

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Avaya Holdings Corp.; Avaya LLC		2 Issuer's employer identification number (EIN) Attached	
3 Name of contact for additional information Tyler Chambers	4 Telephone No. of contact (669) 242-8161	5 Email address of contact tmchambers@avaya.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 350 Mt. Kemble Avenue		7 City, town, or post office, state, and ZIP code of contact Morristown, NJ 07960	
8 Date of action See Attached Statement		9 Classification and description See Attached Statement	
10 CUSIP number See Attached	11 Serial number(s)	12 Ticker symbol AVYAQ	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **See Attached Statement**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **See Attached Statement**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **See Attached Statement**

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See Attached Statement](#)

18 Can any resulting loss be recognized? ▶ [See Attached Statement](#)

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See Attached Statement](#)

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ *Kevin Speed* Date ▶ 6/14/23

Print your name ▶ **Kevin Speed** Title ▶ **GVP, Controller & CAO**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

Avaya Holdings Corp.
EIN: 26-1119726
Avaya LLC
EIN: 22-3713430
Attachment to Form 8937
Report of Organizational Action Affecting Basis of Securities

Disclaimer: The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "IRC"). The information contained in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account the specific circumstances of any shareholder, warrant holder, noteholder, holder of indebtedness or other interest or holder of general unsecured claims, and is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the IRC. All such holders are urged to consult their tax advisors regarding the U.S. tax consequences of the transactions described herein and the impact to tax basis resulting from the transactions.

Form 8937, Line 2

Avaya Holdings Corp.'s EIN: 26-1119726.
Avaya LLC's EIN: 22-3713430.

Form 8937, Line 8

For First Lien Debtholders and Holders of Old Avaya Holdings Interests (each as defined below), May 1, 2023 (the "Emergence Date").

Form 8937, Line 9

Common Stock: common stock of Avaya Holdings Corp. ("Avaya Holdings") that was cancelled on the Emergence Date (the "Old Avaya Holdings Common Stock").

Warrants: warrants with respect to the Old Avaya Holdings Common Stock that were cancelled on the Emergence Date (collectively with the Old Avaya Holdings Common Stock, the "Old Avaya Holdings Interests").

Preferred Stock: Series A Convertible preferred stock of Avaya Holdings that was cancelled on the Emergence Date (the "Old Avaya Holdings Preferred Stock").

Debt: First Lien Claims of Avaya LLC ("Avaya"); HoldCo General Unsecured Claims; Section 510 Claims; and DIP Term Loan of Avaya.

Common Stock: common stock of Avaya Holdings that was issued in connection with the Debtors' emergence from bankruptcy (the "New Avaya Holdings Common Stock").

Form 8937, Line 10

The CUSIP numbers for shares of the New Avaya Holdings Common Stock is: (i) 05351X 507 (for unrestricted New Avaya Holdings Common Stock); (ii) 05351X 309 (for restricted New Avaya Holdings Common Stock issued to "qualified institutional buyer[s]", as such term is defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act")); (iii) 05351X 408 (for restricted New Avaya Holdings Common Stock issued to institutional "accredited investor[s]" as such term within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9), (12) or (13) under the Securities Act); and (iv) U05254 104 (for restricted New Avaya Holdings Common Stock issued to "non-U.S. persons" as defined under Regulation S of the Securities Act).

The CUSIP number for the Exit Term Loan due August 1, 2028 issued by Avaya, respectively, is 05349UBN1.

Form 8937, Line 14

On February 14, 2023 (the "Petition Date"), Avaya Holdings and certain of its direct and indirect subsidiaries (the "Debtors") commenced voluntary cases under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court") for the case number [23-90088]. On the Petition Date, Avaya entered into a Restructuring Support Agreement (the "RSA") with certain of its creditors that contemplated a prepackaged joint plan of reorganization (the "Plan"). On March 22, 2023, the Bankruptcy Court confirmed the Plan and on May 1, 2023, the Debtors satisfied all

conditions required for Plan effectiveness and emerged from the Chapter 11 Cases as a non-reporting private company. Unless otherwise described herein, capitalized terms are defined as used in the Plan or in the related disclosure statement for the Plan filed on February 14, 2023, (the “Disclosure Statement”).

