

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K**

(Mark One)

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

For the fiscal year ended December 31, 2021

OR

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

For the transition period from _____ to _____
Commission File Number: 001-35429

BRIGHTCOVE INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)
290 Congress Street
Boston, Massachusetts
(Address of principal executive offices)

20-1579162
(I.R.S. Employer
Identification No.)

02210
(Zip Code)

(888) 882-1880

(Registrant's telephone number, including area code)

Securities Registered pursuant to Section 12(b) of the Act:

Title of Each Class
Common Stock, par value \$0.001 per share

Trading Symbol(s)
BCOV

Name of Exchange on Which Registered
The NASDAQ Global Market

Securities Registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer
Emerging growth company

Accelerated filer
Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of common stock held by non-affiliates of the registrant based on the closing price of the registrant's common stock as reported on the NASDAQ Global Market on June 30, 2021, was \$576,531,928.

As of February 14, 2022, there were 41,273,305 shares of the registrant's common stock, \$0.001 par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement relating to its 2022 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. Such Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

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BRIGHTCOVE INC.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains “forward-looking statements” that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. The statements contained in this Annual Report on Form 10-K that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or Exchange Act. Such forward-looking statements include any expectation of earnings, revenue or other financial items; any statements of the plans, strategies and objectives of management for future operations; factors that may affect our operating results; statements related to adding employees; statements related to potential benefits of acquisitions; statements related to future capital expenditures; statements related to future economic conditions or performance; statements as to industry trends and other matters that do not relate strictly to historical facts or statements of assumptions underlying any of the foregoing. Forward-looking statements are often identified by the use of words such as, but not limited to, “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “will,” “plan,” “project,” “seek,” “should,” “target,” “will,” “would,” and similar expressions or variations intended to identify forward-looking statements. These statements are based on the beliefs and assumptions of our management based on information currently available to management. Such forward-looking statements are subject to risks, uncertainties and other important factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the section titled “Risk Factors” included in Item 1A of Part I of this Annual Report on Form 10-K, and the risks discussed in our other Securities and Exchange Commission, or SEC, filings. Furthermore, such forward-looking statements speak only as of the date of this report. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. Forward-looking statements in this Annual Report on Form 10-K may include statements about:

- our ability to achieve profitability;
- our competitive position and the effect of competition in our industry;
- our ability to retain and attract new customers;
- our ability to penetrate existing markets and develop new markets for our services;
- our ability to retain or hire qualified accounting and other personnel;
- our ability to successfully integrate acquired businesses;
- our ability to protect our intellectual property and operate our business without infringing upon the intellectual property rights of others;
- our ability to maintain the security and reliability of our systems;
- our estimates with regard to our future performance and total potential market opportunity;
- our estimates regarding our anticipated results of operations, future revenue, bookings growth, capital requirements and our needs for additional financing; and
- our goals and strategies, including those related to revenue and bookings growth.

SUMMARY OF THE MATERIAL RISKS ASSOCIATED WITH OUR BUSINESS

Our business is subject to numerous risks and uncertainties that you should be aware of in evaluating our business, including those described in the “Risk Factors” section in Part I, Item 1A. of this Annual Report on Form 10-K. These risks and uncertainties include, but are not limited to, the following:

- We have a history of losses, we may continue to incur losses and we may not achieve or sustain profitability in the future.
- Substantially all of our revenue has historically come from a single product, Video Cloud.
- If we are unable to retain our existing customers, our revenue and results of operations will be adversely affected.
- Our long-term financial targets are predicated on bookings and revenue growth and operating margin improvements that we may fail to achieve, which could reduce our expected earnings and cause us to fail to meet the expectations of analysts or investors and cause the price of our securities to decline.
- The actual market for our solutions could be significantly smaller than our estimates of our total potential market opportunity, and if customer demand for our services does not meet expectations, our ability to generate revenue and meet our financial targets could be adversely affected.
- Our business is substantially dependent upon the continued growth of the market for on-demand software solutions.
- Our operating results may fluctuate from quarter to quarter, which could make them difficult to predict.
- We operate in a rapidly developing market, which makes it difficult to evaluate our business and future prospects.
- Our long-term success depends, in part, on our ability to expand the sales of our products to customers located outside of the United States, and thus our business is susceptible to risks associated with international sales and operations.
- We are impacted by constantly-evolving government and industry regulation of the Internet, data privacy, and cybersecurity, which could directly restrict our business or indirectly affect our business by limiting the growth of our markets.
- We use data center and cloud computing services facilities to deliver our services, and disruption of service at these facilities could harm our business.

The summary risk factors described above should be read together with the text of the full risk factors below, in the section entitled “Risk Factors” and in the other information set forth in this Annual Report on Form 10-K, including our financial statements and the related notes, as well as in other documents that we file with the U.S. Securities and Exchange Commission, or the SEC. If any such risks and uncertainties actually occur, our business, prospects, financial condition and results of operations could be materially and adversely affected. The risks summarized above or described in full below are not the only risks that we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial may also materially adversely affect our business, prospects, financial condition and results of operations.

PART I

Item 1. Business

Overview

Brightcove Inc., or Brightcove®, is a leading global provider of cloud-based services for video. With our Emmy®-winning technology and award-winning services, we help our customers realize the potential of video to address business-critical challenges. Customers rely on our suite of products, services, and expertise to reduce the cost and complexity associated with publishing, distributing, measuring and monetizing video across devices.

Brightcove was incorporated in Delaware in August 2004 and our corporate headquarters are in Boston, Massachusetts. As of December 31, 2021, we had 3,135 customers in over 80 countries, including many of the world's leading media companies, broadcasters, publishers, sports and entertainment companies, fashion and hospitality brands, faith-based institutions, retail and e-commerce platforms, and hi-tech organizations, as well as governments, educational institutions and non-profit organizations.

We sell five core video products that help our customers use video to further their businesses in meaningful ways:

- (1) Brightcove Video Cloud™, or Video Cloud, our flagship product and the world's leading online video platform, enables our customers to quickly and easily distribute high-quality video to Internet-connected devices;
- (2) Brightcove Live™, our industry-leading solution for live streaming, delivers high-quality viewer experiences at scale;
- (3) Brightcove Beacon™, a purpose-built application that enables companies to launch premium over-the-top, or OTT, video experiences quickly and cost effectively, across devices and with the flexibility of multiple monetization models;
- (4) Brightcove Player™, an exceptionally fast, cloud-based technology for creating and managing video experiences; and
- (5) Zencoder®, a powerful, cloud-based video encoding technology.

Customers can complement their use of our core video products with modular technologies that provide enhanced capabilities such as

- (1) innovative ad insertion and video stitching through Brightcove SSAI™;
- (2) efficient publication of videos to Facebook, Twitter, and YouTube through Brightcove Social™;
- (3) an app for creating marketing campaigns with insightful data and industry benchmarks through Brightcove Campaign™; and
- (4) the ability to create branded video experiences by accessing templates with built-in best practices through Brightcove Gallery™.

We have also brought to market several video solutions, which are suites of video technologies that address specific customer use-cases and needs, including:

- (1) Brightcove CorpTV™ offers companies a new way to deliver marketing videos, product announcements, training programs, and other live and on-demand content in a branded experience;

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(2) Virtual Events Experience™ helps brands to transform events into customized virtual experiences;

(3) Brightcove Video Marketing Suite™, or Video Marketing Suite, enables marketers to use video to drive brand awareness, engagement and conversion; and

(4) Brightcove Enterprise Video Suite™, or Enterprise Video Suite, provides an enterprise-class platform for internal communications, employee training, live streaming, marketing and ecommerce videos.

We primarily generate revenue by offering our products to customers on a subscription-based, software as a service, or SaaS, model. Our revenue grew from \$197.4 million in the year ended December 31, 2020 to \$211.1 million in the year ended December 31, 2021. As of December 31, 2021, we had 3,135 customers, of which 908 used our premium offerings and 2,227 used our volume offerings. Substantially all of our revenue has historically been attributable to our Video Cloud product, and we expect that revenue from Video Cloud will continue to comprise a significant portion of our revenue. In addition to being offered on a stand-alone basis, Video Cloud is also a core component of Video Marketing Suite, Enterprise Video Suite, Brightcove Beacon, Virtual Event Experience, and Brightcove CorpTV™.

Our Solutions

Our solutions provide our customers with the following key benefits:

- *Comprehensive, modular and scalable solutions.* Our core products and solutions meet a range of video publishing and distribution needs, and can be integrated with modular technology to create customized video workflows. We offer end-to-end solutions of video technologies built for media companies and marketers, as well as, modular solutions that customers can license on a stand-alone basis and integrate into their existing video workflows. In addition, our multi-tenant architecture enables us to deliver each of our solutions across our customer base with a single version of our software for each product, making it easier to scale our solutions as our customer base and end user base expands.
- *Easy to use and low total cost of ownership.* We designed our products to be intuitive and easy to use. We provide reliable, cost-effective, on-demand solutions to our customers, relieving them of the cost, time and resources associated with in-house solutions and enabling them to be up and running quickly after signing with us.
- *Open platforms and extensive ecosystem.* Our open platform enables developers to easily access our public-facing APIs and build and manage integrations with our products. In 2021, we launched the Brightcove Marketplace™, a venue for our customers to discover and connect with our technology partners who specialize in areas such as content creation, fanbase engagement, and monetization of video assets. The Brightcove Marketplace features several dozen partners, from leading technologies like Google, Zoom, Oracle and Microsoft, to niche emerging technologies. Our global ecosystem of partners also includes companies like Amazon, Akamai, and Fastly among others.
- *Help customers achieve business objectives.* Our customers use our products to achieve critical business objectives such as monetizing content, increasing conversion rates for transactions, engaging audiences through virtual events, increasing brand awareness and expanding their audiences, driving site traffic, increasing viewer engagement on their sites, internal communications, employee training and customer support. We believe our customers view us as a strategic partner in part because our business model is not dependent on building our own audience or generating our own ad revenue. Our business interests align with our customers' interests, as we each benefit from the success of our customers' online video strategy.
- *Ongoing customer-driven development.* Through our sales engineers, customer success and support teams, product teams and regular outreach from senior leadership, we solicit and capture feedback from our customer base for incorporation into ongoing enhancements to our solutions. We regularly provide

our customers with enhancements to our products. Delivering cloud-based solutions allows us to serve additional customers with little incremental expense and to deploy innovations and best practices quickly and efficiently to our existing customers.

Our Business Strengths

We believe that the following business strengths differentiate us from our competitors and are key to our success:

- *We are the recognized online video platform market leader.* In 2021, our customers used Video Cloud to deliver a total of 46.91 billion streams an average of approximately 3.91 billion video streams per month, which we believe is more video streams per month than any other professional solution. We have over 90 industry-leading patents, and we have received numerous awards for our market leadership from industry analysts such as Aragon Research Globe in January 2022, Frost & Sullivan, Gartner, and associations such as the Technology & Services Industry Association for Support Staff Excellence. In January 2021 we were recognized with two Emmy® Awards for excellence and creativity in technology and engineering for our encoding and transcoding technology. The Brightcove platform was used to enable several high-profile virtual events throughout 2021, such as the 2021 South by Southwest® Conference and Festival, The Dana-Farber Campaign, Defy Cancer online event, and the Melbourne Symphony Orchestra's 2021 season.
- *We have established a global presence.* We have established a global presence with operations in Europe, Japan, Korea, Asia Pacific, India and Mexico. Today, we have employees in fourteen countries. We built our solutions to be localized into almost any language and we offer 24/7 customer support worldwide. As of December 31, 2021, organizations throughout the world used Video Cloud to reach viewers in approximately 249 countries and territories.
- *We have high visibility and predictability in our business.* We generally sell our subscription and support services through monthly or annual contracts and recognize revenue ratably over the committed term. The majority of our revenue comes from annual contracts. Our existing contracts provide us with visibility into revenue that has not yet been recognized. We have also achieved an overall recurring dollar retention rate of at least 85% in each of the last four fiscal quarters, including 85%, 86%, 93% and 94% for the three months ended March 31, 2021, June 30, 2021, September 30, 2021 and December 31, 2021, respectively. Our business model and customer loyalty provide greater levels of recurring revenue and predictability compared to traditional, perpetual-license business models.
- *We have customers of all sizes across multiple industries.* We offer different editions of our products tailored to meet the needs of organizations of various sizes and across industries. Our offerings range from entry-level editions to enterprise-level editions used by multiple departments in a single organization.
- *Our management team has experience building and scaling software companies.* Our senior leadership team has built innovative software platform businesses. Members of our senior leadership team have held senior product, business and technology roles at companies such as CA Technologies, DS SolidWorks, Ellucian, Fidelity Investments, Progress Software, IBM, and Quanterix.

Our Customers

As of December 31, 2021, we had 3,135 customers in over 80 countries and territories. We provide our solutions to many of the world's leading media companies, broadcasters, publishers, sports and entertainment companies, fashion and hospitality brands and corporations, faith-based institutions, retail and e-commerce platforms, and hi-tech organizations, as well as governments, educational institutions and non-profit organizations. We believe our solutions can benefit any organization with digital video content.

Our Products and Services

We create technology that helps our customers use video to further their businesses in meaningful ways. To that end, we sell five core video products: Video Cloud, Brightcove Live, Brightcove Beacon, the Brightcove Player, and Zencoder, each of which can be enhanced with modular technologies that target a specific business need. We have also brought to market several video solutions, which are technology packages that address particular customer use-cases.

Core Video Products

1. Brightcove Video Cloud

Brightcove Video Cloud is the world's leading online video platform. It enables our customers to publish and distribute video to Internet-connected devices quickly, easily and in a cost-effective and high-quality manner. Our innovative technology and intuitive user interface give customers control over a wide range of features and functionality needed to publish and deliver a compelling user experience, including the ability to:

- upload videos in various formats for adaptive encoding that maximizes quality and minimizes file size, and deliver videos to myriad operating systems, including web-based experiences, smartphones, tablets, media streaming devices and connected TVs;
- organize and manage their media library by creating playlists and setting rules to define where and when videos can be viewed;
- rely on fast load times, fast video starts, and easily-configured players, which include built-in support for advertising, analytics and content protection, and provide a consistent cross-platform playback experience;
- broadcast live video with multiple live streams at different quality levels and renditions that best match each viewer's available bandwidth, processor utilization and player size;
- expand audience reach by leveraging the social network of their viewers, including sharing complete videos or video clips through Facebook, YouTube, Twitter and other social destinations;
- grow and monetize their audience with video ad features such as tools for ad insertions and built-in ad server and network integrations;
- optimize and support online video publishing and distribution strategy through video analytics;
- customize, extend and integrate with our platform through APIs and SDKs for iOS, tvOS, Android and AndroidTV; and
- securely stream corporate live and on-demand video communications to employees' devices using the Brightcove Engage™ platform.

2. Brightcove Live

Brightcove Live is our live streaming solution, which enables non-technical users to set up live events without the need for hardware encoders or development work. Brightcove Live leverages our globally distributed architecture, and delivers high quality viewer experience across multiple platforms and devices. It includes features such as live clipping, which allows customers to create and publish clips of a live stream to social channels; security through DRM encryption; the ability to create video-on-demand assets from a live stream; and the ability to allow viewers to pause, play and rewind a live stream.

3. Brightcove Beacon

Brightcove Beacon is a purpose-built app that enables our customers to launch premium OTT video experiences quickly and cost effectively across mobile, web, smart TVs and connected TVs, with the flexibility of multiple monetization models. It allows customers to curate and deliver content to their audience segments, automate the curation of playlists and carousels, securely store and deliver content with DRM protection,

automate content availability windows and configure VOD and live content offerings for any demographic changes that occur throughout the day or week. Customers can also manage viewers with a frictionless viewer registration experience, and offer viewer profiles to maintain watch history and preferences and manage stream concurrency and account sharing. Through Brightcove Beacon, customers can also gather insights on viewer behavior to inform their decisions about programming, layout and monetization

4. Brightcove Player

The Brightcove Player offers leading video player technology with a cloud-based service for creating and managing video player experiences across the maximum range of operating systems and platforms. It leverages HTML5-first technology and is designed to have the fastest load times and the fastest video starts. The Brightcove Player is optimized to reduce network traffic and allows customers to deploy changes to thousands of player embeds with batch publishing to accelerate time-to-market. The Brightcove Player allows for responsive design, social sharing tools, and support for adaptive bitrate streaming, and is easily customized with APIs, SDKs and a robust ecosystem of plugins and integrations, including built-in support for advertising, analytics and content protection, as well as numerous open-source plugins from the Video.js community.

5. Zencoder

Zencoder is a cloud-based video encoding service, providing extremely fast, high-quality, and reliable encoding of live and on-demand video and access to highly scalable encoding power without the expense, management, and scalability limitations of traditional hardware and software. Customers are able to integrate Zencoder with a simple API, and manage accounts and encoding jobs from an intuitive online dashboard. Zencoder accepts files in an extensive range of formats and codecs, supports video output to a multitude of devices, and includes tools to support high quality video output and to adjust and edit video. It is globally distributed and includes advanced security features.

Modular Technologies

1. Brightcove SSAI

Brightcove SSAI is an innovative, cloud-based, server-side ad insertion and video stitching service that addresses the limitations of traditional online video ad insertion technology. SSAI reduces or eliminates the need for platform-specific ad technology and makes it possible for customers to reliably deliver live or on-demand video with dynamically-customized programming and targeted ads to the maximum range of devices.

2. Brightcove Social

Brightcove Social is a tool for managing video presence across social networks from a single interface. With Brightcove Social, customers can clip and publish videos from Video Cloud to the native playback environments of Facebook, YouTube and Twitter, as well as their own websites, and track video performance across these destinations from a single location.

3. Brightcove Campaign

Brightcove Campaign is a purpose-built application that enables marketers to easily create video-driven marketing campaigns that yield insightful data with the ability to compare video performance to a variety of industry benchmarks. Brightcove Campaign also includes out-of-the-box marketing automation integrations with Eloqua, Marketo, HubSpot, and Salesforce and analytics integrations with Google and Adobe Analytics.

4. Brightcove Gallery

Brightcove Gallery is a service that helps customers create custom branded portals, video-centric landing pages, and live streaming event websites. Through Brightcove Gallery, customers access an intuitive interface

and templates to easily create interactive video experiences that leverage marketing best practices and security features and help customers maximize revenue opportunities, expand audiences, and drive engagement.

Video Solutions

1. Virtual Events Experience

Virtual Events Experience provides a platform for customers to create customized, immersive live and always-on virtual experiences. We help customers create fully-branded experiences by integrating video into a customer's existing website or mobile app, and offer our proven technology and support to deliver high-quality, scalable experiences. We partner with leading event management services to provide customers the full suite of services needed for hosting virtual events. With Virtual Events Experience, customers seamlessly manage attendees, engage audiences with live keynotes and video-on-demand breakout sessions, display sponsor ads, access viewer analytics, secure their content, and rely on dedicated live technical and onboarding support.

2. Video Marketing Suite

Video Marketing Suite is a comprehensive suite of video technologies designed to address the needs of marketers to drive awareness, engagement and conversion. Video Marketing Suite is a bundled offering of Video Cloud, Brightcove Gallery, and Brightcove Social. It delivers functionality such as improved SEO, visibility and tracking of key prospects and customers, analytics, customized interactive video, video portals and landing pages. By introducing the Brightcove Marketing Studio™, we enhance the Video Marketing Suite with a new communications solution that makes it easy for marketing teams to access, implement, and measure video content across programs, using intuitive workspaces tailored to each marketing function.

3. Enterprise Video Suite

Enterprise Video Suite is an enterprise-class platform that is designed to reduce the cost and complexity traditionally involved with internal video communications. The platform enables organizations to stream live internal town halls, train sales teams, ramp new employees, and build customized video portals. Enterprise Video Suite is a bundled offering of Video Cloud, Gallery, and Brightcove Live. It offers security features like IP restriction, URL tokenization, and single sign on, as well as analytics on user-level video engagement.

4. Brightcove CorpTV

Brightcove CorpTV is a solution designed for companies to think and act like media brands. Brightcove CorpTV enables organizations to create channels that stream content to customers, employees, and other target audiences, each with their own, audience-specific, content. Brightcove CorpTV will help companies forge stronger connections with their customers, partners, and employees over any device, including smart TVs, by streaming branded stories, shows, case studies, demos, training content, speeches, panels, tech explainers, cause-related content, and entertaining diversions. Companies can even sell ad time, sponsorships, and premium content on their Brightcove CorpTV channels. Companies will be able to consolidate video repositories, measure viewership, and maintain a continuous connection with their audiences.

Editions

Each of our products is offered to customers on a subscription-based SaaS model, with varying levels of usage entitlements, support and, in certain cases, functionality. Our customers generally pay us a monthly or annual subscription fee for access to our products. This model allows our customers to scale their level of investment and usage based on the size and complexity of their needs.

Video Cloud is offered in two product lines. The first product line is comprised of our premium product editions. All premium editions include functionality to publish and distribute video to Internet-connected devices, with higher levels of the premium editions providing additional features and functionality. The second product

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line is comprised of our volume product edition. Our volume editions target small and medium-sized businesses, or SMBs. Video Cloud is generally available in Starter, Pro and Enterprise editions. The volume editions provide customers with the same basic functionality that is offered in our premium product editions but have been designed for customers who have lower usage requirements and do not typically require advanced features or functionality.

Video Marketing Suite and Enterprise Video Suite are each generally available in Starter, Pro and Enterprise editions. The Starter edition for each provides customers with the same basic functionality that is offered in the Pro and Enterprise editions but has been designed for customers who have lower usage requirements and do not typically require advanced features and functionality. All Video Marketing Suite and Enterprise Video Suite customers are considered premium customers.

Zencoder customers are considered premium customers other than Zencoder customers on month-to-month contracts or pay-as-you-go contracts, which are considered volume customers.

All other customers are considered premium customers.

Customer Success and Support

Our customer success and customer support teams are involved from the very beginning of a customer's journey with Brightcove, leveraging our teams' global presence to engage with customers through multiple touchpoints and develop close customer relationships that have led to best-in-class CSAT scores. Our dedicated customer success team offers customized onboarding and related services to new and existing customers to help with technology setup and adoption, and maximizing the value of our products and services to help customers reach their business goals. This team is focused on ongoing customer success and engagement, as well as contract renewals and upsells to our customer base.

Customer support from our TSIA-certified team is included for all of our products, and provides customers access to our support team via a web portal. Customers who upgrade to premium editions of our support packages gain additional features such as faster response times, access to a dedicated Customer Success representative, additional contact options dedicated live event support, live channel monitoring, and 24x7x365 support.

We support our customers across time zones and in multiple languages, from offices in Boston, London, Sydney, Tokyo, Seoul, Singapore, Guadalajara and Chennai.

Training

We offer free basic online training to registered users of our products. We also offer customized, onsite training for customers that is priced on a per engagement basis.

Professional Services

While our products are easy for customers to use and deploy without any additional specialized services, we offer a range of professional services for customers who seek customization of our products, need assistance with their implementations, or require assistance with the integration of our products with in-house or third-party applications. These professional services are priced on a retainer, time and materials, or a per project basis and include projects such as content migrations from other vendors or in-house solutions, video player enhancements, mobile and connected TV app development, the creation of web pages optimized for video, and customization of virtual event experiences.

Sales and Marketing

We sell our products primarily through our global direct sales organization. Our sales team is organized by the following geographic regions: Americas, Europe and the Middle East, Asia Pacific, and Japan. We further

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organize our go-to-market approach by focusing our sales and marketing teams on selling to organizations in a wide range of industries, who generally want to monetize video content by distributing it to a broad audience or use video for sales, marketing, education, employee training, or enterprise communication purposes.

We also generate sales through a comprehensive partner program that is composed of referral partners, solution partners, and managed service providers, channel partners and resellers. Our ability to grow and maintain a global, diverse set of quality channel partners extends our market reach, which allows us to meet the specific nuances of local markets around the world, and reduces our overall cost of sales.

We generate customer leads, accelerate sales opportunities and build brand awareness through our marketing programs. Our marketing programs target executives, technology professionals and senior business leaders. Our marketing programs typically target specific geographies and industry segments. Our principal marketing programs include:

- public relations and social media;
- online event marketing activities, direct email, search engine marketing and display ads and blogs;
- field marketing events for customers and prospects;
- participation in, and sponsorship of, user conferences, trade shows and industry events;
- use of our website to provide product and organization information, as well as learning opportunities for potential customers;
- cooperative marketing efforts with partners, including joint press announcements, joint trade show activities, channel marketing campaigns and joint seminars;
- telemarketing and lead generation representatives who respond to incoming leads to convert them into new sales opportunities; and
- customer programs, including user meetings and our online customer community.

Operations

We have relationships with a number of third-party cloud computing platforms to provide our products and services to customers, and we believe that our agreements with these platforms are based on competitive market terms and conditions, including service level commitments. We take advantage of this geographically dispersed, third-party, cloud computing capacity to improve the responsiveness of our service and lower network latency for our customers.

Media delivery to end users, including video, audio, images and JavaScript components, is served primarily through CDN providers, including Akamai, Fastly, and AWS Cloudfront. We believe our agreements with our CDN providers are based on competitive market terms and conditions, including service level commitments from these CDN providers.

We entered into our initial agreement with Akamai in July 2010. It enables us to use Akamai CDN services for our own benefit and to resell Akamai CDN services to our customers. The current expiration date of the agreement is April 30, 2022.

We entered into our initial agreement with Fastly in May 2020. It enables us to use Fastly CDN services for our own benefit and to resell Fastly CDN services to our customers. The current expiration date of the agreement is April 30, 2022.

Our agreements with each of Akamai and Fastly contain a service continuation period following expiration of the agreement, which we believe is sufficient to enable transition to an alternative provider to avoid material disruption to our business or to our customers. Our agreement with Akamai provides that, upon termination,

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Akamai will continue to provide CDN services to our existing customers for up to twelve months. Our agreement with Fastly provides that, upon termination by Fastly, Fastly will continue to provide CDN services for up to six months.

