



Avaya Completes Last Major Milestone of Financial Restructuring; Secures Court Confirmation of Prepackaged Restructuring Plan on an Accelerated Basis

Company to Emerge from Restructuring Process with Significant Financial Strength and Ample Liquidity to Accelerate Investment in Avaya's Leading Cloud Communications Portfolio

Continuing to Serve Avaya Ecosystem with Outstanding Communications Solutions, Service and Support

Morristown, NJ – March 22, 2023 – Avaya Holdings Corp. (OTCMKTS: AVYAQ) (“Avaya” or the “Company”), a global leader in solutions to enhance and simplify communications and collaboration, today announced that the U.S. Bankruptcy Court for the Southern District of Texas has confirmed the Company’s prepackaged Plan of Reorganization.

Implementing the confirmed prepackaged Plan of Reorganization will reduce Avaya’s total debt by more than 75%, increase its liquidity position to over \$650 million and decrease its net leverage to less than 1x. This comprehensive balance sheet de-leveraging will provide substantial financial flexibility to accelerate Avaya’s investment in its innovative cloud-based communications portfolio, especially across its customer experience offerings, and position the Company for long-term success. As it has throughout this process, Avaya is continuing to serve its customers and partners without interruption and provide them with outstanding communications solutions, service and support.

Alan Masarek, Avaya’s Chief Executive Officer, said, “We embarked on this process with a clear goal – to create a stronger financial foundation that enables us to build on our competitive industry position, strengthen our partner ecosystem and better meet the needs of our customers with further investment in our cutting-edge, long-range product roadmaps. I am pleased with our progress as we prepare to complete this critical step of our business model transformation, and I am grateful for the confidence of our customers, partners, team members and investors along the way.”

Avaya’s Plan of Reorganization is supported by an overwhelming majority of its financial stakeholders, including its prepetition lenders and key strategic partners, as part of a previously announced Restructuring Support Agreement. Due to this overwhelming support, the Company has secured confirmation of its Plan of Reorganization on an accelerated basis.

Mr. Masarek continued, “The resounding support for our restructuring plan is a testament to the significant value our investors see in our business and the solutions we provide, and we look forward to capitalizing on the opportunities ahead. With considerable resources to execute on our R&D initiatives and cloud communications roadmap, we intend to accelerate the delivery of exceptional experiences to our customers and partners.”

Upon emergence, Avaya will be a private company backed by its existing lenders, including leading institutional investment firms Apollo Global Management, Inc. and Brigade Capital Management, LP, each of which has invested significant incremental capital as part of this process to best position the Company going forward.

Additional Information

Additional information regarding the Company’s court-supervised process is available at www.AvayaRestructuringInfo.com.

Court filings and other information related to the proceedings are available on a separate website administrated by 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.

Kirkland & Ellis LLP is serving as legal counsel to Avaya, Evercore Group L.L.C. is serving as financial advisor and AlixPartners, LLP is serving as restructuring advisor.

Akin Gump Strauss Hauer & Feld LLP, Centerview Partners LLC and Alvarez & Marsal LLP are serving as legal counsel, investment banker and financial advisor, respectively, to an ad hoc group of Avaya's first lien lenders. Paul, Weiss, Riffkind, Wharton & Garrison LLP is serving as legal counsel and FTI Consulting, Inc. is serving as financial advisor to an ad hoc group of Avaya's first lien lenders. Debevoise & Plimpton LLP is serving as legal counsel to certain holders of Avaya's secured exchangeable notes.

About Avaya

Businesses are built by the experiences they provide, and every day, millions of those experiences are delivered by Avaya Holdings Corp. Avaya is shaping the future of customer experiences, with innovation and partnerships that deliver game-changing business benefits. Our communications solutions power immersive, personalized, and memorable customer experiences to help organizations achieve their strategic ambitions and desired outcomes. Together, we are committed to helping grow your business by delivering Experiences That Matter. Learn more at <http://www.avaya.com>.

Cautionary Statement Regarding Forward-Looking Information

This press release contains certain "forward-looking statements." All statements other than statements of historical fact are "forward-looking" statements for purposes of the U.S. federal and state securities laws. These statements may be identified by the use of forward-looking terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "our vision," "plan," "potential," "preliminary," "predict," "should," "will," or "would" or the negative thereof or other variations thereof or comparable terminology. These forward-looking statements are subject to a number of factors and uncertainties that could cause the Company's actual results to differ materially from those expressed in or contemplated by the forward-looking statements. Such factors include, but are not limited to: risks attendant to the bankruptcy process, including the timing and impact of the Company's emergence from bankruptcy on its operations going forward and the terms and conditions of its exit financing; the effects of the prepackaged Plan of Reorganization, including increased legal and other professional costs necessary to execute the Company's reorganization, on the Company's liquidity, results of operations or business prospects; the effects of the prepackaged Plan of Reorganization on the interests of various constituents and financial stakeholders; the length of time that the Company will operate under Chapter 11 protection and the continued availability of operating capital during the pendency of the Chapter 11 cases; objections to the Company's restructuring process; employee attrition and the Company's ability to retain senior management and other key personnel due to the distractions and uncertainties; the Company's ability to maintain relationships with suppliers, customers, employees and other third parties and regulatory authorities as a result of the prepackaged Plan of Reorganization; the Company's ability to execute its R&D initiatives; the impact and timing of any cost-savings measures and related local law requirements in various jurisdictions; finalization of the Company's annual and quarterly financial statements (including finalization of the Company's impairment tests), completion of standard annual and quarterly-close processes; the effectiveness of the Company's internal control over financial reporting and disclosure controls and procedures, and the potential for additional material weaknesses in the Company's internal controls over financial reporting or other potential weaknesses of which the Company is not currently aware or which have not been detected; the impact of litigation and regulatory proceedings; the impact and timing of any cost-savings measures; and other factors discussed in the Company's Annual Report on Form 10-K and quarterly reports on Form 10-Q previously filed with the U.S. Securities and Exchange Commission ("SEC"). These risks and uncertainties may cause the Company's actual results, performance, liquidity or achievements to differ materially from any future results, performance, liquidity or achievements expressed or implied by these forward-looking statements. For a further list and description of such risks and uncertainties, please refer to the Company's prior filings with the SEC that are available at www.sec.gov. The Company cautions you that the list of important factors included in the Company's SEC filings may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this report may not in fact occur. The Company undertakes no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

Source: Avaya Newsroom

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