



Enghouse Enters into Asset Purchase Agreement with Lifesize

Valued Partners,

As you know, Lifesize videoconferencing solutions provide our channel partners with attractive margins and value-added services opportunities with a proven product offering enabling customer success for decades. Lifesize is focused on providing life-like visual communications to allow businesses to thrive in the digital world. However, due to the global pandemic, the need for in-office video conference solutions diminished overnight, ultimately putting a pause on Lifesize's business model and a strain on its financial structure.

As companies are now returning to the office and hybrid meetings are here to stay, Lifesize's multi-vendor video meeting connectivity is needed now more than ever, and we are poised to compete effectively in a telecommunications market adjusting to new realities of hybrid and remote work for enterprises of all sizes. But, in order to do so, Lifesize's financial health needs to be addressed in order for the business to continue thriving.

We have been working alongside our financial stakeholders to determine how we could move forward in a way that continues to provide our customers with the highest quality of services, while also strengthening our financial structure for the long-term. Therefore, Lifesize has entered into an Asset Purchase Agreement ("APA" or "Agreement"), with Enghouse Systems Ltd., a leading vertical enterprise software solutions company. Under the Agreement, Enghouse will acquire substantially all the Company's assets and brands, including Lifesize, Kaptivo, ProScheduler, Serenova and Telstrat. To effectuate the sale, the Company has filed voluntary, pre-negotiated petitions for reorganization through the Chapter 11 process.

To be extremely clear—Lifesize is open for business and operating as usual. **You will see no impact to the services we provide or the way we do business with one another as a result of our financial restructuring. All contracts and payment terms remain in place.** The services we provide to one another are critical and we are working diligently to make this a smooth process.

The Chapter 11 process was specifically designed to allow companies like ours to continue to operate as normal while we work to achieve our financial goals and execute an efficient and value-maximizing sale of the business. To that end, you can continue to interact with us in all the usual ways.

In terms of what comes next, we will continue to work to market our business for a sale, and collect all potential bids from qualified buyers. If we receive multiple qualified bids, we will conduct an auction, which includes a day of bidding and negotiations. At the end of the auction, we will select the "highest and best" bid (or bids) as the winner to be reviewed and approved by the Court.

We will keep you updated as appropriate throughout the sale process when we reach definitive milestones.

We are optimistic about our future and are looking forward to all we can—and will—achieve for our customers and channel partners.

Thank you for your continued partnership, and please reach out to your usual contact if you have any additional questions, or visit www.lifesize.com/partner.

Frequently Asked Questions

1. What is being announced?

Lifesize has entered into an Asset Purchase Agreement (“APA” or “Agreement”), with Enghouse Systems Ltd., a leading vertical enterprise software solutions company. Under the Agreement, Enghouse will acquire substantially all the Company’s assets and brands, including Lifesize, Kaptivo, ProScheduler, Serenova, and Telstrat.

The APA is the first in a series of strategic actions that Lifesize is taking to reorganize its capital structure for the benefit of customers, partners, employees, and other stakeholders. To effectuate the sale, the Company has filed voluntary, pre-negotiated petitions for reorganization through the Chapter 11 process.

2. What is Chapter 11?

Chapter 11 is a proven legal process specifically designed to facilitate a buyer’s ability not only to acquire the going-concern assets of a seller but also to assume the seller’s position under certain long-term contracts and business relationships as well as preserve jobs for the seller’s employees.

3. What are the plans for the business after the sale?

As companies are now returning to the office and hybrid meetings are here to stay, Lifesize’s multi-vendor video meeting connectivity is needed now more than ever. We are optimistic about the future and believe today’s actions are the first steps in Lifesize’s next chapter. Lifesize will continue operating as usual throughout its financial restructuring and sale process, focusing on serving its global customer base of omnichannel contact centers and 4K video conferencing solutions.

4. How will the filing impact day-to-day operations at Lifesize?

There will be no impact to day-to-day operations at Lifesize as a result of our financial restructuring process. Chapter 11 is unique in that it allows businesses like Lifesize to continue operating uninterrupted as they work to resolve financial challenges and execute their goals – and that is exactly what we intend to do.

5. Why is this necessary? How did Lifesize come to this decision and why?

Lifesize was founded on the vision of providing life-like visual communication solutions to allow businesses to thrive in a digital world. But due to the global pandemic, the need for in-office video conference solutions diminished overnight, ultimately putting a pause on Lifesize’s business model and a strain on its financial structure. As businesses are returning to the office and hybrid work is here to stay, Lifesize’s multivendor video meeting connectivity is needed now more than ever. We are optimistic about the future and believe today’s actions are the first steps in Lifesize’s next chapter.

6. Does Lifesize have the financial resources required to go through the Chapter 11 process while doing business?

Yes. Lifesize is finalizing \$5 million USD in debtor-in-possession (“DIP”) financing from Silicon Valley Bank. Upon approval by the Court, the DIP financing will provide the Company with necessary liquidity to fund its business operations during the Chapter 11 process.

7. Will there be any changes to the leadership team?

The Lifesize leadership team will report to co-Chief Restructuring Officers Marc Bilbao and Michael Yoshimura. The Lifesize leadership team will continue to manage day-to-day operations across the company.

8. What are the next steps in the process? How long will this process take to complete?

We intend to exit Chapter 11 protection within 90-120 days, with an owner who has a long-term commitment to continuity, ongoing support, and investment – positioned for a healthier financial future.

9. Who will be the new owners?

Lifesize has entered into an asset purchase agreement with Enghouse Systems Ltd. to acquire the business. The agreement remains subject to higher or better offers in accordance with the bid procedures and deadlines, as well as Court approval. The next step in our sale process will be to collect potential competing bids from qualified buyers. If we receive multiple qualified bids, we will conduct an auction, which includes a day of bidding and negotiations. At the end of the auction, we will select the “highest and best” bid (or bids) as the winner to be reviewed and approved by the Court. We will keep you updated as appropriate throughout the process when we reach definitive milestones.

10. What does this announcement mean for channel partners?

Throughout this process we will be operating uninterrupted. Meeting our commitments to our customers and channel partners remains a top priority. Our channel partners contracts and payment terms remain in place – and we trust you will help us ensure we see no change to the way we do business with one another as a result of our financial restructuring.

As businesses are returning to the office and hybrid work is here to stay, Lifesize's multivendor video meeting connectivity is needed now more than ever. We are optimistic about the future and believe today's actions are the first steps in Lifesize's next chapter. Lifesize is focusing on serving our global customer base of omnichannel contact centers and 4K video conferencing solutions.

11. Should I still continue to uphold the terms of my contract with Lifesize?

Yes. Our channel partners' contracts and payment terms remain in place as part of the Chapter 11 process. Please continue upholding the terms of your contract and processing payments as usual.

12. Why should we continue doing business with Lifesize?

Lifesize videoconferencing solutions provide our channel partners with attractive margins and value-added services opportunities with a proven product offering enabling customer success for decades. The services we provide to one another are critical and we are working diligently to make this a smooth process. The actions we are taking are designed to have Lifesize emerge better positioned to serve our customers and channel partners. This will make us even better at providing our cutting-edge technology and solutions on a global scale.

13. How will channel partners be kept informed throughout this process? Who can we contact if we have additional questions?

We are committed to providing you with timely, transparent updates as there is news to share. Please reach out to your usual Lifesize contact if you have any additional questions, or visit www.lifesize.com/partner.