We use AWS to provide cloud-based computing, storage and CDN services to our customers. We entered into our initial agreement with AWS on May 17, 2012. The current expiration date of our agreement with AWS is June 30, 2022. Our agreement with AWS provides that, upon termination, AWS will continue to store our content for 30 days and will, upon mutual agreement, provide additional post-termination assistance.

Intellectual Property

We rely principally on a combination of trademark, patent, copyright and trade secret laws in the United States and other jurisdictions, as well as confidentiality procedures and contractual provisions to protect our proprietary technology, confidential information, business strategies and brands. We also believe that factors such as the technological and creative skills of our employees coupled with the creation of new features, functionality and products are essential to establishing and maintaining a technology leadership position. We enter into confidentiality and invention assignment agreements with our employees and consultants and confidentiality agreements with other third parties, and we rigorously control access to our proprietary technology.

In the United States, we have 52 issued and/or allowed patents and 7 patent applications pending. Internationally, we have 42 issued and/or allowed patents and we are currently pursuing 23 patent applications, including two patent applications undergoing examination at the European Patent Office. We currently have patent applications pending in the United States, Canada, Australia, United Kingdom, Brazil, Europe, Hong Kong, India, Japan, and Singapore, and we may seek coverage in additional jurisdictions to the extent we determine such coverage is appropriate and cost-effective. Our issued patents cover a variety of technical domains relevant to our business, including aspects of publishing and distributing digital media online, cloud-based stream delivery and ad insertion.

Our registered trademarks in the United States include “BRIGHTCOVE”, “ZENCODER”, “VIDEO THAT MEANS BUSINESS”, and our logo. Some of our trademarks are also registered in certain non-U.S. jurisdictions, including the United Kingdom, Japan and Canada. We may apply for registrations of other marks, and of these marks in additional jurisdictions, to the extent we determine such coverage is appropriate and cost-effective.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or obtain and use our technology to develop products with the same functionality as our solutions. Policing unauthorized use of our technology is difficult and expensive. Our competitors could also independently develop technologies equivalent to ours, and our intellectual property rights may not be broad enough for us to prevent competitors from selling products incorporating those technologies.

Competition

We compete with video-sharing sites, in-house solutions, online video platforms and a broad range of other technology providers. Some of our actual and potential competitors may enjoy competitive advantages over us, such as larger marketing budgets and larger sales teams, as well as greater financial, technical and other resources. The overall markets for our products are fragmented, rapidly evolving and highly competitive.

We expect that the competitive landscape will change as our markets consolidate and mature. We believe the principal competitive factors in our industry include the following:

- total cost of ownership;
- breadth and depth of product functionality;

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- ability to innovate and respond to customer needs rapidly;
- level of resources and investment in sales, marketing, product and technology;
- ease of deployment and use of solutions;
- level of integration into existing workflows, configurability, scalability and reliability;
- customer service;
- brand awareness and reputation;
- ability to integrate with third-party applications and technologies;
- size and scale of provider; and
- size of customer base and level of user adoption.

The mix of factors relevant in any given situation varies with regard to each prospective customer. We believe we compete favorably with respect to all of these factors.

Some of our competitors have made or may make acquisitions or enter into partnerships or other strategic relationships to offer a more comprehensive service than we do. These combinations may make it more difficult for us to compete effectively, including on the basis of price, sales and marketing programs, technology or service functionality. We expect these challenges to continue as organizations attempt to strengthen or maintain their market positions.

Research and Development

We have focused our research and development efforts on maintaining a leading video streaming platform that is reliable, scalable, and open; cultivating an intelligent video cloud powered by artificial intelligence and machine learning; and leveraging our video and audience insights to provide value to our customers in the form of tangible solutions. We have expanded, and will continue to expand the functionality, scalability, and security of our products and enhance their ease of use, and we continue to invest in creating new product offerings. We have created a Chief Data Officer role to steer our development of artificial intelligence, machine learning, and data strategies. We expect research and development expenses to increase in absolute dollars as we intend to continue to lead in the development of new technologies, regularly release new features and functionality, expand our product offerings and upgrade and extend our service offerings. Over the long term, we believe that research and development expenses as a percentage of revenue will decrease, but will vary depending upon the mix of revenue from new and existing products, features and functionality, as well as changes in the technology that our products must support, such as new operating systems or new Internet-connected devices.

Human Capital Resources

Brightcove employees are a team of smart, passionate people who are revolutionizing the way organizations deliver video experiences. As of December 31, 2021, we had 687 employees, of which 318 were located in the United States and 369 were located outside of the United States. None of our United States employees are represented by a labor union or covered by a collective bargaining agreement and we have not experienced any work stoppages. We have a high degree of employee engagement, as demonstrated through participation in employee surveys, and we consider our relationship with our employees to be good.

We have built a culture around three core values, all of which guide us in delivering at the highest level on behalf of our customers: Execution, Innovation, and One Team. We recognize that maintaining our culture and realizing these values depends on our ability to attract, develop, and retain talent. To that end, we offer high quality benefits, including work-from-home flexibility and wellness initiatives, which take into account the diversity of our employees' lifestyles and needs. Our leadership speaks with transparency at regular all-employee

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town hall meetings, and we create opportunities for employee feedback, including through engagement surveys and our Employee Action Committee. Leveraging the power of our own video products, we provide a comprehensive library of training videos to all employees, as well as targeted training to our leadership team.

We are committed to diversity at all levels of our organization, from our Board of Directors, where a majority of members are from underrepresented groups, to our employees. We have established hiring processes, training, and partnerships with organizations to drive diversity and inclusion among our workforce. Programs such as our employee resource groups provide community and support for our employees.

Since the COVID-19 pandemic began, we have remained focused first and foremost on the safety and wellbeing of our employees and their families around the world. In 2020, we adapted to a remote workforce, including by providing a stipend for employees to create work places at home, and resources for coping with the challenging times. We prioritized regular communication with employees in order to maintain a strong sense of community within the organization. We continued these measures in 2021, while also carefully opening some of our offices to provide employees with the option of working from an office if they so choose. We continue to monitor and follow local requirements with respect to safety measures in each office location.

Government Regulations

Information about segment and geographic revenue is set forth in Note 14 of the Notes to Consolidated Financial Statements under Item 8 of this Annual Report on Form 10-K.

We are a global company based in the U.S., and are therefore subject to foreign laws governing our foreign operations, as well as U.S. laws that restrict trade and certain practices, such as the Foreign Corrupt Practices Act. We are also subject to domestic and foreign laws that affect companies conducting business on the internet, including laws relating to the liability of providers of online services.

We may also be subject to laws concerning the videos our customers publish using the Brightcove service. In the U.S., we rely on laws that limit the liability of online providers for third-party content, including the Digital Millennium Copyright Act of 1998 (DMCA) and Section 230 of the Communications Decency Act of 1996. Countries outside the U.S. generally do not provide protections that are as robust as those under the DMCA and Section 230.

We process a limited amount of personal information from our customers and those who view the videos they share using our video platform. As a result, we are subject to laws and regulations governing privacy and data security in the U.S. and worldwide, such as Section 5 of the Federal Trade Commission Act, the EU's General Data Protection Law (GDPR), and the California Consumer Privacy Act (CCPA).

Available Information

Our principal executive offices are located at 290 Congress Street, Boston, Massachusetts, 02210. Our telephone number is (888) 882-1880. Our website address is www.brightcove.com. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge through the investor relations page of our website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission. The information that is posted on or is accessible through our website is not incorporated by reference into this Annual Report on Form 10-K and should not be considered part of this or any other report that we file with or furnish to the SEC. Alternatively, these reports may be accessed at the SEC's website at www.sec.gov.

Item 1A. Risk Factors

You should carefully review the risk factors described below and those described in other reports we file with the Securities and Exchange Commission, as well as the other information contained in this Annual Report

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on Form 10-K, in evaluating our business. Our business, prospects, financial condition, or operating results could be harmed by any of these risks, as well as other risks not currently known to us or that we currently consider immaterial. If any of such risks and uncertainties actually occurs, our business, financial condition or operating results could differ materially from the plans, projections and other forward-looking statements included in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this report and in our other public filings. The trading price of our common stock could decline due to any of these risks, and, as a result, you may lose all or part of your investment.

Risks related to our business

We have a history of losses, we may continue to incur losses and we may not achieve or sustain profitability in the future.

We have historically incurred significant losses in fiscal years from 2004 through 2020. Though we have not experienced a consolidated net loss for the year ended December 31, 2021, we experienced a consolidated net loss of \$5.8 million for the year ended December 31, 2020 and a consolidated net loss of \$21.9 million for the year ended December 31, 2019. These losses were due to the substantial investments we made to build our products and services, grow and maintain our business and acquire customers. Key elements of our growth strategy include acquiring new customers and continuing to innovate and build our brand. As a result, we expect our operating expenses to increase in the future due to expected increased sales and marketing expenses, operations costs, research and development costs and general and administrative costs and, therefore, our operating income may potentially decrease in the foreseeable future. In addition, as a public company we incur significant legal, accounting and other expenses. Furthermore, to the extent that we are successful in increasing our customer base, we will also incur increased expenses because costs associated with generating and supporting customer agreements are generally incurred up front, while revenue is generally recognized ratably over the committed term of the agreement. You should not rely upon our recent bookings or revenue growth as indicative of our future performance. We cannot assure you that we will sustain profitability in the future. If we are ultimately unable to continue generating sufficient revenue to meet our financial targets, remain profitable and have sustainable positive cash flows, investors could lose their investment.

Substantially all of our revenue has historically come from a single product, Video Cloud.

We have historically been substantially dependent on revenue from a single product, Video Cloud, and we expect that revenue from Video Cloud will continue to comprise a significant portion of our revenue. Our business would be harmed by a decline in the market for Video Cloud, increased competition in the market for online video platforms, or our failure or inability to provide sufficient investment to support Video Cloud as needed to maintain or grow its competitive position.

If we are unable to retain our existing customers, our revenue and results of operations will be adversely affected.

We sell our products pursuant to agreements that are generally for annual terms. Our customers have no obligation to renew their subscriptions after their subscription period expires, and we have experienced losses of customers that elected not to renew, in some cases, for reasons beyond our control. For example, our largest customer during 2020 faced bankruptcy and, as a result, we lost substantially all of the revenue we expected to generate from this customer in 2020. In addition, even if subscriptions are renewed, they may not be renewed on the same or on more profitable terms. As a result, our ability to retain our existing customers and grow depends in part on subscription renewals. We may not be able to accurately predict future trends in customer renewals, and our customers’ renewal rates have and may continue to fluctuate because of several factors, including their satisfaction or dissatisfaction with our services, the cost of our services and the cost of services offered by our competitors, a customer’s ability to build a video streaming solution in-house, reductions in our customers’ spending levels or the introduction by competitors of attractive features and functionality. If our customer

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retention rate decreases, we may need to increase the rate at which we add new customers in order to maintain and grow our revenue, which may require us to incur significantly higher sales and marketing expenses than we currently anticipate, or our revenue may decline. If our customers do not renew their subscriptions for our services, renew on less favorable terms, or do not purchase additional functionality or subscriptions, our revenue may grow more slowly than expected or decline, and our profitability and gross margins may be harmed or affected.

Our long term financial targets are predicated on bookings and revenue growth and operating margin improvements that we may fail to achieve, which could reduce our expected earnings and cause us to fail to meet the expectations of analysts or investors and cause the price of our securities to decline.

We are projecting long-term bookings and revenue growth. Our projections are based on the expected growth potential in our premium customer base, as well as the market for on-demand software solutions generally. We may not achieve the expected bookings and revenue growth if the markets we serve do not grow at expected rates, if customers do not purchase or renew subscriptions as we expect, and/or if we are not able to deliver products desired by customers and potential customers. Our long-term operating margin improvement targets are predicated on operating leverage as long term revenue increases and improved operating efficiencies from moving to additional cloud-based delivery of services, together with lower cost of goods sold, research and development expenses and general and administrative expenses as a percentage of total revenue. If operating margins do not improve, our earnings could be adversely affected and the price of our securities could decline.

The actual market for our solutions could be significantly smaller than our estimates of our total potential market opportunity, and if customer demand for our services does not meet expectations, our ability to generate revenue and meet our financial targets could be adversely affected.

While we expect strong growth in the markets for our products, it is possible that the growth in some or all of these markets may not meet our expectations, or materialize at all. The methodology on which our estimate of our total potential market opportunity is based includes several key assumptions based on our industry knowledge and customer experience. If any of these assumptions proves to be inaccurate, then the actual market for our solutions could be significantly smaller than our estimates of our total potential market opportunity. If the customer demand for our services or the adoption rate in our target markets does not meet our expectations, our ability to generate revenue from customers and meet our financial targets could be adversely affected.

Our business is substantially dependent upon the continued growth of the market for on-demand software solutions.

We derive, and expect to continue to derive, substantially all of our revenue from the sale of our on-demand solutions. As a result, widespread acceptance and use of the on-demand business model is critical to our future growth and success. Under the perpetual or periodic license model for software procurement, users of the software would typically install and operate the applications on their hardware. Because many companies are generally predisposed to maintaining control of their information technology, or IT, systems and infrastructure, there may be resistance to the concept of accessing software as a service provided by a third party. In addition, the market for on-demand software solutions is still evolving, and competitive dynamics may cause pricing levels to change as the market matures and as existing and new market participants introduce new types of solutions and different approaches to enable organizations to address their technology needs. As a result, we may be forced to reduce the prices we charge for our products and may be unable to renew existing customer agreements or enter into new customer agreements at the same prices and upon the same terms that we have historically. If the market for on-demand software solutions fails to grow, grows more slowly than we currently anticipate or evolves and forces us to reduce the prices we charge for our products, our bookings growth, revenue, gross margin and other operating results could be materially adversely affected.

Our operating results may fluctuate from quarter to quarter, which could make them difficult to predict.

Our quarterly operating results are tied to certain financial and operational metrics that have fluctuated in the past and may fluctuate significantly in the future. As a result, you should not rely upon our past quarterly operating results as indicators of future performance. Our operating results depend on numerous factors, many of which are outside of our control. In addition to the other risks described in this “Risk Factors” section, the following risks could cause our operating results to fluctuate:

- our ability to retain existing customers and attract new customers;
- the rates at which our customers renew;
- the amount of revenue generated from our customers’ use of our products or services in excess of their committed contractual entitlements;
- the timing and amount of costs of new and existing sales and marketing efforts;
- the timing and amount of operating costs and capital expenditures relating to the expansion of our business, operations and infrastructure;
- the cost and timing of the development and introduction of new product and service offerings by us or our competitors;
- impacts on the national and global economies due to natural disasters, acts of terrorism, social upheaval, governmental instability, or public health emergencies, such as the COVID-19 pandemic;
- system or service failures (including service failures from third party providers on which we rely), security breaches or network downtime.

We operate in a rapidly developing market, which makes it difficult to evaluate our business and future prospects.

The market for our products and services is rapidly developing, which makes it difficult to evaluate our business and future prospects. We have encountered, and will continue to encounter, risks and difficulties frequently experienced by growing companies in rapidly changing industries, including those related to:

- market acceptance of our current and future products and services;
- customer renewal rates;
- our ability to compete with other companies that are currently in, or may in the future enter, the market for our products;
- our ability to compete with customers or prospective customers that develop in-house solutions instead of purchasing our products;
- our ability to successfully expand our business, especially internationally;
- our ability to control costs, including our operating expenses;
- the amount and timing of operating expenses, particularly sales and marketing expenses, related to the maintenance and expansion of our business, operations and infrastructure;
- network outages or security breaches and any associated expenses;
- foreign currency exchange rate fluctuations;
- write-downs, impairment charges or unforeseen liabilities in connection with acquisitions;
- our ability to successfully manage acquisitions; and
- general economic and political conditions in our domestic and international markets.

If we do not manage these risks successfully, our business will be harmed.

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Our long-term success depends, in part, on our ability to expand the sales of our products to customers located outside of the United States, and thus our business is susceptible to risks associated with international sales and operations.

We currently maintain offices and have sales personnel in Australia, France, India, Japan, Malaysia, Singapore, South Korea, Spain, Mexico, Philippines, Portugal, Germany, and the United Kingdom, and we intend to expand our international operations. Any international expansion efforts that we may undertake may not be successful. In addition, conducting international operations subjects us to new risks that we have not generally faced in the United States. These risks include:

- unexpected costs and errors in the localization of our products, including translation into foreign languages and adaptation for local practices and regulatory requirements;
- lack of familiarity with and burdens of complying with foreign laws, legal standards, regulatory requirements, tariffs, and other barriers;
- unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or other trade restrictions;
- difficulties in managing systems integrators and technology partners;
- differing technology standards;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- difficulties in managing and staffing international operations and differing employer/employee relationships;
- fluctuations in exchange rates that may increase the volatility of our foreign-based revenue;
- potentially adverse tax consequences, including the complexities of foreign value added tax (or other tax) systems and restrictions on the repatriation of earnings;
- uncertain political and economic climates (including, for example, the U.K.'s exit from the European Union, or EU, on January 31, 2020, commonly referred to as "Brexit", which has created economic and political uncertainty in the EU); and
- reduced or varied protection for intellectual property rights in some countries.

These factors may cause our costs of doing business in these geographies to exceed our comparable domestic costs. Operating in international markets also requires significant management attention and financial resources. Any negative impact from our international business efforts could negatively impact our business, results of operations and financial condition as a whole.

Economic conditions and regulatory changes following the United Kingdom's exit from the European Union could have a material adverse effect on our business and results of operations.

On January 31, 2020, the U.K. formally left the European Union, or EU, (commonly known as "Brexit"), however there was an initial transition period until December 31, 2020 during which EU rules and legislation continued to apply. Since then, the U.K. and the EU have signed a EU-UK Trade and Cooperation Agreement, or TCA, which became provisionally applicable on January 1, 2021 and has been formally applicable since May 1, 2021. The TCA provides details on how some aspects of the U.K. and EU's relationship will operate going forwards (including certain aspects of trade and other strategic and political issues), however there are still many uncertainties. The uncertainties concerning the U.K.'s legal, political and economic relationship with the EU following Brexit may continue to be a source of instability in international markets, create significant currency fluctuations and otherwise adversely affect trading agreements or similar cross-border cooperation arrangements, whether economic, tax, fiscal, legal, regulatory or otherwise.

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The full effects of Brexit will depend on how the terms of the TCA and any future agreements signed by the U.K. and EU play out in practice. At this time, we therefore cannot predict the impact that Brexit will have on our business. The measures could potentially disrupt the markets we serve and may cause us to lose customers and employees. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which EU laws to replace or replicate, which could present new regulatory costs and challenges (including the transfer of personal data between the EU and the U.K. and new customer requirements), in addition to other adverse effects that we are unable to effectively anticipate.

Our financial condition and results of operations may be impacted by such uncertainty with potential disruptions to our relationships with existing and future customers, suppliers and employees, all possibly having a material adverse impact on our business, prospects, financial condition and results of operations.

We must keep up with rapid technological change to remain competitive in a rapidly evolving industry.

Our markets are characterized by rapid technological change, frequent new product and service introductions and evolving industry standards. Our future success will depend on our ability to adapt quickly to rapidly changing technologies, to adapt our services and products to evolving industry standards and to improve the performance and reliability of our services and products. To achieve market acceptance for our products, we must effectively anticipate and offer products that meet changing customer demands in a timely manner. Customers may require features and functionality that our current products do not have. If we fail to develop products that satisfy customer preferences in a timely and cost-effective manner, our ability to renew our contracts with existing customers and our ability to create or increase demand for our products will be harmed.

We may experience difficulties with software development, industry standards, design or marketing that could delay or prevent our development, introduction or implementation of new products and enhancements. The introduction of new products by competitors, the emergence of new industry standards or the development of entirely new technologies to replace existing offerings could render our existing or future products obsolete.

If we are unable to successfully develop or acquire new features and functionality, enhance our existing products to anticipate and meet customer requirements or sell our products into new markets, our bookings growth, revenue and results of operations will be adversely affected.

We face significant competition and may be unsuccessful against current and future competitors. If we do not compete effectively, our operating results and future growth could be harmed.

We compete with video sharing sites, in-house solutions, online video platforms and certain niche technology providers, as well as larger companies that offer multiple services, including those that may be used as substitute services for our products. Competition is already intense in these markets and, with the introduction of new technologies and market entrants, we expect competition to further intensify in the future. In addition, some of our competitors may make acquisitions, be acquired, or enter into strategic relationships to offer a more comprehensive service than we do. These combinations may make it more difficult for us to compete effectively. We expect these trends to continue as competitors attempt to strengthen or maintain their market positions.

Demand for our services is sensitive to price. Many factors, including our marketing, customer acquisition and technology costs, commoditization of our products and services and our current and future competitors' pricing and marketing strategies, can significantly affect our pricing strategies. There can be no assurance that we will not be forced to engage in price-cutting initiatives, or to increase our marketing and other expenses to attract and retain customers in response to competitive pressures, either of which could have a material adverse effect on our revenue, operating results and resources.

We will likely encounter significant, growing competition in our business from many sources, including portals and digital media retailers, search engines, social networking and consumer-sharing services companies,

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broadband media distribution platforms, technology suppliers, direct broadcast satellite television service companies and digital and traditional cable systems. Many of our present and likely future competitors have substantially greater financial, marketing, technological and other resources than we do. Some of these companies may even choose to offer services competitive with ours at no cost as a strategy to attract or retain customers of their other services. Technological and commercial developments may lead to the increasing commoditization of our products and services, including content delivery and storage, further increasing downward pressure on the prices we can charge. If we are unable to compete successfully with traditional and other emerging providers of competing services, our business, financial condition and results of operations could be adversely affected.

The effects of the COVID-19 pandemic have materially affected how we and our customers are operating our businesses, and the duration and extent to which this will impact our future results of operations and overall financial performance remains uncertain.

In March 2020, the World Health Organization declared the novel coronavirus disease, or COVID-19, as a pandemic. The COVID-19 pandemic, which has continued to spread and develop new variants in the two years since, and the related adverse public health developments, including orders to shelter-in-place, travel restrictions, and mandated business closures, have adversely affected workforces, organizations, customers, economies, and financial markets globally, leading to an economic downturn and increased market volatility. It has also disrupted the normal operations of many businesses, including ours.

In March 2020, we temporarily closed each of our global offices and required our employees to work remotely until the summer of 2021. We continued to operate with a remote workforce in 2021, while also carefully opening some of our offices to provide employees with the option of working from an office if they so chose. We continue to monitor and follow local requirements with respect to safety measures in each office location. We also suspended most of our company-related travel, shifted our annual customer conference, internal sales kickoff event, and partner events to virtual-only experiences, and have canceled our participation at other customer and industry events. We may deem it advisable to alter, postpone, or cancel our participation at customer, employee, or industry events in the future. These changes have disrupted, and may continue to disrupt, the way we operate our business.

Moreover, the conditions caused by the COVID-19 pandemic and its aftermath can affect the rate of spending on software products and the demand for video to support virtual events. This could adversely affect our customers' ability or willingness to purchase our offerings, delay prospective customers' purchasing decisions, increase pressure for pricing discounts, lengthen payment terms, reduce the value or duration of their subscription contracts, increase customer attrition rates, or attend our events, all of which could adversely affect our future sales, operating results and overall financial performance.

Our operations have also been negatively affected by a range of external factors related to the COVID-19 pandemic that are not within our control. For example, many cities, counties, states, and even countries have imposed or may impose a wide range of restrictions on the physical movement of our employees, partners and customers to limit the spread of COVID-19, including physical distancing, travel bans and restrictions, closure of non-essential business, quarantines, work-from-home directives and shelter-in-place orders. These measures have caused, and are continuing to cause, business slowdowns or shutdowns in affected areas, both regionally and worldwide. If the COVID-19 pandemic has a substantial impact on the productivity of our employees and partners, or a continued substantial impact on the ability of our employees to execute responsibilities, or a continued and substantial impact on the ability of our customers to purchase our offerings, our results of operations and overall financial performance may be harmed.

The duration and extent of the impact from the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the severity and transmission rate of the virus (including its variants), the extent and effectiveness of containment actions, the disruption caused by such actions, and the

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impact of these and other factors on our employees, customers, partners and vendors. If we are not able to respond to and manage the impact of such events effectively, our business will be harmed.

To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described herein.

Risks related to our operations

If we do not successfully manage the transition associated with the planned retirement of our Chief Executive Officer (“CEO”) and the appointment of a new CEO, it could be viewed negatively by our customers and shareholders and could have an adverse impact on our business.

Effective March 28, 2022, Jeff Ray will step down from his position as the Company’s CEO and as a member of the Board and Marc DeBevoise has been appointed in his stead. Mr. Ray will remain with the Company as an advisor, assisting with the leadership transition, until December 31, 2022. Leadership transitions can be inherently difficult to manage, and an inadequate transition of our CEO may cause disruption to our business, including to our relationships with customers, vendors and employees.

We depend on the experience and expertise of our executive officers, senior management team and key technical employees, and the loss of any key employee could have an adverse effect on our business, financial condition and results of operations.

Our success depends upon the continued service of our executive officers, senior management team and key technical employees, as well as our ability to continue to attract and retain additional highly qualified personnel. Each of our executive officers, senior management team, key technical personnel and other employees could terminate his or her relationship with us at any time. The loss of any member of our senior management team or key personnel might significantly delay or prevent the achievement of our business objectives and could materially harm our business and our customer relationships. In addition, because of the nature of our business, the loss of any significant number of our existing engineering, project management and sales personnel could have an adverse effect on our business, financial condition and results of operations.

Changes in our business and operations, as well as organizational changes, have placed, and may continue to place, significant demands on our management and infrastructure. If we fail to manage these changes effectively and successfully recruit additional highly-qualified employees, we may be unable to execute our business plan, maintain high levels of service or address competitive challenges adequately.

Our business, headcount and operations have grown, both domestically and internationally, since our inception. In addition, we have seen organizational changes during that time, including the addition of several new members to our senior leadership team in the past several years. This growth and these organizational changes have placed, and will continue to place, a significant strain on our management, administrative, operational and financial infrastructure. We anticipate further growth will be required to address increases in our product and service offerings and continued international expansion. Our success will depend in part upon the ability of our senior leadership team to manage Brightcove effectively. To do so, we must continue to recruit, hire, train, manage and integrate a significant number of qualified managers, technical personnel and employees in specialized roles within our company, including in technology, sales and marketing. If our new employees perform poorly, or if we are unsuccessful in recruiting, hiring, training, managing and integrating these new employees, or retaining these or our existing employees, our business may suffer.

