

FIRST QUARTER 2021 RESULTS

FORWARD LOOKING STATEMENTS

In this presentation, all statements that are not purely historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements in this presentation include, but are not limited to, our expectations for improving industry dynamics and our expectations for pricing and input costs. Forward-looking statements may be identified by the words "believe," "expect," "anticipate," "project," "plan," "estimate," "intend," "potential" and other similar expressions. They include, for example, statements relating to our industry and operating outlook for 2021 and our strategies for 2021. 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 Verso. Actual results could vary materially depending on risks and uncertainties that may affect Verso and its business. Verso's actual actions and results may differ materially from what is expressed or implied by these statements due to a variety of factors, including: the adverse impact of idling production, shutting down machines or facilities, restructuring our operations and selling non-core assets; changes in the costs of raw materials and purchased energy; security breaches and other disruption to our information technology infrastructure; uncertainties regarding the impact, duration and severity of the COVID-19 pandemic and measures intended to reduce its spread; the long-term structural decline and general softening of demand facing the paper industry; adverse developments in general business and economic conditions; developments in alternative media, which are expected to adversely affect the demand for some of Verso's key products, and the effectiveness of Verso's responses to these developments; intense competition in the paper manufacturing industry; Verso's limited ability to control the pricing of its products or pass through increases in its costs to its customers; Verso's business being less diversified because of the Pixelle Sale, closure of the Luke Mill, the Duluth Mill and the No. 14 paper machine and certain other long-lived assets at the Wisconsin Rapid Mill; Verso's dependence on a small number of customers for a significant portion of its business; Verso's ability to compete with respect to certain specialty paper products for a period of two years after the closing of the Pixelle Sale; any failure to comply with environmental or other laws or regulations; legal proceedings or disputes; any labor disputes; and the potential risks and uncertainties described under the caption "Risk Factors" in Verso's Form 10-K for the fiscal year ended December 31, 2020 and from time to time in Verso's other filings with the Securities and Exchange Commission. Verso assumes no obligation to update any forward-looking statement made in this presentation to reflect subsequent events or circumstances or actual outcomes.

NON-GAAP FINANCIAL INFORMATION

This presentation contains certain non-GAAP financial information relating to Verso, including EBITDA, Adjusted EBITDA, Adjusted SG&A, Gross profit (excl. D&A), Mill Adjusted Net Sales and Mill Adjusted Gross Profit and related margins. Definitions and reconciliations of these non-GAAP measures are included in this presentation. Because EBITDA, Adjusted EBITDA, Operational cash, Adjusted SG&A and Gross profit (excl. D&A) are not measurements determined in accordance with GAAP and are susceptible to varying calculations, EBITDA, Adjusted EBITDA, Adjusted SG&A and Gross profit (excl. D&A) as presented, may not be comparable to similarly titled measures of other companies. You should consider our EBITDA, Adjusted EBITDA, Adjusted SG&A and Gross profit (excl. D&A) in addition to, and not as a substitute for, or superior to, our operating or net income or cash flows from operating activities, which are determined in accordance with GAAP. See the Appendix in this presentation for additional information on EBITDA, Adjusted EBITDA, Adjusted SG&A and Gross profit (excl. D&A) and reconciliations to the most comparable GAAP measures.



RANDY J. NEBEL

President + CEO



Q1 HIGHLIGHTS

FINANCIAL HIGHLIGHTS

- Improved Adj. EBITDA¹ to \$30M
- Operational² cash generation of \$7M

STRENGTHENING OPERATIONS FOR LONG-TERM SUCCESS

- Strong safety performance with a 0.25 TIR³
- Implementing capital projects to improve reliability, pulp production, product mix and reduce costs
- Organizational enhancements in line with our focus on being customer-centric
- Continued emphasis on cost management

IMPROVING BUSINESS POSITION

- Coated freesheet operating⁴ rates at 101%
- Price increases being realized across product portfolio
- Order rates and backlog are strong

INDUSTRY DYNAMICS CREATING OPPORTUNITY

PPPC North American Coated Freesheet Data
(000) short tons

Capacity¹ Reduced



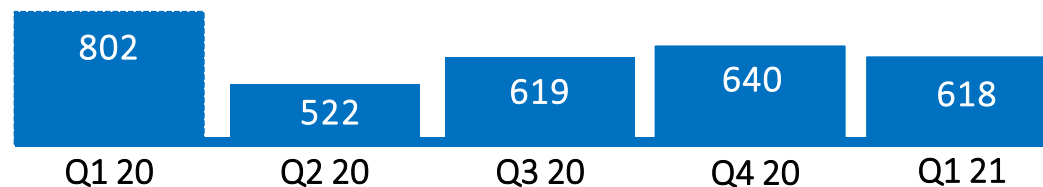
Q1 2021 capacity reflects impact of all 2020 capacity changes. PPC forecasts operating rates at 95% for 2021

