

AVID TECHNOLOGY, INC.

FORM 8-K (Current report filing)

Filed 03/20/17 for the Period Ending 03/14/17

Address	75 NETWORK DRIVE BURLINGTON, MA 01803
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): March 14, 2017

AVID TECHNOLOGY, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-36254
(Commission File Number)

04-2977748
(I.R.S. Employer
Identification No.)

75 Network Drive, Burlington, Massachusetts 01803
(Address of Principal Executive Offices) (Zip Code)

(978) 640-6789
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On March 14, 2017 (the “Effective Date”), Avid Technology, Inc. (the “Company”), its subsidiary, Avid Technology Worldwide, Inc. (“Avid Worldwide”), and Cerberus Business Finance, LLC, as collateral agent entered into an amendment (the “Amendment”) to its existing financing agreement, dated February 26, 2016 (the “Financing Agreement”), between the Company, Avid Worldwide, Cerberus Business Finance, LLC, as collateral and administrative agent, and the lenders party thereto.

The Amendment provides increased financial flexibility to Avid as it completes its business transformation in 2017.

The Amendment modifies the covenant requiring the Company to maintain a Leverage Ratio (defined to mean the ratio of (a) consolidated total funded indebtedness to (b) consolidated EBITDA) such that following the Effective Date, the Company is required to keep a Leverage Ratio of no greater than 3.50:1.00 for the four quarters ending March 31, 2017, 4.20:1.00 for the four quarters ending June 30, 2017, 4.75:1.00 for the four quarters ending September 30, 2017, 4.80:1.00 for the four quarters ending December 31, 2017, 4:40:1 for each of the four quarters ending March 31, 2018 through March 31, 2019, respectively, and thereafter declining over time from 3.50:1.00 to 2.50:1.00.

Following the Effective Date, interest accrues on outstanding borrowings under the Credit Facility and the Term Loan (each as defined in the Financing Agreement) at a rate of either the LIBOR Rate (as defined in the Financing Agreement) plus 7.25% or a Reference Rate (as defined in the Financing Agreement) plus 6.25%, at the option of the Company.

The foregoing description is qualified in its entirety by reference to the Amendment, which is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference. On March 15, 2017, the Company issued a press release announcing the Amendment, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure required by this Item 2.03 is included in Item 1.01 above and is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On March 20, 2017, the Company issued a press release announcing the Amendment addressed in Item 1.01 of this Current Report. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Limitation on Incorporation by Reference. The information furnished in Item 2.02 and 7.01, including the press release attached hereto as Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Cautionary Note Regarding Forward-Looking Statements. Except for historical information contained in this Form 8-K, the press release attached as Exhibit 99.1 hereto, the Form 8-K and press release contain forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. Please refer to the cautionary notes in the press release regarding these forward-looking statements.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits .

<u>Exhibit Number</u>	<u>Description</u>
10.1	Amendment No. 1 to Financing Agreement, dated March 14, 2017
99.1	Press Release announcing Amendment No. 1 to Financing Agreement, dated March 15, 2017

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AVID TECHNOLOGY, INC.

(Registrant)

By: /s/ Brian E. Agle

Name: Brian E. Agle

Title: Senior Vice President and CFO

Date: March 20, 2017

AMENDMENT NO. 1
TO FINANCING AGREEMENT

AMENDMENT NO. 1 TO FINANCING AGREEMENT, dated as of March 14, 2017 (this "Amendment"), to the Financing Agreement, dated as of February 26, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the "Financing Agreement"), by and among Avid Technology, Inc., a Delaware corporation (the "Parent" or the "Borrower"), each subsidiary of the Parent listed as a "Guarantor" on the signature pages thereto (together with each other Person that executes a joinder agreement and becomes a "Guarantor" thereunder or otherwise guaranties all or any part of the Obligations (as defined therein), each a "Guarantor" and, collectively, the "Guarantors"), the lenders from time to time party thereto (each a "Lender" and, collectively, the "Lenders"), Cerberus Business Finance, LLC, a Delaware limited liability company ("CBF"), as collateral agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent"), and CBF, as administrative agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "Administrative Agent" and together with the Collateral Agent, each an "Agent" and collectively, the "Agents").