In addition, to manage the expected continued growth of our business, headcount, operations and geographic expansion, we will need to continue to improve our information technology infrastructure, operational, financial and management systems and procedures. Our expected additional headcount and capital investments will increase our costs, which will make it more difficult for us to address any future revenue shortfalls by reducing

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expenses in the short term. If we fail to successfully manage our growth we will be unable to successfully execute our business plan, which could have a negative impact on our business, financial condition or results of operations.

Potential future acquisitions could be difficult to integrate, divert the attention of key personnel, disrupt our business, dilute stockholder value and impair our financial results.

As part of our business strategy, we may continue to consider acquisitions of companies, technologies and products that we believe could accelerate our ability to compete in our core markets or allow us to enter new markets. Acquisitions involve numerous risks, any of which could harm our business, including:

- difficulties in integrating the technologies, products, operations and existing contracts of a target company and realizing the anticipated benefits of the combined businesses;
- difficulties in integrating the personnel of a target company;
- difficulties in supporting and transitioning customers, if any, of a target company;
- diversion of financial and management resources from existing operations;
- the price we pay or other resources that we devote may exceed the value we realize, or the value we could have realized if we had allocated the purchase price or other resources to another opportunity;
- risks of entering new markets in which we have limited or no experience;
- potential loss of key employees, customers and strategic alliances from either our current business or a target company's business; and
- inability to generate sufficient revenue to offset acquisition costs.

Acquisitions also frequently result in the recording of goodwill and other intangible assets which are subject to potential impairments in the future that could harm our financial results. In addition, if we finance acquisitions by issuing equity securities, our existing stockholders may be diluted. As a result, if we fail to properly evaluate acquisitions or investments, we may not achieve the anticipated benefits of any such acquisitions, and we may incur costs in excess of what we anticipate. The failure to successfully evaluate and execute acquisitions or investments or otherwise adequately address these risks could materially harm our business and financial results.

We may experience delays in product and service development, including delays beyond our control, which could prevent us from achieving our growth objectives and hurt our business.

Many of the problems, delays and expenses we may encounter may be beyond our control. Such problems may include, but are not limited to, problems related to the technical development of our products and services, problems with the infrastructure for the distribution and delivery of online media, including those from third party providers on which we rely, the competitive environment in which we operate, marketing problems, consumer acceptance and costs and expenses that may exceed current estimates. Problems, delays or expenses in any of these areas could have a negative impact on our business, financial conditions or results of operations.

Delays in the timely design, development, deployment and commercial operation of our product and service offerings, and consequently the achievement of our revenue targets and positive cash flow, could result from a variety of causes, including many causes that are beyond our control. Such delays include, but are not limited to, delays in the integration of new offers into our existing offering, changes to our products and services made to correct or enhance their features, performance or marketability or in response to regulatory developments or otherwise, delays encountered in the development, integration or testing of our products and services and the infrastructure for the distribution and delivery of online media and other systems, unsuccessful commercial launches of new products and services, delays in our ability to obtain financing, insufficient or ineffective marketing efforts and slower-than-anticipated consumer acceptance of our products. Delays in any of these matters could hinder or prevent our achievement of our growth objectives and hurt our business.

Risks related to our intellectual property and third-parties

Our business may be adversely affected by third-party claims, including by governmental bodies, regarding the content and advertising distributed through our service.

We rely on our customers to secure the rights to redistribute content over the Internet, and we do not screen the content that is distributed through our service. There is no assurance that our customers have licensed all rights necessary for distribution, including Internet distribution. Other parties may claim certain rights in the content of our customers.

In the event that our customers do not have the necessary distribution rights related to content, we may be required to cease distributing such content, or we may be subject to lawsuits and claims of damages for infringement of such rights. If these claims arise with frequency, the likelihood of our business being adversely affected would rise significantly. In some cases, we may have rights to indemnification or claims against our customers if they do not have appropriate distribution rights related to specific content items, however there is no assurance that we would be successful in any such claim.

We operate an “open” publishing platform and do not screen the content that is distributed through our service. Content may be distributed through our platform that is illegal or unlawful under international, federal, state or local laws or the laws of other countries. In the event that our customers distribute content that is deemed illegal, we would be required to cease distributing such content. We may face lawsuits, claims or even criminal charges for such distribution, and we may be subject to civil, regulatory or criminal sanctions and damages for such distribution. Any such claims or investigations could adversely affect our business, financial condition and results of operations.

We could incur substantial costs as a result of any claim of infringement of another party’s intellectual property rights.

In recent years, there has been significant litigation in the United States involving patents and other intellectual property rights. Companies providing Internet-related products and services are increasingly bringing and becoming subject to suits alleging infringement of proprietary rights, particularly patent rights. These risks have been amplified by the increase in third parties whose sole or primary business is to assert such claims, some of whom have sent letters to and/or filed suit alleging infringement against some of our customers. From time to time, third parties claim that we are infringing upon their intellectual property rights. We could incur substantial costs in prosecuting or defending any intellectual property litigation. Additionally, the defense or prosecution of claims could be time-consuming, and could divert our management’s attention away from the execution of our business plan.

Moreover, any settlement or adverse judgment resulting from a claim could require us to pay substantial amounts or obtain a license to continue to use the technology that is the subject of the claim, or otherwise restrict or prohibit our use of the technology. There can be no assurance that we would be able to obtain a license from the third party asserting the claim on commercially reasonable terms, if at all, that we would be able to develop alternative technology on a timely basis, if at all, or that we would be able to obtain a license to use a suitable alternative technology to permit us to continue offering, and our customers to continue using, our affected product or service. In addition, we may be required to indemnify our customers for third-party intellectual property infringement claims, which would increase the cost to us. An adverse determination could also prevent us from offering our products or services to others. Infringement claims asserted against us may have an adverse effect on our business, financial condition and results of operations.

Our agreements with customers often include contractual obligations to indemnify them against claims that our products infringe the intellectual property rights of third parties. The results of any intellectual property

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litigation to which we might become a party, or for which we are required to provide indemnification, may force us to do one or more of the following:

- cease selling or using products or services that incorporate the challenged intellectual property;
- make substantial payments for costs or damages;
- obtain a license, which may not be available on reasonable terms, to sell or use the relevant technology; or
- redesign those products or services to avoid infringement.

If we are required to make substantial payments or undertake any of the other actions noted above as a result of any intellectual property infringement claims against us or any obligation to indemnify our customers for such claims, such payments or costs could have a material adverse effect upon our business and financial results.

Failure to adequately protect our intellectual property could substantially harm our business and operating results.

Because our business depends substantially on our intellectual property, the protection of our intellectual property rights is important to the success of our business. We rely upon a combination of trademark, patent, trade secret and copyright law and contractual restrictions to protect our intellectual property. These afford only limited protection. Despite our efforts to protect our property rights, unauthorized parties may attempt to copy aspects of our products, service, software and functionality or obtain and use information that we consider proprietary. Moreover, policing our proprietary rights is difficult and may not always be effective. In addition, we may need to enforce our rights under the laws of countries that do not protect proprietary rights to as great an extent as do the laws of the United States.

Litigation or proceedings before the U.S. Patent and Trademark Office or other governmental authorities and administrative bodies in the United States and abroad may be necessary in the future to enforce our intellectual property rights, to protect our patent rights, trade secrets, trademarks and domain names, and to determine the validity and scope of the proprietary rights of others. Such litigation or proceedings may be very costly and impact our financial performance. We may also incur substantial costs defending against frivolous litigation or be asked to indemnify our customers against the same. Our efforts to enforce or protect our proprietary rights may prove to be ineffective and could result in substantial costs and diversion of resources and could substantially harm our operating results.

Our exposure to risks associated with the use of intellectual property may increase as a result of acquisitions, as we have less opportunity to have visibility into the development process with respect to acquired technology or the care taken to safeguard against infringement risks. Third parties may make infringement and similar or related claims after we have acquired technology that had not been asserted prior to our acquisition.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information.

We have devoted substantial resources to the development of our technology, business operations and business plans. In order to protect our trade secrets and proprietary information, we rely in significant part on confidentiality agreements with our employees, licensees, independent contractors, advisers and customers. These agreements may not be effective to prevent disclosure of confidential information, including trade secrets, and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover trade secrets and proprietary information, and in such cases we would not be able to assert trade secret rights against such parties. To the extent that our employees and others with whom we do business use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Laws regarding trade secret rights in certain

markets in which we operate may afford little or no protection to our trade secrets. The loss of trade secret protection could make it easier for third parties to compete with our products by copying functionality. In addition, any changes in, or unexpected interpretations of, the trade secret and other intellectual property laws in any country in which we operate may compromise our ability to enforce our trade secret and intellectual property rights. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

Our use of “open source” software could negatively affect our ability to sell our services and subject us to possible litigation.

A portion of the technology licensed by us incorporates “open source” software, and we may incorporate or use open source software in the future. Such open source software is generally licensed by its authors or other third parties under open source licenses. If we fail to comply with these licenses, we may be subject to certain conditions, including requirements that we offer our services that incorporate the open source software for no cost, that we make available source code for modifications or derivative works we create based upon, incorporating or using the open source software and that we license such modifications or alterations under the terms of the particular open source license. If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of our services that contained the open source software and required to comply with the foregoing conditions, which could disrupt the distribution and sale of some of our services.

There is no assurance that the current cost of Internet connectivity and network access will not rise with the increasing popularity of online media services.

We rely on third-party service providers for our principal connections to the Internet and network access, and to deliver media to consumers. As demand for online media increases, there can be no assurance that Internet and network service providers will continue to price their network access services on reasonable terms. The distribution of online media requires delivery of digital content files and providers of network access and distribution may change their business models and increase their prices significantly, which could slow the widespread adoption of such services. In order for our services to be successful, there must be a reasonable price model in place to allow for the continuous distribution of digital media files. We have limited or no control over the extent to which any of these circumstances may occur, and if network access or distribution prices rise, our business, financial condition and results of operations would likely be adversely affected.

Failure of our infrastructure for the distribution and delivery of online media could adversely affect our business.

Our success as a business depends, in large part, on our ability to provide a consistently high-quality digital experience to consumers via our relationships and infrastructure for the distribution and delivery of online media generally. There is no guarantee that our relationships and infrastructure will not experience problems or other performance issues, which could seriously impair the quality and reliability of our delivery of digital media to end users. For example, we primarily use three content delivery networks, or CDNs, to deliver content to end users. If one or more of these CDNs were to experience sustained technical failures, it could cause delays in our service and we could lose customers. If we do not accurately predict our infrastructure capacity requirements, our customers could experience service outages or service degradation that may subject us to financial penalties and liabilities and result in customer losses. In the past we have, on limited occasions, suffered temporary interruptions of certain aspects of our service, including our customers’ ability to upload new content into our system, our customers’ ability to access administrative control of their accounts, and our ability to deliver content to end users in certain geographic locations. These service interruptions were the results of human error, hardware and software failures or failures of third-party networks. On a limited number of occasions, these

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service interruptions have required us to provide service credits to customers. We cannot guarantee that service interruptions will not occur again or predict the duration of interruptions of our service or the impact of such interruptions on our customers. Failures and interruptions of our service may impact our reputation, result in our payment of compensation or service credits to our customers, result in loss of customers and adversely affect our financial results and ability to grow our business. In addition, if AWS or our hosting infrastructure capacity fails to keep pace with increased sales or if our delivery capabilities fail, customers may experience delays as we seek to obtain additional capacity or enable alternative delivery capability, which could harm our reputation and adversely affect our revenue growth.

We may have difficulty scaling and adapting our existing infrastructure to accommodate increased traffic and storage, technology advances or customer requirements.

In the future, advances in technology, increases in traffic and storage, and new customer requirements may require us to change our infrastructure, expand our infrastructure or replace our infrastructure entirely. Scaling and adapting our infrastructure is likely to be complex and require additional technical expertise. If we are required to make any changes to our infrastructure, we may incur substantial costs and experience delays or interruptions in our service. These delays or interruptions may cause customers and partners to become dissatisfied with our service and move to competing service providers. Our failure to accommodate increased traffic and storage, increased costs, inefficiencies or failures to adapt to new technologies or customer requirements and the associated adjustments to our infrastructure could harm our business, financial condition and results of operations.

We rely on software and services licensed from other parties. The loss of software or services from third parties could increase our costs and limit the features available in our products and services.

Components of our service and product offerings include various types of software and services licensed from unaffiliated parties. If any of the software or services we license from others or functional equivalents thereof were either no longer available to us or no longer offered on commercially reasonable terms, we would be required to either redesign our services and products to function with software or services available from other parties or develop these components ourselves. In either case, the transition to a new service provider or an internally-developed solution could result in increased costs and could result in delays in our product launches and the release of new service and product offerings. Furthermore, we might be forced to temporarily limit the features available in our current or future products and services. If we fail to maintain or renegotiate any of these software or service licenses, we could face significant delays and diversion of resources in attempting to license and integrate functional equivalents.

If our software products contain serious errors or defects, then we may lose revenue and market acceptance and may incur costs to defend or settle claims.

Complex software applications such as ours often contain errors or defects, particularly when first introduced or when new versions or enhancements are released. Despite internal testing and testing by our customers, our current and future products may contain serious defects, which could result in lost revenue, lost customers, slower growth or a delay in market acceptance.

Since our customers use our products for critical business applications, errors, defects or other performance problems could result in damage to our customers. They could seek significant compensation from us for the losses they suffer. Although our customer agreements typically contain provisions designed to limit our exposure to claims, existing or future laws or unfavorable judicial decisions could negate these limitations. Even if not successful, a claim brought against us would likely be time-consuming and costly and could seriously damage our reputation in the marketplace, making it harder for us to sell our products.

Our internal computer systems, or those of our strategic partners or other contractors or consultants, may fail or suffer from the unauthorized disclosure of data, unauthorized access to the service and misuse of the service, which could result in a material disruption of our product development programs and our business.

Our internal computer systems and those of our current and any future strategic collaborators, vendors, and other contractors or consultants are vulnerable to damage from cyber-attacks, computer viruses, unauthorized access, natural disasters, cybersecurity threats, terrorism, war and telecommunication and electrical failures. Cyber incidents have been increasing in sophistication and frequency and can include third parties gaining access to employee or customer data using stolen or inferred credentials, computer malware, viruses, spamming, phishing attacks, ransomware, card skimming code, and other deliberate attacks and attempts to gain unauthorized access. Because the techniques used by computer programmers who may attempt to penetrate and sabotage our network security or our website change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. If an actual or perceived security breach occurs, the market perception of our security measures could be harmed and we could lose sales and customers. Any significant violations of data privacy or unauthorized disclosure of information could result in the loss of business, litigation and regulatory investigations and penalties that could damage our reputation and adversely impact our results of operations and financial condition. Moreover, if a security breach occurs with respect to another software as a service, or SaaS, provider, our customers and potential customers may lose trust in the security of the SaaS business model generally, which could adversely impact our ability to retain existing customers or attract new ones.

It is also possible that unauthorized access to customer data may be obtained through inadequate use of security controls by customers, suppliers or other vendors.

If any such computer system failure, accident or security breach were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations, whether due to a loss of our trade secrets or other proprietary information or other disruptions. These cyber-attacks could be carried out by threat actors of all types (including but not limited to nation states, organized crime, other criminal enterprises, individual actors and/or advanced persistent threat groups). In addition, we may experience intrusions on our physical premises by any of these threat actors.

Any security breaches, unauthorized access, unauthorized usage, virus or similar breach or disruption could result in loss of confidential information, personal data and customer content, damage to our reputation, early termination of our contracts, litigation, regulatory investigations, increased costs or other liabilities. If our security measures, or those of our partners or service providers, are breached as a result of third-party action, employee error, malfeasance or otherwise and, as a result, someone obtains unauthorized access to confidential information, personal data or customer content, our reputation will be damaged, our business may suffer or we could incur significant liability. If the measures we have put in place to limit or restrict access to and use of functionality, usage entitlements and support for customers or prospective customers are breached, circumvented or ineffective as a result of third-party action, employee error, malfeasance or otherwise and, as a result, someone obtains unauthorized access to and use of functionality, usage entitlements and support, our business may suffer or we could incur significant liability and/or costs.

There can be no assurance that any limitations of liability provisions in our contracts for a security breach would be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim. We also cannot be sure that our existing general liability insurance coverage and coverage for errors or omissions will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, financial condition and operating results.

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We use a data center and cloud computing services facilities to deliver our services. Any disruption of service at these facilities could harm our business.

We manage our services and serve all of our customers from cloud computing services facilities, such as Amazon Web Services, as well as one physical data center facility. While we control the actual computer and storage systems upon which our software runs, and deploy them to these facilities, we do not control the operation or availability of these facilities.

The owners of these facilities have no obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew these agreements on commercially reasonable terms, we may be required to transfer to new facilities, and we may incur significant costs and possible service interruption in connection with doing so.

Any changes in third-party service levels at these facilities or any errors, defects, disruptions or other performance problems at or related to these facilities that affect our services could harm our reputation and may damage our customers' businesses. Interruptions in our services might reduce our revenue, cause us to issue credits to customers, subject us to potential liability, and cause customers to terminate their subscriptions or harm our renewal rates.

These facilities are vulnerable to damage or service interruption resulting from human error, intentional bad acts, security breaches, earthquakes, hurricanes, floods, fires, war, terrorist attacks, power losses, hardware failures, systems failures, telecommunications failures, global health emergencies such as the COVID-19 pandemic, and similar events. For example, on September 18, 2014, we suffered a service disruption resulting from a distributed denial-of-service attack at third-party data center facilities used by us. By September 20, 2014, we had restored the services impacted by the attack. We contacted federal law enforcement authorities regarding the denial-of-service attack and cooperated with them. We also conducted an assessment of our internet service providers and data center providers, potential future vulnerability to malicious activity, and the sufficiency of our infrastructure to withstand and recover rapidly from such attacks. While this matter did not have a material adverse effect on our operating results, there can be no assurance that such incidents will not occur again, and they could occur more frequently and on a more significant scale. The occurrence of a natural disaster or an act of terrorism, or vandalism or other misconduct, or a decision to close the facilities without adequate notice or other unanticipated problems could result in lengthy interruptions in our services.

Risks related to our finances

Fluctuations in the exchange rate of foreign currencies could result in currency translation losses.

We currently have foreign sales denominated in Australian dollars, British pounds sterling, Euros, Japanese yen and New Zealand dollars and may, in the future, have sales denominated in the currencies of additional countries in which we establish or have established sales offices. In addition, we incur a portion of our operating expenses in British pounds sterling, Mexican Pesos, Euros, Japanese yen and, to a lesser extent, other foreign currencies. Any fluctuation in the exchange rate of these foreign currencies may negatively impact our business, financial condition and operating results. Global economic events, such as the COVID-19 pandemic, have and may continue to significantly impact local economies and the foreign exchange markets, which may increase the risks associated with sales denominated in foreign currencies. We have not previously engaged in foreign currency hedging. If we decide to hedge our foreign currency exposure, we may not be able to hedge effectively due to lack of experience, unreasonable costs or illiquid markets.

Failure of our customers to pay the amounts owed to us, or to pay such amounts in a timely manner, may adversely affect our financial condition and operating results.

If any of our significant customers have insufficient liquidity, we could encounter significant delays or defaults in payments owed to us by such customers, and we may need to extend our payment terms or restructure

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the receivables owed to us, which could have a significant adverse effect on our financial condition, including impacting the timing of revenue recognition. Any deterioration in the financial condition of our customers will increase the risk of uncollectible receivables. Global economic uncertainty, such as the economic instability and market volatility caused by the global COVID-19 pandemic, could also affect our customers' ability to pay our receivables in a timely manner or at all or result in customers going into bankruptcy or reorganization proceedings, which could also affect our ability to collect our receivables.

We may be required to collect sales and use taxes on the services we sell in additional jurisdictions in the future, which may decrease sales, and we may be subject to liability for sales and use taxes and related interest and penalties on prior sales.

State and local taxing jurisdictions have differing rules and regulations governing sales and use taxes and these rules and regulations are subject to varying interpretations that may change over time. On June 21, 2018, the United States Supreme Court ruled in *South Dakota v. Wayfair* that states can impose sales and use taxes on transactions made with out-of-state sellers. Following this ruling, certain states have enforced tax laws requiring taxation of out-of-state purchases. We have performed an assessment of sales taxes owed under the new court ruling, determined that we need to remit sales taxes to certain states, and we have remitted such taxes. There is a risk that states which do not currently impose taxes on out-of-state purchases will do so in the future. We cannot assure you that we will not be subject to sales and use taxes or related penalties for past sales in states where we presently believe sales and use taxes are not due. We reserve estimated sales and use taxes in our financial statements but we cannot be certain that we have made sufficient reserves to cover all taxes that might be assessed.

If one or more taxing authorities determine that taxes should have, but have not, been paid with respect to our services, we may be liable for past taxes in addition to being required to collect sales or similar taxes in respect of our services going forward. Liability for past taxes may also include substantial interest and penalty charges. Our client contracts typically provide that our clients must pay all applicable sales and similar taxes. Nevertheless, clients may be reluctant to pay back taxes and may refuse responsibility for interest or penalties associated with those taxes or we may determine that it would not be feasible to seek reimbursement. If we are required to collect and pay back taxes and the associated interest and penalties and if our clients do not reimburse us for all or a portion of these amounts, we will incur unplanned expenses that may be substantial. Moreover, imposition of such taxes on our services going forward will effectively increase the cost of such services to our clients and may adversely affect our ability to retain existing clients or to gain new clients in the areas in which such taxes are imposed.

Risks related to governmental regulation

Government and industry regulation of the Internet is evolving and could directly restrict our business or indirectly affect our business by limiting the growth of our markets. Unfavorable changes in government regulation or our failure to comply with regulations could harm our business and operating results.

Federal, state and foreign governments and agencies have adopted and could in the future adopt regulations covering issues such as user privacy, content, and taxation of products and services. Government regulations could limit the market for our products and services or impose burdensome requirements that render our business unprofitable. Our products enable our customers to collect, manage and store a wide range of data. The United States and various state governments have adopted or proposed limitations on the collection, distribution and use of personal information. Several foreign jurisdictions, including the European Union and the United Kingdom, have adopted legislation (including directives or regulations) that increase or change the requirements governing data collection and storage in these jurisdictions. If our privacy or data security measures fail to comply with current or future laws and regulations, we may be subject to litigation, regulatory investigations or other liabilities, or our customers may terminate their relationships with us.

In addition, although many regulations might not apply to our business directly, we expect that laws regulating the solicitation, collection or processing of personal and consumer information could affect our

customers' ability to use and share data, potentially reducing demand for our services. The Telecommunications Act of 1996 and the EU General Data Protection Regulation 2016/679, the California Consumer Privacy Act, along with other similar laws and regulations prohibit certain types of information and content from being transmitted over the Internet. The scope of these types of prohibitions in jurisdictions around the world and the liability associated with a violation are evolving. In addition, although substantial portions of the Communications Decency Act were held to be unconstitutional, we cannot be certain that similar legislation will not be enacted and upheld in the future. Legislation like the Telecommunications Act and the Communications Decency Act could dampen the growth in web usage and decrease its acceptance as a medium of communications and commerce. Moreover, if future laws and regulations limit our customers' ability to use and share consumer data or our ability to store, process and share data with our customers over the Internet, demand for our products could decrease, our costs could increase, and our results of operations and financial condition could be harmed.

In addition, taxation of services provided over the Internet or other charges imposed by government agencies or by private organizations for accessing the Internet may be imposed. Any regulation imposing greater fees for Internet use or restricting information exchange over the Internet could result in a decline in the use of the Internet and the viability of Internet-based services, which could harm our business and operating results.

Our business is subject to a variety of U.S. federal and state, as well as international laws and regulations, including those regarding privacy, data protection and information security, and our customers may be subject to regulations related to the handling and transfer of certain types of personal, sensitive, or confidential information. Any failure to comply with applicable laws and regulations would harm our business, results of operations and financial condition.

We and our customers may be subject to privacy and data protection-related laws and regulations that impose obligations in connection with the collection, use, storage, transfer, dissemination, security, and/or other processing ("Processing") of personally identifiable information (such personally identifiable information collectively with all information defined or described by applicable law as "personal data," "personal information," "PII" or any similar term, "Personally Identifiable Information") or other sensitive data. Existing U.S. federal and various state and foreign privacy and data protection-related laws and regulations are evolving and subject to potentially differing interpretations, and various legislative and regulatory bodies may expand current or enact new laws and regulations regarding privacy and data protection-related matters. International jurisdictions in which we have customers or employees have established data security and privacy frameworks with which we or our customers must comply. In addition, our business may be impacted by new regulations and guidance over machine learning and automated processing. In the United States, certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information than federal or other state laws, and such laws may differ from each other, which may complicate compliance efforts. New laws, amendments to or re-interpretations of existing laws and regulations, rules of self-regulatory bodies, industry standards and contractual obligations may impact our business and practices, and we may be required to expend significant resources to adapt to these changes, or stop offering our products in certain countries. These developments could adversely affect our business, results of operations and financial condition.

