

MIAMI, October 7, 2022 (GLOBE NEWSWIRE) -- Evercel, Inc. [OTC Pink: EVRC] (the “Company”) today is providing an update with respect to a number of issues of relevance to the Shareholders of the Company.

- 1) **Update on Company Operations** – Following the sale of the Company’s equity indirectly held in Printronix Holding Corp. (“Printronix”) in October 2021, the Company had three assets – cash and its two portfolio companies, Zagg Inc. (together with its intermediary entities and operating subsidiaries, “ZAGG”) and Current Technologies, LLC (“Current”). The activities and operations of ZAGG and Current are managed indirectly (as described below) by Corona Park Investment Partners, LLC (“Corona Park”). Corona Park is controlled and managed by Dan Allen, the former CEO and current member of the Board of Directors (the “Board”) of the Company. The following is a summary of the status of the three assets of the company:
 - A) **Cash** – The Company has approximately \$39 million in cash on its balance sheet. This balance does not reflect a tax provision liability relating to the gain on Current (as described below).
 - B) **ZAGG** – In February 2021, the Company invested approximately \$39 million in Zigg Holdings, LLC (“Zigg”), a holding company managed by Corona Park, in order to facilitate a take-private transaction of ZAGG. The audit of ZAGG for the fiscal year ended March 31, 2022, has been completed and the results were positive. ZAGG showed profits that were consistent with, or slightly above, budget. ZAGG is projecting fiscal year 2023 EBITDA in excess of fiscal year 2022 results. Based solely on the information received by the Company from Corona Park and Dan Allen, the asset appears to be performing at or above expectations, and the Company continues to be optimistic about the investment.
 - C) **Current** – The Company, through Paper Ventures LLC (“PV”) held a 65% membership interest in Current. Corona Park is the sole manager of PV. On July 11, 2022, the Company’s stake was sold to Covalent Group, Inc. The Company has been informed that the return to the Company from the sale is approximately \$9 million (less escrow holdback), as compared to the Company’s original \$3 million investment made in April 2019. The Company formally requested an explanation for the withholding of monies by PV from the sale and received a response from Dan Allen of Corona Park that it considers inadequate. In that response, Mr. Allen stated that it was within his rights to hold the money in PV in accordance with the terms of the PV LLC agreement. The Company is continuing, through counsel, to obtain its distribution of the proceeds of the sale of its investment in Current.
- 2) **Litigation update** - On December 17, 2021, Corona Park filed a complaint against the Company in the Court of Chancery of the State of Delaware seeking to enforce Corona Park’s rights under a purported 2013 Stock Pledge Agreement with the Company. Specifically, Corona Park alleges that pursuant to the Stock Pledge Agreement, it had obtained a put option to have the Company purchase all, or some, of Corona Park’s 17% equity interest in the Company at fair market value (the “Put Option”). Corona Park claims that it has validly exercised the Put Option and the Company has failed to honor its exercise in breach of the Stock Pledge Agreement by repudiating the Put Option provisions of the Stock Pledge Agreement. Corona Park amended its complaint on February 2, 2022 and sought summary judgment to enforce its purported rights under the stock pledge agreement. The Company engaged counsel – Glenn, Agre, Bergman & Fuentes and Richards, Layton & Finger (Delaware counsel) – to defend the lawsuit. The Company also filed a motion to dismiss the lawsuit on February 7, 2022, for Corona Park’s failure to perform under the terms of the agreement. The Company believes the failure to perform stems from Corona Park’s non-

payment of its promissory note which functions as collateral for its pledged shares. An in-person hearing was held on May 31, 2022, and a decision on the initial motions (for summary judgement for Corona Park and dismissal for the Company) was handed down telephonically on August 23, 2022, in the Delaware Court of Chancery. All motions were denied, and the Company has filed an answer and a counterclaim seeking repayment of the note issued by Corona Park to the Company that matured on December 31, 2021. Absent any potential settlement, we will continue to defend the lawsuit and look to protect the Company's interests.

- 3) **Fiscal Years 2021 and 2022 Audits** – The issuance of the final March 31, 2021, financial statements of the Company audited by the Company's independent auditors (the "2021 Financial Statements") have been delayed by, among other things, Dan Allen's resignation as CEO of the Company in November 2021 and Corona Park's subsequent lawsuit. These events have led the Company and its advisors to focus on addressing certain legal matters concerning the Company's investments referenced above and the lawsuit described above. Nonetheless, ZAGG and Printronix have both completed their respective audits relating to results that are incorporated into the 2021 Financial Statement. Similarly, the 2021 Financial Statements have been preliminarily audited and published last year in draft form. As such, the delayed issuance of the 2021 Financial Statements is more of a technical/disclosure issue than a financial one. The questions the Company is currently addressing relate to the subsequent event notes and disclosures stemming from Dan Allen's resignation and lawsuit against the Company as well as the management representation letters to be completed to the Company's auditor's satisfaction. The Board has recently made progress on these items and hopes to promptly issue the 2021 Financial Statements. Following such issuance, the Company will prioritize issuing the final March 31, 2022, financial statements. The Company fully expects such audit will be much more streamlined since there will be no consolidation of the ZAGG and Current operations from a financial reporting perspective.
- 4) **OTC Markets** - Since the Company's 2021 audit has not been filed in a timely manner so as to be current and publicly available as required under Rule 15c2-11, the OTC Markets Group informed us that it is unable to maintain its listing. It has moved the Company to the Expert Market for unsolicited quoting only. We share your frustration that the Company has now become more illiquid and are working hard to resolve the issues and to get back to a publicly traded exchange. Importantly, this in no way impedes the intrinsic value of the Company and its investments. The Company maintains a debt free balance sheet, healthy cash balances, and an investment in an underlying asset, ZAGG (discussed above).

Although we are frustrated with the delay in the issuance of our audit for last year and the related OTC Market listing issues, we remain optimistic about the ZAGG investment and are hopeful for future returns on this significant investment as we continue to maintain significant cash balances without debt and determine the optimum manner to achieve returns to shareholders over the next few years as the ZAGG investment returns are realized.