

AVID TECHNOLOGY, INC.

FORM 8-K (Current report filing)

Filed 06/30/17 for the Period Ending 06/30/17

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| Address | 75 NETWORK DRIVE BURLINGTON, MA 01803 |
| Telephone | 978.640.3241 |
| CIK | 0000896841 |
| Symbol | AVID |
| SIC Code | 7372 - Prepackaged Software |
| Industry | Computer Hardware |
| Sector | Technology |
| Fiscal Year | 12/31 |

**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): June 30, 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 7.01. Regulation FD Disclosure

On June 30, 2017, Avid Technology, Inc. (the “Company”) issued a press release (the “Press Release”) announcing an amendment to the securities purchase agreement entered into by the Company on January 26, 2017 with Beijing Jetsen Technology Co., Ltd. The Press Release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (the “Form 8-K”).

Limitation on Incorporation by Reference. The information furnished in Item 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 and 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.

The following exhibit shall be deemed to be furnished, and not filed:

(d) *Exhibits* .

| <u>Exhibit Number</u> | <u>Description</u> |
|---------------------------|------------------------------------|
| 99.1 | Press Release dated June 30, 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)

Date: June 30 , 2017

By: /s/ Brian E. Agle
Name: Brian E. Agle
Title: Senior Vice President and CFO



Avid Provides Update on Jetsen Equity Investment; Commercial Alliance Underway Following Successful Launch

Companies have agreed to amend the terms of the previously announced securities purchase agreement and extend the time period for Jetsen to obtain the required Chinese regulatory approval, while the commercial agreement has proceeded well and has delivered the expected results to date

BURLINGTON, MA, June 30, 2017 -- **Avid**® (**Nasdaq: AVID**) announced that the regulatory approvals required to complete the previously announced equity transaction with Beijing Jetsen Technology ("Jetsen") remain outstanding and will not be obtained within the initial expected timeframe. Avid and Jetsen have agreed to amend the terms of the previously announced securities purchase agreement. Under the amended terms, Jetsen will invest \$18.16 million in Avid, the same amount as had been previously announced, in return for a minority stake in the company of between 4.5% and 8.9%, which represents less potential dilution relative to the original agreement. The outside date when either party is permitted to terminate the agreement has been extended, and the transaction is now expected to close in the fourth quarter of this year.

The commercial agreement also announced in January, in which Jetsen is serving as the exclusive master distributor under a five-year agreement that guarantees Avid approximately 15% annual growth in greater China and represents a total contract value of >\$75M for the first three years, is effective and is not affected by the delay in closing the equity transaction. This go-to-market alliance began on schedule in the first quarter and has proceeded as expected during the first half of this year.

"While we had hoped the equity transaction would close by the end of Q2 as initially contemplated, we believe the amended agreement demonstrates the commitment of both sides to closing this transaction. We have been pleased by successful launch of the commercial alliance and remain very optimistic about the promise of that relationship to take advantage of the large opportunity for Avid Everywhere in greater China," said Louis Hernandez, Jr., Chairman and Chief Executive Officer, Avid.

"We have made significant progress on the commercial alliance since its launch in January. We remain committed to pursuing an equity investment in Avid and look forward to working to secure the required regulatory approvals to close the transaction under the amended terms of the agreement," said Shengli Han, CEO, Beijing Jetsen Technology.

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 anticipated benefits of the planned alliance with Jetsen, including the planned equity investment; and other statements that are not historical facts. Among the risks and uncertainties that could cause actual results to differ from those described in forward-looking statements are the following: the risk that the investment of Jetsen in Avid may not receive regulatory approval or may not close for other reasons; the risk that the announcement of the transactions described in this release could have adverse effects on the market price of Avid's common stock and the risk that the announcement of the alliance could have an adverse effect on Avid's operating results and businesses generally. 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

Through [Avid Everywhere™](#), Avid delivers the most open and efficient media platform, connecting content creation with collaboration, asset protection, distribution and consumption. Avid's preeminent customer community uses Avid's comprehensive tools and workflow solutions to create, distribute and monetize the most watched, loved and listened to media in the world-from prestigious and award-winning feature films, to popular television shows, news programs and televised sporting events, and celebrated music recordings and live concerts. With the most flexible deployment and pricing options, Avid's industry-leading solutions include Pro Tools®, Media Composer®, Avid NEXIS®, Interplay®, ProSet™ and RealSet™, Maestro™, PlayMaker™, and Sibelius®. For more information about Avid solutions and services, visit www.avid.com, connect with Avid on [Facebook](#), [Instagram](#), [Twitter](#), [YouTube](#), [LinkedIn](#), or subscribe to [Avid Blogs](#).

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