

## Public Equity Investor FAQ

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### 1. What did Avaya announce?

- Avaya has entered into a Restructuring Support Agreement (the “Financial Restructuring”) with an overwhelming majority 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 today 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.
- 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.
- 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 the overwhelming majority of our financial stakeholders 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 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. 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.

**6. 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.
- This includes:
  - Commitments for \$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
  - Commitments for \$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 today 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.

- 7. Will Avaya issue quarterly earnings reports / hold investor calls during the restructuring process?**
- We disclosed recent financial information in connection with initiating the Financial Restructuring.
  - In addition, as part of the court-supervised process, we will be required to periodically disclose certain financial results.
  - We will not issue earnings press releases or hold quarterly conference calls during this process.
- 8. Will Avaya common stock continue trading during this process?**
- We expect that the New York Stock Exchange (NYSE) will review the details of our Chapter 11 filing and determine to suspend Avaya's common stock from trading and initiate proceedings to delist the stock.
  - If delisting from the NYSE occurs, Avaya common stock might still be traded over the counter, but we cannot assure you this will be the case.
- 9. What will happen to Avaya common stock when the Company emerges from this process? Will I receive any compensation if the stock is cancelled?**
- Based on the terms of the Restructuring Support Agreement, we do not expect shareholders to receive any recovery at the end of the court-supervised process, consistent with legal priorities.
  - We carefully considered this outcome in approaching this process, and we are confident we are positioning Avaya to deliver greater value over the long term.
- 10. Should I sell my stock now?**
- Based on the terms of the Restructuring Support Agreement, we do not expect shareholders to receive any recovery at the end of the court-supervised process, consistent with legal priorities.
  - We recognize that individual shareholders, including many of our employees, will be hurt by the expected cancellation of our public stock.
  - Please know that we put a lot of thought into the financial restructuring, and the steps we are taking are necessary to position the business for long-term success.
- 11. Will Avaya emerge from this process as a private company or a public company?**
- We expect to emerge from this process as a private company.
  - As always, we will communicate transparently as we have updates to share.
- 12. Where can I obtain additional information about the restructuring?**
- Additional information is available on our restructuring website at [www.AvayaRestructuringInfo.com](http://www.AvayaRestructuringInfo.com).
  - Court filings and other information related to the proceedings are available on a separate website administered by the Company's claims

agent, Kurtzman Carson Consultants (KCC), at [www.kccllc.net/avaya](http://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.