Imports Declined



Logistic challenges for imports continued in the quarter

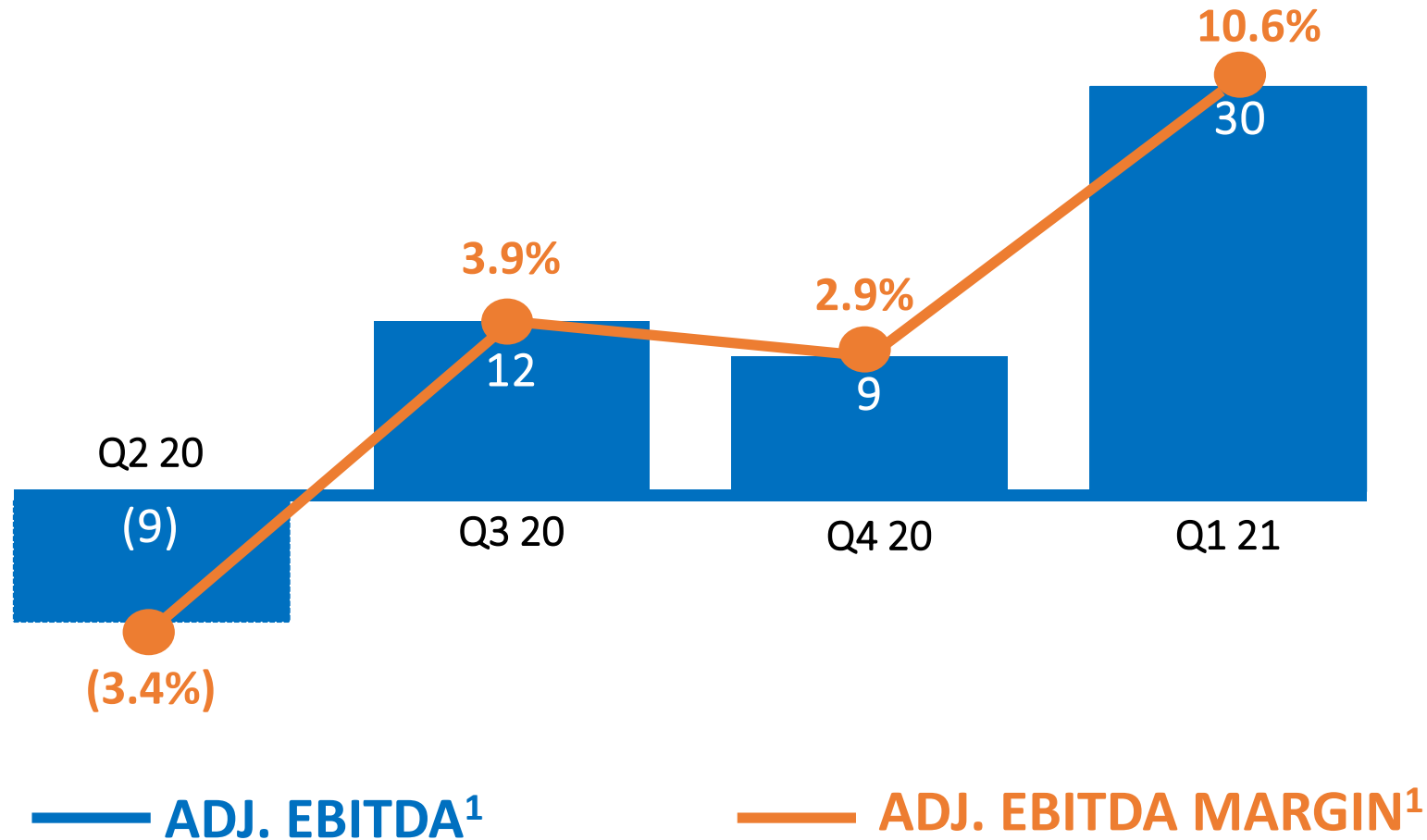
Demand² Recovering



Strong shipments and order rates continue recovery from trough in Q2

