



01/16/2020

## Verso Announces Capital Return Targets

### Provides Additional Detail on Allocation of Net Proceeds from Pixelle Transaction

### Urges Stockholders to Vote FOR the Pixelle Transaction and FOR All of the Verso Director Nominees on the WHITE Proxy Card to Ensure Opportunity to Receive Net Proceeds from the Transaction

MIAMISBURG, Ohio, Jan. 16, 2020 /PRNewswire/ -- Verso Corporation (NYSE: VRS) ("Verso" or the "Company") today announced that promptly following the consummation of the proposed sale of Verso's Androscoggin and Stevens Point mills to Pixelle Specialty Solutions (the "Pixelle Transaction"), the Verso Board intends to return net proceeds from the Pixelle Transaction to stockholders in an aggregate amount of up to \$282 million and not less than \$225 million.

The following charts illustrate the breakdown of the estimated net proceeds and uses of net cash proceeds from the Pixelle Transaction:

<b>Purchase Price</b>	<b>\$400 million</b>
Pension Assumption by Pixelle	- \$35 million
Estimated Working Capital Adjustment	- \$17 million
Estimated Transaction Expenses	- \$12 million
<b>Estimated Net Cash Proceeds</b>	<b>\$336 million</b>

<b>Use of Net Cash Proceeds</b>	
Return of Capital to Verso Stockholders	<b>\$225-282 million</b>
Verso Pension Contribution	\$54 million
General Corporate Purposes, while the Board of Directors continues its ongoing review of strategic alternatives	\$0-57 million

The Verso Board expects that the return of capital will be made by way of dividends, share repurchases, conducted either by way of modified Dutch tender offer, accelerated share repurchase program or open market purchases, or a combination of dividends and share repurchases, taking into account the then composition of the Company's broad and diversified shareholder base. Pension contributions are expected to be made in fiscal year 2020 and to offset estimated tax liabilities.

Following the closing of the Pixelle Transaction, Verso will continue to be a debt-free, streamlined company with significant financial flexibility. The Company expects that its remaining mills will continue to provide strong operating cash flow with low SG&A expenses, and that Verso will be well positioned to respond to industry trends and to take advantage of opportunities with high-risk adjusted returns. As previously announced, the Verso Board, as disciplined stewards of capital, intends to continue its strategic review in order to create and maximize shareholder value.

The Pixelle Transaction requires the affirmative vote of a majority of shares outstanding. Each stockholder's vote **FOR** the Pixelle Transaction is imperative and will ensure the opportunity for stockholders to receive net proceeds from the transaction.

Verso stockholders of record at the close of business on December 16, 2019, are entitled to attend and vote at the Company's upcoming 2019 Annual Meeting of Stockholders to be held on January 31, 2020. The Company's proxy statement and other important information related to the Annual Meeting can be found online at <http://www.stockholderdocs.com/VRS>.

Verso's Board of Directors (the "Board") unanimously recommends that stockholders vote **"FOR" ALL seven of Verso's nominees, "FOR" the approval of the Pixelle Transaction** (Company Proposal 2), and "FOR" Company Proposals 3 - 8 on the **WHITE** proxy card TODAY.

Any stockholder having questions or needing assistance in voting Verso's **WHITE** proxy card should contact:

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## **About Verso**

Verso Corporation is the turn-to company for those looking to successfully navigate the complexities of paper sourcing and performance. A leading North American producer of specialty and graphic papers, packaging and pulp, Verso provides insightful solutions that help drive improved customer efficiency, productivity, brand awareness and business results. Verso's long-standing reputation for quality and reliability is directly tied to our vision to be a company with passion that is respected and trusted by all. Verso's passion is rooted in ethical business practices that demand safe workplaces for our employees and sustainable wood sourcing for our products. This passion, combined with our flexible manufacturing capabilities and an unmatched commitment to product performance, delivery and service, make Verso a preferred choice among commercial printers, paper merchants and brokers, converters, publishers and other end users. For more information, visit us online at [versoco.com](http://versoco.com).