In connection with the Debtors emergence from bankruptcy, Avaya Holdings contributed New Avaya Holdings Common Stock and Rights to Avaya. On the Emergence Date, Avaya transferred (i) a portion of such New Avaya Holdings Common Stock and Rights and (ii) issued the Exit Term Loan (such holders that are the beneficial owners for U.S. federal tax purposes the First Lien Claims, the “First Lien Debtholders”), in exchange for such First Lien Debtholders’ cancellation and forgiveness of claims. Concurrently, (i) on the Emergence Date, the DIP Term Loan converted on a dollar-for-dollar basis into a term loan under a senior secured exit term loan facility and Avaya incurred an additional \$310 million under the facility (including amounts incurred pursuant to a rights offering) for an aggregate principal amount of \$810 million (such holders of the DIP Term Loan, the “DIP Lenders”); (ii) the Holdco General Unsecured Claims and Section 510 Claims (the “Extinguished Claims” and holders of such claims, the “Extinguished Claimholders”) were cancelled and extinguished for no consideration; and (iii) all of the Old Avaya Holdings Interests were cancelled and extinguished and the holders of the Old Avaya Holdings Interests on the Emergence Date received no consideration in respect of the interests held by them in Avaya Holdings. The events that occurred on the Emergence Date pursuant to the Plan are cumulatively referred to herein as the “Transaction.” The following describes the exchange of consideration between Avaya and First Lien Debtholders in full and final satisfaction, settlement, release and discharge of, and in exchange for such First Lien Debtholders’ Allowed Claims as well as the treatment of existing holders of Old Avaya Holdings Interests.

Treatment of First Lien Debtholders

On the Emergence Date, pursuant to the Plan, each First Lien Debtholder received in full and final satisfaction, settlement, release and discharge of, and in exchange for its Allowed Claim, (i) its Pro Rata share of 100% of the New Avaya Holdings Common Stock, subject to dilution on account of the Management Incentive Plan Pool, the RO Common Shares, the RO Backstop Shares, the RO Premium Shares, and the DIP Commitment Shares, (ii) its pro rata share of the Rights, and (iii) its applicable Exit Term Loan (the aggregate amount of such shares and debt, the “First Lien Debtholders Recovery Amount”). The actual fair market value of New Avaya Holdings Common Stock distributed to First Lien Debtholders in the Transaction and pursuant to the Plan may differ from the expected value of such stock on the Emergence Date based on the Plan. First Lien Debtholders that received New Avaya Holdings Common Stock in the Transaction should consult their tax advisors to determine the appropriate value of the New Avaya Holdings Common Stock and the tax consequences of the receipt of such stock to the Holder.

Treatment of the DIP Lenders

On the Emergence Date, pursuant to the Plan, the DIP Term Loan converted into an Exit Term Loan (as defined herein) and Avaya incurred an additional \$310 million under the Exit Term Loan Facility (including amounts incurred pursuant to a rights offering) for an aggregate principal amount of \$810 million.

Treatment of Extinguished Claimholders

On the Emergence Date, pursuant to the Plan, all of the Extinguished Claims were cancelled and extinguished. Extinguished Claimholders did not receive any distribution in respect of their

Extinguished Claims held on the Emergence Date.

For more information regarding the Transaction, please see the Plan and the Disclosure Statement filed with the Bankruptcy Court, available at <http://www.kccllc.net/avaya>.

Treatment of Holders of Old Avaya Holdings Interests

On the Emergence Date, pursuant to the Plan, all of the Old Avaya Holdings Interests were cancelled and extinguished. Holders of Old Avaya Holdings Interests did not receive any distribution in respect of their Old Avaya Holdings Interests held on the Emergence Date.

For more information regarding the Transaction, please see the Plan and the Disclosure Statement filed with the Bankruptcy Court, available at <http://www.kccllc.net/avaya>.

Form 8937, Line 15

Effect on Basis to First Lien Debtholders

As a result of the Transaction, each First Lien Debtholder exchanged its Allowed Claim with respect to the First Lien Claims with Avaya for New Avaya Holdings Common Stock, the Rights, and the Exit Term Loan. Although not free from doubt, Avaya Holdings intends to take the position that the First Lien Claims and the New Avaya Holdings Common Stock, the Rights, and the Exit Term Loan are treated as securities for U.S. federal income tax purposes and the Transactions should be treated as a “reorganization” described in Section 368(a)(1)(G).