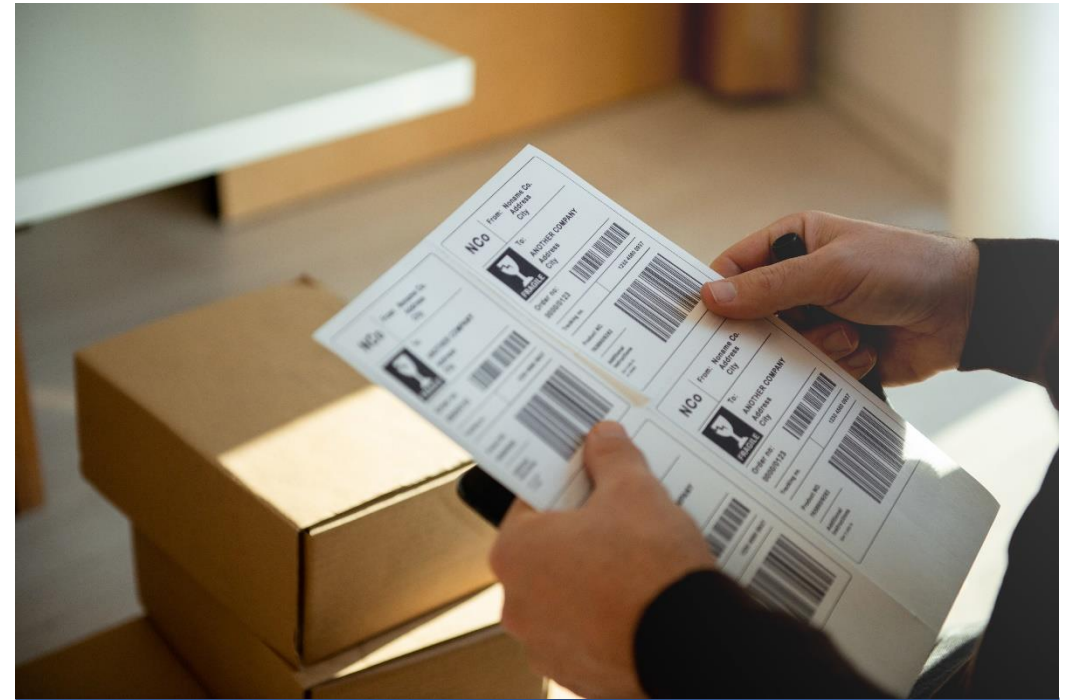
BUILDING MOMENTUM

(\$ in Millions)



ALLEN CAMPBELL

Senior Vice President + CFO



Financial Update

KEY METRICS

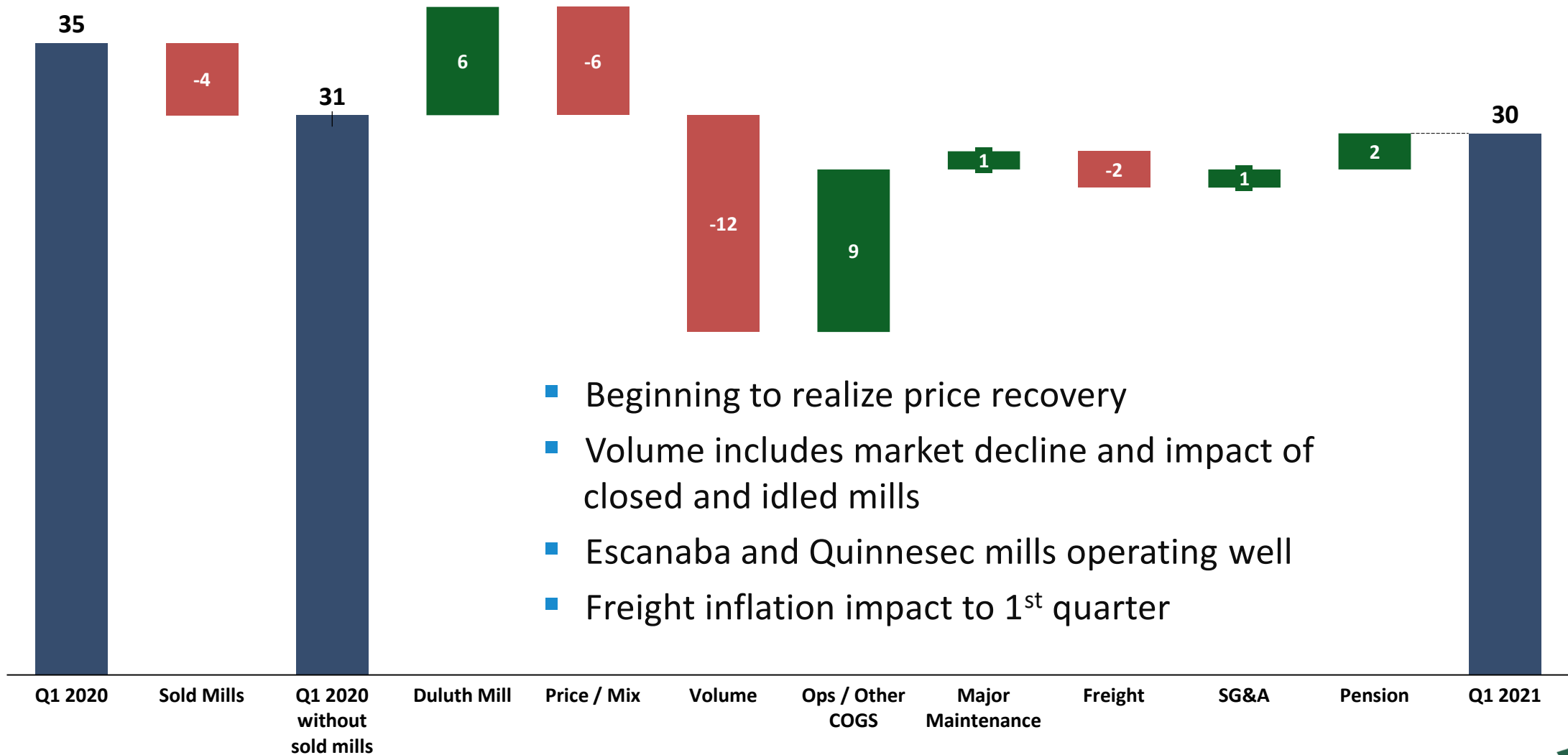
(\$ in Millions Except Per Share Data)

