



## **Investor FAQ – Announcement of Signed Purchase Agreement – September 15, 2020**

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### **1. What was announced?**

- We announced that, as the result of a robust and competitive sale process, we have entered into a stock and asset purchase agreement (the “Purchase Agreement”), under which an affiliate of Atlas Holdings (“Atlas”), with the support of certain of LSC’s secured creditors (the “Creditor Group”), will acquire LSC, including our operations in Mexico and Canada.
- We are pleased to have reached this agreement, which we believe represents the best path forward for LSC.
- Importantly, with the support of Atlas and the Creditor Group, following the closing of the transaction, we will continue serving our customers with the same high standards of quality, reliability and innovation they expect.
- Through this transaction, we will be able to move forward with an improved balance sheet and a more sustainable capital structure, enabling LSC to continue investing in our business and building on our strong foundation as a leader in print, mailing and distribution, and office products.
- We look forward to working with Atlas to better position LSC for the future.

### **2. Who is Atlas? What is the Creditor Group?**

- Based in Connecticut, Atlas and its affiliates own and operate a diversified group of 21 manufacturing and distribution businesses across targeted industrial sectors, including many relevant to our core offerings, such as distribution, industrial services, packaging, pulp, paper, and logistics.
- Atlas brings extensive knowledge of the printing industry and a long track record of strengthening and growing industrial businesses for the long-term, including companies facing challenging market environments. The Atlas team’s roots are in the paper industry – the formative investment that launched Atlas approximately 20 years ago was the acquisition of a paper mill.
- The Creditor Group comprises certain creditors that we have worked with throughout our financial restructuring process to reach the best outcome for LSC. They have a deep understanding of our business and believe in LSC’s fundamental strengths.
- Following the completion of the sale, both Atlas and the Creditor Group will be owners of LSC, and we will work with them to ensure a smooth transition for all our stakeholders.
- As we take the next steps to complete the sale process, we remain committed to serving our customers with the same high standards of quality, reliability and innovation.

### **3. Why is the Company being sold?**

- Through this transaction, LSC will move forward with an improved balance sheet and a more sustainable capital structure, enabling us to continue investing in our business and



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building on our strong foundation as a leader in print, mailing and distribution, and office products.

- When we announced our decision to file under Chapter 11 in April, our objective in entering into this financial restructuring process was to help address the fundamental changes in our industry and strengthen our financial position.
- As we've been working through our restructuring process, we have also been conducting a sale process to identify potential bidders for our company – either as whole or for certain our business units.
- This transaction provides a path to move forward together as one company.
- Importantly, with the support of Atlas and the Creditor Group, following the closing of the transaction, we will continue serving our customers with the same high standards of quality, reliability and innovation they expect.

### **4. How will this process affect day-to-day operations at LSC?**

- Until the closing of the transaction, LSC will continue to operate as it has been.
- We are continuing to operate our business safely and efficiently, and we remain committed to serving our customers with the same high standards of quality, reliability and innovation they expect. We are also committed to maintaining productive relationships with our vendors.

### **5. What are the next steps in this process? When is the sale expected to be completed?**

- The transaction is subject to Bankruptcy Court approval and other customary closing conditions, including regulatory approvals.
- Under the Purchase Agreement, Atlas will receive certain deal protections as previously authorized by the Court.
- The closing of the transaction is expected to occur during the fourth quarter of 2020.
- We will continue to provide additional updates as we move through the process.

### **6. How will the transaction affect day-to-day operations at LSC?**

- Until the closing of the transaction, we will continue to operate our business independently and as usual, and customers will continue to receive the same high standards of quality that they expect.
- We will continue to provide additional updates as we move through the process.

### **7. Does this mean the Debtors will be out of bankruptcy upon the closing of the transaction?**

- After the closing of the transaction, substantially all of the Company's assets will be operating outside of bankruptcy and under new ownership.
- The Chapter 11 process will continue through a remaining legal entity and separate from LSC's operations. This is to ensure the proper distribution of the sale proceeds and to wrap up other matters.



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### **8. What is the Company's go forward strategy now?**

- As of now, our strategy and objectives remain the same.
- Importantly, with the support of Atlas and the Creditor Group, following the closing of the transaction, we will continue serving our customers with the same high standards of quality, reliability and innovation they expect.
- Through this transaction, LSC will move forward with an improved balance sheet and a more sustainable capital structure, enabling us to continue investing in our business and building on our strong foundation as a leader in print, mailing and distribution, and office products.

### **9. Does this mean LSC will no longer be a public company? Will the Company's common stock stop being publicly traded now that the Company has filed for Chapter 11 protection? Will I receive any compensation if the stock is cancelled?**

- If the transaction is approved, LSC will become a privately held company following the closing of the transaction.
- It is too early to say with certainty what will happen to LSC's common stock as a result of the court-supervised process; often, however, the common stock of a company in Chapter 11 proves to not have value and is cancelled.
- Any recovery to existing stockholders will ultimately be determined in connection with the court-supervised process.
- Please contact your investment advisor or brokerage firm to discuss the options available to you.

### **10. Can / should I sell my LSC common stock now?**

- We are not in a position to offer investment advice.
- Please contact your investment advisor or brokerage firm to discuss the options available to you.

### **11. How can I obtain more information?**

- Additional information regarding LSC's restructuring is available at [www.lsc.com/restructuring.com](http://www.lsc.com/restructuring.com).