WHEREAS, the Loan Parties have requested that the Agents and the Lenders amend certain terms and conditions of the Financing Agreement; and

WHEREAS, the Agents and the Lenders are willing to amend such terms and conditions of the Financing Agreement on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. All terms used herein that are defined in the Financing Agreement and not otherwise defined herein shall have the meanings assigned to them in the Financing Agreement.

2. Amendments.

(a) New Definitions. Section 1.01 of the Financing Agreement is hereby amended by adding the following definitions, in appropriate alphabetical order:

(i) "" Amendment No. 1 " means Amendment No. 1 to Financing Agreement, dated as of March 14, 2017, by and among the Loan Parties, the Agents and the Lenders."

(ii) "" Amendment No. 1 Effective Date " has the meaning set forth in Amendment No. 1."

(b) Existing Definitions. The following definitions in Section 1.01 of the Financing Agreement are hereby amended as follows:

(i) The definition of "Applicable Margin" is hereby amended and restated in its entirety to read as follows:

"" Applicable Margin " means, as of any date of determination, with respect to the interest rate of (a) any Reference Rate Loan or any portion thereof, 6.25%, (b) any LIBOR Rate Loan or any portion thereof, 7.25% and (c) the Unused Line Fee, 0.5%."

(ii) The definition of "Consolidated EBITDA" is hereby amended by amending and restating clause (b)(x) therein in its entirety to read as follows:

"(x) one-time charges incurred after February 26, 2016 in connection with restructuring activities and other non-recurring costs identified on Schedule 1.01(C) in an aggregate amount not to exceed \$38,000,000 in the aggregate through December 31, 2018,".

(c) Section 7.03 (Financial Covenants; Leverage Ratio). Section 7.03 of the Financing Agreement is hereby amended by amending and restating each Leverage Ratio level beginning with the fiscal quarter ending March 31, 2017 as follows:

<u>" Fiscal Quarter End</u>	<u>Leverage Ratio</u>
March 31, 2017	3.50:1.00
June 30, 2017	4.20:1.00
September 30, 2017	4.75:1.00
December 31, 2017	4.80:1.00
March 31, 2018	4.40:1.00
June 30, 2018	4.40:1.00
September 30, 2018	4.40:1.00
December 31, 2018	4.40:1.00
March 31, 2019	4.40:1.00
June 30, 2019	3.50:1.00
September 30, 2019	3.50:1.00
December 31, 2019	3.50:1.00
March 31, 2020	3.50:1.00
June 30, 2020	3.00:1.00
September 30, 2020	2.50:1.00
December 31, 2020	2.50:1.00"

(d) Representations and Warranties. Each representation and warranty set forth in Article VI of the Financing Agreement and each other Loan Document providing that such representations and warranties are made "as of the Effective Date" or like language is hereby amended to provide that such representations and warranties are true, correct and complete "as of the Amendment No. 1 Effective Date" except as set forth on the disclosure schedules delivered to the Agents on the date hereof and annexed hereto as Exhibit A (in respect of schedules to the Financing Agreement) and Exhibit B (in respect of schedules to the Security Agreement), which disclosure schedules shall amend and restate the corresponding schedules to the Financing Agreement and the Security Agreement, in each case as in effect prior to the date hereof.

3. Representations and Warranties. Each Loan Party hereby represents and warrants to the Agents and the Lenders as follows:

(a) Representations and Warranties; No Event of Default. The representations and warranties herein, in Article VI of the Financing Agreement and in each other Loan Document, certificate or other writing delivered by or on behalf of the Loan Parties to any Agent or any Lender pursuant to the

Financing Agreement or any other Loan Document on or immediately prior to the Amendment Effective Date are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such date as though made on and as of such date, except to the extent that any such representation or warranty expressly relates solely to an earlier date (in which case such representation or warranty shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such earlier date), and no Default or Event of Default has occurred and is continuing as of the Amendment Effective Date or would result from this Amendment becoming effective in accordance with its terms.

(b) Organization, Good Standing, Etc. Each Loan Party (i) is a corporation, limited liability company or limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has all requisite power and authority to conduct its business as now conducted and as presently contemplated, and to execute and deliver this Amendment, and to consummate the transactions contemplated hereby and by the Financing Agreement, as amended hereby, and (iii) is duly qualified to do business in, and is in good standing in each jurisdiction where the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary except (solely for the purposes of this subclause (iii)) where the failure to be so qualified and be in good standing could not reasonably be expected to have a Material Adverse Effect.