Europe's General Data Protection Regulation ("GDPR") is of the most concern in this regard. The GDPR, effective since May 25, 2018, imposes strict regulations and establishes a series of requirements regarding the collection, transfer, storage and processing of personal data. The GDPR has extra-territorial application and applies where a company, based outside the European Union, processes personal data of individuals based in the European Union as a result of offering goods or services to individuals based in the EU and/or monitoring their behavior. The GDPR imposes strict requirements on controllers and processors of personal data, including special protections for data subjects residing in the EU. The GDPR grants individuals the opportunity to object to the processing of their personal data, allows them to exercise certain data subject requests, including to request deletion of personal data in certain circumstances, and provides the individual with an express right to seek legal recourse in the event the individual believes his or her rights have been violated. Further, the GDPR imposes

strict rules on the transfer of personal data out of the European Union to the United States or other regions that have not been deemed to offer “adequate” privacy protections. The GDPR enhances data protection obligations for businesses and provides direct legal obligations for service providers processing personal data on behalf of customers, including with respect to cooperation with European data protection authorities, implementation of security measures and keeping records of personal data processing activities. Moreover, the GDPR requirements apply not only to third-party transactions, but also to transfers of information between us and our subsidiaries, including employee information. Noncompliance with the GDPR can trigger steep fines of up to €20 million or 4% of global annual revenues, whichever is higher. In addition, further to the UK’s exit from the EU on January 31, 2020, the GDPR ceased to apply in the UK at the end of the transition period on December 31, 2020. However, as of January 1, 2021, the UK’s European Union (Withdrawal) Act 2018 incorporated the GDPR (as it existed on December 31, 2020 but subject to certain UK specific amendments) into UK law, referred to as the UK GDPR. The UK GDPR and the UK Data Protection Act 2018 set out the UK’s data protection regime, which is independent from but aligned to the EU’s data protection regime. Non-compliance with the UK GDPR may result in monetary penalties of up to £17.5 million or 4% of worldwide revenue, whichever is higher. Although the UK is regarded as a third country under the EU’s GDPR, the European Commission (“EC”) has now issued a decision recognizing the UK as providing adequate protection under the EU GDPR and, therefore, transfers of personal data originating in the EU to the UK remain unrestricted. Like the EU GDPR, the UK GDPR restricts personal data transfers outside the UK to countries not regarded by the UK as providing adequate protection. The UK government has confirmed that personal data transfers from the UK to the EEA remain free flowing.

In addition to the GDPR, the European Union is also in the process of replacing the e-Privacy Directive (2002/58/EC) with a new set of rules taking the form of the ePrivacy Regulation, which will be directly implemented in the laws of each European member state, without the need for further enactment. Certain jurisdictions are actively applying the ePrivacy Directive to enforce cookie consent and consent requirements generally under the GDPR. Originally planned to be adopted and implemented at the same time as the GDPR, the ePrivacy Regulation is still going through the European legislative process. As of November 2021, the Council of the European Union and European Parliament are still in negotiations of a final draft for vote. Any passed Regulation would go into effect two years after it is passed. An update is expected in 2022. The aim is for the Draft Regulation to be in force some time in 2023. Preparing for and complying with the GDPR and the ePrivacy Regulation (if and when it becomes effective) has required and will continue to require us to incur substantial operational costs and may require us to change our business practices. Despite our efforts to bring practices into compliance with the GDPR and before the effective date of the ePrivacy Regulation, we may not be successful either due to internal or external factors such as resource allocation limitations and in inconsistency in interpretation of the law across EU regulatory bodies. Non-compliance could result in proceedings against us by governmental entities, customers, data subjects, consumer associations or others.

The EU-U.S. and the Swiss-U.S. Privacy Shield frameworks allowed U.S. companies that self-certify to the U.S. Department of Commerce and publicly commit to comply with specified requirements to import personal data from the EU and Switzerland. Recently, the Court of Justice of the EU ruled that the EU-U.S. Privacy Shield is an invalid transfer mechanism, but upheld Standard Contractual Clauses as a valid transfer mechanism, provided they meet certain requirements. To enable the transfer of personal data outside of the EEA or the UK, adequate safeguards must be implemented in compliance with European and UK data protection laws. On June 4, 2021, the EC issued new forms of standard contractual clauses for data transfers from controllers or processors in the EU/EEA (or otherwise subject to the GDPR) to controllers or processors established outside the EU/EEA (and not subject to the GDPR). The new standard contractual clauses replace the standard contractual clauses that were adopted previously under the EU Data Protection Directive. The UK is not subject to the EC’s new standard contractual clauses but has published a draft version of a UK-specific transfer mechanism, which, once finalized, will enable transfers from the UK. We will be required to implement these new safeguards when conducting restricted data transfers under the EU and UK GDPR and doing so will require significant effort and cost.

The EU’s data protection landscape is evolving with respect to transfers to US-based service providers (processors) or those using US-based cloud service providers to process information collected in the EU,

particularly after the invalidation of the Privacy Shield and creation of new standard contractual clauses. While we have taken steps to mitigate the impact, such as implementing the new standard contractual clauses and creating a risk assessment for transfers of personal information from our customers to the US, recent decisions indicate that the longevity of these mechanisms remains uncertain and may continue to evolve. Further action in this area could increase the risk of continued transfers or create costs for engaging a EU-based processor or cloud-service provider. Compliance obligations could cause us to incur costs or negatively affect the operations of our products and services in ways that harm our business.

In the United States, many state legislatures have adopted or are considering legislation that regulates how businesses operate online, including measures relating to privacy. California enacted the California Consumer Privacy Act, or “CCPA,” which creates new individual privacy rights for California consumers (as defined in the law) and places increased privacy and security obligations on entities handling personal data of consumers or households. The CCPA, effective since January 1, 2020, requires covered businesses, such as our company, to provide certain disclosures to consumers about its data collection, use and sharing practices, and to provide affected California residents with ways to opt-out of certain sales or transfers of personal information. The California Privacy Rights Act (“CPRA”), an amendment expanding the rights of the CCPA to other types of California residents goes into effect in 2023, creating a separate agency charged with enforcement and promulgating compliance guidelines. No regulations have been issued and the CPRA leaves many provisions up to the decision of this agency, making compliance efforts more uncertain. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action may increase the likelihood of, and risks associated with, data breach litigation. There continues to be uncertainty surrounding the enforcement and implementation of the CCPA exemplifying the vulnerability of our business to the evolving regulatory environment related to personal data and protected information. These penalties have been unchanged by the CPRA, but businesses no longer have a guaranteed 30-day cure period.

The existence of privacy laws in different states in the United States will make our compliance obligations more complex and costly and may increase the likelihood that we may be subject to enforcement actions or otherwise incur liability for noncompliance and require additional investment of resources in compliance programs, and/or changes in business practices and policies.

Current trends show those bills are very similar to obligations imposed by either the CCPA or GDPR, which makes our ability to adapt of current compliance programs to future privacy laws easier. However, even small deviations in definition could create compliance complexity for a business that relies heavily on device-based information.

With respect to all of the foregoing, any failure or perceived failure by us to comply with U.S. federal or state, EU or other foreign privacy or data security laws, policies, industry standards or legal obligations, or any security incident that results in the unauthorized Processing of Personally Identifiable Information or other customer data may result in governmental investigations, inquiries, enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity. Efforts to ensure that our business arrangements will comply with applicable information privacy laws may involve substantial costs. Various jurisdictions around the world continue to propose new laws that regulate the privacy and/or security of certain types of personal data. Complying with these laws, if enacted, would require significant resources and leave us vulnerable to possible fines and penalties if we are unable to comply. It is possible that governmental and enforcement authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law. If we are unable to comply, or have not fully complied, with such laws, we could face penalties, including, without limitation, civil, criminal, and administrative penalties, damages, fines, individual imprisonment, or restructuring of our operations.

Risk related to owning our common stock

Our stock price has been volatile and is likely to be volatile in the future.

The market price of our common stock has been and is likely to be highly volatile and could be subject to significant fluctuations in response to, among other things, the risk factors described in this report and other factors beyond our control. Market prices for securities of early stage companies have historically been particularly volatile. Some, but not all, of the factors that may cause the market price of our common stock to fluctuate include:

- fluctuations in our quarterly or annual financial results or the quarterly or annual financial results of companies perceived to be similar to us or relevant for our business;
- changes in estimates of our financial results or recommendations by securities analysts;
- failure of our products to achieve or maintain market acceptance;
- changes in market valuations of similar or relevant companies;
- success of competitive service offerings or technologies;
- changes in our capital structure, such as the issuance of securities or the incurrence of debt;
- announcements by us or by our competitors of significant services, contracts, acquisitions or strategic alliances;
- regulatory developments in the United States, foreign countries, or both;
- market volatility resulting from the COVID-19 pandemic;
- litigation;
- additions or departures of key personnel;
- investors' general perceptions; and
- changes in general economic, industry or market conditions.

In addition, if the market for technology stocks, or the stock market in general, experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition, or results of operations. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to lawsuits that, even if unsuccessful, could be costly to defend and a distraction to management.

Our business and operations could be adversely affected if we are subject to stockholder activism, which could cause us to incur significant expense and impact the market price of our common stock.

In recent years, proxy contests and other forms of stockholder activism have been directed against numerous public companies. Stockholder activism, including potential proxy contests, could result in substantial costs and divert the attention of our management and our board of directors and resources from our business. Activist campaigns can create perceived uncertainties as to our future direction, strategy or leadership and may result in the loss of potential business opportunities and harm our ability to attract new customers, employees and investors. In addition, we may be required to incur significant legal fees and other expenses related to any activist stockholder matters. Further, the market price of our common stock could be subject to significant fluctuation or otherwise be adversely affected by the events, risks, and uncertainties of any stockholder activism.

If securities or industry analysts do not publish, or cease publishing, research or reports about us, our business or our market, or if they adversely change their recommendations regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock could be influenced by research and reports that industry or security analysts may publish about us, our business, our market or our competitors. If any of the analysts who

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may cover us adversely change their recommendations regarding our stock, or provide more favorable relative recommendations about our competitors, our stock price would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

We do not expect to declare any dividends in the foreseeable future.

We do not anticipate declaring any dividends to holders of our common stock in the foreseeable future. Consequently, investors may need to rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Investors seeking dividends should not purchase our common stock.

We may be unable to meet our future capital requirements, which could limit our ability to grow.

We believe our existing cash and cash equivalents will be sufficient to meet our anticipated working capital and capital expenditure needs over at least the next 12 months. We may, however, need, or could elect to seek, additional funding at any time. To the extent that existing resources are insufficient to fund our business operations, our future activities for the expansion of our service and our product offerings, developing and sustaining our relationships and infrastructure for the distribution and delivery of digital media online, marketing, and supporting our office facilities, we may need to raise additional funds through equity or debt financing. Additional funds may not be available on terms favorable to us or our stockholders. Furthermore, if we issue equity securities, our stockholders may experience additional dilution or the new equity securities may have rights, preferences and privileges senior to those of our existing classes of stock. If we cannot raise funds on acceptable terms, we may not be able to develop or enhance our products, take advantage of future opportunities or respond to competitive pressures or unanticipated requirements.

Failure to maintain effective internal control over financial reporting could result in our failure to accurately report our financial results. Any inability to report and file our financial results accurately and timely could harm our business and adversely impact investor confidence in our company and, as a result, the value of our common stock.

We are required to evaluate our internal control over financial reporting in connection with Section 404 of the Sarbanes-Oxley Act, and our independent registered public accounting firm is required to attest to the effectiveness of our internal control over financial reporting. This assessment includes the disclosure of any material weaknesses in our internal control over financial reporting identified by our management, as well as our independent registered public accounting firm's attestation report on our internal control over financial reporting. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective. If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which could have a material adverse effect on the price of our common stock.

Anti-takeover provisions contained in our amended and restated certificate of incorporation and amended and restated bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our amended and restated certificate of incorporation and bylaws, and Delaware law, contain provisions that could have the effect of rendering more difficult or discouraging an acquisition deemed undesirable by our board of directors. Our corporate governance documents include provisions:

- authorizing blank check preferred stock, which could be issued with voting, liquidation, dividend, and other rights superior to our common stock;

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- limiting the liability of, and providing indemnification to, our directors and officers;
- limiting the ability of our stockholders to call and bring business before special meetings and to take action by written consent in lieu of a meeting;
- requiring advance notice of stockholder proposals for business to be conducted at meetings of our stockholders and for nominations of candidates for election to our board of directors;
- controlling the procedures for the conduct and scheduling of board of directors and stockholder meetings;
- providing our board of directors with the express power to postpone previously scheduled annual meetings and to cancel previously scheduled special meetings;
- establishing a classified board of directors so that not all members of our board are selected at one time;
- limiting the determination of the number of directors on our board of directors and the filling of vacancies or newly created seats on the board to our board of directors then in office; and
- providing that directors may be removed by stockholders only for cause.

These provisions, alone or together, could delay hostile takeovers and changes in control of our company or changes in our management.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation Law, which prevents some stockholders holding more than 15% of our outstanding common stock from engaging in certain business combinations without approval of the holders of substantially all of our outstanding common stock. Any provision of our amended and restated certificate of incorporation or bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

We record substantial expenses related to our issuance of equity awards that may have a material adverse impact on our operating results for the foreseeable future.

We expect our stock-based compensation expenses will continue to be significant in future periods, which will have an adverse impact on our operating results. The model used by us to value stock options requires the input of subjective assumptions, including the price volatility of the option's underlying stock, the expected life of the options and the risk-free interest rate. This model does not include RSUs. If facts and circumstances change and we employ different assumptions for estimating stock-based compensation expense in future periods, or if we decide to use a different valuation model, the future period expenses may differ significantly from what we have recorded in the current period and could materially affect the fair value estimate of stock-based payments, our operating income, net income and net income per share.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

Our corporate headquarters is located at 290 Congress Street in Boston, Massachusetts. On April 30, 2021, we entered into a partial termination of the office lease, reducing the office space to 40,753 square feet. The remaining 290 Congress Street office lease terminates on March 31, 2022. In connection with the office lease, the Company entered into a letter of credit in the amount of \$2.4 million.

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On November 23, 2021, we entered into a new office lease agreement to relocate our corporate headquarters to 281 Summer Street in Boston, Massachusetts. Under the terms of the new office lease agreement, we will occupy approximately 40,000 square feet. The initial term of the lease is for ten years. In connection with the office lease, the Company provided a security deposit, in the form of a letter of credit, in the amount of \$823,998 in January 2022. This letter of credit will be auto-renewed annually, unless a 60 day notice is received from the landlord. An automatic extension can only be implemented through November 30, 2032. This letter of credit is irrevocable and does not have a cash requirement other than the amount already set forth. In the event of a default, the landlord must provide written notice of default before drawing from the letter of credit as a security deposit, or to remedy the amount owed.

We have sales and marketing offices in Boston, Massachusetts; London, England; Tokyo, Japan; Sydney, Australia; Seoul, South Korea; Mumbai, India; and Singapore. Our offices in Chennai, India, Guadalajara, Mexico, Funchal, Portugal and Covilha, Portugal are primarily used for research and development. We believe our facilities are adequate for our current needs.

Item 3. Legal Proceedings

The Company, from time to time, is party to litigation arising in the ordinary course of business. Management does not believe that the outcome of these claims will have a material adverse effect on the consolidated financial position, results of operations or cash flows of the Company based on the status of proceedings at this time.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock has been traded on the NASDAQ Global Market under the symbol “BCOV” since our initial public offering on February 17, 2012. Prior to this time, there was no public market for our common stock.

Dividend Policy

We have never paid or declared any cash dividends on our common stock. We currently intend to retain any cash flow to finance the growth and development of our business, and we do not expect to pay any cash dividends on our common stock in the foreseeable future. Payment of future dividends, if any, will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in current or future financing instruments and other factors our board of directors deems relevant.

Stockholders

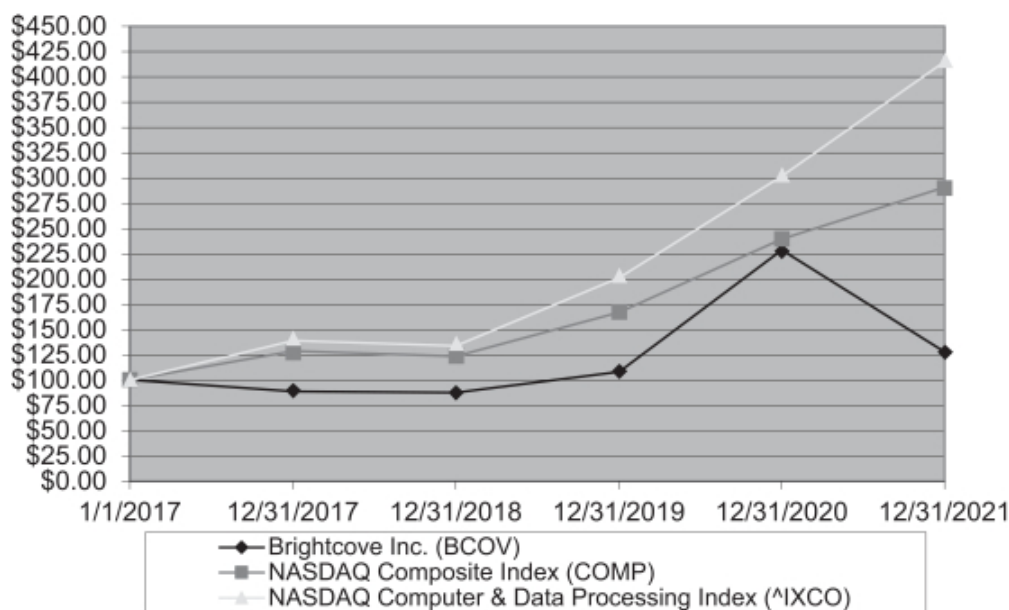
As of February 14, 2022, there were approximately 83 holders of record of our common stock (not including beneficial holders of stock held in street name).

Stock Performance Graph

The graph set forth below compares the cumulative total stockholder return on our common stock between January 1, 2017 and December 31, 2021, with the cumulative total return of (a) the NASDAQ Computer & Data Processing Index and (b) the NASDAQ Composite Index, over the same period. This graph assumes the investment of \$100 on January 1, 2017 in our common stock, the NASDAQ Computer & Data Processing Index and the NASDAQ Composite Index and assumes the reinvestment of dividends, if any. The graph assumes our closing sales price on December 30, 2016 of \$8.05 per share as the initial value of our common stock.

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The comparisons shown in the graph below are based upon historical data. We caution that the stock price performance shown in the graph below is not necessarily indicative of, nor is it intended to forecast, the potential future performance of our common stock. Information used in the graph was obtained from the NASDAQ Stock Market LLC, a financial data provider and a source believed to be reliable. The NASDAQ Stock Market LLC is not responsible for any errors or omissions in such information.



	1/1/2017	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Brightcove Inc.	100.0	88.2	87.5	108.0	228.6	127.0
NASDAQ Composite Index	100.0	128.2	123.3	166.7	239.4	290.6
NASDAQ Computer & Data Processing Index	100.0	138.8	133.7	200.9	301.4	415.5

Purchases of Equity Securities by the Issuer or Affiliated Purchasers

There were no repurchases of shares of common stock made during the year ended December 31, 2021.

Item 6. Selected Consolidated Financial Data

Not applicable.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. The following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report on Form 10-K, particularly in "Risk Factors."

Overview

We are a leading global provider of cloud-based services for video. We were incorporated in Delaware in August 2004. With our Emmy®-winning technology and award-winning services, we help our customers realize

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the potential of video to address business-critical challenges. Customers rely on our suite of products, services, and expertise to reduce the cost and complexity associated with publishing, distributing, measuring and monetizing video across devices.

We sell five core video products that help our customers use video to further their businesses in meaningful ways: (1) Video Cloud, our flagship product and the world's leading online video platform, enables our customers to quickly and easily distribute high-quality video to Internet-connected devices; (2) Brightcove Live, our industry-leading solution for live streaming, delivers high-quality viewer experiences at scale; (3) Brightcove Beacon, a purpose-built application that enables companies to launch premium OTT video experiences quickly and cost effectively, across devices and with the flexibility of multiple monetization models; (4) Brightcove Player, an exceptionally fast, cloud-based technology for creating and managing video experiences; and (5) Zencoder, a powerful, cloud-based video encoding technology.

Customers can complement their use of our core products with modular technologies that provide enhanced capabilities such as (1) innovative ad insertion and video stitching through Brightcove SSAI; (2) efficient publication of videos to Facebook, Twitter, and YouTube through Brightcove Social; (3) an app for creating marketing campaigns with insightful data and industry benchmarks through Brightcove Campaign; and (4) create branded video experience by accessing templates with built-in best practices through Brightcove Gallery.

We have also brought to market several video solutions, which are comprised of a suite of video technologies that address specific customer use-cases and needs: (1) Virtual Events Experience helps brands to transform events into customized virtual experiences; (2) Brightcove Video Marketing Suite, enables marketers to use video to drive brand awareness, engagement and conversion; and (3) Brightcove Enterprise Video Suite, provides an enterprise-class platform for internal communications, employee training, live streaming, marketing and ecommerce videos; and (4) Brightcove CorpTV™, provides a new way to deliver marketing videos, product announcements, training programs, and other live and on-demand content in a branded experience for companies.

Our philosophy for the next few years will continue to be to invest in our product strategy and development, sales, and go-to-market activities to support our long-term revenue growth. We believe these investments will help us address some of the challenges facing our business such as demand for our products by existing and potential customers, rapid technological change in our industry, increased competition and resulting price sensitivity. These investments include support for the expansion of our infrastructure within our hosting facilities, the hiring of additional technical and sales personnel, the innovation of new features for existing products and the development of new products. We believe this strategy will help us retain our existing customers, increase our average annual subscription revenue per premium customer and lead to the acquisition of new customers. Additionally, we believe customer growth will enable us to achieve economies of scale which will reduce our cost of goods sold, research and development and general and administrative expenses as a percentage of total revenue.

As of December 31, 2021, and 2020 we had 687 and 623 employees, respectively.

We generate revenue by offering our products to customers on a subscription-based, software as a service, or SaaS, model. Our revenue grew from \$197.4 million in the year ended December 31, 2020 to \$211.1 million in the year ended December 31, 2021, primarily related to an increase in revenue from our subscription-based SaaS. Our consolidated net income was \$5.4 million for the year ended December 31, 2021, and our consolidated net loss was \$5.8 million for the year ended December 31, 2020. Included in consolidated net income for the year ended December 31, 2021 was merger-related expense, stock-based compensation expense and amortization of acquired intangible assets of \$300,000, \$10.0 million and \$3.1 million, respectively. Included in consolidated net loss for the year ended December 31, 2020 was merger-related expenses, stock-based compensation expense and amortization of acquired intangible assets of \$5.8 million, \$8.8 million, and \$3.4 million, respectively.

For the years ended December 31, 2021 and 2020, our revenue derived from customers located outside North America was 44% and 45%, respectively. We expect the percentage of total net revenue derived from outside North America to increase in future periods as we continue to expand our international operations.

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Key Metrics

We regularly review a number of metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions.

The following table includes our key metrics for the periods presented:

	Year Ended December 31,	
	2021	2020
Customers (at period end)		
Premium	2,227	2,279
Volume	908	1,051
Total customers (at period end)	3,135	3,330
Net revenue retention rate	97%	95%
Recurring dollar retention rate	90%	89%
Average annual subscription revenue per premium customer, excluding Starter edition customers (in thousands)	\$ 94.1	\$ 89.5
Average annual subscription revenue per premium customer for Starter edition customers only (in thousands)	\$ 5.1	\$ 4.7
Total backlog, excluding professional services engagements (in millions)	\$ 156.2	\$ 148.0
Total backlog to be recognized over next 12 months, excluding professional services engagements (in millions)	\$ 121.2	\$ 114.7

- *Number of Customers.* We define our number of customers at the end of a particular quarter as the number of customers generating subscription revenue at the end of the quarter. We believe the number of customers is a key indicator of our market penetration, the productivity of our sales organization and the value that our products bring to our customers. We classify our customers by including them in either premium or volume offerings. Our premium offerings include our premium Video Cloud customers (Enterprise and Pro editions), our Zencoder customers (other than Zencoder customers on month-to-month contracts and pay-as-you-go contracts), our SSAI customers, our Player customers, our OTT Flow customers (OTT Flow is our partner-based OTT platform, which preceded Brightcove Beacon), our Virtual Event Experience customers, our Video Marketing Suite customers, our Enterprise Video Suite customers, our Brightcove Beacon customers, our Brightcove Engage customers, our Brightcove CorpTV™ customers, and our Brightcove Campaign customers. Our volume offerings include our Video Cloud Express customers and our Zencoder customers on month-to-month contracts and pay-as-you-go contracts.

Our go-to-market focus and growth strategy is to expand our premium customer base, as we believe our premium customers represent a greater opportunity for our solutions. Premium customers decreased compared to the prior period due to some customers deciding to switch to in-house solutions or other third-party solutions and some customers acquired in the Ooyala acquisition deciding not to switch to our solution. Volume customers decreased in recent periods primarily due to our discontinuation of the promotional Video Cloud Express offering. As a result, we have experienced attrition of this base level offering without a corresponding addition of customers. We expect customers using our volume offerings to continue to decrease in 2021 and beyond as we continue to focus on the market for our premium solutions.

- *Net Revenue Retention Rate.* We assess our ability to retain and expand customers using a metric we refer to as our net revenue retention rate. We calculate the net revenue retention rate by dividing: (a) the current annualized recurring revenue for premium customers that existed twelve months prior by (b) the annualized recurring revenue for all premium customers that existed twelve months prior. We define annualized recurring revenue for premium customers as the aggregate annualized contract value from our premium customer base, measured as of the end of a given period. We typically

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calculate our net revenue retention rate on a quarterly basis. For annual periods, we report net revenue retention rate as the average of the net revenue retention rate for all fiscal quarters included in the period. By dividing the retained recurring revenue by the base recurring revenue, we measure our success in retaining and growing installed revenue from the specific cohort of customers we served at the beginning of the period. The recurring dollar retention rate focuses on contracts up for renewal in a given quarter and only captures expansion/upsells at time of renewal, and is more susceptible to swings than the net revenue retention rate. Accordingly, and as previously disclosed, we plan to continue to report the net revenue retention rate and discontinue reporting recurring dollar retention rate after this Annual Report on Form 10-K for the year ended December 31, 2021.

