

SK Capital Announces the Acquisition of Florachem

New strategic investment from SK Capital to enhance Florachem's value-added natural ingredients platform

Jacksonville, Florida, May 2, 2022 — Funds advised by SK Capital Partners, LP (“SK Capital”), a private investment firm focused on the specialty materials, specialty chemicals, and pharmaceuticals sectors, today announced the acquisition of Florachem Holdings, LLC (“Florachem” or the “Company”) from an affiliate of Carmelina Capital, LLC.

Florachem is a leading manufacturer and supplier of natural plant-based ingredients including citrus, pine, and specialty rosin resins. The Company's high quality natural products help their global customer base improve product performance with sustainable, clean-label ingredients. Florachem partners with industry-leading customers across diverse end markets including flavor and fragrance, personal care, industrial, and coatings and adhesives.

Florachem, led by President and CEO, Jon Leonard, is headquartered in Jacksonville, Florida, where it has world-class citrus and pine manufacturing and research and development capabilities. Additionally, the Company is in the process of completing the construction of a new state-of-the-art, food-grade manufacturing facility that will expand Florachem's capacity, add new capabilities, and support the Company's strategic expansion of its natural citrus ingredient product line.

“Jon Leonard and his team have built a tremendously successful platform with an industry-wide reputation for customer service, reliability, and quality,” said Mario Toukan, Managing Director of SK Capital. “We look forward to partnering with the Florachem team to continue to service its customer and supplier bases, expand the platform's reach and capabilities, and accelerate growth.”

“We are extremely excited to partner with SK Capital, which shares our vision and strong set of values while bringing significant resources and relationships to the table,” said Jon Leonard. “SK Capital is committed to helping Florachem grow its business and capabilities, while protecting and enhancing our high-quality reputation in the industry.”

Jonathan Borell, a Managing Director of SK Capital added, “SK Capital has significant experience investing in ingredients businesses, and we believe we have found a great opportunity to partner with Jon Leonard and his team to build a leading natural ingredients platform. With nearly 30 years of experience, Jon is a respected leader in his industry. We feel privileged to play a part in this ongoing story and to work closely with Florachem's employees to bring further opportunities for growth and success to fruition.”

Goodwin Procter LLP acted as legal counsel to SK Capital and committed debt financing was provided by Stellus Capital Management.

About SK Capital

SK Capital is a private investment firm with a disciplined focus on the specialty materials, specialty chemicals and pharmaceuticals sectors. The firm seeks to build strong and growing businesses that create substantial long-term economic value. SK Capital aims to utilize its industry, operating, and investment experience to identify opportunities to transform businesses into higher performing organizations with improved strategic positioning, growth, and profitability, as well as lower operating risk. SK Capital's portfolio of businesses generates revenues of approximately \$15 billion annually, employs more than 20,000 people globally and operates 191 plants in 32 countries. The firm currently has approximately \$6.6 billion of assets under management. For more information, please visit www.skcapitalpartners.com.

About Florachem Holdings, LLC

Founded in 1988, Jacksonville, Florida-based Florachem is a leading manufacturer and supplier of natural plant-based ingredients, including citrus, pine, and specialty rosin resins. The Company serves a global customer base across the flavor and fragrance, personal care, industrial, and coatings and adhesives markets. Florachem currently operates two facilities in North America. For more information, please visit www.florachem.com.

About Carmelina Capital Partners

Carmelina Capital Partners is a Los Angeles-based private investment firm that partners with exceptional founder-led and family-owned businesses. Carmelina has extensive experience partnering with owner-operators across a broad range of industries to facilitate shareholder liquidity, support rapid growth, and drive accelerated value creation. For more information, please visit www.carmelina.com.

SK Capital Partners

430 Park Avenue | New York, NY 10022 | 212.826.2700 | skcapitalpartners.com