(c) Authorization, Etc. The execution and delivery by each Loan Party of this Amendment and each other Loan Document to which it is or will be a party, and the performance by it of the Financing Agreement, as amended hereby, (i) have been duly authorized by all necessary action, (ii) do not and will not contravene (A) any of its Governing Documents, (B) any applicable Requirement of Law or (C) any Material Contract binding on or otherwise affecting it or any of its properties, (iii) do not and will not result in or require the creation of any Lien (other than pursuant to any Loan Document) upon or with respect to any of its properties, and (iv) do not and will not result in any default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal of any permit, license, authorization or approval applicable to its operations or any of its properties, except, in the case of clauses (ii)(B), (ii)(C) and (iv), to the extent where such contravention, default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal could not reasonably be expected to have a Material Adverse Effect.

(d) Enforceability of Loan Documents. This Amendment is, and each other Loan Document to which any Loan Party is or will be a party, when delivered hereunder, will be, a legal, valid and binding obligation of such Person, enforceable against such Person in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by principles of equity.

(e) Governmental Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required in connection with the due execution, delivery and performance by any Loan Party of any Loan Document to which it is or will be a party.

4. Conditions to Effectiveness. This Amendment shall become effective only upon satisfaction in full, in a manner satisfactory to the Agents, of the following conditions precedent (the first date upon which all such conditions shall have been satisfied being hereinafter referred to as the "Amendment No. 1 Effective Date "):

(a) Representations and Warranties. The representations and warranties contained in this Amendment and in Article VI of the Financing Agreement and in each other Loan Document shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of the Amendment No. 1 Effective Date as though made on and as of such date, except to the extent that any such representation or warranty expressly relates solely to an earlier date (in which case such representation or warranty shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such earlier date).

(b) No Default; Event of Default. No Default or Event of Default shall have occurred and be continuing on the Amendment No. 1 Effective Date or result from this Amendment becoming effective in accordance with its terms.

(c) Delivery of Documents. The Collateral Agent shall have received on or before the Amendment No. 1 Effective Date this Amendment, duly executed by the Loan Parties and each Agent.

(d) Material Adverse Effect. The Agents shall have determined, in their reasonable judgment, that no event or development shall have occurred since December 31, 2015, which could reasonably be expected to have a Material Adverse Effect.

(e) Liens; Priority. The Agents shall be satisfied that the Collateral Agent has been granted, and holds, for the benefit of the Agents and the Lenders, a perfected, first priority Lien on and security interest in all of the Collateral, subject only to Permitted Liens, to the extent such Liens and security interests are required pursuant to the Loan Documents to be granted or perfected on or before the Amendment No. 1 Effective Date.

(f) Approvals. All consents, authorizations and approvals of, and filings and registrations with, and all other actions in respect of, any Governmental Authority or other Person required in connection with any Loan Document or the transactions contemplated thereby or the conduct of the Loan Parties' business shall have been obtained or made and shall be in full force and effect. There shall exist no claim, action, suit, investigation, litigation or proceeding (including, without limitation, shareholder or derivative litigation) pending or, to the knowledge of any Loan Party, threatened in any court or before any arbitrator or Governmental Authority which (i) relates to the Loan Documents or the transactions contemplated thereby or (ii) could reasonably be expected to have a Material Adverse Effect.

The Agents (on behalf of the Required Lenders) agree that their execution of this Amendment shall mean that the conditions to effectiveness set forth in Sections 4(c), (d) and (e) have been satisfied and represent that the Required Lenders have consented to this Amendment.

5. Continued Effectiveness of the Financing Agreement and Other Loan Documents. Each Loan Party hereby (a) acknowledges and consents to this Amendment, (b) confirms and agrees that the Financing Agreement and each other Loan Document to which it is a party is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that on and after the Amendment No. 1 Effective Date, all references in any such Loan Document to "the Financing Agreement", the "Agreement", "thereto", "thereof", "thereunder" or words of like import referring to the Financing Agreement shall mean the Financing Agreement as amended by

