

Compass Diversified Holdings-Backed Foam Fabricators Takes Significant Steps in Diversification and Sustainability Initiatives

Expands Footprint and Cold-Chain Offerings through Acquisition of Complementary Industry Player, Polyfoam Corporation

Enhances Structural Packaging Capabilities through Strategic Partnership with Rational Packaging

Introduces Cost-Effective Biodegradable EPS Foam Product

Strongly Positioned to Deliver Best-in-Class and Customized Packaging Solutions for Customers across the Country

SCOTTSDALE, AZ, July 2, 2020 – Foam Fabricators Inc. (the “Company” or “Foam Fabricators”), a leading designer and manufacturer of custom protective packaging solutions and componentry, today announced that it has taken significant steps in the diversification and sustainability initiatives that the Company laid out following its acquisition by Compass Diversified Holdings (NYSE: CODI), an owner of leading middle market businesses, in 2018.

With a more than 60-year history, Foam Fabricators operates 14 state-of-the-art molding and fabricating facilities across North America and provides products to a variety of end-markets, including appliances and electronics, pharmaceuticals, health and wellness, automotive, building products and others. These initiatives further strengthen Foam Fabricators’ impressive product and services offerings, while expanding the Company’s geographic presence and enhancing its commitment to providing eco-friendly, sustainable solutions to customers.

- **Polyfoam Corporation Acquisition:** Foam Fabricators, through a wholly-owned subsidiary, has acquired substantially all of the assets of Polyfoam Corp. (“Polyfoam”), a Massachusetts-based manufacturer of protective and temperature-sensitive packaging solutions for the medical, pharmaceutical, grocery and food industries, among others. Founded in 1974, Polyfoam operates two manufacturing facilities producing highly engineered foam and injection-molded plastic solutions across a variety of end-markets.

This acquisition complements Foam Fabricators’ current operating footprint and provides access to a new customer base and product offerings, while enabling Foam Fabricators to cross-sell national customers that Polyfoam otherwise could not efficiently serve given limited geographic reach. Foam Fabricators will also benefit from Polyfoam’s significant end-market exposure to cold chain (including seafood boxes, insulated shipping containers and grocery delivery totes), as well as its innovative design and development team, which continues to develop new products and uses for foam in non-traditional end-markets.

- **Partnership with Rational Packaging:** Founded by industry veterans, Rational Packaging, LLC (“Rational Packaging”) manufactures best-in-class structural and protective packaging by blending creative design and an engineered-systems approach. Through this partnership, Foam Fabricators adds structural packaging elements including fiber-based corner posts to its offerings, enabling a cost-effective, efficient and sustainable “one-stop” solution for customers. With patented designs, unique manufacturing capabilities and fully recyclable solutions, Rational Packaging focuses on providing structural integrity while reducing product damage and this partnership will allow Foam Fabricators to solve customer challenges in ways that were not previously possible.
- **Commercialization of Biodegradable EPS (“BioEPS®”):** Foam Fabricators is the first industry player to introduce BioEPS®, in addition to its current expanded polystyrene (EPS) foam products, offering customers an ASTM-approved and eco-friendly option with the same performance characteristics as traditional EPS foam. While traditional EPS foam is fully recyclable, BioEPS® is engineered to break down in only a few years into just methane and

water, ensuring minimal environmental impact regardless of where it ends up in the waste stream. Foam Fabricators is excited to offer this cost-effective material option to both new and existing customers looking for high performance protective and thermal packaging that is 100% sustainable, recyclable, biodegradable and reusable.

“Over the past two years and with CODI’s support, we have been transforming our business, which has historically focused on molded foam products, into a full-service packaging solutions provider,” said James K. Hughes, President of Foam Fabricators. “Today’s announcements demonstrate our progress in positioning the Company for its next phase of growth and we are delighted to welcome the Polyfoam team to our platform, which significantly expands our geographic reach, allows us to serve new specialty end-markets and drives technological innovation. Adding the launch of our partnership with Rational Packaging and the unveiling of our BioEPS® product, we have a full suite of differentiated products and unique capabilities to provide best-in-class sustainable solutions for our customers. We look forward to building on the Company’s impressive momentum and capitalizing on the many opportunities ahead.”

“Since 1957, Foam Fabricators has distinguished itself as the partner of choice for protective and thermal packaging,” said Elias Sabo, Chief Executive Officer of Compass Diversified Holdings. “As the pandemic continues to transform the way customers shop and a heightened focus is placed on logistics and streamlining supply chains, the Company continues to reposition itself as a one-stop, diversified packaging platform. These initiatives are the first of what we anticipate will be many exciting announcements for Foam Fabricators in 2020 and we look forward to working closely with the team to expand its offerings and drive innovation, while maintaining the same unwavering commitment to quality and sustainability.”

In March 2020, Foam Fabricators received the EPS Sustainability Limelight Award from the EPS Industry Alliance in recognition of the Company’s outstanding contributions to environmental stewardship and leadership in promoting life cycle analysis, an important tool for sustainable packaging.

About Foam Fabricators

Headquartered in Scottsdale, AZ, Foam Fabricators is a leading designer and manufacturer of custom protective packaging solutions and componentry made from expanded polymers such as expanded polystyrene (EPS), expanded polypropylene (EPP) and other advanced resins. Founded in 1957, the company operates 14 state-of-the-art facilities across North America specializing in the production and assembly of key components utilized in protective packaging, OEM componentry and temperature-controlled containers. For more information, please visit www.foamfabricators.com.

About Compass Diversified Holdings (“CODI”)

CODI owns and manages a diverse family of established North American middle market businesses. Each of its current subsidiaries is a leader in its niche market.

CODI maintains controlling ownership interests in each of its subsidiaries in order to maximize its ability to impact long-term cash flow generation and value. CODI provides both debt and equity capital for its subsidiaries, contributing to their financial and operating flexibility. CODI utilizes the cash flows generated by its subsidiaries to invest in its long-term growth and to make cash distributions to its shareholders.

CODI’s nine majority-owned subsidiaries are engaged in the following lines of business:

- The design and marketing of purpose-built technical apparel and gear serving a wide range of global customers (5.11);
- The manufacture of quick-turn, small-run and production rigid printed circuit boards (Advanced Circuits);
- The manufacture of engineered magnetic solutions for a wide range of specialty applications and end-markets (Arnold Magnetic Technologies);
- The design and marketing of wearable baby carriers, strollers and related products (Ergobaby);

- The design and manufacture of custom molded protective foam solutions and OE components (Foam Fabricators);
- The design and manufacture of premium home and gun safes (Liberty Safe);
- The design and manufacture of baseball and softball equipment and apparel (Marucci Sports);
- The manufacture and marketing of portable food warming systems, creative indoor and outdoor lighting, and home fragrance solutions for the foodservice industry and consumer markets (Sterno); and
- The design, manufacture and marketing of airguns, archery products, optics and related accessories (Velocity Outdoor).

Forward-Looking Statements

This press release may contain certain forward-looking statements, including statements with regard to the future operations and financial results of Foam Fabricators. Words such as "believes," "expects," "projects," "anticipates," "forward," and "future" or similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results to differ materially from those projected in these forward-looking statements, and some of these factors are enumerated in the risk factor discussion in the Form 10-K filed by CODI with the SEC for the year ended December 31, 2019 and in the Form 10-Q filed by CODI with the SEC for the quarter ended March 31, 2020, as well as other filings with the SEC. Except as required by law, neither CODI nor Foam Fabricators undertakes any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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