

Customer FAQ

1. What did Avaya announce?

- Avaya has entered into a Restructuring Support Agreement (the “Financial Restructuring”) with overwhelming support of more than 90% of our secured lenders (the “Investor Group”) that will accelerate our ongoing business transformation and result in a comprehensive de-leveraging of our balance sheet.
- Completing the Financial Restructuring will reduce our total debt by more than 75%, from approximately \$3.4 billion to approximately \$800 million. Additionally, it will substantially increase our cash and liquidity position, enabling us to make significant investments in our innovative cloud-based communications portfolio and position Avaya for long-term success.
- To efficiently implement the Financial Restructuring, we are utilizing an expedited court-supervised process. Accordingly, Avaya and all of our U.S. subsidiaries have initiated voluntary prepackaged Chapter 11 proceedings in the U.S. Our subsidiaries outside of the U.S. are not included in the court-supervised process and are not expected to file their own insolvency proceedings as part of the U.S. proceedings.
- The court-supervised process we initiated remains on track, and we have a hearing to confirm our Plan of Reorganization currently scheduled for March 22, 2023. Due to the broad support of our financial stakeholders, we expect to complete this process within 60 to 90 days, an accelerated timeframe, paying vendors and suppliers in full and employees as usual.
- We have secured commitments for approximately \$780 million in new financing. Together with cash on hand and cash generated from ongoing operations, this new financing is expected to provide substantial liquidity to support Avaya during the restructuring process and beyond. In fact, on February 15, 2023, we received court approval to access \$400 million in new financing to immediately support our business.
- These actions will not impact Avaya’s customers, channel and strategic partners, suppliers, vendors or employees, and we are operating normally. We look forward to emerging from this process as a well-capitalized company with one of the strongest balance sheets in our industry.

2. What is Chapter 11?

- Chapter 11 is a section of the U.S. Bankruptcy Code that allows companies to reorganize their capital structures while they continue to operate their businesses in the normal course.

3. What is a prepackaged Chapter 11 filing?

- A prepackaged filing means that we have already reached agreements with an overwhelming majority of our secured lenders and have their support for how we intend to restructure our debt.
- As a result of this support from our financial stakeholders, we expect to complete this process within 60 to 90 days, an accelerated timeframe.

4. Why did Avaya file for Chapter 11? Why now?

- Chapter 11 is an efficient and binding mechanism for implementing the terms of the Financial Restructuring, which provides for a comprehensive de-leveraging of Avaya's balance sheet.
- The Financial Restructuring is the culmination of months-long, constructive engagement with our financial stakeholders to strengthen our capital structure, increase liquidity and accelerate our investment in innovative products and solutions.
- This is a positive step for Avaya, and we look forward to moving ahead as a well-capitalized company with one of the strongest balance sheets in our industry and substantial cash to invest in the business.
- Importantly, these actions will not impact Avaya's customers, channel and strategic partners, suppliers, vendors or employees.

5. What does this mean for customers?

- This is a positive milestone for Avaya that will make us a stronger company and an even better partner to you.
- We are operating normally, and these actions will not impact Avaya's customers, channel and strategic partners, suppliers, vendors or employees.
- We expect to emerge from this process with one of the strongest balance sheets in our industry and substantial cash to invest aggressively in our innovative products and solutions for the benefit of our customers.
- As always, thank you for your continued partnership and trust in Avaya.

6. Is Avaya going out of business?

- No. Our business will remain intact, and we are not selling or splitting off any of its parts.
- We will continue operating normally, and the actions we are taking will not impact Avaya's customers, channel and strategic partners, suppliers, vendors or employees.
- We expect to emerge from this process as a well-capitalized company with one of the strongest balance sheets in our industry – positioned for long-term success with substantial cash to make significant investments in our innovative cloud-based communications portfolio.

7. Who will own the Company following the Chapter 11 process?

- Under the terms of the Restructuring Support Agreement, the Investor Group, comprising more than 90% of our secured lenders, will convert their debt into equity and become the new owners of Avaya upon our emergence from the restructuring process.
- The support of our financial stakeholders reflects their confidence in the value of Avaya's business, brand and opportunities ahead.