this Amendment, and (c) confirms and agrees that, to the extent that any such Loan Document purports to assign or pledge to the Collateral Agent, for the benefit of the Agents and the Lenders, or to grant to the Collateral Agent, for the benefit of the Agents and the Lenders, a security interest in or Lien on any Collateral as security for the Obligations of the Loan Parties from time to time existing in respect of the Financing Agreement (as amended hereby) and the other Loan Documents, such pledge, assignment and/or grant of the security interest or Lien is hereby ratified and confirmed in all respects. This Amendment does not and shall not affect any of the obligations of the Loan Parties, other than as expressly provided herein, including, without limitation, the Loan Parties' obligations to repay the Loans in accordance with the terms of Financing Agreement or the obligations of the Loan Parties under any Loan Document to which they are a party, all of which obligations shall remain in full force and effect. Except as expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Agent or any Lender under the Financing Agreement or any other Loan Document nor constitute a waiver of any provision of the Financing Agreement or any other Loan Document.

6. No Novation. Nothing herein contained shall be construed as a substitution or novation of the Obligations outstanding under the Financing Agreement or instruments securing the same, which shall remain in full force and effect, except as modified hereby.

7. No Representations by Agents or Lenders. Each Loan Party hereby acknowledges that it has not relied on any representation, written or oral, express or implied, by any Agent or any Lender, other than those expressly contained herein, in entering into this Amendment.

8. Release. Each Loan Party hereby acknowledges and agrees that: (a) neither it nor any of its Subsidiaries has any claim or cause of action against any Agent or any Lender (or any of the directors, officers, employees, agents, attorneys or consultants of any of the foregoing) and (b) the Agents and the Lenders have heretofore properly performed and satisfied in a timely manner all of their obligations to the Loan Parties, and all of their Subsidiaries and Affiliates. Notwithstanding the foregoing, the Agents and the Lenders wish (and the Loan Parties agree) to eliminate any possibility that any past conditions, acts, omissions, events or circumstances would impair or otherwise adversely affect any of their rights, interests, security and/or remedies. Accordingly, for and in consideration of the agreements contained in this Amendment and other good and valuable consideration, each Loan Party (for itself and its Subsidiaries and Affiliates and the successors, assigns, heirs and representatives of each of the foregoing) (collectively, the "Releasors") does hereby fully, finally, unconditionally and irrevocably release, waive and forever discharge the Agents and the Lenders, together with their respective Affiliates and Related Funds, and each of the directors, officers, employees, agents, attorneys and consultants of each of the foregoing (collectively, the "Released Parties"), from any and all debts, claims, allegations, obligations, damages, costs, attorneys' fees, suits, demands, liabilities, actions, proceedings and causes of action, in each case, whether known or unknown, contingent or fixed, direct or indirect, and of whatever nature or description, and whether in law or in equity, under contract, tort, statute or otherwise, which any Releasor has heretofore had or now or hereafter can, shall or may have against any Released Party by reason of any act, omission or thing whatsoever done or omitted to be done, in each case, on or prior to the Amendment No. 1 Effective Date directly arising out of, connected with or related to this Amendment, the Financing Agreement or any other Loan Document, or any act, event or transaction related or attendant thereto, or the agreements of any Agent or any Lender contained therein, or the possession, use, operation or control of any of the assets of any Loan Party, or the making of any Loans or other advances, or the management of such Loans or other advances or the Collateral. Each Loan Party represents and warrants that it has no knowledge of any claim by any Releasor against any Released Party or of any facts or acts or omissions of any Released Party which on the date hereof would be the basis of a claim by any Releasor against any Released Party which would not be released hereby.

9. Further Assurances. The Loan Parties shall execute any and all further documents, agreements and instruments, and take all further actions, as may be required under Applicable Law or as any Agent may reasonably request, in order to effect the purposes of this Amendment.

10. Fees and Expenses. The Borrower shall promptly pay all fees, costs and expenses of the Agents and the Lenders in respect of this Amendment in accordance with Section 12.04 of the Financing Agreement.

11. Acknowledgment. The Agents and the Lenders acknowledge and agree that the Loan Parties are not required to apply the proceeds of the sale of any Qualified Equity Interests (which include the shares of common stock of the Parent) to prepay the Loans.

12. Miscellaneous.

(a) This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Amendment by facsimile or electronic mail shall be equally effective as delivery of an original executed counterpart of this Amendment.