- *Recurring Dollar Retention Rate.* We assess our ability to retain customers using a metric we refer to as our recurring dollar retention rate. We calculate the recurring dollar retention rate by dividing the retained recurring value of subscription revenue for a period by the previous recurring value of subscription revenue for the same period. We define retained recurring value of subscription revenue as the committed subscription fees for all contracts that renew in a given period, including any increase or decrease in contract value. We define previous recurring value of subscription revenue as the recurring value from committed subscription fees for all contracts that expire in that same period. We typically calculate our recurring dollar retention rate on a monthly basis. Recurring dollar retention rate provides visibility into our ongoing revenue.
- *Average Annual Subscription Revenue Per Premium Customer.* We define average annual subscription revenue per premium customer as the total subscription revenue from premium customers for an annual period, excluding professional services revenue, divided by the average number of premium customers for that period. We believe that this metric is important in understanding subscription revenue for our premium offerings in addition to the relative size of premium customer arrangements. As our Starter edition has a price point of \$199 or \$499 per month, we disclose the average annual subscription revenue per premium customer separately for Starter edition customers and all other premium customers.
- *Backlog.* We define backlog as the aggregate amount of transaction price that is allocated to performance obligations that have not yet been satisfied, excluding professional service engagements. We believe that this metric is important in understanding future business performance.

COVID-19 Update

While the implications of the COVID-19 pandemic remain uncertain, we plan to continue to make investments to support business growth. We believe that the growth of our business is dependent on many factors, including our ability to expand our customer base, increase adoption of our product offerings within existing customers, develop new products and applications to extend the functionality of our products and provide a high level of customer service. We expect to invest in sales and marketing to support customer growth. We also expect to invest in research and development as we continue to introduce new products and applications to extend the functionality of our products. We intend to maintain a high level of customer service and support which we consider critical for our continued success. We also expect to continue to incur general and administrative expenses to support our business and to maintain the infrastructure required to be a public company. We expect to use our cash flow from operations and, if necessary, our credit facility to fund operations.

See the section titled “Risk Factors” included under Item 1A for further discussion of the possible impact of the COVID-19 pandemic on our business.

Components of Consolidated Statements of Operations

Revenue

Subscription and Support Revenue — We generate subscription and support revenue from the sale of our products.

Video Cloud is offered in two product lines. The first product line is comprised of our premium product editions. All premium editions include functionality to publish and distribute video to Internet-connected devices, with higher levels of premium editions providing additional features and functionality. Customer arrangements are typically one-year contracts, which include a subscription to Video Cloud, basic support and a pre-determined amount of video streams, bandwidth, transcoding and storage. We also offer gold, platinum and platinum plus support to our premium customers for an additional fee. The pricing for our premium editions is based on the value of our software, as well as the number of users, accounts and usage, which is comprised of video streams, bandwidth, transcoding and storage. Should a customer's usage exceed the contractual entitlements, the contract will provide the rate at which the customer must pay for actual usage above the contractual entitlements. The second product line is comprised of our volume product edition. Our volume editions target small and medium-sized businesses, or SMBs. The volume editions provide customers with the same basic functionality that is offered in our premium product editions but have been designed for customers who have lower usage requirements and do not typically require advanced features and functionality. We discontinued the lower level pricing options for the Express edition of our volume offering and expect the total number of customers using the Express edition to continue to decrease. Customers who purchase the volume editions generally enter into month-to-month agreements. Volume customers are generally billed on a monthly basis and pay via a credit card.

Virtual Events Experience, Brightcove Live and Brightcove Player are offered to customers on a subscription basis. Customer arrangements are typically one-year contracts, which include a subscription to Virtual Events Experience, Brightcove Live or the Brightcove Player, basic support and a pre-determined amount of video streams, bandwidth, transcoding, and storage and only video streams for Brightcove Player. We also offer gold, platinum, and platinum plus support to our Virtual Events Experience, Brightcove Live and Brightcove Player customers for an additional fee. The pricing for these products is based on the value of our software, as well as, the number of users, accounts and usage. Should a customer's usage exceed the contractual entitlements, the contract will provide the rate at which the customer must pay for actual usage above the contractual entitlements.

Zencoder is offered to customers on a subscription basis, with either committed contracts or pay-as-you-go contracts. The pricing is based on usage, which is comprised of minutes of video processed. The committed contracts include a fixed number of minutes of video processed. Should a customer's usage exceed the contractual entitlements, the contract will provide the rate at which the customer must pay for actual usage above the contractual entitlements. Zencoder customers are considered premium customers other than Zencoder customers on month-to-month contracts or pay-as-you-go contracts, which are considered volume customers.

Brightcove Beacon and Brightcove Campaign are each offered to customers on a subscription basis, with varying levels of functionality, usage entitlements and support based on the size and complexity of a customer's needs. Customer arrangements are typically one-year contracts.

Video Marketing Suite and Enterprise Video Suite are offered to customers on a subscription basis in Starter, Pro and Enterprise editions. The Pro and Enterprise customer arrangements are typically one-year contracts, which typically include a subscription to Video Cloud, Gallery, Brightcove Social (for Video Marketing Suite customers) or Brightcove Live (for Enterprise Video Suite customers), basic support and a pre-determined amount of video streams or plays (for Video Marketing Suite customers), viewers (for Enterprise Video Suite customers), bandwidth and storage or videos. We also generally offer gold support or platinum support to these customers for an additional fee, which includes extended phone support. The pricing for our Pro and Enterprise editions is based on the number of users, accounts and usage, which is comprised of video streams or plays, viewers, bandwidth and storage or videos. Should a customer's usage exceed the contractual entitlements, the contract will provide the rate at which the customer must pay for actual usage above the contractual entitlements, or will require the customer to upgrade its package upon renewal. The Starter edition provides customers with the same basic functionality that is offered in our Pro and Enterprise editions but has been designed for customers who have lower usage requirements and do not typically seek advanced features and

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functionality. Customers who purchase the Starter edition may enter into one-year agreements or month-to-month agreements. Starter customers with month-to-month agreements are generally billed on a monthly basis and pay via a credit card.

All Brightcove Beacon, Brightcove CorpTV™, OTT Flow, Brightcove Campaign, Brightcove Live, SSAI, Player, Virtual Events Experience, Video Marketing Suite, and Enterprise Video Suite customers are considered premium customers.

Professional Services and Other Revenue — Professional services and other revenue consists of services such as implementation, software customizations and project management for customers who subscribe to our premium editions. These arrangements are priced either on a fixed fee basis with a portion due upon contract signing and the remainder due when the related services have been completed, or on a time and materials basis.

Cost of Revenue

Cost of subscription, support and professional services revenue primarily consists of costs related to supporting and hosting our product offerings and delivering our professional services. These costs include salaries, benefits, incentive compensation and stock-based compensation expense related to the management of our data centers, our customer support team and our professional services staff. In addition to these expenses, we incur third-party service provider costs such as data center and content delivery network, or CDN, expenses, allocated overhead, depreciation expense and amortization of capitalized internal-use software development costs and acquired intangible assets. We allocate overhead costs such as rent, utilities and supplies to all departments based on relative headcount. As such, general overhead expenses are reflected in cost of revenue in addition to each operating expense category. The costs associated with providing professional services are significantly higher as a percentage of related revenue than the costs associated with delivering our subscription and support services due to the labor costs of providing professional services.

Cost of revenue decreased in absolute dollars from 2020 to 2021. In future periods we expect our cost of revenue will increase in absolute dollars as our revenue increases. Cost of revenue as a percentage of revenue could fluctuate from period to period depending on the number of our professional services engagements and any associated costs relating to the delivery of subscription services and the timing of significant expenditures. To the extent that our customer base grows, we intend to continue to invest additional resources in expanding the delivery capability of our products and other services. The timing of these additional expenses could affect our cost of revenue, both in terms of absolute dollars and as a percentage of revenue, in any particular quarterly or annual period.

Operating Expenses

We classify our operating expenses as follows:

Research and Development. Research and development expenses consist primarily of personnel and related expenses for our research and development staff, including salaries, benefits, incentive compensation and stock-based compensation, in addition to the costs associated with contractors and allocated overhead. We have focused our research and development efforts on expanding the functionality and scalability of our products and enhancing their ease of use, as well as creating new product offerings. We expect research and development expenses to increase in absolute dollars as we intend to continue to periodically release new features and functionality, expand our product offerings, continue the localization of our products in various languages, upgrade and extend our service offerings, and develop new technologies. Over the long term, we believe that research and development expenses as a percentage of revenue will decrease, but will vary depending upon the mix of revenue from new and existing products, features and functionality, as well as changes in the technology that our products must support, such as new operating systems or new Internet-connected devices.

Sales and Marketing. Sales and marketing expenses consist primarily of personnel and related expenses for our sales and marketing staff, including salaries, benefits, incentive compensation, commissions, stock-based

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compensation and travel costs, amortization of acquired intangible assets, in addition to costs associated with marketing and promotional events, corporate communications, advertising, other brand building and product marketing expenses and allocated overhead. Our sales and marketing expenses have increased in absolute dollars in each of the last three years. We intend to continue to invest in sales and marketing and expand the sale of our product offerings within our existing customer base, build brand awareness and sponsor additional marketing events. Accordingly, we expect sales and marketing expense to continue to be our most significant operating expense in future periods. Over the long term, we believe that sales and marketing expense as a percentage of revenue will decrease, but will vary depending upon the mix of revenue from new and existing customers and from small, medium-sized and enterprise customers, as well as changes in the productivity of our sales and marketing programs.

General and Administrative. General and administrative expenses consist primarily of personnel and related expenses for executive, legal, finance, information technology and human resources functions, including salaries, benefits, incentive compensation and stock-based compensation. General and administrative expenses also include the costs associated with professional fees, insurance premiums, other corporate expenses and allocated overhead. Over the long term, we believe that general and administrative expenses as a percentage of revenue will decrease.

Merger-related. Merger-related costs consist of expenses related to mergers and acquisitions, integration costs and general corporate development activities.

Other Expense

Other expense consists primarily of interest income earned on our cash, cash equivalents, foreign exchange gains and losses.

Income Taxes

As part of the process of preparing our consolidated financial statements, we are required to estimate our taxes in each of the jurisdictions in which we operate. We account for income taxes in accordance with the asset and liability method. Under this method, deferred tax assets and liabilities are recognized based on temporary differences between the financial reporting and income tax bases of assets and liabilities using statutory rates. In addition, this method requires a valuation allowance against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. We have provided a valuation allowance against our existing U.S. net deferred tax assets and deferred tax assets of certain foreign subsidiaries at December 31, 2021. We maintain net deferred tax liabilities for temporary differences related to our Japanese and Portuguese subsidiaries.

Stock-Based Compensation Expense

Our cost of revenue, research and development, sales and marketing, and general and administrative expenses include stock-based compensation expense. Stock-based compensation expense represents the fair value of outstanding stock options and restricted stock awards, which is recognized as expense over the respective stock option and restricted stock award service periods. For the years ended December 31, 2021, 2020 and 2019, we recorded stock-based compensation expense of \$10.0 million, \$8.8 million, and \$9.3 million, respectively. We expect stock-based compensation expense to increase in absolute dollars in future periods.

Foreign Currency Translation

With regard to our international operations, we frequently enter into transactions in currencies other than the U.S. dollar. As a result, our revenue, expenses and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the euro, British pound, Australian dollar, and Japanese yen. In periods when the U.S. dollar declines in value as compared to the foreign currencies in which we conduct

business, our foreign currency-based revenue and expenses generally increase in value when translated into U.S. dollars. We expect the percentage of total net revenue derived from outside North America to increase in future periods as we continue to expand our international operations.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

We believe that the following significant accounting policies, which are more fully described in the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our financial condition and results of operations.

Revenue Recognition

We primarily derive revenue from the sale of our online video platform, which enables our customers to publish and distribute video to Internet-connected devices quickly, easily and in a cost-effective and high-quality manner. Revenue is derived from three primary sources: (1) the subscription to our technology and related support; (2) hosting, bandwidth and encoding services; and (3) professional services, which include customization services.

Under ASC 606, when the transaction price includes a variable amount of consideration, an entity is required to estimate the consideration that is expected to be received for a particular customer arrangement. We evaluate variable consideration for usage-based fees at contract inception and re-evaluate quarterly over the course of the contract. Specifically, we estimate the revenue pertaining to a customer's usage that is expected to exceed the annual entitlement allowance and allocate such revenue to the distinct service within the related contract that gives rise to the variable payment. Estimates of variable consideration include analyzing customer usage against the applicable entitlement limit at the end of each reporting period and estimating the amount and timing of additional amounts to be invoiced in connection with projected usage. Estimates of variable consideration relating to customer usage do not include amounts for which it is probable that a significant reversal will occur. Determining the amount of variable consideration to recognize as revenue involves significant judgment on the part of management and it is possible that actual revenue will deviate from estimates over the course of a customer's committed contract term.

We periodically enter into multiple-element service arrangements that include platform subscription fees, support fees, and, in certain cases, other professional services. These contracts include multiple promises that we evaluate to determine if the promises are separate performance obligations. Performance obligations are identified based on services to be transferred to a customer that are both capable of being distinct and are distinct within the context of the contract. Once we determine the performance obligations, we determine the transaction price, which includes estimating the amount of variable consideration to be included in the transaction price, if any. We then allocate the transaction price to each performance obligation in the contract based on a relative stand-alone selling price method. The transaction price post allocation is recognized as revenue as the related performance obligation is satisfied.

Income Taxes

We are subject to income taxes in both the United States and international jurisdictions, and we use estimates in determining our provision for income taxes. We account for income taxes under the asset and liability method for accounting and reporting for income taxes. Deferred tax assets and liabilities are recognized based on temporary differences between the financial reporting and income tax basis of assets and liabilities using statutory rates. This process requires us to project our current tax liability and estimate our deferred tax assets and liabilities, including net operating losses and tax credit carryforwards. In assessing the need for a valuation allowance, we considered our recent operating results, future taxable income projections and feasible tax planning strategies. We have provided a valuation allowance against substantially all of our net U.S. deferred tax assets and deferred tax assets of certain foreign subsidiaries at December 31, 2021. We recognized a deferred tax liability in the U.S. for a portion of our indefinite lived intangibles and other deferred tax liabilities that would not be offset against deferred tax assets. We maintain net deferred tax liabilities for temporary differences related to our Japanese and Portuguese subsidiaries. Due to the evolving nature and complexity of tax regulations combined with the number of jurisdictions in which we operate, it is possible that our estimates of our tax liability could change in the future, which may result in additional tax liabilities and adversely affect our results of operations, financial condition and cash flows.

As of December 31, 2021 and 2020, we had no material unrecognized tax benefits.

Business Combinations

We record tangible and intangible assets acquired and liabilities assumed in business combinations under the purchase method of accounting. Amounts paid for each acquisition are allocated to the assets acquired and liabilities assumed based on their fair values at the date of acquisition. We then allocate the purchase price in excess of net tangible assets acquired to identifiable intangible assets based on detailed valuations that use information and assumptions provided by management. We allocate any excess purchase price over the fair value of the net tangible and intangible assets acquired and liabilities assumed to goodwill.

Significant management judgments and assumptions are required in determining the fair value of acquired assets and liabilities, particularly acquired intangible assets. The valuation of purchased intangible assets is based upon estimates of the future performance and cash flows from the acquired business. Each asset is measured at fair value from the perspective of a market participant. Critical estimates in valuing purchased technology and customer lists include future cash flows that we expect to generate from the acquired assets. If the subsequent actual results and updated projections of the underlying business activity change compared with the assumptions and projections used to develop these values, we could experience impairment charges which could be material. In addition, we have estimated the economic lives of certain acquired assets and these lives are used to calculate depreciation and amortization expense. If our estimates of the economic lives change, depreciation or amortization expenses could be accelerated or slowed.

If different assumptions are used, it could materially impact the purchase price allocation and adversely affect our results of operations, financial condition and cash flows.

[Table of Contents](#)**Results of Operations**

The following tables set forth our results of operations for the periods presented.

	Year Ended December 31,		
	2021	2020	2019
	(in thousands, except share and per share data)		
Revenue:			
Subscription and support revenue	\$198,929	\$187,341	\$173,818
Professional services and other revenue	12,164	10,012	10,637
Total revenue	211,093	197,353	184,455
Cost of revenue:			
Cost of subscription and support revenue	62,773	67,124	67,064
Cost of professional services and other revenue	10,255	8,973	8,405
Total cost of revenue	73,028	76,097	75,469
Gross profit	138,065	121,256	108,986
Operating expenses:			
Research and development	31,718	33,978	32,535
Sales and marketing	71,177	59,812	60,375
General and administrative	29,261	27,021	25,692
Merger-related	300	5,768	11,447
Other (benefit) expense	(1,965)	—	—
Total operating expenses	130,491	126,579	130,049
Income (loss) from operations	7,574	(5,323)	(21,063)
Other income (expense), net	(1,375)	128	(280)
Income (loss) before income taxes	6,199	(5,195)	(21,343)
Provision for income taxes	802	618	560
Net income (loss)	\$ 5,397	\$ (5,813)	\$ (21,903)
Net income (loss) per share			
Basic	\$ 0.13	\$ (0.15)	\$ (0.58)
Diluted	\$ 0.13	\$ (0.15)	\$ (0.58)
Weighted-average number of common shares used in computing net income (loss) per share			
Basic	40,717	39,473	38,028
Diluted	42,200	39,473	38,028

Overview of Results of Operations for the Years Ended December 31, 2021 and 2020

Total revenue increased by 7%, or \$13.7 million, in 2021 compared to 2020 due to an increase in subscription and support revenue of 6%, or \$11.6 million, primarily related to the continued growth of our customer base for our premium offerings including sales to both new and existing customers. The increase in professional services and other revenue of 21%, or \$2.2 million, was primarily related to the size and number of professional services engagements in 2021 compared to 2020. Professional services and other revenue will vary from period to period depending on the number of implementations and other projects that are in process. In addition, our revenue from premium offerings grew by \$14.5 million, or 7%, in 2021 compared to 2020. Our ability to continue to provide the product functionality and performance that our customers require will be a major factor in our ability to continue to increase revenue.

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Our gross profit increased by \$16.8 million, or 14%, in 2021 compared to 2020, primarily due to a decrease in the cost of subscription and support revenue and our transition of acquired Ooyala customers to our technology during 2020. Our ability to continue to maintain our overall gross profit will depend primarily on our ability to continue controlling our costs of delivery.

Income from operations was \$7.6 million in 2021 compared to a loss from operations of \$5.3 million in 2020. Our ability to continue experiencing operating income will depend primarily on greater revenue from both new and existing customers and from improved efficiencies.

Revenue

Revenue by Product Line	Year Ended December 31,				Change	
	2021		2020		Amount	%
	Amount	Percentage of Revenue	Amount	Percentage of Revenue		
	(in thousands, except percentages)					
Premium	\$208,183	99%	\$193,695	98%	\$14,488	7%
Volume	2,910	1	3,658	2	(748)	(20)
Total	\$211,093	100%	\$197,353	100%	\$13,740	7%

During 2021, revenue increased by \$13.7 million, or 7%, compared to 2020, primarily due to an increase in revenue from our premium offerings, which consist of subscription and support revenue, as well as professional services and other revenue. The increase in premium revenue of \$14.5 million, or 7%, is primarily the result of a 5% increase in average revenue per premium customer. During 2021, volume revenue decreased by \$748,000, or 20%, compared to 2020, driven by a decrease in customers as we continue to focus on the market for our premium solutions.

Revenue by Type	Year Ended December 31,				Change	
	2021		2020		Amount	%
	Amount	Percentage of Revenue	Amount	Percentage of Revenue		
	(in thousands, except percentages)					
Subscription and support	\$198,929	94%	\$187,341	95%	\$11,588	6%
Professional services and other	12,164	6	10,012	5	2,152	21
Total	\$211,093	100%	\$197,353	100%	\$13,740	7%

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During 2021, subscription and support revenue increased by \$11.6 million, or 6%, compared to 2020. The increase was primarily related to a 5% increase in average revenue per premium customer during the year ended December 31, 2021. In addition, professional services and other revenue increased by \$2.2 million, or 21%, compared to the prior year. Professional services and other revenue will vary from period to period depending on the number of implementations and other projects that are in process.

Revenue by Geography	Year Ended December 31,				Change	
	2021		2020		Amount	%
	Amount	Percentage of Revenue	Amount	Percentage of Revenue		
	(in thousands, except percentages)					
North America	\$119,079	56%	\$107,686	55%	\$11,393	11%
Europe	37,947	18	34,001	17	3,946	12
Japan	25,272	13	25,745	13	(473)	(2)
Asia Pacific	28,261	13	28,984	15	(723)	(2)
Other	534	—	937	—	(403)	(43)
International subtotal	92,014	44	89,667	45	2,347	3
Total	\$211,093	100%	\$197,353	100%	\$13,740	7%

For purposes of this section, we designate revenue by geographic regions based upon the locations of our customers. North America is comprised of revenue from the United States, Canada and Mexico. International is comprised of revenue from locations outside of North America. Depending on the timing of new customer contracts, revenue mix from a geographic region can vary from period to period.

During 2021, total revenue for North America increased \$11.4 million, or 11%, compared to 2020. During 2021, total revenue outside of North America increased \$2.3 million, or 3%, compared to 2020. The increase in revenue from international regions is primarily related to increases in revenue in Europe. This increase is primarily due to an increase in average revenue per premium customer as discussed above.

Cost of Revenue

Cost of Revenue	Year Ended December 31,				Change	
	2021		2020		Amount	%
	Amount	Percentage of Related Revenue	Amount	Percentage of Related Revenue		
	(in thousands, except percentages)					
Subscription and support	\$62,773	32%	\$67,124	36%	\$(4,351)	(6)%
Professional services and other	10,255	84	8,973	90	1,282	14
Total	\$73,028	35%	\$76,097	39%	\$(3,069)	(4)%

During 2021, cost of subscription and support revenue decreased \$4.4 million, or 6%, compared to 2020. This decrease corresponds to a decrease in our content delivery network, third-party software integration, and partner commissions expenses of \$3.1 million, \$841,000 and \$437,000, respectively. Our transition of acquired Ooyala customers to our technology during 2020 also resulted in reduced costs in the current year.

During 2021, cost of professional services and other revenue increased \$1.3 million, or 14%, compared to 2020. This increase corresponds to increases in contractor expenses of \$1.2 million due to higher levels of implementation and professional services provided, as well as increases in employee-related costs of \$300,000. These increases were offset in part by decreases in computer and maintenance support expenses of \$166,000.

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Gross Profit

	Year Ended December 31,				Change	
	2021		2020		Amount	%
	Amount	Percentage of Related Revenue	Amount	Percentage of Related Revenue		
(in thousands, except percentages)						
Gross Profit	\$136,156	68%	\$120,217	64%	\$15,939	13%
Subscription and support	1,909	16	1,039	10	870	84
Professional services and other	\$138,065	65%	\$121,256	61%	\$16,809	14%
Total						

The overall gross profit percentage was 65% and 61% for the years ended December 31, 2021 and 2020, respectively. Subscription and support gross profit increased \$15.9 million, or 13%, compared to 2020. In addition, professional services and other gross profit increased \$870,000, or 84%, compared to 2020. It is likely that gross profit, as a percentage of revenue, will fluctuate quarter by quarter due to the timing and mix of subscription and support revenue and professional services and other revenue, and the type, timing and duration of service required in delivering certain projects.

Operating Expenses

	Year Ended December 31,				Change	
	2021		2020		Amount	%
	Amount	Percentage of Revenue	Amount	Percentage of Revenue		
(in thousands, except percentages)						
Operating Expenses	\$ 31,718	15%	\$ 33,978	17%	\$ (2,260)	(7)%
Research and development	71,177	34%	59,812	30%	11,365	19%
Sales and marketing	29,261	14%	27,021	14%	2,240	8%
General and administrative	300	—	5,768	3%	(5,468)	(95)%
Merger-related	(1,965)	(1)%	—	—	(1,965)	—
Other	\$130,491	62%	\$126,579	64%	\$ 3,912	3%
Total						

Research and Development. During 2021, research and development expense decreased by \$2.3 million, or 7%, compared to 2020. This decrease was primarily due to decreases in employee-related, rent, contractor, and travel expenses of \$1.7 million, \$1.1 million, \$156,000, and \$196,000, respectively. These decreases were offset by increases in stock-based compensation expense and amortization of capitalized internal use software of \$599,000 and \$335,000, respectively. We expect our research and development expense, as percentage of revenue, to remain relatively unchanged in future periods.

Sales and Marketing. During 2021, sales and marketing expense increased by \$11.4 million, or 19%, compared to 2020 primarily due to increases in employee-related, commissions, and marketing program expenses of \$5.1 million, \$4.5 million, and \$4.1 million, respectively. These increases were partially offset by decreases in rent, contractor, and intangible amortization expenses of \$1.2 million, \$701,000, and \$256,000, respectively. We expect that our sales and marketing expense will increase in absolute dollars along with our revenue, as we continue to expand sales coverage and build brand awareness through what we believe are cost-effective channels.

General and Administrative. During 2021, general and administrative expense increased by \$2.2 million, or 8%, compared to 2020 primarily due to increases in outside accounting and legal fee, employee-related, and stock-based compensation expenses of \$1.2 million, \$873,000, and \$643,000, respectively. These increases were offset by decreases in rent expenses of \$266,000. In future periods, we expect general and administrative expense, as a percentage of revenue, to remain relatively unchanged.

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Merger-Related. During 2021, merger-related expense decreased by \$5.5 million, or 95%, compared to 2020 primarily due to costs incurred in connection with general merger and related activities in 2020 which did not recur in the current period.

Other (benefit) expense. On March 27, 2020, in response to the COVID-19 pandemic, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act, which was amended by the Consolidated Appropriations Act in December of 2020 (the “CARES Act”). The CARES Act provides numerous tax provisions and other stimulus measures, including the creation of certain employee retention credits. In the first quarter of 2021, we recognized a benefit of \$2.0 million from the CARES Act related to employee retention credits. The benefit was recorded as Other (benefit) expense.

Overview of Results of Operations for the Years Ended December 31, 2020 and 2019

Please see our Form 10-K for the year ended December 31, 2020 for an overview of results of operations for the years ended December 31, 2020 and 2019.

Liquidity and Capital Resources

Cash and cash equivalents.