	Q1 20	Q1 21
Net Sales	\$ 471	\$ 282
Gross Margin (excl. D&A)¹	\$ 44	\$ 18
Operating Income / (Loss)	\$ 76	\$ (109)
Net Income / (Loss)	\$ 54	\$ (90)
Adjusted EBITDA²	\$ 35	\$ 30
Adjusted EBITDA Margin² %	7.4%	10.6%
EPS – Diluted \$ / share	\$ 1.52	\$ (2.71)

	Q1 20	Q1 21
Shipments - Paper	497	288
- Pulp	57	51
Total tons (000)	554	339
Price - Paper	895	893
- Pulp	458	485
Average Price \$ / ton	850	831

- Operating income / loss significantly impacted by \$84M of accelerated depreciation on Wisconsin Rapids Paper Machine No. 14 and other long-lived assets
- Closed and idled mill costs of \$29M
- Adjusted SG&A² at 4.6% of sales

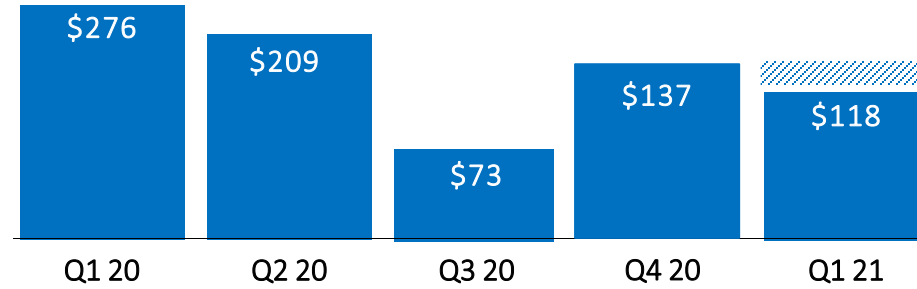
Q1 2020 TO Q1 2021 ADJ. EBITDA¹ BRIDGE



STRONG LIQUIDITY

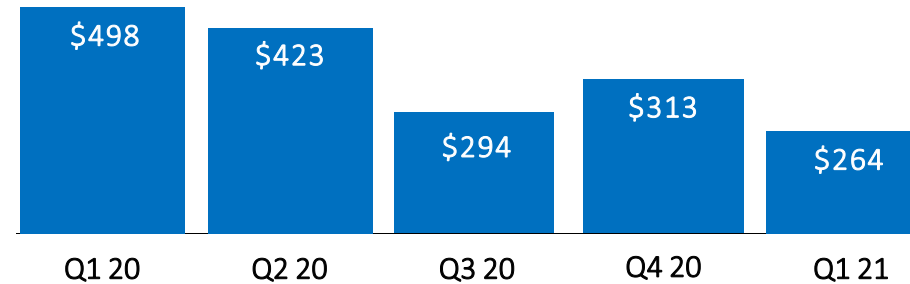
(\$ in Millions)

CASH



Changes to Cash	Q1 2021
Adjusted EBITDA ²	\$ 30
Working Capital	(4)
CapEx	(4)
Net Pension	(13)
Net Interest / Taxes	(2)
Cash from Operations³	\$ 7
Buyback / Dividend	(13)
Mill / Equipment sale	1
Closed / idled Mills	(14)
Total	\$ (19)

