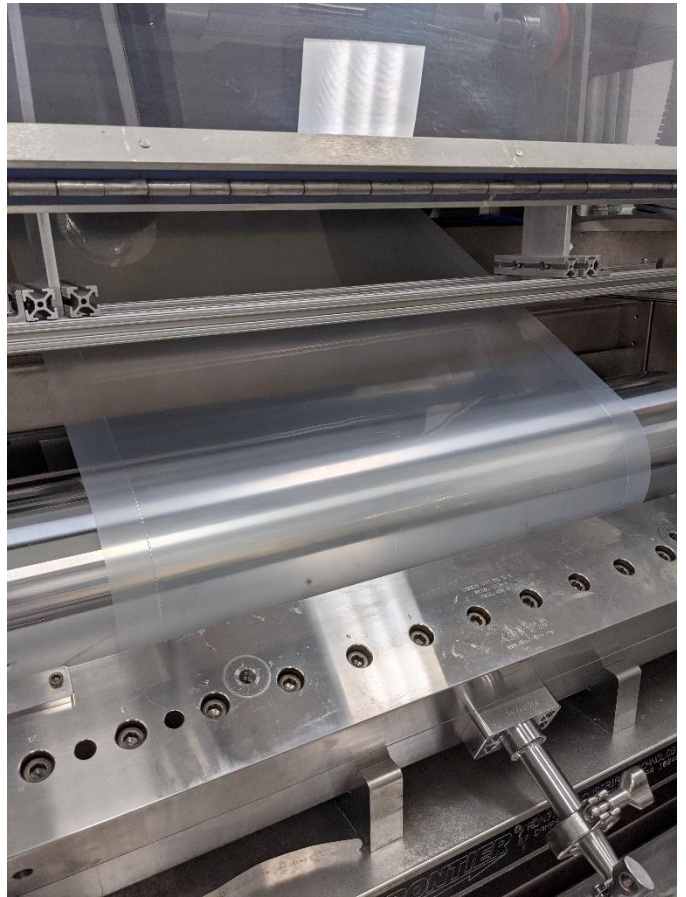


# BENEFIT COATINGS 2021 ANNUAL BENEFIT REPORT



Valued Stakeholder:

2021 marked a return to normal for Benefit Coatings after a complex prior twelve months. While the COVID-19 pandemic continued to challenge the global landscape, we found what worked best for our employees and company in order to stay safe while continuing the prosperity of our business.

In 2021, Benefit Coatings won the bid to begin developing a major generic transdermal patch. While we cannot go into details on the use or ingredients contained in this patch, it serves a significant therapeutic purpose that truly matches the Benefit Coatings mission of *Promoting Good Health and Well-Being for all*. This patch project has the potential to not only shape the future of Benefit Coatings, but to bring health benefits to millions of individuals in the United States. Development has included significant tech transfer activities, lab development, stability batches, and overall support for our customer and the product. While development is still ongoing, we have made substantial progress and continue to get closer to our goal of bioequivalence and a successful submission with the FDA.

During the year, we also began development on another OTC patch, continued the commercial manufacturing of our bandage product, and began to quote on various NDA projects in conjunction with our research institute partner. All of these projects are important parts of our business and mission; they have the widespread potential to offer support to numerous individuals who could be the beneficiaries of their medicinal or therapeutic value. We are excited to continue working with our customers to bring these products to approval, and eventually to market.

### **Values Checklist**

Multiple times during 2021, Benefit Coatings was able to test and enhance a tool used internally to measure the environmental, social, and fiscal weight of a project. Environmentally, our tool looks at the sustainability of the raw materials used in the product, the process of manufacturing, the end life of the product, and many more details. Socially, our tool examines the benefit the project may bring to end users, the potential therapeutic value, ethical considerations, corporate governance, and more. Fiscal weight of a project does not only mean profitability for Benefit Coatings or our customer, but also cost effectiveness as well as the overall cost for the end user. These questions are contained in a *Values Checklist* which weighs the response evenly over the three buckets before delivering a total acceptance percentage. This percentage is then evaluated against a benchmark, which helps determine the overall sustainability of the product and whether it fits the mission of Benefit Coatings.

This tool can be used in many different ways, however, the primary use is for evaluating a new potential project, such as the generic transdermal patch mentioned above, which passed all benchmark criteria. The values checklist can also be used to decline development of a project or decide against developing a product, which did occur in 2021 due to ethical concerns around the active ingredient.

A tool such as the values checklist helps maintain the direction our company is headed and that we do not compromise the mission we have set. So far, it has proven an invaluable device that has not only kept Benefit Coatings on mission, but has allowed us to ignore or remedy potential risks that could negatively impact on the future of our company.

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## **Wages**

Benefit Coatings welcomed the addition of a new Director of Quality, a major hire for our company and our quality team. This addition marks the first instance of adding an employee who earns higher wages than the officers of the company.

The two officers of Benefit Coatings, Adam Berry (CEO) and Craig Berry (COO), each had a gross annual salary of \$81,090 in 2021. This amounts to a 2.0% increase in overall salary from the previous year. In 2021, all employees received a 2.0% cost of living increase as well as year-end performance-based bonuses. Benefit Coatings was also able to begin a 401K program for all employees, which included matching.

We had two employees receiving our lowest wage of \$16.07 an hour. Due to the hiring of a director-level position, our wage gap increased. However, the wage gap between officers and our lowest paid employees remained the same as in 2020. Going forward, Benefit Coatings management will continue to address the wage gap.

## **2022**

2022 has the potential to be a significant year of growth and development for Benefit Coatings as we work with our customers to meet their needs. We welcome the opportunity to continue working with them, building our relationships as business partners, and potentially expanding our product offerings. As in 2021, we hope to continue to see a return to normalcy. We will remain flexible wherever necessary and continue to develop and manufacture products of high social, quality, and therapeutic value for all of our stakeholders.

If you have any questions or comments regarding our annual benefit report, please get in touch with Adam Berry at [Adamberry@BenefitCoatings.com](mailto:Adamberry@BenefitCoatings.com). For more information about our company, please visit our website at [www.BenefitCoatings.com](http://www.BenefitCoatings.com).

All the best,



Adam Berry  
CEO  
Benefit Coatings