Our cash and cash equivalents at December 31, 2021 were held for working capital purposes and were invested primarily in money market funds. We do not enter into investments for trading or speculative purposes. At December 31, 2021 and 2020, we had \$13.8 million and \$17.1 million, respectively, of cash and cash equivalents held by subsidiaries in international locations, including subsidiaries located in Japan and the United Kingdom. As a result of changes in tax law, these earnings can be repatriated to the United States tax-free but could still be subject to foreign withholding taxes. On November 1, 2021, we completed the acquisition of video interactivity technology assets that were provided by a 3rd party partner for \$2.0 million in cash. We believe that our existing cash and cash equivalents will be sufficient to meet our anticipated working capital and capital expenditure needs over at least the next 12 months.

<u>Condensed Consolidated Statements of Cash Flow Data</u>	<u>Year Ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
	(in thousands)		
Cash flows provided by operating activities	19,563	21,312	2,708
Cash flows used in investing activities	(10,842)	(8,724)	(12,618)
Cash flows provided by financing activities	702	1,585	3,177

Accounts receivable, net.

Our accounts receivable balance fluctuates from period to period, which affects our cash flow from operating activities. The fluctuations vary depending on the timing of our billing activity, cash collections, and changes to our allowance for doubtful accounts. In many instances we receive cash payment from a customer prior to the time we are able to recognize revenue on a transaction. We record these payments as deferred revenue, which has a positive effect on our accounts receivable balances.

Cash flows provided by operating activities.

Cash provided by operating activities consists primarily of net income adjusted for certain non-cash items including depreciation and amortization, stock-based compensation expense, the provision for bad debts and the effect of changes in working capital and other activities. Cash provided by operating activities during the year ended December 31, 2021 was \$19.6 million. The cash flow provided by operating activities primarily resulted from net non-cash charges of \$18.4 million and net income of \$5.4 million, partially offset by changes in our

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operating assets and liabilities of \$4.3 million. Net non-cash expenses consisted of \$10.0 million for stock-based compensation, \$8.3 million for depreciation and amortization, and \$159,000 for provision for reserves on accounts receivable. Cash outflows from changes in our operating assets and liabilities consisted primarily of a decrease in accrued expenses of \$5.2 million, an increase in other assets of \$1.4 million, an increase in accounts receivable of \$846,000, and a decrease in accounts payable of \$683,000. These outflows were offset in part by a decrease in deferred revenue of \$3.2 million.

Cash flows used in investing activities.

Cash used in investing activities during the year ended December 31, 2021 was \$10.8 million, consisting primarily of \$6.6 million for the capitalization of internal-use software costs, \$2.2 million in capital expenditures to support the business, and \$2.0 million for the purchase of a technology asset of a company on November 1, 2021.

Cash flows provided by financing activities.

Cash provided by financing activities for the year ended December 31, 2021 was \$702,000, consisting of proceeds received on the exercise of common stock options of \$2.8 million, offset by other activity of \$2.1 million.

Credit facility.

On December 28, 2020, the Company entered into an amended and restated loan and security agreement with a lender (the "Loan Agreement") providing for up to a \$30.0 million asset-based line of credit (the "Line of Credit"). Borrowings under the Line of Credit are secured by substantially all of our assets, excluding our intellectual property. We were in compliance with all covenants under the Line of Credit as of December 31, 2021. As we have not drawn on the Line of Credit, there are no amounts outstanding as of December 31, 2021.

We assessed the effect we believe COVID-19 might have on our liquidity and believe that our existing cash and cash equivalents and the capital available under our credit facility will be sufficient to meet our anticipated working capital and capital expenditure needs over at least the next 12 months. On March 25, 2020, we borrowed \$10.0 million on our line of credit in anticipation of any operating cash needs in light of COVID-19. The \$10 million borrowed was fully repaid by December 31, 2020. The effective interest rate for the amounts borrowed during 2020 was 4%.

Net operating loss carryforwards.

As of December 31, 2021, the Company had federal net operating losses of approximately \$199.4 million, of which \$161.8 million are available to offset future taxable income, if any, through 2037 and \$37.6 million which are available to offset future taxable income indefinitely. As of December 31, 2021, the Company had state net operating losses of approximately \$92.3 million, of which \$89.2 million are available to offset future taxable income, if any, through 2041 and \$3.1 million which are available to offset future taxable income indefinitely. The Company also had federal and state research and development tax credits of \$9.0 million and \$5.5 million, respectively, which expire in various amounts through 2041. The net operating loss and tax credit amounts are subject to annual limitations under Section 382 change of ownership rules under the U.S. Internal Revenue Code of 1986, as amended.

In assessing our ability to utilize our net deferred tax assets, we considered whether it is more likely than not that some portion or all of our net deferred tax assets will not be realized. Based upon the level of our historical U.S. losses and future projections over the period in which the net deferred tax assets are deductible, at this time, we believe it is more likely than not that we will not realize the benefits of these deductible differences. Accordingly, we have provided a valuation allowance against our U.S. deferred tax assets as of December 31, 2021 and 2020.

Contractual Obligations and Commitments

Our principal commitments consist primarily of obligations under our leases for our office space and contractual commitments for content delivery network services, hosting and other support services. As of December 31, 2021, we had operating lease obligations of \$25,401, with \$2,425 payable within 12 months. As of December 31, 2021, we had outstanding purchase obligations of \$16,006, with \$15,775 payable within 12 months. Other than these lease obligations and contractual commitments, we do not have commercial commitments under lines of credit, standby repurchase obligations or other such debt arrangements. The following table summarizes these contractual obligations at December 31, 2021:

(in thousands)	Payment Due by Period		
	Total	Less than 1 Year	More than 1 Year
Operating lease obligations	\$25,401	\$ 2,425	\$ 22,976
Outstanding purchase obligations	16,006	15,775	231
Total	<u>\$41,407</u>	<u>\$ 18,200</u>	<u>\$ 23,207</u>

Anticipated Cash Flows

We expect to incur significant operating costs, particularly related to services delivery costs, sales and marketing and research and development, for the foreseeable future in order to execute our business plan. We anticipate that such operating costs, as well as planned capital expenditures will constitute a material use of our cash resources. As a result, our net cash flows will depend heavily on the level of future sales, changes in deferred revenue and our ability to manage infrastructure costs.

We believe our existing cash and cash equivalents will be sufficient to meet our working capital and capital expenditures for at least the next 12 months. Our future working capital requirements will depend on many factors, including the rate of our revenue growth, our introduction of new products and enhancements, and our expansion of sales and marketing and product development activities. To the extent that our cash and cash equivalents, and cash flow from operating activities are insufficient to fund our future activities, we may need to raise additional funds through bank credit arrangements or public or private equity or debt financings. We also may need to raise additional funds in the event we determine in the future to acquire businesses, technologies and products that will complement our existing operations. In the event funding is required, we may not be able to obtain bank credit arrangements or equity or debt financing on terms acceptable to us or at all.

Other

On February 9, 2022, we announced that the Board of Directors appointed Marc DeBevoise as Chief Executive Officer of the Company and a Class II director of the Board of Directors, effective as of Mr. DeBevoise's employment start date, expected to be on March 28, 2022. Mr. DeBevoise will fill the vacancy created by Mr. Ray's resignation on the Board, effective as of Mr. DeBevoise's employment start date. The term of the Company's Class II directors, including Mr. DeBevoise, expires at the annual meeting of stockholders to be held in 2023 or upon the election and qualification of successor directors. Mr. DeBevoise, has served as Vice Chairman of the Board and President of Argus Capital Corporation, a tech-driven-media focused special purpose acquisition corporation (ARGU), as Chief Executive Officer and President of ViacomCBS Digital (previously known as CBS Interactive) and as Chief Digital Officer of ViacomCBS, and as President and Chief Operating Officer of CBS Interactive. Mr. DeBevoise has also served as a member of the board of directors at Limelight Networks (LLNW), a provider of edge cloud, content delivery and security computing services. Mr. DeBevoise earned his B.A. in Economics and Computer Science from Tufts University and earned his M.B.A. with distinction in Entertainment, Media & Technology and Finance from NYU's Stern School of Business. Mr. DeBevoise was selected to serve on our Board of Directors due to the perspective and experience he brings as the appointed Chief Executive Officer and his prior experience as an executive in media, technology and digital and

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streaming industries. Mr. DeBevoise's employment agreement with the Company can be found in Exhibit 99.1 to the our Current Report on Form 8-K filed with the Securities and Exchange Commission on February 9, 2022.

Recent Accounting Pronouncements

For information on recent accounting pronouncements, see Recently Issued and Adopted Accounting Standards in the notes to the consolidated financial statements appearing elsewhere in this Annual Report on Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and Qualitative Disclosures About Market Risk

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of our business. These risks include primarily foreign exchange risks, interest rate and inflation.

Financial instruments

Financial instruments meeting fair value disclosure requirements consist of cash equivalents, accounts receivable and accounts payable. The fair value of these financial instruments approximates their carrying amount.

Foreign currency exchange risk

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the euro, British pound, Australian dollar and Japanese yen. Except for revenue transactions in Japan, we enter into transactions directly with substantially all of our foreign customers.

Percentage of revenues and expenses in foreign currency is as follows:

	Twelve Months Ended December 31,	
	2021	2020
Revenues generated in locations outside the United States	47%	50%
Revenues in currencies other than the United States dollar (1)	29%	30%
Expenses in currencies other than the United States dollar (1)	17%	15%

(1) Percentage of revenues and expenses denominated in foreign currency for the years ended December 31, 2021 and 2020:

	Twelve Months Ended December 31, 2021	
	Revenues	Expenses
Euro	8%	1%
British pound	6%	5%
Japanese Yen	12%	3%
Other	3%	8%
Total	29%	17%

	Twelve Months Ended December 31, 2020	
	Revenues	Expenses
Euro	8%	1%
British pound	6%	6%
Japanese Yen	13%	2%
Other	3%	6%
Total	30%	15%

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As of December 31, 2021 and 2020, we had \$8.3 million and \$9.0 million, respectively, of receivables denominated in currencies other than the U.S. dollar. We also maintain cash accounts denominated in currencies other than the local currency, which exposes us to foreign exchange rate movements.

In addition, although our foreign subsidiaries have intercompany accounts that are eliminated upon consolidation, these accounts expose us to foreign currency exchange rate fluctuations. Exchange rate fluctuations on short-term intercompany accounts are recorded in our consolidated statements of operations under “other income (expense), net”, while exchange rate fluctuations on long-term intercompany accounts are recorded as a component of other comprehensive income (loss), as they are considered part of our net investment.

Currently, our largest foreign currency exposures are the euro and British pound primarily because our European operations have a higher proportion of our local currency denominated expenses, in addition to the Japanese Yen as result of our ongoing operations in Japan. Relative to foreign currency exposures existing at December 31, 2021, a 10% unfavorable movement in foreign currency exchange rates would expose us to significant losses in earnings or cash flows or significantly diminish the fair value of our foreign currency financial instruments. For the year ended December 31, 2021, we estimated that a 10% unfavorable movement in foreign currency exchange rates would have decreased revenues by \$6.0 million, decreased expenses by \$3.5 million and increased operating losses by \$2.6 million. The estimates used assume that all currencies move in the same direction at the same time and the ratio of non-U.S. dollar denominated revenue and expenses to U.S. dollar denominated revenue and expenses does not change from current levels. Since a portion of our revenue is deferred revenue that is recorded at different foreign currency exchange rates, the impact to revenue of a change in foreign currency exchange rates is recognized over time, and the impact to expenses is more immediate, as expenses are recognized at the current foreign currency exchange rate in effect at the time the expense is incurred. All of the potential changes noted above are based on sensitivity analyses performed on our financial results as of December 31, 2021.

Interest rate risk

We had cash and cash equivalents totaling \$45.7 million at December 31, 2021. Cash and cash equivalents were invested primarily in money market funds and are held for working capital purposes. We do not use derivative financial instruments in our investment portfolio. Declines in interest rates, however, would reduce future interest income. In the event that we borrow under our line of credit, the related interest expense recorded would be subject to changes in the rate of interest.

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Item 8. Financial Statements and Supplementary Data

**Brightcove Inc.
Index to Consolidated Financial Statements**

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Brightcove Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Brightcove Inc. (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 18, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition – Variable Consideration

Description of the Matter

As described in Note 2 and Note 4 to the consolidated financial statements, the Company's contracts contain transaction prices with variable amounts of consideration related to usage-based fees. The Company estimates the revenue pertaining to a customer's usage that is expected to exceed the annual entitlement allowance, after consideration of any constraints, which is recognized ratably over the service period.

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Auditing the Company's measurement of variable consideration is especially challenging and subjective because estimating customers usage involves assessing a large volume of contracts and subjective management assumptions related to estimated future usage. Changes in assumptions of estimated future usage can have a material effect on the amount of revenue recognized in the period.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of the Company's internal controls over the assessment and recording of variable consideration including the Company's evaluation of potential estimated future usage at the contract level including the impacts of any constraints. We identified and tested controls used for the accumulation of the actual usage to date as well as the assessment of the estimated forecasted usage and related impacts of any constraints.

To test variable consideration, our audit procedures included, amongst others, testing the completeness and accuracy of the underlying data used in the Company's calculation. This included, for a sample of contracts, agreeing the entitlement allowances to the underlying contracts and agreeing the actual usage to the underlying revenue systems. To assess management's variable consideration assumptions, for a sample of contracts, we tested management's estimated usage over the annual entitlement allowance by comparing the entitlement and usage rates to actual customer experience, interviewed sales representatives to understand the actual and expected usage, and evaluated the impacts of any related constraints. We also tested the Company's historical lookback analysis on a sample basis. Lastly, we performed sensitivity analyses to evaluate how the changes in management's assumptions of future usage based on historical trends could affect revenue recognized.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2010.

Boston, Massachusetts

February 18, 2022

Brightcove Inc.
Consolidated Balance Sheets

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
	<u>(in thousands, except share and per share data)</u>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 45,739	\$ 37,472
Accounts receivable, net of allowance of \$353 and \$648 at December 31, 2021 and December 31, 2020, respectively	29,866	29,305
Prepaid expenses	7,792	5,760
Other current assets	<u>10,833</u>	<u>12,978</u>
Total current assets	94,230	85,515
Property and equipment, net	20,514	15,968
Operating lease right-of-use asset	24,891	8,699
Intangible assets, net	9,276	10,465
Goodwill	60,902	60,902
Other assets	6,655	5,254
Total assets	<u>\$ 216,468</u>	<u>\$ 186,803</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 11,039	\$ 10,456
Accrued expenses	20,925	25,397
Operating lease liability	2,600	4,346
Deferred revenue	<u>62,057</u>	<u>58,741</u>
Total current liabilities	96,621	98,940
Operating lease liability, net of current portion	22,801	5,498
Other liabilities	786	2,763
Total liabilities	120,208	107,201
Commitments and contingencies (<i>Note 8</i>)		
Stockholders' equity:		
Undesignated preferred stock, \$0.001 par value; 5,000,000 shares authorized; no shares issued	—	—
Common stock, \$0.001 par value; 100,000,000 shares authorized; 41,384,643 and 40,152,021 shares issued at December 31, 2021 and 2020, respectively	41	40
Additional paid-in capital	298,793	287,059
Treasury stock, at cost; 135,000 shares	(871)	(871)
Accumulated other comprehensive loss	(662)	(188)
Accumulated deficit	<u>(201,041)</u>	<u>(206,438)</u>
Total stockholders' equity	96,260	79,602
Total liabilities and stockholders' equity	<u>\$ 216,468</u>	<u>\$ 186,803</u>

See accompanying notes.

Brightcove Inc.
Consolidated Statements of Operations

	Year Ended December 31,		
	2021	2020	2019
(in thousands, except per share data)			
Revenue:			
Subscription and support revenue	\$198,929	\$187,341	\$173,818
Professional services and other revenue	<u>\$ 12,164</u>	<u>\$ 10,012</u>	<u>10,637</u>
Total revenue	211,093	197,353	184,455
Cost of revenue:			
Cost of subscription and support revenue	62,773	67,124	67,064
Cost of professional services and other revenue	<u>10,255</u>	<u>8,973</u>	<u>8,405</u>
Total cost of revenue	<u>73,028</u>	<u>76,097</u>	<u>75,469</u>
Gross profit	138,065	121,256	108,986
Operating expenses:			
Research and development	31,718	33,978	32,535
Sales and marketing	71,177	59,812	60,375
General and administrative	29,261	27,021	25,692
Merger-related	300	5,768	11,447
Other (benefit) expense	<u>(1,965)</u>	<u>—</u>	<u>—</u>
Total operating expenses	<u>130,491</u>	<u>126,579</u>	<u>130,049</u>
Income (loss) from operations	7,574	(5,323)	(21,063)
Other (expense) income, net			
Interest income	5	28	143
Interest expense	—	(205)	(7)
Other (expense) income, net	<u>(1,380)</u>	<u>305</u>	<u>(416)</u>
Total other (expense) income, net	<u>(1,375)</u>	<u>128</u>	<u>(280)</u>
Income (loss) before income taxes	6,199	(5,195)	(21,343)
Provision for income taxes	802	618	560
Net income (loss)	<u>\$ 5,397</u>	<u>\$ (5,813)</u>	<u>\$ (21,903)</u>
Net income (loss) per share			
Basic	<u>\$ 0.13</u>	<u>\$ (0.15)</u>	<u>\$ (0.58)</u>
Diluted	<u>\$ 0.13</u>	<u>\$ (0.15)</u>	<u>\$ (0.58)</u>
Weighted-average number of common shares used in computing net income (loss) per share			
Basic	<u>40,717</u>	<u>39,473</u>	<u>38,028</u>
Diluted	<u>42,200</u>	<u>39,473</u>	<u>38,028</u>

See accompanying notes.

Brightcove Inc.
Consolidated Statements of Comprehensive Income (Loss)

	<u>Year Ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Income (loss)	\$5,397	\$(5,813)	\$(21,903)
Other comprehensive (loss) income:		(in thousands)	
Foreign currency translation adjustments	(474)	597	167
Comprehensive Income (loss)	<u>\$4,923</u>	<u>\$(5,216)</u>	<u>\$(21,736)</u>

See accompanying notes.

Brightcove Inc.
Consolidated Statements of Stockholders' Equity
(in thousands, except share data)

	Year Ended December 31,		
	2021	2020	2019
	(in thousands, except share data)		
Shares of common stock issued			
Balance, beginning of period	40,152,021	39,042,787	36,752,469
Common stock issued upon acquisition	—	—	1,286,846
Issuance of common stock upon exercise of stock options and pursuant to restricted stock units	1,232,622	1,109,234	1,003,472
Balance, end of period	<u>41,384,643</u>	<u>40,152,021</u>	<u>39,042,787</u>
Shares of treasury stock			
Balance, beginning of period	(135,000)	(135,000)	(135,000)
Balance, end of period	<u>(135,000)</u>	<u>(135,000)</u>	<u>(135,000)</u>
Par value of common stock issued			
Balance, beginning of period	\$ 40	\$ 39	\$ 37
Common stock issued upon acquisition	—	—	1
Issuance of common stock upon exercise of stock options and pursuant to restricted stock units	1	1	1
Balance, end of period	<u>\$ 41</u>	<u>\$ 40</u>	<u>\$ 39</u>
Value of treasury stock			
Balance, beginning of period	\$ (871)	\$ (871)	\$ (871)
Balance, end of period	<u>\$ (871)</u>	<u>\$ (871)</u>	<u>\$ (871)</u>
Additional paid-in capital			
Balance, beginning of period	\$ 287,059	\$ 276,365	\$ 251,122
Common stock issued upon acquisition	—	—	12,248
Issuance of common stock upon exercise of stock options and pursuant to restricted stock units, net of tax	1,175	1,617	3,413
Stock-based compensation expense	10,559	9,077	9,582
Balance, end of period	<u>\$ 298,793</u>	<u>\$ 287,059</u>	<u>\$ 276,365</u>
Accumulated deficit			
Balance, beginning of period	\$ (206,438)	\$ (200,625)	\$ (178,722)
Net Income (loss)	5,397	(5,813)	(21,903)
Balance, end of period	<u>\$ (201,041)</u>	<u>\$ (206,438)</u>	<u>\$ (200,625)</u>
Accumulated other comprehensive loss			
Balance, beginning of period	\$ (188)	\$ (785)	\$ (952)
Foreign currency translation adjustment	(474)	597	167
Balance, end of period	<u>\$ (662)</u>	<u>\$ (188)</u>	<u>\$ (785)</u>
Total stockholders' equity	<u>\$ 96,260</u>	<u>\$ 79,602</u>	<u>\$ 74,123</u>

See accompanying notes.

Brightcove Inc.
Consolidated Statements of Cash Flows

	Year Ended December 31,		
	2021	2020	2019
	(in thousands)		
Operating activities			
Net income (loss)	\$ 5,397	\$ (5,813)	\$(21,903)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	8,322	8,695	8,422
Stock-based compensation	9,968	8,785	9,259
Provision for reserves on accounts receivable	159	648	1,137
Changes in assets and liabilities:			
Accounts receivable	(846)	1,358	(5,537)
Prepaid expenses and other current assets	1,281	(6,918)	1,213
Other assets	(1,437)	(1,937)	(758)
Accounts payable	(683)	1,014	1,682
Accrued expenses	(5,209)	5,600	6,749
Operating leases	(634)	182	(302)
Deferred revenue	3,245	9,698	2,746
Net cash provided by operating activities	<u>19,563</u>	<u>21,312</u>	<u>2,708</u>
Investing activities			
Cash paid for acquisition, net of cash acquired	(2,000)	—	(5,339)
Purchases of property and equipment	(2,205)	(2,362)	(1,047)
Capitalized internal-use software costs	(6,637)	(6,362)	(6,232)
Net cash used in investing activities	<u>(10,842)</u>	<u>(8,724)</u>	<u>(12,618)</u>
Financing activities			
Proceeds from exercise of stock options	2,846	2,216	3,473
Deferred acquisitions payments	(475)	—	—
Proceeds from debt	—	10,000	—
Payments on debt	—	(10,000)	—
Other financing activities	(1,669)	(631)	(296)
Net cash provided by financing activities	<u>702</u>	<u>1,585</u>	<u>3,177</u>
Effect of exchange rate changes on cash and cash equivalents	(1,156)	540	186
Net increase in cash and cash equivalents	8,267	14,713	(6,547)
Cash and cash equivalents at beginning of period	37,472	22,759	29,306
Cash and cash equivalents at end of period	<u>\$ 45,739</u>	<u>\$ 37,472</u>	<u>\$ 22,759</u>
Supplemental disclosure of cash flow information			
Cash paid for operating lease liabilities	\$ 4,277	\$ 6,326	\$ 7,382
Cash paid for income taxes	\$ 737	\$ 1,190	\$ 555
Cash paid for interest	—	\$ 205	\$ 6
Supplemental disclosure of non-cash operating activities			
Capitalization of stock-based compensation related to internal use software	\$ 593	\$ 267	\$ 322
Supplemental disclosure of non-cash investing and financing activities			
Unpaid internal-use software costs	\$ 446	\$ 49	\$ 20
Fair value of shares issued for acquisition of a business	\$ —	\$ —	\$ 12,250
Unpaid purchases of property and equipment	<u>\$ 25</u>	<u>\$ 160</u>	<u>\$ 138</u>

See accompanying notes.

Brightcove Inc.
Notes to Consolidated Financial Statements
Years Ended December 31, 2021, 2020 and 2019
(in thousands, except share and per share data, unless otherwise noted)

1. Business Description

Brightcove Inc. (the Company) is a global provider of cloud services for video which enable its customers to publish and distribute video to Internet-connected devices quickly, easily and in a cost-effective and high-quality manner.

The Company is headquartered in Boston, Massachusetts and was incorporated in the state of Delaware on August 24, 2004.

2. Summary of Significant Accounting Policies

The accompanying consolidated financial statements reflect the application of certain significant accounting policies as described below and elsewhere in these notes to the consolidated financial statements.

The Company believes that a significant accounting policy is one that is both important to the portrayal of the Company's financial condition and results, and requires management's most difficult, subjective, or complex judgments, often as the result of the need to make estimates about the effect of matters that are inherently uncertain.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (ASC) and Accounting Standards Update (ASU) of the Financial Accounting Standards Board (FASB).

Use of Estimates and Uncertainties

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts expensed during the reporting period.

Significant estimates relied upon in preparing these consolidated financial statements include revenue recognition and variable consideration, contingent liabilities, intangible asset valuations, and the realizability of the Company's deferred tax assets.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates. Changes in estimates are recorded in the period in which they become known. The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances. Actual results may differ from management's estimates if these results differ from historical experience, or other assumptions do not turn out to be substantially accurate, even if such assumptions are reasonable when made.

The Company is subject to a number of risks and uncertainties common to companies in similar industries and stages of development including, but not limited to, rapid technological changes, competition from substitute products and services from larger companies, customers switching to in-house solutions, customer concentration, management of international activities, protection of proprietary rights, patent litigation, and dependence on key individuals.

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Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Foreign Currency Translation

The reporting currency of the Company is the U.S. dollar. The functional currency of the Company's foreign subsidiaries is the local currency of each subsidiary. All assets and liabilities in the balance sheets of entities whose functional currency is a currency other than the U.S. dollar are translated into U.S. dollar equivalents at exchange rates as follows: (1) asset and liability accounts at period-end rates, (2) income statement accounts at weighted-average exchange rates for the period, and (3) stockholders' equity accounts at historical exchange rates. The resulting translation adjustments are excluded from income (loss) and reflected as a separate component of stockholders' equity. Foreign currency transaction gains and losses are included in net loss for the period. The Company may periodically have certain intercompany foreign currency transactions that are deemed to be of a long-term investment nature; exchange adjustments related to those transactions are made directly to a separate component of stockholders' equity.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Management determines the appropriate classification of investments at the time of purchase, and re-evaluates such determination at each balance sheet date. The Company did not have any short-term or long-term investments at December 31, 2021 or 2020. Cash and cash equivalents primarily consist of cash on deposit with banks and amounts held in interest-bearing money market accounts. Cash equivalents are carried at cost, which approximates their fair market value.

Property and Equipment

Property and equipment are recorded at cost and depreciated over their estimated useful lives using the straight-line method. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the related asset. Upon retirement or sale, the cost of assets disposed of, and the related accumulated depreciation, are removed from the accounts, and any resulting gain or loss is included in the determination of net income or loss in the period of retirement. Expenditures for maintenance and repairs are charged to expense as incurred, whereas major improvements are capitalized as additions to property and equipment.

