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## Ambienta completes the acquisition of Create Flavours, expanding the platform of Nactarome to the strategic UK market

- This is the third add-on acquisition by Ambienta in less than two years, as it builds Nactarome, a leading European platform in natural ingredients for the food and beverage sector
- Create Flavours significantly boosts Nactarome's R&D capabilities and represents a strong base in the UK market to cross-sell the combined group's products
- Nactarome serves as an industry consolidator, offering smaller players who want to join the group the opportunity to access new markets, expand product range and fuel growth

Ambienta SGR SpA, Europe's largest sustainability-focused private equity investor, is pleased to announce the 100% acquisition of Create Flavours, a leading UK producer of natural top-notes flavours for the food and beverage sector.

The acquisition of Create Flavours further solidifies the position of Ambienta platform Nactarome Group ("Nactarome") as a leading independent player in the European natural flavours and ingredients sector, with revenues in excess of €110m, and a diversified customer base of over 4,200 clients served through ten specialised plants across Europe. Nactarome represents a unique, strategic asset with a complete product offering across natural flavours, colours and ingredients addressing an array of end-markets and applications.

The food industry is being significantly impacted by strong, long-term sustainability trends, as demand is radically shifting towards more natural and healthier products. Nactarome produces flavours, colours and ingredients which make the food industry's production of, for example, flavoured ice creams or baked goods, more sustainable and healthier. This is one of the highest-growth segments within the food industry: in 2019, the market for natural flavours and colours grew twice as much as the food industry as a whole, which remained stable at 2-3%. The market



for natural flavours and colours amongst Nactarome's clients, mostly small and medium sized companies, grew at double digits in the same time.

To capitalize on this growth trend, in 2018 Ambienta identified AromataGroup ("Aromata") as the perfect platform to implement a buy-and-build project to create a leading player in natural, healthy and tasty food ingredients serving small and mid-size food companies across Europe. Following this strategic plan, in July 2019 Aromata expanded into the savoury market through the acquisition of IPAM, the Italian market leader in breadings and battering solutions and functional ingredients for the food industry. In December 2019, Aromata strengthened its international presence and further expanded its product offering through the acquisition of Nactis Flavours, a leading player in France and Belgium in flavours, colours, extracts ingredients and functional solutions for the food industry. The combined group, renamed Nactarome, has made a further built on its strategy with the acquisition of Create Flavours, expanding the group's presence to the large, strategic UK market and amplifying its product offering particularly with an interesting range of natural top-notes.

Headquartered in Clevedon, UK, Create Flavours is a leading producer of natural top-notes flavours for the sweet, savoury and beverage end markets. Despite accounting for less than 25% of an overall dosage, top-notes are the highest value-added component within the overall flavour profile of a product and their production requires significant skills and technological know-how. Create Flavours brings a product portfolio of over 20,000 SKUs, proprietary technologies for optimisation of powder flavours and a client base of 200 of the most recognizable UK and international food brands to boost Nactarome's capabilities.

**Jonathan Jones, Founder and Chairman of Create Flavours**, commented: "We are delighted to join forces with Nactarome and tap into its significant technical and operational resources. This move will strengthen our innovations, products and abilities to provide our clients across the UK and Ireland with the highest service standards. Together, we have a tremendous opportunity to develop a significant position in many of the most dynamically growing segments of the food and beverage markets providing leading-edge clean label and natural solutions."

**Dr. Hans Udo Wenzel, Founder of AromataGroup and Executive Chairman of Nactarome**, added: "We are proud to have been able to convince Jonathan and his team to join our strategy to build a European player in the market for flavours, colours and ingredients for the food industry. Create Flavours, with its focus on natural top-notes solutions, will be able to strengthen our competence in this strategically important area."



**Mauro Roversi, Partner and Chief Investment Officer at Ambienta**, commented: "Despite the uncertainty of these times, we believe that natural ingredients represent solid long-term growth drivers in the food industry, and are proud to continue our project in creating a leading European platform in this space. Create Flavours represents for Nactarome the most complementary and suitable way to expand in one of the largest food industries."

Ambienta was supported by Roland Berger (business due diligence), KPMG (financial and tax due diligence), Studio Facchini Rossi & Soci (structuring), EY (debt advisor), and Pedersoli in association with Mills & Reeve LLP (legal advisors). Create Flavours was advised by RSM (financial advisors) and WBD (legal advisors).

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#### **About Ambienta**

*Ambienta is a sustainability-focused European asset manager, leader in applying environmental sustainability trends to investing. Operating out of Milan, London and Düsseldorf, Ambienta is focused on investing in private and public companies driven by environmental megatrends. With funds under management of over €1 billion on the private equity side, the world's largest capital pool for this strategy, Ambienta has completed thirty-seven investments to date in the areas of resource efficiency and pollution control throughout Europe. In public equity markets, Ambienta has pioneered the world's first absolute return fund entirely focused on environmental sustainability. [www.ambientasgr.com](http://www.ambientasgr.com).*

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