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Verso Issues Statement in Response to Atlas and Blue Wolf Litigation

MIAMISBURG, Ohio, Jan. 14, 2020 /PRNewswire/ -- Verso Corporation (NYSE: VRS) ("Verso" or the "Company") today issued the following statement in response to litigation from Lapetus Capital II LLC ("Lapetus", and together with its affiliates, "Atlas") and BW Coated LLC ("BW Coated" and together with its affiliates, "Blue Wolf" and, collectively with Atlas, "Atlas and Blue Wolf"):

Verso has pending litigation with Lapetus, which relates to Lapetus's requests for books and records in connection with Lapetus's insurgent director nominations, the merits of which will be addressed by the court – not the press.

Disclosure regarding the previously announced Pixelle Transaction, including financial information, background information and other material details of the thorough and comprehensive strategic process the Verso Board undertook, is and has been publicly available in the Company's definitive proxy statement, dated December 27, 2019, as amended or supplemented from time to time (the "Verso Proxy Statement"). The Verso Proxy Statement is on Verso's website at <http://investor.versoco.com>.

Lapetus has made numerous inaccurate allegations and statements relating to the Pixelle Transaction in an attempt to promote their fictionalized version of fact and law, which we believe is a result of:

- conflicting agendas,
- ignorance of public company disclosure and governance requirements,
- orchestrated attempts to mislead and confuse Verso stockholders, or
- all of the above.

Atlas and Blue Wolf have determined to vote NO on the Pixelle Transaction by abstaining. Lapetus has repeatedly implied that Verso withheld material information because the Company had not publicly filed the Restructuring Agreement or the Pulp Supply Agreement Term Sheet, which Verso was not required by SEC rules and regulations to file. Consistent with SEC rules and regulations, Verso described all material terms of both documents in the Verso Proxy Statement. On January 7, 2020, Verso made these documents publicly available not because it was required to in connection with an attempt to settle with Lapetus, but because it felt all stockholders should be provided full transparency.

Verso believes this litigation is being pursued by Lapetus for the sole benefit of Atlas and Blue Wolf and to the detriment of all other stockholders. Yesterday, Lapetus conceded that their unwarranted and meritless concerns had been abated. In addition, Atlas and Blue Wolf have alleged that Verso should provide them or failed to provide them with material non-public information but has not admitted its continuing refusals to execute a customary confidentiality agreement, presumably so that they are not contractually prohibited from trading on insider information. Verso has made several attempts to reach a mutually satisfactory resolution with Lapetus in good faith.

Verso's Board continues to believe that the Pixelle Transaction maximizes value for all stockholders and will enable the Company to prioritize its focus on graphics paper operations. Pending stockholder approval of the Pixelle Transaction and the subsequent closing of the Pixelle Transaction, Verso's Board intends to return at least \$225 million of the net proceeds to stockholders. Post-closing of the transaction, Verso will be a debt-free, streamlined company that is well-positioned to evolve with the industry dynamics and invest in capital projects with high risk-adjusted returns to take advantage of market opportunities on a go-forward basis.

We urge Verso Stockholders to not be fooled by the deceptive practices employed by Lapetus, Atlas and Blue Wolf to confuse you and to deflect attention from their ultimate objective – to control the Company without paying for it.

The definitive proxy statement and other important information related to the 2019 Annual Meeting of Stockholders can be found online at <http://www.stockholderdocs.com/VRS>

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.

Forward-Looking Statements

In this letter to stockholders, 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 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 letter to stockholders 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) 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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