



## Enghouse Enters into Asset Purchase Agreement with Lifesize

Valued Customers,

Lifesize was founded on the vision of providing life-like visual communication solutions to allow businesses to thrive in a 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. Now, as companies are returning to the office and hybrid meetings are here to stay, Lifesize's multivendor video meeting connectivity is needed more than ever. However, in order to continue serving our customers, the Company's financial health must be addressed to ensure the business continues to thrive.

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.

The actions we are taking are designed to secure the Company's future with a healthy balance sheet upon which to stand. This will make us even better at providing our video conferencing and omnichannel contact center technology and solutions on a global scale.

We understand that our Lifesize, Kaptivo, ProScheduler, Serenova, and Telstrat customers rely on our services. Meeting our commitments to you remains a top priority throughout this process. **Importantly, 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.** Please be assured that we are working diligently to make this a smooth process. We do not intend for it to impact our relationship with you in any way. In fact, we are confident that this process will enable you to further utilize Lifesize's unique technology and world-renowned services in your business environment.

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 that we can—and will—achieve for our customers. We are grateful for your continued trust, business, and partnership.

Please reach out to your usual contact if you have any additional questions, or visit [www.lifesize.com/customer](http://www.lifesize.com/customer).

## 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 customers?**

Meeting our commitments to you and maintaining our relationships with our customers remains a top priority throughout this process. You will see no impact to the products and 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 as part of the Chapter 11 process.

**11. Will this announcement have any impact on the services I rely on?**

No. You should see no impact to the Lifesize, Kaptivo, ProScheduler, Serenova, and Telstrat products and services we provide as a result of our financial restructuring. We are working diligently to make this process smooth, and we do not intend for it to impact our relationship with you in any way.

**12. How is this good for customers? Why should I continue to be a customer of Lifesize?**

We are deeply thankful for your continued trust, business, and partnership. The actions we are taking are designed to secure the Company’s future with a healthy balance sheet upon which to stand. In fact, we are confident that our financial restructuring process will enable you to further utilize Lifesize’s unique technology and services in your business environment, making us even better at providing our video conferencing and omnichannel contact center technology and solutions on a global scale. We are optimistic about our future and are looking forward to all we can – and will – achieve for our customers.

**13. How will customers 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 Lifesize contact if you have any additional questions, or visit [www.lifesize.com/customer](http://www.lifesize.com/customer).