LIQUIDITY¹



DEBT

5 Quarters of No Debt

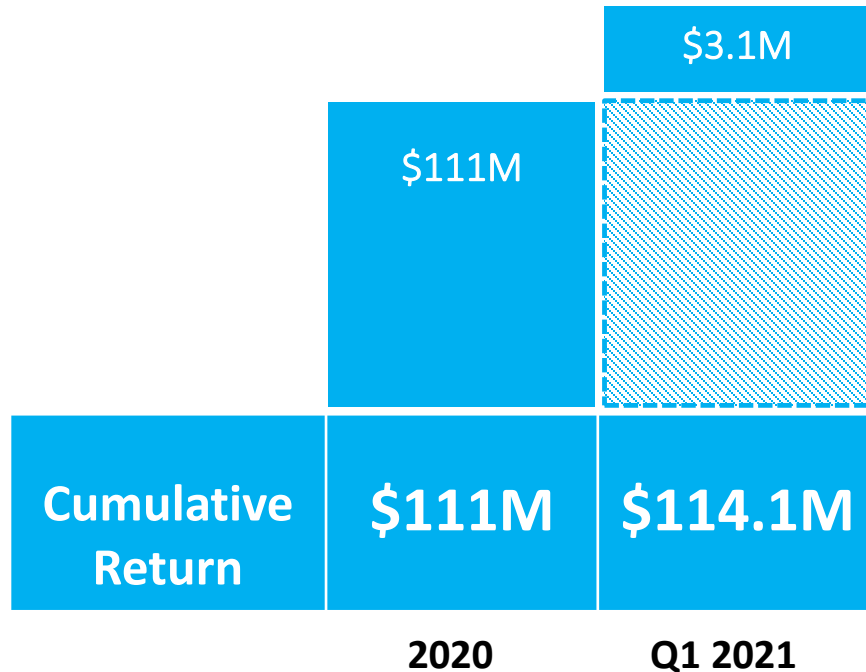
Q1 20 Q2 20 Q3 20 Q4 20 Q1 21



STATUS OF IDLED MILLS + ASSET SALES

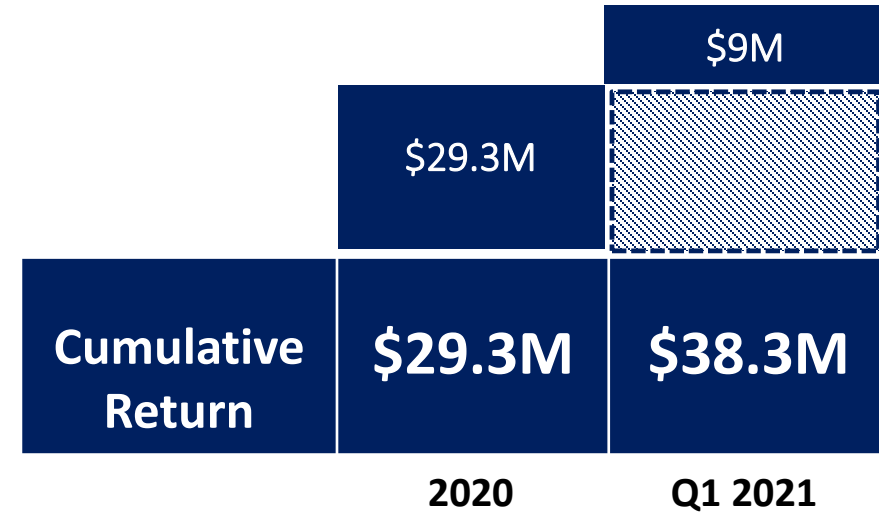
- Settled with states regarding Luke Mill's environmental matters
- Reduced costs from Q4 2020 of \$34M to Q1 2021 of \$29M which included \$8M of asset write-off and \$7M of accruals for estimated future costs
- Continued progress on excess asset sales

RETURNED \$152M IN CAPITAL TO SHAREHOLDERS SINCE BEGINNING OF 2020



Dividends

- Returned \$3.1M via dividends in Q1 2021
- Declared quarterly dividend of \$0.10 per share
- Payable on June 29, 2021