(b) Section and paragraph headings herein are included for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

(c) This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

(d) Each Loan Party hereby acknowledges and agrees that this Amendment constitutes a "Loan Document" under the Financing Agreement. Accordingly, it shall be an immediate Event of Default under the Financing Agreement if any representation or warranty made by any Loan Party under or in connection with this Amendment shall have been incorrect in any material respect (or in any respect if such representation or warranty is qualified or modified as to materiality or "Material Adverse Effect" in the text thereof) when made or deemed made.

(e) Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the date set forth on the first page hereof.

BORROWER :

AVID TECHNOLOGY, INC.

/s/ Brian E. Agle

By:

Name: Brian E. Agle

Title: Senior Vice President and Chief Financial Officer

GUARANTOR :

AVID TECHNOLOGY WORLDWIDE, INC.

/s/ Brian E. Agle

By:

Name: Brian E. Agle

Title: President

ADMINISTRATIVE AGENT AND COLLATERAL
AGENT :

CERBERUS BUSINESS FINANCE, LLC

/s/ Daniel Wolf

By:

Name: Daniel Wolf

Title: Chief Executive Officer

EXHIBIT A

Financing Agreement Schedules



EXHIBIT B

Security Agreement Schedules

Avid Technology Announces Amendment to Financing Agreement

More favorable terms increase financial flexibility as company completes business transformation in 2017

BURLINGTON, Mass., March 20, 2017 -- Avid® (Nasdaq: AVID), a leading technology provider for the creation, distribution and monetization of media assets for global media organizations, enterprise users and individual creative professionals, today announced an amendment to its existing financing agreement with Cerberus Business Finance, LLC, originally entered into on February 26, 2016.

More Favorable Leverage Ratios

The company and Cerberus agreed to more favorable leverage ratio requirements for future periods, beginning the quarter ending June 30, 2017 and extending to the final year of the agreement. The updated schedule of leverage ratios more accurately reflects the impact related to the elimination of implied post contract support ("PCS") revenue. The table below summarizes the changes to the leverage ratios for each quarter in 2017:

	2017 Quarter Ending:			
	March 31	June 30	September 30	December 31
Original Ratio	3.50	3.50	3.50	3.30
Amended Ratio	3.50	4.20	4.75	4.80
Favorable Ratio Change	No change	0.70	1.25	1.50

Commitment to Efficiency Program

The company and Cerberus agreed to expand the aggregate amount of allowable one-time charges incurred after February 26, 2016, including restructuring activities and other non-recurring costs, from \$28.1 million to \$38.0 million. During 2016, Avid successfully executed an efficiency program that reduced its operating cost structure. The increased limit on one-time charges will provide the company with additional covenant cushion as it executes on further planned efficiencies, including greater than \$30 million of cost savings in 2017, leading to a leaner and more directed cost structure as Avid completes its transformation.

Use of Equity Proceeds

The agreement acknowledged that proceeds from potential equity sale transactions, including the common stock equity offering expected to close with Beijing Jetsen Technology Co., Ltd. by the end of Q2 2017, may be retained on the balance sheet in the form of cash. Avid will have flexibility to manage its balance sheet with improved liquidity as it capitalizes on opportunities that position the business for future growth.

"We are pleased to have worked with our lender, Cerberus, on this amendment to our financing agreement," said Brian E. Agle, Avid's Senior Vice President and Chief Financial Officer. "As our financing partner, Cerberus responded to our request and demonstrated its support for Avid as we complete the transformation and deliver a clearer, more predictable and profitable financial model."

Forward-Looking Statements

The information provided in this press release includes forward-looking statements that involve risks and uncertainties. Such statements are made in reliance upon the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements, which are based on certain assumptions and describe Avid's future plans, strategies and expectations, can generally be identified by the use of forward-looking terms such as "believe," "expect," "may," "will," "should," "could," "seek," "intend," "plan," "estimate," "anticipate" or other comparable terms. All statements in this release that are not based on historical fact are "forward-looking statements." Forward-looking statements include but are not limited to: the planned equity investment by Jetsen; the completion of our transformation; and other statements that are not historical facts. The forward-looking statements in this release are based on current expectations as of the date of this release and subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including but not limited to the risk that the investment of Jetsen in Avid may not receive regulatory approval or may not close for other reasons; and the risk that we may not complete our transformation timely, or at all. The risks included above are not exhaustive. Other factors that could adversely affect Avid's business and prospects are described in the filings made by Avid with the

SEC. Avid expressly disclaims any obligation or undertaking to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

About Avid

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