



BENEFIT COATINGS 2019 ANNUAL BENEFIT REPORT



Dear Valued Stakeholder:

2019 was an eventful year at Benefit Coatings. We started the year by expanding our capabilities with the purchase of a first-rate coating oven. With this purchase, we were able to coat and dry products of varying categories, from edible thin films to solvent-based adhesives. The oven, a top-of-the-line unit manufactured by Frontier, was built in the early 2000s and essentially never used. We are now able to breathe new life into this machine, which will be mutually beneficial for our company and our customers. Upcycling is the concept of reusing something that would otherwise be discarded—when used equipment of such high quality becomes available, I like to say, “what’s old is new again!”

Speaking of customers, we were also able to expand a product line with one of our core clients: through the re-engineering of an existing machine, we now offer this client the ability to convert their bandage product into specific shapes and layouts. We continued expanding our product offering with this customer later in the year while utilizing our new coating oven—this work will continue into 2020. The ability to offer our customers a full suite of solutions is a source of pride for us.

RESEARCH & DEVELOPMENT

2019 was also a time for our business to expand its development activities. We developed our first B2B edible thin film product for a customer looking to include CBD as an ingredient in their film. We are excited to continue following guidance from the FDA on how to regulate products containing CBD. We also aided a research lab looking to file an Investigational New Drug (IND) to the FDA. That product will enter human clinical studies in 2020. On top of that, Benefit Coating continued developing internal B2C products that are being tested and expected to become available in 2021. Research and Development is an exciting facet of our business, and we look forward to introducing new projects and expanding our relationships with future customers.

QUALITY

On the quality side of Benefit Coatings, we received ISO certification with ISO 9001, ISO 13485, and ISO 17025 accreditations. These certifications are integral to our corporation, and we stay committed to continually maintaining our Quality Management System.

WAGES

Fiscally, Benefit Coatings was thrilled to increase our minimum wage from \$13.50 to \$15.00 an hour in 2019. We hope other companies, small businesses included, continue pushing the issue of livable wages in the coming years.


The two officers of Benefit Coatings, Adam Berry (CEO) and Craig Berry (COO), each had a gross annual salary of \$77,250 in 2019. This amounts to a 3% increase in overall salary from the previous year. The next highest-paid employee also received a gross annual salary of \$77,250. In 2019, we had one employee receiving our minimum wage of \$15.00 an hour. We were also able to offer significant raises to all our employees through the holiday season. While our highest-paid employees received a pay increase of 3% of their gross annual salary, the rest of our employees received an average increase of over 8%. Over the past two years, we have tightened the wage gap between our employees while significantly increasing our non-executive employees’ average wages.

2020 AND BEYOND

Our goals for 2020 include bringing development products closer to commercial manufacturing, continuously maintaining our quality systems, and building our portfolio of customers through R&D activities. We are excited to see what the future holds for our small business, as well as the good we can bring to those around us.

If you have any questions or comments regarding our annual benefit report, please contact Adam Berry at Adamberry@BenefitCoatings.com. For more information about our company, please visit our website at www.BenefitCoatings.com.

All the best,

A handwritten signature in black ink, appearing to read 'A Berry', with a stylized flourish at the end.

Adam Berry
CEO
Benefit Coatings