



## **BENEFIT COATINGS 2023 ANNUAL BENEFIT REPORT**



Valued Stakeholder:

2023 was a momentous year for Benefit Coatings. We began the year by validating our second commercial product, a process that took a significant amount of coordination with our customer. Like the previous re-validation of our first commercial product, this was comprehensive, and we look forward to manufacturing more of this product in the future.

As 2023 continued, we successfully manufactured six GMP registration batches for our generic transdermal product. This product will undergo a two-year supporting stability study at our site. One of these batches will be chosen for a bioequivalence batch, which will take place in 2024.

We also began development on three IND products, all in the category of women's health. This development has been taking place in conjunction with a research institute and includes both development batches as well as QC lab support. These projects each have the possibility of significantly improving women's health and well-being across the world.

To support both our generic transdermal product and our three IND products, Benefit Coatings leased a nearby facility towards the end of 2023. The site now houses a high-speed Optima pouching line and a dedicated Kraemer thin-film coating line. Moving into 2024, the new site will continue to be updated, including the addition of cleanroom space while the machines are installed and qualified.

Towards the end of the year, our commercial customer asked Benefit Coatings to support them by manufacturing finished products, including converting and pouching. This work will primarily take place in 2024, but it marks an important moment in the history of Benefit Coatings as we move closer towards manufacturing our first finished product. Up to this point, Benefit Coatings has manufactured an intermediate product which has been finished by our customer.

These exciting activities are enough to keep any small business very busy. Our team kept up with our commercial demand admirably while also focusing time and effort on these new projects.

### **The Importance of Management Review**

Twice a year, the Benefit Coatings management team holds a comprehensive meeting to discuss all aspects of our company including our quality metrics, equipment, facilities, audits, compliance, vendors, and many more topics. It gives us an unimpeded time to gather together and discuss all the moving parts that keep a successful business going. These meetings are also important for tracking deliverables from past meetings and to make sure we continue to place an emphasis on what is important to our company's success.

### **Wages**

The two officers of Benefit Coatings, Adam Berry (CEO) and Craig Berry (COO), each had a gross annual salary of \$84,000 in 2022. This amounts to 2.4% increase in overall salary from the previous year. In 2022, all employees received cost of living pay increases. Our average wage increase was 4.3% percent.

Our lowest paid employee in 2022 received \$17.80 an hour, meaning that we had no employees earning our minimum wage. The ratio of our highest paid employee to our lowest paid employee is 4.5:1, meaning our highest paid employee earns roughly 4.5 times what our lowest paid employee earns a year before taxes. This gap remained roughly the same as in 2022.

## 2024

2024 is setting up to be a very important year for Benefit Coatings as we focus on building machinery to support our finished product medical device manufacturing. Towards the end of the year, we expect to begin OQ and PQ activities for these projects, meaning we may be producing finished commercial product before the end of the year. This comes with its own sets of requirements, both from an operations standpoint as well as a quality standpoint. Benefit Coatings is committed to its compliance given this increase in scope.

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,

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

Adam Berry  
CEO  
Benefit Coatings