



Lifesize Enters into Asset Purchase Agreement with Enghouse

Valued Suppliers,

Over the past few months, Lifesize has 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.

We know how important our relationships are with one another, and we are grateful for your patience as we have determined our path forward. We have filed certain motions with the Court that will enable us to transition into Chapter 11 without disrupting our ordinary course operations, ensuring we are able to fulfill go-forward obligations to our partners and vendors for goods and services rendered during this time.

We intend to pay vendors and distributors in the normal course of business for all goods and services delivered to Lifesize after May 16, 2023, the day of our Chapter 11 filing. This is referred to as the “post-petition” period. In fact, you can be assured of payment for goods and services incurred after the filing date.

However, outstanding invoices for goods and services delivered prior to our Chapter 11 filing date May 16, 2023, are considered “pre-petition” claims and will need to be addressed as a part of the Chapter 11 process and cannot be paid by the Company pursuant to the Bankruptcy Code.

Additional information on Lifesize’s Chapter 11 process and instructions for filing a claim can be found at www.lifesizeinfo.com or by contacting 888-647-1737 for U.S. and Canada calls, or 310-751-2624 for International calls.

Please reach out to your usual company contact with any questions, or by contacting 888-647-1737 for U.S. and Canada calls, or 310-751-2624 for international calls.

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 suppliers?

We know how important our relationships are with one another, and we are grateful for your patience as we have determined our path forward. We have filed certain motions with the Court that will enable us to transition into Chapter 11 without disruption to our ordinary course operations, ensuring we are able to fulfill go-forward obligations to our partners and vendors for goods and services rendered during this time.

11. Can I change the date on my invoice to get paid post-petition?

No. Outstanding invoices for goods and services delivered before our Chapter 11 filing date of May 16, 2023, are considered “pre-petition” claims and will need to be addressed as a part of the Chapter 11 process and cannot be paid by the Company under the Bankruptcy Code.

Additional information on Lifesize’s Chapter 11 process and instructions for filing a claim can be found at www.lifesizeinfo.com or by contacting 888-647-1737 for U.S. and Canada calls, or 310-751-2624 for International calls.

12. Are there any additional forms I will need to fill out or action to take if I believe I am owed money from Lifesize?

Outstanding invoices for goods and services delivered prior to our Chapter 11 filing date of May 16, 2023, are considered “pre-petition” claims and will need to be addressed as part of the Chapter 11 process. If you believed you are owed money for goods and services delivered to Lifesize before May 16, 2023, the date of our Chapter 11 filing, you may have a claim.

Additional information on Lifesize’s Chapter 11 process and instructions for filing a claim can be found at www.lifesizeinfo.com or by contacting 888-647-1737 for U.S. and Canada calls, or 310-751-2624 for International calls.

13. How will suppliers be kept informed throughout this process? Who do I contact if I have additional questions?

We are committed to keeping you updated throughout this process. Please direct any additional questions to your usual company contact. You can also contact our claims agent, KCC, by visiting www.lifesizeinfo.com or by contacting 888-647-1737 for U.S. and Canada calls, or 310-751-2624 for International calls.