8. How will the restructuring process affect the Company's day-to-day operations?

- We will continue operating normally, and the actions we are taking will not impact Avaya's customers, channel and strategic partners, suppliers, vendors or employees.
- This a positive step for Avaya, and we look forward to moving ahead as a well-capitalized company with one of the strongest balance sheets in our industry and substantial cash to invest in the business.

9. Does Avaya have sufficient liquidity to continue operating?

- Yes. We have secured commitments for approximately \$780 million in new financing.
- Together with cash on hand and cash generated from ongoing operations, this new financing is expected to provide substantial liquidity to support Avaya during the restructuring process and beyond. In fact, on February 15, 2023, we received court approval to access \$400 million in new financing to immediately support our business.
- These commitments for financing include:
 - \$628 million in debtor-in-possession ("DIP") financing, including a \$500 million new-money term loan from the Investor Group and a \$128 million ABL facility from a bank syndicate, which will roll into exit facilities upon Avaya's emergence from the court-supervised process; and
 - \$150 million of additional new-money financing through a fully backstopped debt rights offering at exit.
- In addition, completing the Financial Restructuring will reduce our total debt by more than 75%, from approximately \$3.4 billion to approximately \$800 million.
- It will also substantially increase our cash and strengthen our liquidity position, enabling us to make significant investments in our innovative cloud-based communications portfolio and position Avaya for long-term success with one of the strongest balance sheets in our industry.

10. Will there be any changes to the products, service or support Avaya provides as a result of the restructuring process?

- No. We are continuing to provide our full suite of communications solutions and outstanding service and support.
- As we move forward, we will continue operating normally, and the actions we are taking will not impact Avaya's customers, channel and strategic partners, suppliers, vendors or employees.

11. Will this process impact Avaya's product roadmaps or the service and support it provides to customers and partners?

- No. We remain committed to our long-range product roadmaps and investing in innovation to advance the product development, technologies and solutions our customers and partners expect from Avaya.
- The first step of our business transformation was focused on resetting our product and go-to-market strategies and delivering new long-range product roadmaps to support our customers in their plans for innovation without disruption, and we are committed to continuing to reliably deliver on them.
- The actions we are taking are designed to accelerate our transformation and make Avaya an even stronger partner to our customers and strategic and channel partners – we expect to emerge from this process with one of the strongest balance sheets in our industry, significantly reduced debt and substantial additional liquidity to drive the business forward.

12. What did Avaya announce as it relates to RingCentral?

- We have extended and expanded our global, strategic partnership with RingCentral, Inc., continuing the relationship we formed in 2019 to introduce and launch Avaya Cloud Office® by RingCentral.
- Avaya will continue to act as the exclusive sales agent for direct and partner sales of Avaya Cloud Office, our exclusive multi-tenanted cloud PBX solution, in the geographies where it is available.
- The partnership has also expanded to include additional go-to-market constructs that enable Avaya to sell Avaya Cloud Office to our installed base on a direct basis.
- We look forward to building on the Avaya Cloud Office footprint and continuing to support the adoption of seamless cloud functionality by our global customers at a pace that meets their business needs.

13. Will there be any changes to my contract or Avaya's pricing as a result of this process?

- This process has no impact on our priorities as a customer-centric organization, and there are no changes to how we work with you. Our agreement remains in place.
- We remain focused on providing you with outstanding communications solutions, service and support, and we are operating and serving customers without interruption.

14. Will my contact remain the same?

- Yes, you can continue to reach out to your usual Avaya representative.

15. Why did I receive legal notices in the mail? Do I need to take any action?

- Avaya is required to periodically send out legal notices during this process to a wide range of our stakeholders, including current and former employees, customers, partners, vendors and others who have interacted with the Company in the U.S. over the past few years.
- These notices are a customary and routine part of every court-supervised restructuring and are intended to keep the Company's stakeholders informed.
- You should review the materials you received. As noted in the mailing, please reach out to the Company's claims agent, Kurtzman Carson Consultants (KCC), at www.kccllc.net/avaya, or by calling KCC toll-free at 877-709-4751, or 424-236-7231 for calls originating outside of the U.S. or Canada, if you have any questions about a notice you receive.

16. Where can I obtain additional information about the restructuring?

- We will continue to keep you informed as we move forward. As always, if you have additional questions, please reach out to your usual Avaya representative.
- Additional information is also available on our restructuring website at www.AvayaRestructuringInfo.com.