Share Repurchase

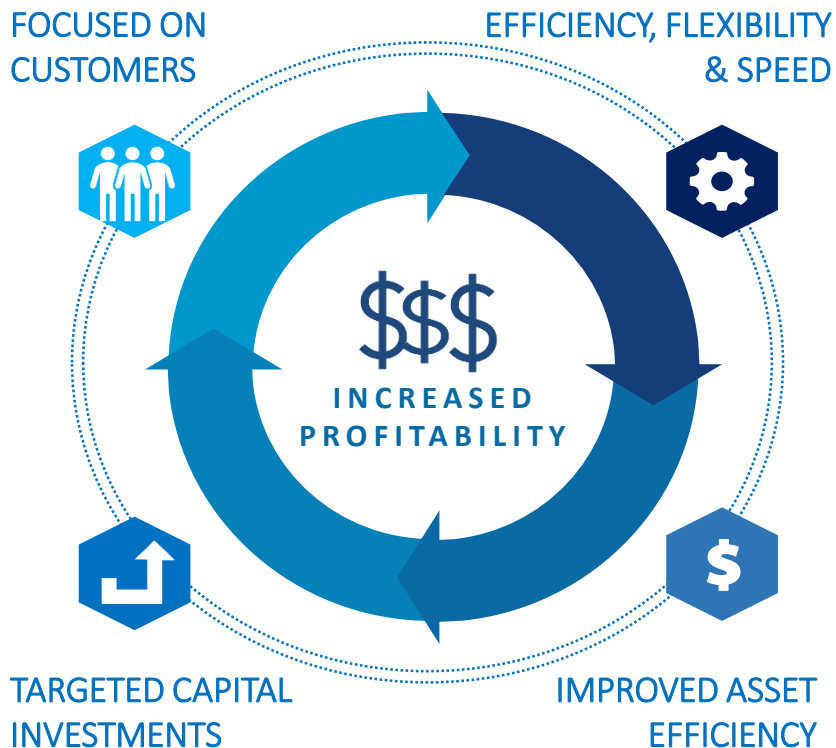
- Repurchase of \$9M in Q1 2021
- Total of 2.8M shares repurchased since inception through Q1 2021



2021 OUTLOOK

- Expect capital expenditures to be \$50M to \$60M
- Anticipate pension minimum required¹ contribution of \$26M
- Cash taxes of \$0M to \$5M
- Improving operating cash flow in excess of cash required to fund capital, pension and dividends
- Anticipate idled and closed mill costs to decline while advancing realization of potential asset sales

IN SUMMARY



STRATEGICALLY POSITIONED FOR 2021

- ✓ Continuing strong **safety performance**
- ✓ Improving industry dynamics creating **stronger order rates and backlogs**
- ✓ Beginning to realize **price increases**
- ✓ Focusing on the right products and services for our **customers**
- ✓ Implementing **capital project** initiatives
- ✓ Maintaining **strong balance sheet** and **returning capital** to shareholders
- ✓ Re-enforcing our **position as a leader** in Graphic papers



Q&A



APPENDIX





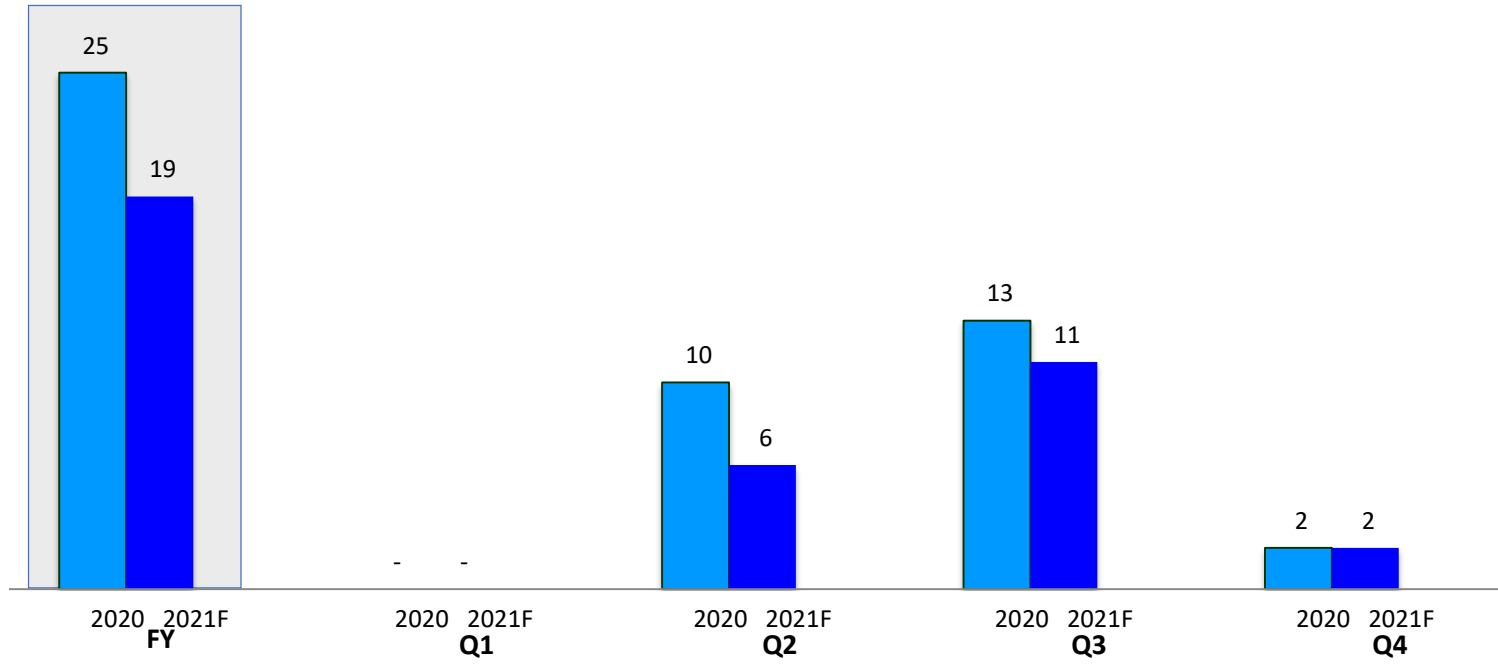
EBITDA, Adjusted EBITDA, Adjusted SG&A, Mill Adjusted Net Sales and Mill Adjusted EBITDA Definitions

