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Arsenal Capital Partners Announces Investment In Peterson Chemical Technology

Strengthens its Recently Formed Elite Comfort Solutions Platform

NEW YORK, April 14, 2016 – Arsenal Capital Partners (Arsenal), a leading New York-based private equity firm that invests in middle-market specialty industrial and healthcare companies, announced today a majority investment in Peterson Chemical Technology (Peterson Chemical).

Headquartered in Fort Smith, Arkansas, Peterson Chemical is a unique, global technology company specializing in pioneering polyurethane foam products through additives, specialty polyols, systems, and applications development. Peterson Chemical has been providing new technologies to multiple entities in various foam industries for over a decade. The company is the leading inventor of innovative open-cell viscoelastic foam and gel-infused foam technologies, along with a wide range of specialty polyols and additives that have changed the look and performance of specialty bedding products throughout the world.

In March 2016, Arsenal announced the formation of Elite Comfort Solutions which includes investments in Pacific Urethanes LLC (Pacific Urethanes) and Elite Foam Inc. (Elite Foam). Elite Comfort Solutions also announced the signing of a definitive agreement with Hickory Springs Manufacturing Company (HSM) to acquire certain of its foam production assets (HSM Foam). The HSM Foam asset purchase is subject to customary closing conditions, and is expected to close early in the second quarter of 2016. Through the combination of Pacific Urethanes, Elite Foam, and HSM Foam, Arsenal will have created a specialty foam manufacturing business

serving both the bedding and home furnishings markets. Peterson Chemical will remain as an independent company within the Elite Comfort Solutions platform and operate as a separate business focused on specialty additives and chemicals, while continuing to provide unique products and services to its customers worldwide.

Bruce Peterson, President of Peterson Chemical will continue to oversee the company and drive its product development efforts.

“This transaction with Elite Comfort Solutions will enable Peterson Chemical to grow and expand its portfolio of technologies by accelerating investment in capacity, R&D capabilities and talent. I am excited to see our customers worldwide benefit from this partnership,” said Bruce Peterson.

“Peterson Chemical has been a leading innovator in the polyurethane foam sector. We are delighted to support Bruce and his team with greater focus on future innovations. Our intent is to commercialize new products more effectively around the world for the benefit of the bedding industry and the broader polyurethane market” added John Televantos, a Partner at Arsenal and Co-Head of the firm’s Specialty Industrials Group.

In addition to its Elite Comfort Solutions platform, Arsenal also has other active investments in the polyurethanes industry. In 2012 Arsenal formed Accella Performance Materials (Accella), a leading manufacturer of custom formulated polyurethane systems. Since its initial investment, Arsenal has supported Accella’s significant growth through eight strategic acquisitions. Today, Accella is one of the leading players in elastomers, tire fill, spray foam insulation, casting resins, surface and specialty coatings, and adhesives. Globally, Accella manufactures in eleven production facilities across the United States, Europe and China.

About Arsenal Capital Partners

Arsenal Capital Partners is a leading New York-based private equity firm that invests in middle market healthcare and specialty industrial companies. Arsenal makes investments in sectors where the firm has significant prior knowledge and experience. Arsenal targets businesses that have the potential for further value creation, and works closely with management to accelerate growth by leveraging the firm’s industry focus and operational improvement capabilities.

Arsenal currently manages \$2.6 billion of committed equity capital. For additional information on Arsenal Capital Partners, please visit www.arsenalcapital.com.