If the First Lien Claims and the New Avaya Holdings Common Stock, the Rights, and the Exit Term Loan are treated as securities for U.S. federal income tax purposes, the exchange of such Claims should be a tax-free exchange pursuant to section 354 of the IRC. The First Lien Debtholder should generally obtain a tax basis (apart from amounts allocable to accrued but untaxed interest) in the Exit Term Loan and the New Avaya Holdings Common Stock and the Rights received equal to the tax basis of the First Lien Claim surrendered by such First Lien Debtholder. Subject to the rules regarding accrued but untaxed interest, a First Lien Debtholder’s holding period for its interest in the Exit Term Loan, New Avaya Holdings Common Stock and Rights received should include the holding period for the exchanged Class 4 First Lien Claim.

If the First Lien Claims are not treated as securities, then the exchange of such Claims should be treated as a taxable exchange pursuant to section 1001 of the IRC. A First Lien Debtholder who is subject to this treatment should recognize gain or loss equal to (a) the sum of (i) the fair market value of the New Avaya Holdings Common Stock and Rights received, and (ii) the issue price of the Exit Term Loan received (determined as discussed below), minus (b) the First Lien Debtholder’s adjusted tax basis in its First Lien Claim. Such First Lien Debtholder should obtain a tax basis in each item of the consideration received equal to such item of consideration’s fair market value (or issue price, in the case of debt instruments) as of the date such consideration is distributed to the First Lien Debtholder. The holding period for any such property should begin on the day following the receipt of such consideration.

If the Exit Term Loan does not constitute a “security”, then the exchange of such First Lien Claims should be a partially taxable exchange pursuant to sections 354 and 356 of the IRC, with the receipt of the Exit Term Loan treated as “boot” (and for purposes of this section “boot”) in such reorganization. A First Lien Debtholder of such Claim should not recognize loss, but should recognize gain equal to the lesser of (a) the issue price of the Exit Term Loan received and (b)

the difference between (i) the sum of the fair market value of the New Avaya Holdings Common Stock and Rights, and the issue price of the Exit Term Loan received (determined as discussed below) and (ii) such First Lien Debtholder's adjusted tax basis in its First Lien Claim.. The First Lien Debtholder should generally obtain a tax basis, apart from amounts allocable to accrued but untaxed interest, in the New Avaya Holdings Common Stock and Rights received equal to (a) the tax basis of the First Lien Claim surrendered by such First Lien Debtholder increased by (b) gain recognized (if any) by such First Lien Debtholder, and decreased by (c) the fair market value of any boot received. Subject to the rules regarding accrued but untaxed interest, a First Lien Debtholder's holding period for its interest in the New Avaya Holdings Common Stock and Rights received should include the holding period for the exchanged First Lien Claim. A First Lien Debtholder's initial basis in the Exit Term Loan would equal its issue price, and such First Lien Debtholder's holding period with respect to the Exit Term Loan would begin the day after the Effective Date.

Although not entirely free from doubt, Avaya Holdings intends to take the position that a First Lien Debtholder that elects to exercise its Rights should be treated as purchasing, in exchange for its Rights and the amount of cash paid by the First Lien Debtholder to exercise such Rights, New Avaya Holdings Common Stock. Such a purchase should generally be treated as the exercise of an option under general U.S. federal income tax principles, and such First Lien Debtholder should not recognize income, gain, or loss for U.S. federal income tax purposes when it exercises the Rights. For the avoidance of doubt, while not free from doubt, the Debtors intend to disregard the nominal issuance of debt in connection with the exercise of the rights and, instead, treat such debt as having been received by creditors directly in exchange of their claims for U.S. federal income tax purposes. A First Lien Debtholder's aggregate tax basis in the New Avaya Holdings Common Stock should equal the sum of (a) the amount of cash paid by the First Lien Debtholder to exercise the Rights, plus (b) such First Lien Debtholder's tax basis in the Rights immediately before the Rights are exercised. A First Lien Debtholder's holding period for the New Avaya Holdings Common Stock received pursuant to such exercise should begin on the day following the Emergence Date.