## **Forward-Looking Statements**

In this press release, all statements that are not purely historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or "Securities Act," and Section 21E of the Securities Exchange Act of 1934, as amended, or "Exchange Act." Forward-looking statements may be identified by the words "believe," "expect," "anticipate," "project," "plan," "estimate," "intend" and other similar expressions. They include, for example, statements relating to our business and operating outlook; assessment of market conditions; and the growth potential of the industry in which we operate. Forward-looking statements are based on currently available business, economic, financial and other information and reflect management's current beliefs, expectations and views with respect to future developments and their potential effects on us. Actual results could vary materially depending on risks and uncertainties that may affect us and our business. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the long-term structural decline and general softening of demand facing the paper industry; our exploration of strategic alternatives, including the possible sale or merger of our entire company or a material portion of our business and our ability to consummate any such strategic transactions, including the proposed sale of our Androscoggin Mill and Stevens Point Mill; the risk that the purchase agreement for the sale transaction would limit our ability to pursue other strategic alternatives to the sale transaction; the risk that the purchase agreement for the sale transaction might expose us to contingent liabilities; risks related to our ability to obtain stockholder approval for the sale transaction; the risk that the pending sale transaction could create unknown impacts on our future prospects; the risk that the amount of net proceeds that we would receive from the sale transaction is subject to uncertainties; the risk that stockholders are not guaranteed to receive any of the proceeds from the sale transaction; the risk that management could spend or invest the net proceeds from the sale transaction in ways against stockholders' wishes; the risk that some of our executive officers might have interests in the sale transaction that might be in addition to, or different from, stockholders' interests; the risk that our business following the sale transaction would be reduced and less diversified; the risk that we would be unable to compete with respect to certain specialty paper products for two years after the closing of the sale transaction; the risk that we may be unable to obtain governmental and regulatory approvals required for the sale transaction, or required governmental and regulatory approvals may delay the transaction or result in the imposition of conditions that could cause the parties to abandon the sale transaction; the risk that an event, change or other circumstances could give rise to the termination of the sale transaction; the risk that failure to consummate the sale transaction might materially and adversely affect our business, financial condition and results of operation; the risk that a condition to closing of the sale transaction may not be satisfied; the risk that we would be required to pay a termination fee or expense reimbursement if the purchase agreement for the sale transaction is terminated under specified circumstances, which might discourage third parties from submitting an alternative proposal; the timing to consummate the sale transaction; the risk that any announcement relating to the sale transaction could have adverse effects on the market price of our common stock; the risk of and the outcome of any pending or threatened litigation related to the sale transaction or the Annual Meeting; the risk of disruption from the sale transaction making it more difficult to maintain relationships with customers, employees or suppliers; the diversion of management time on transaction-related issues; our adoption of a limited duration stockholder rights plan and its ability to delay or discourage a merger, tender offer or change of control; negative effects of a proxy contest and the actions of activist stockholders; developments in alternative media, which have and are expected to continue to adversely affect the demand for some of our key products, and the effectiveness of our responses to these developments; intense competition in the paper manufacturing industry; our dependence on a small number of customers for a significant portion of our business; any additional closure and other restructuring costs; our limited ability to

control the pricing of our products or pass through increases in our costs to our customers; changes in the costs of raw materials and purchased energy; negative publicity, even if unjustified; any failure to comply with environmental or other laws or regulations, even if inadvertent; legal proceedings or disputes; any labor disputes; our ability to continue to execute and implement our strategic plan; our initiatives to improve our financial and operational performance and increase our growth and profitability; our future operational and financial performance; the effect that the election of Atlas/Blue Wolf's nominees to our board of directors will have on our execution of our long-term plan and long-term stockholder value; the future effect of our strategic plan on our probability, growth and stockholder return; and the potential risks and uncertainties described in Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2018, as amended, Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," Part II, Item 1A, "Risk Factors" of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, and "Risk Factors Relating to the Sale Proposal" of our definitive proxy statement filed with the SEC on December 30, 2019, as such disclosures may be amended, supplemented or superseded from time to time by other reports we file with the U.S. Securities and Exchange Commission (the "SEC"), including subsequent annual reports on Form 10-K and quarterly reports on Form 10-Q. We assume no obligation to update any forward-looking statement made in this press release to reflect subsequent events or circumstances or actual outcomes.

#### **Additional Information and Where to Find It**

In connection with the solicitation of proxies concerning the matters to be considered at the Annual Meeting, including the proposed sale transaction, the Company has filed a definitive proxy statement, WHITE proxy card and other materials with the SEC. WE URGE INVESTORS TO READ THE PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO), THE ACCOMPANYING WHITE PROXY CARD, AND ANY OTHER MATERIALS FILED WITH THE SEC CAREFULLY BEFORE MAKING ANY VOTING OR INVESTMENT DECISION BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING. Investors may obtain copies of these documents free of charge at the SEC's website ([www.sec.gov](http://www.sec.gov)) and from the Company.

#### **Participants in the Solicitation**

The Company, its directors, executive officers and other persons related to the Company may be deemed to be participants in the solicitation of proxies from the Company's stockholders in connection with the matters to be considered at the Annual Meeting, including the proposed sale transaction. Information about the directors and executive officers of the Company and their ownership of Company common stock is set forth in the definitive proxy statement for the Annual Meeting. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, is also in the definitive proxy statement for the Annual Meeting and other relevant materials to be filed with the SEC when such materials become available.

SOURCE Verso Corporation

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