The Company estimates the useful life of property and equipment as follows:

	Estimated Useful Life (in Years)
Computer equipment	3
Software	3 - 6
Furniture and fixtures	5
Leasehold improvements	Shorter of lease term or the estimated useful life

Fair Value of Financial Instruments

ASC 820, *Fair Value Measurements and Disclosures*, establishes a three-level valuation hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability, and are developed based on the best information available in the circumstances.

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ASC 820 identifies fair value as an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants based on the highest and best use of the asset or liability. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The Company uses valuation techniques to measure fair value that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

- *Level 1:* Observable inputs, such as quoted prices for identical assets or liabilities in active markets;
- *Level 2:* Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly, such as quoted prices for similar assets or liabilities, or market-corroborated inputs; and
- *Level 3:* Unobservable inputs for which there is little or no market data which require the reporting entity to develop its own assumptions about how market participants would price the assets or liabilities.

The valuation techniques that may be used to measure fair value are as follows:

A. *Market approach* — Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

B. *Income approach* — Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about those future amounts, including present value techniques, option-pricing models, and excess earnings method.

C. *Cost approach* — Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

The Company measures eligible assets and liabilities at fair value, with changes in value recognized in earnings. Fair value treatment may be elected either upon initial recognition of an eligible asset or liability or, for an existing asset or liability, if an event triggers a new basis of accounting. The Company did not elect to remeasure any of its existing financial assets or liabilities, and did not elect the fair value option for any financial assets and liabilities transacted in the years ended December 31, 2021 or 2020. Realized gains and losses from sales of the Company's investments are included in "Other income (expense), net".

The carrying amounts of the Company's financial instruments, which include cash, cash equivalents, accounts receivable, accounts payable, and accrued expenses, approximated their fair values at December 31, 2021 and 2020, due to the short-term nature of these instruments.

The Company has evaluated the estimated fair value of financial instruments using available market information and management's estimates. The use of different market assumptions and/or estimation methodologies could have a significant impact on the estimated fair value amounts.

The Company's financial instruments carried at fair value were less than \$0.1 million as of December 31, 2021 and 2020.

Revenue

ASC 606 outlines a comprehensive five-step revenue recognition model based on the principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

- 1) *Identify the contract with a customer*
- 2) *Identify the performance obligations in the contract*

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- 3) *Determine the transaction price*
- 4) *Allocate the transaction price to performance obligations in the contract*
- 5) *Recognize revenue when or as the Company satisfies a performance obligation*

The Company satisfies performance obligations as discussed in further detail below. Revenue is recognized at the time the related performance obligation is satisfied by transferring a promised service to a customer. The transaction price is the total amount of consideration to which the Company expects to be entitled in exchange for transferring the promised services to the customer. The Company has elected to exclude from the measurement of the transaction price all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected by the Company from a customer (e.g. sales and use tax).

Disaggregation of Revenue

Subscription and Support

The Company's subscription arrangements provide customers the right to access its hosted software applications. Customers do not have the right to take possession of the Company's software during the hosting arrangement. Contracts for premium customers generally have a term of one year and are non-cancellable. These contracts generally provide the customer with a maximum annual level of entitlement, and provide the rate at which the customer must pay for actual usage above the annual entitlement allowance. These subscription arrangements are considered stand ready obligations that are providing a series of distinct services that are substantially the same and are transferred with the same pattern to the customer. As such, these subscription arrangements are treated as a single performance obligation and the related fees are recognized as revenue ratably over the term of the underlying arrangement.

When the transaction price includes a variable amount of consideration, an entity is required to estimate the consideration that is expected to be received for a particular customer arrangement. The Company evaluates variable consideration for usage-based fees at contract inception and re-evaluates quarterly over the course of the contract. Specifically, the Company estimates the revenue pertaining to a customer's usage that is expected to exceed the annual entitlement allowance and allocates such revenue to the distinct service within the related contract that gives rise to the variable payment. Estimates of variable consideration include analyzing customer usage against the applicable entitlement limit at the end of each reporting period and estimating the amount and timing of additional amounts to be invoiced in connection with projected usage. Estimates of variable consideration relating to customer usage do not include amounts for which it is probable that a significant reversal will occur. Determining the amount of variable consideration to recognize as revenue involves significant judgment on the part of management and it is possible that actual revenue will deviate from estimates over the course of a customer's committed contract term.

Contracts with customers that are month-to-month arrangements (volume customers) have a maximum monthly level of usage and provide the rate at which the customer must pay for actual usage above the monthly allowable usage. The monthly volume subscription and support and usage fees are recognized as revenue during the related period of performance. Contracts with customers that are invoiced on a pay-as-you-go basis, where there is no monthly or annual commitment for usage, provide the rate at which the customer must pay for actual usage for a particular period. Fees that are invoiced on a pay-as-you-go basis are recognized as revenue during the period of performance.

Professional Services and Other Revenue

Professional services and other revenue consist of services such as implementation, software customizations and project management for customers who subscribe to our premium editions. These arrangements are priced either on a fixed fee basis with a portion due upon contract signing and the remainder due when the related services have been completed, or on a time and materials basis. Professional services and other revenue sold on a stand-alone basis are recognized as the services are performed, subject to any refund or other obligation.

Contracts with Multiple Performance Obligations

The Company periodically enters into multiple-element service arrangements that include platform subscription fees, support fees, and, in certain cases, other professional services. These contracts include multiple promises that the Company evaluates to determine if the promises are separate performance obligations. Performance obligations are identified based on services to be transferred to a customer that are both capable of being distinct and are distinct within the context of the contract. Once the Company determines the performance obligations, the Company determines the transaction price, which includes estimating the amount of variable consideration to be included in the transaction price, if any. The Company then allocates the transaction price to each performance obligation in the contract based on a relative stand-alone selling price method. The transaction price post allocation is recognized as revenue as the related performance obligation is satisfied.

Costs to Obtain a Contract

Commissions are paid to internal sales representatives as compensation for obtaining contracts. Under the new guidance, the Company capitalizes commissions that are incremental, as a result of costs incurred to obtain a customer contract, if those costs are not within the scope of another topic within the accounting literature and meet the specified criteria. Assets recognized for costs to obtain a contract are amortized over the period of performance for the underlying customer contracts. The commission expense on contracts with new customers is recorded over the average life of a customer given the commission amount associated with sales to new customers is not commensurate with the commission amount associated with the contract renewal for those same customers. The commission amount associated with the renewal of a contract in addition to any commission amount related to incremental sales are recorded as expense over the term of the renewed contract. These assets are periodically assessed for impairment.

Cost of Revenue

Cost of revenue primarily consists of costs related to supporting and hosting the Company's product offerings and delivering professional services. These costs include salaries, benefits, incentive compensation and stock-based compensation expense related to the management of the Company's data centers, customer support team and the Company's professional services staff, in addition to third-party service provider costs such as data center and networking expenses, allocated overhead, amortization of capitalized internal-use software development costs and intangible assets and depreciation expense.

Allowance for Doubtful Accounts

The Company offsets gross trade accounts receivable with an allowance for doubtful accounts. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable and is based upon historical loss patterns, the number of days that billings are past due, and an evaluation of the potential risk of loss associated with specific accounts. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Provisions for allowances for doubtful accounts are recorded in general and administrative expense.

Effective January 1, 2020, the Company adopted ASC 326, which requires measurement and recognition of expected credit losses for financial assets held. Estimating credit losses based on risk characteristics requires significant judgment by the Company. Significant judgments include, but are not limited to: assessing current economic conditions and the extent to which they would be relevant to the existing characteristics of the Company's financial assets, the estimated life of financial assets, and the level of reliance on historical experience in light of economic conditions. The Company reviews and updates, when necessary, its historical risk characteristics that are meaningful to estimating credit losses, any new risk characteristics that arise in the natural course of business, and the estimated life of its financial assets.

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The Company uses the aging method to estimate its expected credit losses on trade accounts receivable (“AR”) and unbilled trade accounts receivable (“UAR”). In order to estimate expected credit losses, the Company assesses recent historical experience, current economic conditions and any reasonable and supportable forecasts to identify risk characteristics that are shared within the financial asset. These risk characteristics are then used to bifurcate the aging method into risk pools. Historical credit loss for each risk pool is then applied to the current period aging as presented in the identified risk pools to determine the needed reserve allowance. In the absence of current economic conditions and/or forecasts that may affect future credit losses, the Company has determined that recent historical experience provides the best basis for estimating credit losses. As of December 31, 2021 Company estimates the typical life of its AR as 50-60 days. This estimate is based on the Company’s historical experience for days sales outstanding (“DSO”).

Under ASC 326, the Company changed its policy for assessing credit losses to include consideration of a broader range of information to estimate credit losses over the life of its financial assets. As of December 31, 2021, the financial assets of the Company within the scope of the assessment comprised AR and UAR. UAR is reflected in Other current assets on the Company’s Consolidated Balance Sheets and was \$2.4 million and \$2.1 million as of December 31, 2021 and December 31, 2020, respectively. Estimated credit losses for UAR were not material.

The information obtained from assessing historical experience, current economic conditions and reasonable and supportable forecasts were used to identify risk characteristics that can affect future credit loss experience. The historical analysis yielded one material risk factor, the geographical location of the customer. Specifically, historical experience showed that AR that was due from customers in the Asia Pacific region had experienced more credit losses than the other geographic areas listed in Note 15. Europe and Japan had significantly less credit loss experience when compared to Asia Pacific while North America’s credit loss experience was commensurate with the proportion of total AR that North America’s AR comprised. There were no other significant risk characteristics identified in the review of historical experience.

The Company’s assessment of current economic conditions and reasonable and supportable forecasts included an assessment of customer industries affected by COVID-19. Based on available information, the Company identified the following customer industries as being significantly affected by COVID-19, in no particular order: restaurants, hospitality, tourism, sports, travel and consumer goods. The Company assessed the relevant and supportable information available and estimated and recorded approximately \$0.2 million increase in the provision for credit losses due to COVID-19 in 2020. The Company will continue to assess the COVID-19 risk to its AR for the duration of the pandemic.

Below is a summary of the changes in the Company’s allowance for doubtful accounts for the years ended December 31, 2021, 2020 and 2019:

	Balance at Beginning of Period	Provision	Write-offs	Balance at End of Period
Year ended December 31, 2021	\$ 648	\$ 159	\$ (454)	\$ 353
Year ended December 31, 2020	904	648	(904)	648
Year ended December 31, 2019	190	1,137	(423)	904

Off-Balance Sheet Risk and Concentration of Credit Risk

The Company has no significant off-balance sheet risk, such as foreign exchange contracts, option contracts, or other foreign hedging arrangements. Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash, cash equivalents and trade accounts receivable. The Company maintains its cash and cash equivalents principally with accredited financial institutions of high credit standing. Although the Company deposits its cash with multiple financial institutions, its deposits, at times, may exceed federally insured

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limits. The Company generally has not experienced any material losses related to receivables from individual customers, or groups of customers. The Company does not require collateral. Due to these factors, no additional credit risk beyond amounts provided for collection losses is believed by management to be probable in the Company's accounts receivable.

For the years ended December 31, 2021, 2020 and 2019, no individual customer accounted for more than 10% of total revenue. As of December 31, 2021 and 2020, no individual customer accounted for more than 10% of accounts receivable, net.

Concentration of Other Risks

The Company is dependent on certain content delivery network providers who provide digital media delivery functionality enabling the Company's on-demand application service to function as intended for the Company's customers and ultimate end-users. The disruption of these services could have a material adverse effect on the Company's business, financial position, and results of operations.

Software Development Costs

Costs incurred to develop software applications used in the Company's on-demand application services consist of (a) certain external direct costs of materials and services incurred in developing or obtaining internal-use computer software, and (b) payroll and payroll-related costs for employees who are directly associated with, and who devote time to, the project. These costs generally consist of internal labor during configuration, coding, and testing activities. Research and development costs incurred during the preliminary project stage or costs incurred for data conversion activities, training, maintenance and general and administrative or overhead costs are expensed as incurred. Capitalization begins when the preliminary project stage is complete, management, with the relevant authority, authorizes and commits to the funding of the software project, it is probable the project will be completed, the software will be used to perform the functions intended and certain functional and quality standards have been met. Qualified costs incurred during the operating stage of the Company's software applications relating to upgrades and enhancements are capitalized to the extent it is probable that they will result in added functionality, while costs that cannot be separated between maintenance of, and minor upgrades and enhancements to, internal-use software are expensed as incurred. These capitalized costs are amortized on a straight-line basis over the expected useful life of the software, which is estimated to be three years. Capitalized internal-use software development costs are classified as "Software" within "Property and Equipment, net" in the accompanying consolidated balance sheets.

During the years ended December 31, 2021, 2020 and 2019, the Company capitalized \$7,658, \$6,659 and \$6,574, respectively, of internal-use software development costs. The Company recorded amortization expense associated with its capitalized internal-use software development costs of \$3,649, \$4,044 and \$3,784 for the years ended December 31, 2021, 2020 and 2019, respectively.

Leases

Under ASC 842, a right-of-use asset and lease liability is recorded for all leases and the statement of operations reflects the lease expense for operating leases and amortization/interest expense for financing leases.

The Company does not apply the recognition requirements in the standard to a lease that at commencement date has a lease term of twelve months or less and does not contain a purchase option that it is reasonably certain to exercise and to not separate lease and related non-lease components.

The Company leases its facilities under non-cancelable operating leases. Right-of-use assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at

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commencement date in determining the present value of lease payments. Many of the Company's lessee agreements include options to extend the lease, which are not included in the minimum lease terms unless they are reasonably certain to be exercised.

Long-Lived Assets

The Company reviews long-lived assets and certain identifiable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. During this review, the Company re-evaluates the significant assumptions used in determining the original cost and estimated lives of long-lived assets. Although the assumptions may vary from asset to asset, they generally include operating results, changes in the use of the asset, cash flows, and other indicators of value. Management then determines whether the remaining useful life continues to be appropriate, or whether there has been an impairment of long-lived assets based primarily upon whether expected future undiscounted cash flows are sufficient to support the assets' recovery. If impairment exists, the Company adjusts the carrying value of the asset to fair value, generally determined by a discounted cash flow analysis.

For the years ended December 31, 2021, 2020 and 2019, the Company has not identified any impairment of its long-lived assets.

Business Combinations

The Company records tangible and intangible assets acquired and liabilities assumed in business combinations under the purchase method of accounting. Amounts paid for each acquisition are allocated to the assets acquired and liabilities assumed based on their fair values at the date of acquisition. The Company then allocates the purchase price in excess of net tangible assets acquired to identifiable intangible assets based on detailed valuations that use information and assumptions provided by management. Any excess purchase price over the fair value of the net tangible and intangible assets acquired and liabilities assumed is allocated to goodwill. If the fair value of the assets acquired exceeds the purchase price, the excess is recognized as a gain.

Significant management judgments and assumptions are required in determining the fair value of acquired assets and liabilities, particularly acquired intangible assets. The valuation of purchased intangible assets is based upon estimates of the future performance and cash flows from the acquired business. Each asset is measured at fair value from the perspective of a market participant.

If different assumptions are used, it could materially impact the purchase price allocation and adversely affect our results of operations, financial condition and cash flows.

For further discussion of the Company's accounting policies related to business combinations, see Note 3.

Intangible Assets and Goodwill

Intangible assets that have finite lives are amortized over their estimated useful lives based on the pattern of consumption of the economic benefit or, if that pattern cannot be readily determined, on a straight-line basis and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, as discussed above.

Goodwill is not amortized, but is evaluated for impairment annually, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Conditions that could trigger a more frequent impairment assessment include, but are not limited to, a significant adverse change in certain agreements, significant underperformance relative to historical or projected future operating results, an economic downturn in customers' industries, increased competition, a significant reduction in our stock price for a sustained period or a reduction of our market capitalization relative to net book value. If there is an impairment, the amount of the impairment is on the excess of a reporting unit's carrying amount over its fair value.

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The Company has determined, based on its organizational structure, that it had one reporting unit as of December 31, 2021 and 2020. The Company evaluates impairment by comparing the estimated fair value of its reporting unit to its carrying value. The Company estimates fair value primarily utilizing the market approach and no impairments of goodwill have been identified.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions, other events, and circumstances from non-owner sources. Accumulated other comprehensive loss is presented separately on the consolidated balance sheets and consists entirely of cumulative foreign translation adjustments as of December 31, 2021 and 2020.

Net Income (Loss) per Share

The Company calculates basic and diluted earnings (loss) per common share by dividing the earnings (loss) amount by the number of common shares outstanding during the period. The calculation of diluted earnings per common share includes the effects of the assumed exercise of any outstanding stock options and the assumed vesting of shares of restricted stock awards, where dilutive.

The following table set forth the computations of basic and diluted earnings (loss) per share:

(in thousands, except per share data)	Year Ended December 31,		
	2021	2020	2019
Net income (loss)	\$ 5,397	\$ (5,813)	\$ (21,903)
Weighted average shares used in computing basic earnings per share	40,717	39,473	38,028
Effect of weighted average dilutive stock-based awards	1,483	—	—
Weighted average shares used in computing diluted earnings per share	42,200	39,473	38,028
Net income (loss) per share—basic and diluted			
Basic	\$ 0.13	\$ (0.15)	\$ (0.58)
Diluted	\$ 0.13	\$ (0.15)	\$ (0.58)

The following outstanding common shares have been excluded from the computation of dilutive (loss) earnings per share as of the periods indicated because such securities are anti-dilutive:

	Year Ended December 31,		
	2021	2020	2019
Options outstanding	1,681	2,110	2,479
Restricted stock units outstanding	3,937	3,588	3,626

Income Taxes

The Company accounts for income taxes in accordance with the asset and liability method. Under this method, deferred tax assets and liabilities are recognized based on temporary differences between the financial reporting and income tax bases of assets and liabilities using statutory rates. In addition, this method requires a valuation allowance against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company accounts for uncertain tax positions recognized in the consolidated financial statements by prescribing a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Interest and penalties, if applicable, related to uncertain tax positions would be recognized as a component of income tax expense. The Company has no recorded liabilities for uncertain tax positions as of December 31, 2021 or 2020.

Stock-Based Compensation

At December 31, 2021, the Company had six stock-based compensation plans, which are more fully described in Note 10.

The Company values its shares of common stock in connection with the issuance of stock-based equity awards using the closing price of the Company's shares of common stock on the NASDAQ Global Market on the date of the grant. Accounting guidance requires stock-based payments to be accounted for under the fair value method. Under this method, the Company is required to record compensation cost based on the estimated fair value for stock-based awards granted over the requisite service periods for the individual awards, which generally equals the vesting periods.

For stock options issued under the Company's stock-based compensation plans, the fair value of each option grant is estimated on the date of grant. For service-based options, the Company recognizes compensation expense on a straight-line basis over the requisite service period of the award.

The fair value of each option grant issued under the Company's stock-based compensation plans was estimated using the Black-Scholes option-pricing model. The expected volatility of options granted has been determined using the historical volatility of the Company's own common stock. The expected life of options has been determined utilizing the "simplified method". The simplified method is based on the average of the vesting tranches and the contractual life of each grant. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected life of the stock options. The Company has not paid, and does not anticipate paying, cash dividends on its common stock; therefore, the expected dividend yield is assumed to be zero.

For restricted stock units issued under the Company's stock-based compensation plans, the fair value of each grant is calculated based on the Company's stock price on the date of grant. For performance-based awards with service-based vesting conditions, the Company recognizes compensation expense based upon a review of the Company's expected achievement against the specified targets.

Forfeitures are recognized as they occur.

Advertising Costs

Advertising costs are charged to operations as incurred. The Company incurred advertising costs of \$5,970, \$2,584 and \$2,658 for the years ended December 31, 2021, 2020 and 2019, respectively.

Merger-related Costs

Merger-related costs consist of expenses related to mergers and acquisitions, integration costs and general corporate development activities. In 2021, merger-related costs incurred were primarily related to general merger and related activities. In 2020, merger-related costs incurred were primarily related to the transition of Ooyala, Inc. customers to the Company's technology and, to a lesser extent, general merger and related activities.

Recent Accounting Pronouncements and Standards

Recently Adopted Accounting Pronouncements

ASU No. 2016-13

In June 2016, the FASB issued ASU No. 2016-13, which requires measurement and recognition of expected credit losses for financial assets held. Effective January 1, 2020, the Company adopted ASC 326 using the transition method introduced by ASU 2016-13. The adoption of ASC 326 did not result in an adjustment to the estimated allowance as of December 31, 2019.

ASU No. 2018-15

In August 2018, the FASB issued ASU No. 2018-15, Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract, which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The new standard requires capitalized costs to be amortized on a straight-line basis generally over the term of the arrangement, and the financial statement presentation for these capitalized costs would be the same as that of the fees related to the hosting arrangements.

The Company adopted this standard effective January 1, 2020, using a prospective approach. The adoption of this new standard did not have a material impact on our consolidated financial statements. Subsequent impacts on our consolidated financial statements will depend on the magnitude of implementation costs to be incurred. Implementation costs capitalized subsequent to adoption are recognized in operating expenses on the consolidated statements of operations over the noncancelable period of the hosting arrangement plus any renewal periods reasonably certain to be taken.

ASU No. 2019-12

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which simplifies accounting guidance for certain tax matters including franchise taxes, certain transactions that result in a step-up in tax basis of goodwill, and enacted changes in tax laws in interim periods. In addition, it eliminates a company's need to evaluate certain exceptions relating to the incremental approach for intra-period tax allocation, accounting for basis differences when there are ownership changes in foreign investments, and interim period income tax accounting for year-to-date losses that exceed anticipated losses.

The Company adopted this standard prospectively effective January 1, 2020. The adoption of this new standard did not have a material impact on the consolidated financial statements.

3. Cash and Cash Equivalents

Cash and cash equivalents as of December 31, 2021 and 2020 consist of the following:

<u>Description</u>	<u>December 31, 2021</u>		
	<u>Contracted Maturity</u>	<u>Amortized Cost</u>	<u>Fair Market Value</u>
Cash	Demand	\$ 45,698	\$ 45,698
Money market funds	Demand	41	41
Total cash and cash equivalents		<u>\$ 45,739</u>	<u>\$ 45,739</u>

<u>Description</u>	<u>December 31, 2020</u>		
	<u>Contracted Maturity</u>	<u>Amortized Cost</u>	<u>Fair Market Value</u>
Cash	Demand	\$ 37,431	\$ 37,431
Money market funds	Demand	41	41
Total cash and cash equivalents		<u>\$ 37,472</u>	<u>\$ 37,472</u>

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4. Property and Equipment

Property and equipment consist of the following:

	December 31,	
	2021	2020
Computer equipment	\$ 13,827	\$ 13,561
Software	43,598	34,739
Furniture and fixtures	3,163	3,196
Leasehold improvements	2,710	2,439
	63,298	53,935
Less accumulated depreciation and amortization	42,784	37,967
	<u>\$ 20,514</u>	<u>\$ 15,968</u>

Depreciation and amortization expense, which includes amortization expense associated with capitalized internal-use software development costs, for the years ended December 31, 2021, 2020 and 2019 was \$5,250, \$5,284 and \$5,217, respectively.

5. Revenue from Contracts with Customers

The Company primarily derives revenue from the sale of its online video platform, which enables its customers to publish and distribute video to Internet-connected devices quickly, easily and in a cost-effective and high-quality manner. Revenue is derived from three primary sources: (1) the subscription to its technology and related support; (2) hosting, bandwidth and encoding services; and (3) professional services, which include initiation, set-up and customization services.

The following summarizes the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers.

	Accounts Receivable, net	Contract Assets (current)	Deferred Revenue (current)	Deferred Revenue (non-current)	Total Deferred Revenue
Balance at December 31, 2021	29,866	2,375	62,057	114	62,171
Balance at December 31, 2020	29,305	2,078	58,741	811	59,552
Balance at December 31, 2019	31,181	1,871	49,260	299	49,559
Balance at December 31, 2018	23,264	1,640	39,846	146	39,992

Revenue recognized during the year ended December 31, 2021 from amounts included in deferred revenue at the beginning of the period was approximately \$58.1 million. During the year ended December 31, 2021, the Company did not recognize any material revenue from performance obligations satisfied or partially satisfied in previous periods.

The assets recognized for costs to obtain a contract were \$12.2 million and \$13.3 million as of December 31, 2021 and December 31, 2020, respectively. Amortization expense recognized for costs to obtain a contract was \$12.7 million, \$8.3 million and \$7.3 million during the years ended December 31, 2021, December 31, 2020 and December 31, 2019, respectively.

Transaction Price Allocated to Future Performance Obligations

As of December 31, 2021, the total aggregate transaction price allocated to the unsatisfied performance obligations for subscription and support contracts was approximately \$156.2 million, of which approximately \$121.2 million is expected to be recognized over the next 12 months. The Company expects to recognize substantially all of the remaining unsatisfied performance obligations by June 2024.

6. Intangible Assets and Goodwill

Finite-lived intangible assets consist of the following as of December 31, 2021:

<u>Description</u>	<u>Weighted Average Estimated Useful Life (in years)</u>	<u>Gross Carrying Value</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Value</u>
Developed technology	7	\$18,038	\$ 15,636	\$ 2,402
Customer relationships	9	15,487	8,613	6,874
Non-compete agreements	3	1,912	1,912	—
Tradename	3	368	368	—
Total		\$35,805	\$ 26,529	\$ 9,276

Finite-lived intangible assets consist of the following as of December 31, 2020:

<u>Description</u>	<u>Weighted Average Estimated Useful Life (in years)</u>	<u>Gross Carrying Value</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Value</u>
Developed technology	7	\$16,154	\$ 14,215	\$ 1,939
Customer relationships	9	15,487	6,961	8,526
Non-compete agreements	3	1,912	1,912	—
Tradename	3	368	368	—
Total		\$33,921	\$ 23,456	\$10,465

The following table summarizes amortization expense related to intangible assets for the years ended December 31, 2021, 2020 and 2019:

	<u>Year Ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cost of subscription and support revenue	\$1,420	\$1,501	\$1,621
Sales and marketing	1,652	1,909	1,584
	\$3,072	\$3,410	\$3,205

The estimated remaining amortization expense for each of the five succeeding years and thereafter is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$2,508
2023	2,264
2024	2,041
2025	1,963
2026	500
2027 and thereafter	
Total	\$9,276

Goodwill was \$60,902 at December 31, 2021 and 2020. There were no changes in the carrying amount of goodwill for the year ended December 31, 2021.