A First Lien Debtholder that elects not to exercise the Rights may be entitled to claim a loss equal to the amount of tax basis allocated to such Rights, subject to any limitation on such First Lien Debtholder's ability to utilize capital losses. First Lien Debtholders electing not to exercise their Rights should consult with their own tax advisors as to the tax consequences of such decision.

First Lien Debtholders should refer to the Disclosure Statement filed with the Bankruptcy Court, available at <http://www.kccllc.net/avaya>, and consult their tax advisors to determine the tax consequences of the Transaction and Plan to them.

Effect on Basis of DIP Lenders

As a result of the Transaction, each DIP Lender exchanged its DIP Claim with respect to the DIP Term Loan with Avaya for the Exit Term Loan. As a result, each DIP Lender generally should recognize gain or loss in the exchange equal to the difference between (i) the sum of the issue price of the Exit Term Loan received (in each case, to the extent such consideration is not allocable to accrued but unpaid interest on the DIP Term Loan exchanged) and (ii) such holder's adjusted tax basis in the DIP Term Loan exchanged. Such DIP Lender's tax basis in any Exit Term Loan received generally should equal the issue price of such Exit Term Loan as of the date such Exit Term Loan is distributed to the holder. A holder's holding period for the Exit Term Loan received should generally begin on the day following the day of receipt.

DIP Lenders should consult their tax advisors to determine the tax consequences of the Transaction and Plan to them.

Treatment of Extinguished Claimholders

Extinguished Claimholders were not issued any consideration in respect of their Extinguished Claims and, therefore, will not retain or obtain any tax basis in respect of such Extinguished Claims that were cancelled. Extinguished Claimholders are urged to consult their tax advisors to determine the tax consequences of the Transaction to them.

Effect on Basis to Holders of Old Avaya Holdings Interests

Holders of Old Avaya Holdings Interests as of the Emergence Date were not issued any consideration in respect of their Old Avaya Holdings Interests and, therefore, will not retain or obtain any tax basis in respect of such Old Avaya Holdings Interests that were cancelled. Holders of Old Avaya Holdings Interests are urged to consult their tax advisors to determine the tax consequences of the Transaction to them.

Form 8937, Line 16

First Lien Debtholders

The tax basis of the New Avaya Holdings Common Stock received by First Lien Debtholders under the Plan will depend on the alternatives described in Line 15.

- If the First Lien Claims and the New Avaya Holdings Common Stock, the Rights, and the Exit Term Loan are treated as securities for U.S. federal income tax purposes: the First Lien Debtholder should generally obtain a tax basis (apart from amounts allocable to accrued but untaxed interest) in the Exit Term Loan and the New Avaya Holdings Common Stock and the Rights received equal to the tax basis of the First Lien Claim surrendered by such First Lien Debtholder.
- If the First Lien Claims are not treated as securities: the First Lien Debtholder should obtain a tax basis in each item of the consideration received equal to such item of consideration's fair market value (or issue price, in the case of debt instruments) as of the date such consideration is distributed to the First Lien Debtholder.
- If the Exit Term Loan does not constitute a "security": the First Lien Debtholder should generally obtain a tax basis, apart from amounts allocable to accrued but untaxed interest, in the New Avaya Holdings Common Stock and Rights received equal to (a) the tax basis of the First Lien Claim surrendered by such First Lien Debtholder increased by (b) gain recognized (if any) by such First Lien Debtholder, and decreased by (c) the fair market value of any boot received.

The New Avaya Holdings Common Stock does not trade on an established market which therefore makes its fair market value unclear. Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of the facts. U.S. federal income tax law does not specifically prescribe how a stockholder should determine the fair market values of the New Avaya Holdings Common Stock.

First Lien Debtholders and DIP Lenders

Where, as here, First Lien Debtholders receiving debt instruments are also receiving other property in exchange for their First Lien Claims (i.e., New Avaya Holdings Common Stock and the Rights), the “investment unit” rules may apply to the determination of the “issue price” for any debt instrument received in exchange for their First Lien Claims. In such case, the issue price of the Exit Term Loan will depend, in part, on the issue price of the “investment unit” (i.e., the Exit Term Loan and New Avaya Holdings Common Stock and Rights), and the respective fair market values of the elements of consideration that compose the investment unit. If the investment unit received in exchange for First Lien Claims is considered to be publicly traded on an established market, the issue price of the investment unit would be the fair market value of the investment unit. The law is somewhat unclear on whether an investment unit is treated as publicly traded if some, but not all, elements of such investment unit are publicly traded.