EBITDA consists of earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA reflects adjustments to EBITDA to eliminate the impact of certain items that we do not consider to be indicative of our ongoing performance. Mill Adjusted Net Sales excludes sales from the Androscoggin and Stevens Point mills. Mill Adjusted EBITDA excludes adjustments from the Androscoggin and Stevens Point mills. We use EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Mill Adjusted Net Sales, Mill Adjusted EBITDA, Adjusted SG&A and Gross Profit (excl. D&A) as a way of evaluating our performance relative to that of our peers and to assess compliance with our credit facilities. We believe that EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin, Adjusted SG&A and Gross Profit (excl. D&A) are non-GAAP operating performance measures commonly used in our industry that provide investors and analysts with measures of ongoing operating results, unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies.

We believe that the supplemental adjustments applied in calculating Adjusted EBITDA , Adjusted EBITDA Margin, Mill Adjusted Net Sales, Mill Adjusted EBITDA, Adjusted SG&A and Gross Profit (excl D&A) are reasonable and appropriate to provide additional information to investors.

Major Maintenance – Excluding Sold Mills

(\$ in Millions)



Major Outage Timing

	Q1	Q2	Q3	Q4
2020	No Major Outage	Quinnesec	Escanaba	No Major Outage
2021	No Major Outage	Quinnesec	Escanaba	No Major Outage

Q1, Q2, Q3 and Q4 2020 & Q1 2021 Adjusted EBITDA Reconciliation

(Dollars in millions)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	QoQ Δ
Net income (loss)	\$ 54	\$ (34)	\$ (31)	\$ (90)	\$ (90)	\$ (144)
Income tax expense (benefit)	26	(3)	(9)	(23)	(14)	(40)
Interest expense	-	-	1		1	1
Depreciation and amortization	23	22	21	87	102	79
EBITDA	\$ 103	\$ (15)	\$ (18)	\$ (26)	\$ (1)	\$ (104)
Restructuring charges	6	-	(2)	8	11	5
Luke Mill post-closure costs	3	3	3	6	8	5
Noncash equity award compensation	2	2	1	-	1	(1)
Gain on Sale of the Androscoggin/Stevens Point mills	(88)	-	-	(6)	-	88
Duluth and Wisconsin Rapids mills idle / post closure costs	-	-	17	20	10	10
(Gain) loss on sale or disposal of assets	-	-	3	1	-	-
Other severance costs	4	1	8	5	1	(3)
Shareholders proxy solicitation costs	4	-	-	-	-	(4)
Other items, net	1	-	-	1	-	(1)
Adjusted EBITDA	\$ 35	\$ (9)	\$ 12	\$ 9	\$ 30	\$ (5)
Adjusted EBITDA Margin %	7.4%	-3.4%	3.9%	2.9%	10.6%	

Q1 2021 Cash from Operations Reconciliation

(Dollars in millions)	Q1 2021
Net income (loss)	\$ (90)
Income tax expense (benefit)	(14)
Interest expense	1
Depreciation and amortization	102
EBITDA	\$ (1)
Restructuring charges	11
Luke Mill post-closure costs	8
Noncash equity award compensation	1
Gain on Sale of the Androscoggin/Stevens Point mills	-
Duluth and Wisconsin Rapids mills idle / post closure costs	10
(Gain) loss on sale or disposal of assets	-
Other severance costs	1
Shareholders proxy solicitation costs	-
Other items, net	-
Adjusted EBITDA	\$ 30
Working Capital	(4)
CapEx	(4)
Net Pension	(13)
Net Interest / Taxes	(2)
Cash from Operations	\$ 7

Q1 2021 P&L Adjusted EBITDA Add Back Items

The table below shows the Company's consolidated income statement as presented under U.S. GAAP in the first column, then adjusted to reflect the adjustments the Company uses to get from EBITDA to Adjusted EBITDA.

