Transportation equipment	46,448	46,448
Office furniture and equipment	236,587	236,587
Leasehold improvements	18,823	18,823
Total cost	**392,746**	**391,346**
Accumulated depreciation and amortization	(383,662)	(372,489)
Property and equipment, Net	**$ 9,084**	**$ 18,857**

Note 4 - Income Taxes

The provision for (benefit from) income taxes consists of the following for the years ended:

	2026	2025	2024
Current expense (benefit)	$ (6,654)	$ 4,723	$ (17,850)
Deferred (benefit) expense	45,700	(12,200)	(21,900)
Net income tax (benefit) expense	$ 39,046	$ (7,477)	$ (39,750)

Note 4 - Income Taxes (Continued)

A reconciliation of the provision for (benefit from) income taxes to income taxes computed by applying the statutory United States federal tax rate to income before taxes is as follows:

	2026	2025	2024
Income tax expense -			
Computed at 21% of pretax income	$ (20,587)	$ 38,571	$ 12,250
State income tax expense (benefit)	200	500	(700)
Effect of nondeductible expense	196	6,728	651
Effect of tax credits			
and special deductions	(3,100)	(9,337)	(10,424)
Research and development expense	26,979	(58,994)	(48,115)
Effect of adjustment of prior year			
estimates and others	35,358	15,055	6,588
Net income tax (benefit) expense	$ 39,046	$ (7,477)	$ (39,750)

At March 31, 2026 and 2025, gross deferred tax assets and gross deferred tax liabilities were comprised of the following:

	2026	2025
Gross deferred tax assets	$ 54,200	$ 66,900
Gross deferred tax liabilities	(35,700)	(2,700)
	$ 18,500	$ 64,200

Deferred tax assets result primarily from differences in the year of deductibility of certain expenses as well as capitalization of research and development expenses. Deferred tax liabilities result from different methods used for depreciation for financial reporting and income tax purposes. The Company had no valuation allowance on its deferred tax asset in either year.

Note 5 - Leases

The Company maintains operating and finance leases primarily for office and warehouse space and a copy machine. These leases have remaining lease terms expiring through March 1, 2031.

For the years ended March 31, 2026, 2025, and 2024, the Company's expenses relating to leases consist of the following:

	2026	2025	2024
Finance lease expense:			
Amortization of ROU asset	$ 4,956	$ 3,304	$
Interest on lease liability	1,179	931	
Total finance lease expense	$ 6,135	$ 4,235	$
Operating lease expense	$ 51,487	$ 76,076	$ 76,076

Note 5 – Leases (Continued)

At March 31, 2026, 2025, and 2024, other information related to the Company's leases consisted of the following:

	2026	2025	2024
Weighted average remaining lease term:			
Operating leases	4.92 years	.58 years	1.58 years
Finance lease	3.42 years	4.42 years	
Weighted average discount rate:			
Operating leases	3.62%	2.63%	2.63%
Finance lease	6.00%	6.00%	

At March 31, 2026, future minimum lease payments under non-cancellable leases are as follows:

	Operating Leases	Finance Lease
2027	$ 81,787	$ 5,701
2028	84,240	5,701
2029	86,704	5,701
2030	89,291	
2031	84,118	1,900
Total undiscounted cash flows	426,140	19,003
Less: Present value discount	(35,938)	(1,817)
Total lease liabilities	$ 390,202	$ 17,186

Note 6 - Stockholders' Equity

The Company's stock at March 31, 2026 and 2025, consists of the following:

- Class A common, voting stock, 5,000,000 authorized shares, with $.005 par value. A total of 1,747,922 shares were issued and outstanding at March 31, 2026 and 2025.
- Class B common, nonvoting stock, 5,000,000 authorized shares, with $.01 par value. There were no shares issued or outstanding at March 31, 2026 and 2025.
- Preferred stock, 200,000 authorized shares, with $.01 par value. There were no shares issued or outstanding at March 31, 2026 and 2025.

Note 7 - Employee Benefit Plan

The Company sponsors a 401(k) plan that provides retirement benefits for its employees according to the provisions of the plan document. There were no contributions made by the Company during the years ended March 31, 2026, 2025, and 2024.

Note 8 - Related Party Transactions

The Company utilizes services from multiple entities owned by shareholders of the Company. Amounts incurred and paid for related party services totaled approximately $71,300, $73,800, and $43,000 for the years ended March 31, 2026, 2025, and 2024, respectively.

The Company provides compensation to members of its Board of Directors, who are also shareholders of the Company. Board member compensation totaled approximately $49,500, $49,400, and $48,300 for the years ended March 31, 2026, 2025, and 2024, respectively. Included in accounts payable at March 31, 2026, 2025, and 2024, is approximately $4,280, $5,540, and $7,260, respectively, due to related parties.

Note 9 – Other Income

During the year ended March 31, 2026, the Company recognized a total of $152,872 under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and subsequent legislation for the Employee Retention Credit (ERC). The Company accounts for the ERC as a conditional government contribution by analogy to FASB ASC 958-605. Under this policy, the Company recognizes contribution revenue when it is probable that the conditions of the grant have been met and there is reasonable assurance the funds will be received. Income from refundable tax credits, of $129,171, is included in other income (expense) and $23,701 is included in interest income within the Consolidated Statement of Operations. As of March 31, 2026, all amounts have been received.

The Company recognizes claims made under the CARES Act are subject to review and retroactive audit by the Internal Revenue Service (IRS) for a period of up to five years subsequent. There can be no assurance that regulatory authorities will not challenge the Company's qualification for the ERC. If such a challenge occurs, it could result in the repayment of recognized credits, though management believes the Company has complied with all applicable requirements.

Trading Symbol: BONL
CUSIP Number: 097-770-200

Directors and Officers

① ④	Thomas E. Hebel Chairman	④	John A. Hebel Director and Secretary
① ④	Paul Y. Hebel Director and Vice Chairman	④	Betty Jean Hebel, Ph.D. Director
② ③ ④	Harold Y. Hebel Director, Treasure, and CFO		Torsten Warnatsch President and CEO
① ②	Executive Committee Audit Committee	③ ④	Compensation Committee Nominating Committee

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Independent Accountants

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