In this case, based on information reasonably available on the date of this attachment, Avaya Holdings has determined the Exit Term Loan is “traded on an established market” for purposes of determining the issue price under the rules in Treasury Regulations Section 1.1273-2(f), but the New Equity Interests and Rights are not “traded on an established market”. While not free from doubt, Avaya Holdings intends to take the position that the issue price of the Exit Term Loan will be based on its trading price on May 16th, 2023, the first day a sales price was available. Holders of New Avaya Holdings Common Stock and Rights should consult their tax advisors to determine the tax consequences of the receipt of such interests to the holder.

Based on the foregoing, and on information reasonably available as of the relevant trading date, Avaya Holdings intends to take the position that the issue price of the Exit Term Loan are as follows (expressed as a percentage of face amount):

Debt Tranche	Issue Price (%)
Exit Term Loan	96

Treatment of Extinguished Claimholders

Extinguished Claimholders were not issued any consideration in respect of their Extinguished Claims and, therefore, will not retain or obtain any tax basis in respect of such Extinguished Claims.

Holdings of Old Avaya Holdings Interests

Holdings of Old Avaya Holdings Interests as of the Emergence Date were not issued any consideration in respect of their Old Avaya Holdings Interests and therefore generally will not retain or obtain any tax basis in respect of the Old Avaya Holdings Interests.

Form 8937, Line 17

First Lien Debtholders: Sections 354, 356, 358, 368, 1001, and 1012 of the IRC.

Holdings of Old Avaya Holdings Interests on the Emergence Date: Section 165(g) of the IRC.

Holdings of Extinguished Claims on the Emergence Date: Sections 165(g) or 166 of the IRC

Form 8937, Line 18

First Lien Debtholders

The Transaction and distributions pursuant to the Plan may result in a recognizable loss to a First Lien Debtholder to the extent (i) the First Lien Claims are not treated as securities and (ii) First Lien Debtholder's tax basis in their First Lien Claims exceeds the sum of (x) fair market value of the New Avaya Holdings Common Stock and Rights and (y) the issue price of the Exit Term Loan received in exchange for such First Lien Claims in the Transaction. First Lien Debtholders should consult their tax advisors to determine the tax consequences of the Transaction and the Plan to them.

DIP Lenders

The Transaction and distributions pursuant to the Plan may result in a recognizable gain or loss to a DIP Lenders to the extent the DIP Lender's tax basis in their DIP Term Loan exceeds or is less than the issue price of the Exit Term Loan received in exchange for such DIP Term Loan in the Transaction. DIP Lenders should consult their tax advisors to determine the tax consequences of the Transaction and the Plan to them.

Treatment of Extinguished Claimholders

A holder that is the beneficial owner for U.S. tax purposes of Extinguished Claims as of the Emergence Date may be eligible for either a worthless securities deduction pursuant to Section 165(g) of the IRC or a bad debt deduction pursuant to Section 166. The rules governing the character, timing, and amount of worthless securities deductions and bad debt deductions place considerable emphasis on the facts and circumstances of the holder, the obligor, and the instrument with respect to which a deduction is claimed. Extinguished Claimholders are urged to consult their tax advisors with respect to their ability, if any, to take such a deduction.

Holdings of Old Avaya Holdings Interests

A holder that is the beneficial owner for U.S. tax purposes of Old Avaya Holdings Interests as of the Emergence Date may be eligible for a worthless securities deduction pursuant to Section 165(g) of the IRC. The rules governing the character, timing, and amount of worthless securities deductions place considerable emphasis on the facts and circumstances of the holder, the obligor, and the instrument with respect to which a deduction is claimed. Holders of Old Avaya Holdings Interests are urged to consult their tax advisors with respect to their ability, if any, to take such a deduction.

Form 8937, Line 19

For First Lien Debtholders, DIP Lenders, holders of HoldCo Convertible Notes Claims, holders of HoldCo General Unsecured Claims, and holders of Old Avaya Holdings Interests, the adjustments to basis would be taken into account in the taxable year(s) of the applicable Holder that includes the applicable date(s) upon which the applicable distribution(s) are made to such Holder pursuant to the Plan.