(Dollars in millions, except per share amounts)	Reported Q1-21	Adjustments	After Adjustments
Net sales	\$ 282	\$ -	\$ 282
Costs and expenses:			
Cost of products sold (exclusive of depreciation and amortization)	264	18 ⁽¹⁾	246
Depreciation and amortization	102	84 ⁽²⁾	18
Selling, general and administrative expenses	15	2 ⁽³⁾	13
Restructuring charges	11	11 ⁽⁴⁾	-
Other operating (income) expense	(1)	-	(1)
Operating income (loss)	(109)	(115)	6
Interest expense	1	-	1
Other (income) expense	(6)	-	(6)
Income (loss) before income taxes	(104)	(115)	11
Income tax expense (benefit)	(14)	-	(14)
Net income (loss)	\$ (90)	\$ (115)	\$ 25
Weighted average common shares outstanding (basic and diluted):			
Basic	33,044		33,044
Diluted	33,044		33,195
Income (loss) per share:			
Basic	\$ (2.71)		\$ 0.78
Diluted	\$ (2.71)		\$ 0.78

⁽¹⁾ Idle/post-closure costs associated with our Luke, Duluth and Wisconsin Rapids mills that are not associated with product sales or restructuring activities.

⁽²⁾ Accelerated depreciation associated with the permanent shutdown of No. 14 paper machine and certain other long-lived assets at Wisconsin Rapids Mill in February 2021.

⁽³⁾ Severance and related benefit costs not associated with restructuring activities, amortization of non-cash incentive compensation and other miscellaneous adjustments.

⁽⁴⁾ Restructuring charges associated with the permanent shutdown of our Duluth Mill in December 2020 and of the No. 14 paper machine and certain other long-lived assets at our Wisconsin Rapids Mill in February 2021.

Q1 2020 P&L Adjusted EBITDA Add Back Items

The table below shows the Company's consolidated income statement as presented under U.S. GAAP in the first column, then adjusted to reflect the adjustments the Company uses to get from EBITDA to Adjusted EBITDA.

(Dollars in millions, except per share amounts)	Reported Q1-20	Adjustments	After Adjustments
Net sales	\$ 471	\$ -	\$ 471
Costs and expenses:			
Cost of products sold (exclusive of depreciation and amortization)	427	4 ⁽¹⁾	423
Depreciation and amortization	23	-	23
Selling, general and administrative expenses	27	10 ⁽²⁾	17
Restructuring charges	6	6 ⁽³⁾	-
Other operating (income) expense	(88)	(88) ⁽⁴⁾	-
Operating income (loss)	76	68	8
Interest expense	-	-	-
Other (income) expense	(4)	-	(4)
Income (loss) before income taxes	80	68	12
Income tax expense (benefit)	26	-	26
Net income (loss)	\$ 54	\$ 68	\$ (14)
Weighted average common shares outstanding (basic and diluted):			
Basic	35,107		35,107
Diluted	35,381		35,107
Income (loss) per share:			
Basic	\$ 1.53		\$ (0.43)
Diluted	\$ 1.52		\$ (0.43)

⁽¹⁾ Costs recorded after the permanent shutdown of our Luke Mill in June 2019 that are not associated with product sales or restructuring activities and severance and related benefit costs not associated with restructuring activities.

⁽²⁾ Stockholders Proxy solicitation costs, severance and related benefit costs not associated with restructuring activities, amortization of non-cash incentive compensation and other miscellaneous adjustments.

⁽³⁾ Restructuring charges associated with the closure of our Luke Mill in June 2019.

⁽⁴⁾ Gain on the sale of outstanding membership interests in Verso Androscoggin, LLC in February 2020, which included our Androscoggin Mill and Stevens Point Mill.

Verso Q1 2020 Mill Adjusted Net Sales and Mill Adjusted EBITDA Reconciliation

	Verso	Androscoggin & Stevens Point	Remain Co.
(Dollars in millions, except per share amounts)	Q1 2020	Q1 2020	Q1 2020
Net sales	\$ 471	\$ 59	\$ 412
Costs and expenses			
Cost of products sold (Exclusive of depreciation and amortization)	427	53	374
Depreciation and amortization	23	2	21
Selling, general and administrative expenses	27	2	25
Restructuring charges	6	-	6
Other operation (income) expense	(88)	-	(88)
Operating income (loss)	76	2	74
Interest expense	-	-	-
Other (income) expense	(4)	-	(4)
Income (loss) before income taxes	80	2	78
Income tax benefit	26	-	26
Net income (loss)	54	2	52
Income tax expense	26	-	26
Interest expense	-	-	-
Depreciation and amortization	23	2	21
EBITDA	103	4	99
Restructuring charges	6	-	6
Luke Mill post-closure costs	3	-	3
Non-cash equity award expense	2	-	2
Gain on Pixelle Sale	(88)	-	(88)
Shareholders proxy solicitation costs	4	-	4
Other severance costs	4	-	4
Other One-time transaction items	1	-	1
Adj. EBITDA	35	4	31