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On November 1, 2021, the Company purchased video interactivity technology from a 3rd party partner. The Company estimated the fair value of this technology at \$1.9 million with a useful life of four years.

7. Leases

The Company's corporate headquarters are located in Boston, Massachusetts, pursuant to a lease of 40,753 square feet that terminates March 31, 2022. In connection with the office lease, the Company entered into a letter of credit in the amount of \$2.4 million.

On November 23, 2021, the Company entered into a new office lease agreement relocating our corporate headquarters to 281 Summer Street in Boston, Massachusetts. Under the terms of the new office lease agreement, the Company will occupy approximately 40,000 square feet. The initial term of the lease is for ten years. The Company has the option to extend the lease for two successive five-year terms and has a right of first offer to lease additional office space that becomes available within the 281 Summer Street premises. In connection with the office lease, the Company provided a security deposit, in the form of a letter of credit, in the amount of \$0.8 million in January 2022. This letter of credit will be auto-renewed annually, unless a 60 day notice is received from the landlord. An automatic extension can only be implemented through November 30, 2032. This letter of credit is irrevocable and does not have a cash requirement other than the amount already set forth. In the event of a default, the landlord must provide written notice of default before drawing from the letter of credit as a security deposit, or to remedy the amount owed

The Company leases offices in Tokyo, Japan; Sydney, Australia; Seoul, South Korea; Singapore; London, England; Guadalajara, Mexico; Funchal, Portugal and Covilha, Portugal.

The Company's rent expense was \$4.3 million, \$7.4 million, \$7.9 million for the years ended December 31, 2021, 2020 and 2019, respectively.

The Company entered into two operating lease agreements in the current year, resulting in the recording of an initial liability and corresponding right-of-use asset of \$20.3 million, of which \$19.4 million related to the Company's new corporate headquarters.

The weighted-average remaining non-cancelable lease term for the Company's operating leases was 8.81 years at December 31, 2021. The weighted-average discount rate was 5.7% at December 31, 2021.

The Company's operating leases expire at various dates through 2032. The following shows the undiscounted cash flows for the remaining years under operating leases at December 31, 2021:

<u>Year Ending December 31,</u>	<u>Operating Lease Commitments</u>
2022	\$ 3,223
2023	4,481
2024	4,328
2025	2,879
2026	2,637
2027 and thereafter	16,211
Total operating lease commitments	33,759
Less imputed interest	(8,358)
Total lease liabilities	<u>\$ 25,401</u>

The Company's discounted current operating lease liability and discounted non-current lease liability at December 31, 2021 were \$2.6 million and \$22.8 million, respectively.

The Company terminated its Scottsdale, Arizona lease in 2020 for termination costs of \$340, which are reflected in General and administrative.

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In the fourth quarter of 2020 the Company subleased 100% of its London office through the remaining lease term. For the year ended December 31, 2021, the Company recognized rent income of \$901 from the sublease which is included in Other income (expense). Lease income relating to variable lease payments was immaterial.

The Company's London sublease expires in December of 2024. The following table shows the undiscounted cash inflows from the London sublease for the remaining years at December 31, 2021:

<u>Year Ending December 31,</u>	<u>Operating Sublease</u>
2022	\$ 985
2023	1,048
2024	989
2025	—
Total operating sublease cash inflows	\$ 3,022

8. Commitments and Contingencies

Legal Matters

The Company, from time to time, is party to litigation arising in the ordinary course of business. Management does not believe that the outcome of these claims will have a material adverse effect on the consolidated financial position, results of operations or cash flows of the Company based on the status of proceedings at this time.

Guarantees and Indemnification Obligations

The Company typically enters into indemnification agreements in the ordinary course of business. Pursuant to these agreements, the Company indemnifies and agrees to reimburse the indemnified party for losses and costs incurred by the indemnified party, generally the Company's customers, in connection with patent, copyright, trade secret, or other intellectual property or personal right infringement claims by third parties with respect to the Company's technology. The term of these indemnification agreements is generally perpetual after execution of the agreement. Based on when customers first subscribe for the Company's service, the maximum potential amount of future payments the Company could be required to make under certain of these indemnification agreements is unlimited, however, more recently the Company has typically limited the maximum potential value of such potential future payments in relation to the value of the contract. Based on historical experience and information known as of December 31, 2021, the Company has not incurred any costs for the above guarantees and indemnities. The Company has received requests for indemnification from customers in connection with patent infringement suits brought against the customer by a third party. To date, the Company has not agreed that the requested indemnification is required by the Company's contract with any such customer.

In certain circumstances, the Company warrants that its products and services will perform in all material respects in accordance with its standard published specification documentation in effect at the time of delivery of the licensed products and services to the customer for the warranty period of the product or service. To date, the Company has not incurred significant expense under its warranties and, as a result, the Company believes the estimated fair value of these agreements is immaterial.

9. Stockholders' Equity

Common Stock

Common stockholders are entitled to one vote per share. Holders of common stock are entitled to receive dividends, when and if declared by the Board.

Treasury Stock

The Company has recorded 135,000 shares as treasury stock as of December 31, 2021 and 2020.

Common Stock Reserved for Future Issuance

At December 31, 2021, the Company has reserved the following shares of common stock for future issuance:

	December 31, 2021
Common stock options outstanding	1,681,477
Restricted stock unit awards outstanding	3,936,892
Shares available for issuance under all stock-based compensation plans	<u>4,537,258</u>
Total shares of authorized common stock reserved for future issuance	<u><u>10,155,627</u></u>

10. Stock-Based Compensation**Stock-Based Compensation Plans**

At December 31, 2021, the Company had six stock-based compensation plans:

- The Amended and Restated 2004 Stock Option and Incentive Plan (the 2004 Plan). The 2004 Plan and the 2012 Plan provided for the issuance of incentive and non-qualified stock options, restricted stock, and other equity awards to the Company's employees, officers, directors, consultants and advisors. In conjunction with the effectiveness of the 2012 Plan, the Board voted that no further stock options or other equity-based awards may be granted under the 2004 Plan.
- The 2012 Stock Incentive Plan (the 2012 Plan). In 2012, the Company adopted the RSU Plan in connection with the acquisition of Zencoder. The restricted stock units were settled in shares of the Company's common stock upon vesting.
- The Brightcove Inc. 2012 RSU Inducement Plan (the RSU Plan). The number of shares reserved and available for issuance under the 2012 Plan automatically increases each January 1, beginning in 2013, by 4% of the outstanding number of shares of the Company's common stock on the immediately preceding December 31 or such lesser number of shares as determined by the Company's compensation committee subject to an overall overhang limit of 30%. This number is subject to adjustment in the event of a stock split, stock dividend or other change in the Company's capitalization.
- The Brightcove Inc. 2014 Stock Option Inducement Plan (the 2014 Stock Inducement Plan). In 2014, the Company adopted the 2014 Stock Inducement Plan in connection with the Unicorn asset purchase agreement.
- The 2018 Inducement Plan (the 2018 plan). Effective April 11, 2018, the Company adopted the 2018 Plan. The 2018 Plan provides for the issuance of stock options and restricted stock units to the Company's Chief Executive Officer ("CEO").
- On March 25, 2021, the Board adopted, the Brightcove Inc. 2021 Stock Incentive Plan (the "2021 Plan") which was approved by the shareholders on May 11, 2021. The maximum number of shares of stock reserved and available for issuance under the 2021 Plan is 6,200,000 shares.

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The following table summarizes stock-based compensation expense as included in the consolidated statement of operations for the years ended December 31, 2021, 2020 and 2019:

	Year Ended December 31,		
	2021	2020	2019
Cost of subscription and support revenue	\$ 627	\$ 592	\$ 683
Cost of professional services and other revenue	401	314	289
Research and development	1,677	1,078	1,444
Sales and marketing	2,957	3,139	2,713
General and administrative	4,306	3,662	4,130
	<u>\$9,968</u>	<u>\$8,785</u>	<u>\$9,259</u>

As of December 31, 2021, there was \$30.6 million of total unrecognized stock-based compensation expense related to stock-based awards that is expected to be recognized over a weighted-average period of 2.46 years.

Stock Options

The following is a summary of the stock option activity for all stock option plans during the years ended December 31, 2021, 2020 and 2019:

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2018	<u>2,737,655</u>	\$ 8.57		
Granted	770,038	9.89		
Exercised	(466,110)	7.45		\$ 1,286
Cancelled	(562,160)	9.57		
Outstanding at December 31, 2019	<u>2,479,423</u>	\$ 8.96	7.24	\$ 1,558
Granted	178,584	10.60		
Exercised	(272,692)	8.13		\$ 1,041
Cancelled	(274,829)	9.13		
Outstanding at December 31, 2020	<u>2,110,486</u>	\$ 9.19		
Granted	114,973	14.88		
Exercised	(333,190)	8.53		\$ 2,999
Cancelled	(210,792)	10.26		
Outstanding at December 31, 2021	<u>1,681,477</u>	\$ 9.59	5.93	\$ 1,938
Exercisable at December 31, 2021	<u>1,230,837</u>	\$ 9.06	5.27	\$ 1,747

- (1) The aggregate intrinsic value was calculated based on the positive difference between the estimated fair value of the Company's common stock on December 31, 2021, December 31, 2020, and December 31, 2019 of \$10.22, \$18.40, and \$8.69 per share, respectively, or the date of exercise, as appropriate, and the exercise price of the underlying options.

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The weighted-average fair value of options granted and assumptions utilized to determine such values are presented in the following table:

	Year Ended December 31,		
	2021	2020	2019
Weighted-average fair value of options granted during the year	\$ 6.98	\$ 4.72	\$ 4.49
Risk-free interest rate	1.22%	0.72%	2.25%
Expected volatility	48%	46%	44%
Expected life (in years)	6.2	6.2	6.2
Expected dividend yield	—	—	—

Restricted Stock Units

The Company has entered into restricted stock unit (RSU) agreements with certain of its employees pursuant to the 2012 Plan and the 2021 Plan. Vesting occurs periodically at specified time intervals, ranging from three months to four years, and in specified percentages. Upon vesting, the holder will receive one share of the Company's common stock for each unit vested.

The Company granted restricted stock units, respectively, to certain key executives, which contain both performance-based ("P-RSU") and service-based vesting conditions ("S-RSU"). The Company measures compensation expense for these performance-based awards based upon a review of the Company's expected achievement against specified financial performance targets. Compensation cost is recognized on a ratable basis over the requisite service period for each series of grants to the extent management has deemed that such awards are probable of vesting based upon the expected achievement against the specified targets. On a periodic basis, management reviews the Company's expected performance and adjusts the compensation cost, if needed, at such time. The Company determined that the conditions for a portion of the performance-based restricted stock units were achieved in the first quarter of 2020. As such, the Company recognized \$233,000 and \$1.3 million of stock-based compensation expense relating to performance-based awards for the years ended December 31, 2021, 2020, respectively.

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The following table summarizes the P-RSU and S-RSU activity during the year ended December 31, 2021, 2020, and 2019:

	S-RSU Shares	Weighted Average Grant Date Fair Value	P-RSU Shares	Weighted Average Grant Date Fair Value	Total RSU Shares	Weighted Average Grant Date Fair Value
Unvested by December 31, 2018	1,864,582	\$ 9.03	1,169,000	\$ 9.03	3,033,582	\$ 8.07
Granted	1,391,072	10.37	641,000	8.91	2,032,072	10.59
Vested and issued	(537,362)	7.91	—	—	(537,362)	7.91
Cancelled	(734,928)	6.97	(167,000)	1.48	(901,928)	8.45
Unvested by December 31, 2019	<u>1,983,364</u>	<u>\$ 9.03</u>	<u>1,643,000</u>	<u>\$ 9.03</u>	<u>3,626,364</u>	<u>\$ 9.03</u>
	S-RSU Shares	Weighted Average Grant Date Fair Value	P-RSU Shares	Weighted Average Grant Date Fair Value	Total RSU Shares	Weighted Average Grant Date Fair Value
Unvested by December 31, 2019	1,983,364	\$ 9.03	1,643,000	\$ 9.03	3,626,364	\$ 9.03
Granted	1,139,209	10.74	386,551	15.78	1,525,760	12.02
Vested and issued	(611,428)	9.23	(219,605)	8.81	(831,033)	9.10
Cancelled	(510,729)	9.00	(222,145)	7.65	(732,874)	8.64
Unvested by December 31, 2020	<u>2,000,416</u>	<u>\$ 10.30</u>	<u>1,587,801</u>	<u>\$ 10.40</u>	<u>3,588,217</u>	<u>\$ 10.35</u>
	S-RSU Shares	Weighted Average Grant Date Fair Value	P-RSU Shares	Weighted Average Grant Date Fair Value	Total RSU Shares	Weighted Average Grant Date Fair Value
Unvested by December 31, 2020	2,000,416	\$ 10.30	1,587,801	\$ 10.40	3,588,217	\$ 10.35
Granted	2,269,341	12.24	64,011	12.65	2,333,352	12.25
Vested and issued	(680,769)	9.85	(181,910)	8.74	(862,679)	9.62
Cancelled	(673,268)	11.67	(448,730)	9.59	(1,121,998)	10.84
Unvested by December 31, 2021	<u>2,915,720</u>	<u>\$ 11.66</u>	<u>1,021,172</u>	<u>\$ 11.04</u>	<u>3,936,892</u>	<u>\$ 11.50</u>

11. Income Taxes

Loss before the provision for income taxes consists of the following jurisdictional (loss) income:

	Year Ended December 31,		
	2021	2020	2019
Domestic	\$4,136	\$(7,489)	\$(23,388)
Foreign	2,063	2,294	2,045
Total	<u>\$6,199</u>	<u>\$(5,195)</u>	<u>\$(21,343)</u>

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The provision for income taxes in the accompanying consolidated financial statements consists of the following:

	Year Ended December 31,		
	2021	2020	2019
Current provision:			
Federal	\$—	\$—	\$—
State	7	8	18
Foreign	801	815	626
Total current	808	823	644
Deferred (benefit):			
Federal	1	(5)	7
State	2	(5)	8
Foreign	(9)	(195)	(99)
Total deferred	(6)	(205)	(84)
Total provision	\$802	\$ 618	\$560

A reconciliation of the U.S. federal statutory rate to the Company's effective tax rate is as follows:

	Year Ended December 31,		
	2021	2020	2019
Tax at statutory rates	21%	21%	21%
State income taxes	(3.4%)	9%	4.2%
Change in tax rate	0.2%	3.9%	0.1%
Permanent differences	(4.4%)	(11.6%)	(5%)
Foreign rate differential	2.6%	(3.4%)	(0.7%)
Research and development credits	(7.6%)	13.7%	4.4%
Change in valuation allowance	3.4%	(44.2%)	(26.8%)
Other, net	1.1%	(0.2%)	0.2%
Effective tax rate	12.9%	(11.8%)	(2.6%)

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The income tax effect of each type of temporary difference and carryforward as of December 31, 2021 and 2020 is as follows:

	As of December 31,	
	2021	2020
Deferred tax assets:		
Net operating loss carry-forwards	\$ 47,228	\$ 46,865
Tax credit carry-forwards	13,392	12,647
Stock-based compensation	1,400	1,231
Fixed Assets	286	203
Account receivable reserves	235	304
Accrued compensation	1,648	2,086
Lease Liability	6,136	2,254
Other temporary differences	1,167	1,458
Total deferred tax assets	71,492	67,048
Deferred tax liabilities:		
Other deferred tax liabilities	(2,889)	(3,137)
ROU Asset	(6,033)	(2,044)
Intangible assets	(3,720)	(3,218)
Total deferred tax liabilities	(12,642)	(8,399)
Valuation allowance	(58,912)	(58,718)
Net deferred tax asset (liability)	\$ (62)	\$ (69)

The Company is required to compute income tax expense in each jurisdiction in which it operates. This process requires the Company to project its current tax liability and estimate its deferred tax assets and liabilities, including net operating loss (NOL) and tax credit carry-forwards. In assessing the ability to realize the net deferred tax assets, management considers whether it is more likely than not that some portion or all of the net deferred tax assets will not be realized.

The Company has provided a valuation allowance against substantially all of its remaining U.S. net deferred tax assets as of December 31, 2021 and December 31, 2020, as based upon the level of historical U.S. losses and future projections over the period in which the net deferred tax assets are deductible, at this time, management believes it is more likely than not that the Company will not realize the benefits of these deductible differences. The Company has provided a valuation allowance against the net deferred tax assets of its subsidiaries in Australia, United Kingdom, and Mexico as of December 31, 2021 and December 31, 2020 largely based on the significant weight of negative evidence given to the consolidated worldwide cumulative loss position for the current year and the prior two years. The increase in the valuation allowance from 2020 to 2021 of \$0.2 million principally relates to the current year U.S. taxable loss. The Company maintains net deferred tax liabilities for temporary differences related to its Japanese and Portuguese subsidiaries.

As of December 31, 2021, the Company had federal net operating losses of approximately \$199.4 million, of which \$161.8 million are available to offset future taxable income, if any, through 2037 and \$37.6 million which are available to offset future taxable income indefinitely. As of December 31, 2021, the Company had state net operating losses of approximately \$92.3 million, of which \$89.2 million are available to offset future taxable income, if any, through 2041 and \$3.1 million which are available to offset future taxable income indefinitely. The Company also had federal and state research and development tax credits of \$9.0 million and \$5.5 million, respectively, which expire in various amounts through 2041. The net operating loss and tax credit amounts are subject to annual limitations under Section 382 change of ownership rules under the U.S. Internal Revenue Code of 1986, as amended. This could limit the amount of tax attributes that can be utilized annually to offset future taxable income or tax liabilities. The amount of the annual limitation is determined based on the

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value of the Company immediately prior to the ownership change. Subsequent ownership changes may further affect the limitation in future years. The Company has not conducted an assessment to determine whether there may have been a Section 382 ownership change from June 30, 2014, the date of the most recent completed study, through December 31, 2021. If a change in ownership were to have occurred during that period, and resulted in the restriction of net operating loss and tax credit carryforwards, the reduction in the related deferred tax asset would be offset with a corresponding reduction in the valuation allowance.

At December 31, 2021 and 2020, the Company had no recorded liabilities for uncertain tax positions, nor any accrued interest or penalties related to uncertain tax positions.

The Company files income tax returns in the U.S. federal tax jurisdiction, various state and various foreign jurisdictions. The Company is currently open to examination under the statute of limitations by the Internal Revenue Service and state jurisdictions for the tax years ended 2018 through 2021. Since the Company is in a U.S. loss carryforward position, carryforward tax attributes generated in prior years may still be adjusted upon future examination if they have or will be used in a future period. Additionally, certain non-U.S. jurisdictions are no longer subject for income tax examinations by authorities for tax years before 2016.

No additional U.S. income taxes or foreign withholding taxes have been provided for any additional outside basis differences inherent in the Company's foreign entities as these amounts continue to be indefinitely reinvested in foreign operations based on management's current intentions. Determining the amount of unrecognized deferred tax liability related to any remaining undistributed foreign earnings not subject to the transition tax and additional outside basis difference in these entities (i.e., basis difference in excess of that subject to the one-time transition tax) is not practicable.

12. Debt

On December 28, 2020, the Company entered into an amended and restated loan and security agreement with a lender (the "Loan Agreement") providing for up to a \$30.0 million asset-based line of credit (the "Line of Credit"). Borrowings under the Line of Credit are secured by substantially all of the Company's assets, excluding its intellectual property. Outstanding amounts under the Line of Credit accrue interest at a rate as follows: (i) for prime rate advances, the greater of (A) the prime rate and (B) 4%, and (ii) for LIBOR advances, the greater of (A) the LIBOR rate plus 225 basis points and (B) 4%. Under the Loan Agreement, the Company must comply with certain financial covenants, including maintaining a minimum asset coverage ratio. If the outstanding principal during any month is at least \$15.0 million, the Company must also maintain a minimum net income threshold based on non-GAAP operating measures. Failure to comply with these covenants, or the occurrence of an event of default, could permit the lenders under the Line of Credit to declare all amounts borrowed under the Line of Credit, together with accrued interest and fees, to be immediately due and payable. The Line of Credit agreement will expire on December 28, 2023. The Company was in compliance with all applicable covenants under the Line of Credit as of December 31, 2021 and there were no borrowings outstanding as of December 31, 2021.

In 2020, under the loan and security agreement prior to the December 28, 2020 amendment, the Company obtained \$10 million of financing in early 2020, which it subsequently paid back prior to the amendment.

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13. Accrued Expenses

Accrued expenses consist of the following:

	December 31,	
	2021	2020
Accrued payroll and related benefits	\$ 8,536	\$ 10,260
Accrued sales and other taxes	2,950	3,722
Accrued professional fees and outside contractors	2,233	2,901
Accrued content delivery	4,190	3,822
Accrued other liabilities	3,016	4,692
Total	<u>\$ 20,925</u>	<u>\$ 25,397</u>

14. Segment Information

Disclosure requirements about segments of an enterprise and related information establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information of those segments to be presented in interim financial reports issued to stockholders. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker, or decision-making group, in making decisions on how to allocate resources and assess performance. The Company's chief decision maker is its chief executive officer. The Company and the chief decision maker view the Company's operations and manage its business as one operating segment.

Geographic Data

Total revenue to unaffiliated customers by geographic area, based on the location of the customer, was as follows:

Revenue:	Year Ended December 31,		
	2021	2020	2019
North America	\$119,079	\$107,686	\$ 97,309
Europe	37,947	34,001	31,587
Japan	25,272	25,745	22,150
Asia Pacific	28,261	28,984	32,391
Other	534	937	1,018
Total revenue	<u>\$211,093</u>	<u>\$197,353</u>	<u>\$ 184,455</u>

North America is comprised of revenue from the United States, Canada and Mexico. Revenue from customers located in the United States was \$111.5, \$99.6 and \$90.5 million during the years ended December 31, 2021, 2020 and 2019, respectively. Other than the United States and Japan, no other country contributed more than 10% of the Company's total revenue during the years ended December 31, 2021 and 2020.

As of December 31, 2021 and December 31, 2020, property and equipment at locations outside the U.S. was not material.

15. 401(k) Savings Plan

The Company maintains a defined contribution savings plan covering all eligible U.S. employees under Section 401(k) of the Internal Revenue Code. Company contributions to the plan may be made at the discretion of the Board. During the years ended December 31, 2021, 2020 and 2019, the Company has made contributions to the plan of \$412, \$434 and \$392, respectively.

16. Subsequent Events

On February 1, 2022, the Company acquired 100% of the outstanding shares of Wicket Labs, Inc., a provider of subscriber and content insights, in exchange for common stock of the Company and cash (the “Acquisition”). At the closing, the Company issued 212,507 unregistered shares of common stock of the Company valued at \$2.0 million and paid approximately \$13.2 million in cash. Pursuant to the Merger Agreement (“the Agreement”), approximately \$1.8 million of the cash consideration was held back to secure payment of any claims of indemnification for breaches or inaccuracies in the Sellers’ representations and warranties, covenants and agreements. The acquisition will be consolidated with the Company beginning on the closing date of the acquisition.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of the end of the period covered by this Annual Report on Form 10-K. Based on such evaluation, our principal executive officer and principal financial officer have concluded that as of such date, our disclosure controls and procedures were effective.

Management’s Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) or 15d-15(f) of the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2021 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control-Integrated Framework (2013). Based on this assessment and those criteria, management concluded that our internal control over financial reporting was effective as of December 31, 2021.

The effectiveness of our internal control over financial reporting as of December 31, 2021 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of
Brightcove Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Brightcove Inc.'s internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Brightcove Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and our report dated February 18, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Boston, Massachusetts
February 18, 2022

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Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance

Incorporated by reference from the information in our Proxy Statement for our 2022 Annual Meeting of Stockholders, which we will file with the SEC within 120 days of the end of the fiscal year to which this Annual Report on Form 10-K relates.

Item 11. Executive Compensation

Incorporated by reference from the information in our Proxy Statement for our 2022 Annual Meeting of Stockholders, which we will file with the SEC within 120 days of the end of the fiscal year to which this Annual Report on Form 10-K relates.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Incorporated by reference from the information in our Proxy Statement for our 2022 Annual Meeting of Stockholders, which we will file with the SEC within 120 days of the end of the fiscal year to which this Annual Report on Form 10-K relates.

Item 13. Certain Relationships and Related Transactions and Director Independence

Incorporated by reference from the information in our Proxy Statement for our 2022 Annual Meeting of Stockholders, which we will file with the SEC within 120 days of the end of the fiscal year to which this Annual Report on Form 10-K relates.

Item 14. Principal Accountant Fees and Services

Incorporated by reference from the information in our Proxy Statement for our 2022 Annual Meeting of Stockholders, which we will file with the SEC within 120 days of the end of the fiscal year to which this Annual Report on Form 10-K relates.

PART IV

Item 15. Exhibits, Financial Statements and Schedules

(a)(1) Financial Statements.

The response to this portion of Item 15 is set forth under Item 8 above.

(a)(2) Financial Statement Schedules.

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All schedules have been omitted because they are not required or because the required information is given in the Consolidated Financial Statements or Notes thereto set forth under Item 8 above.

(a)(3) Exhibits.

The exhibits listed below are filed or incorporated by reference as part of this Annual Report on Form 10-K.

Exhibits

2.1* (1)	<u>Agreement and Plan of Merger, dated as of July 26, 2012, by and among the Registrant, Zebra Acquisition Corporation, Zencoder Inc. and the Securityholders' Representative named therein.</u>
2.2* (2)	<u>Asset Purchase Agreement and Plan of Reorganization, dated as of January 6, 2014, by and among the Registrant, Cacti Acquisition LLC, Unicorn Media, Inc., Unicorn Media of Arizona, Inc., U Media Limited and the Securityholders' Representative named therein.</u>
3.1* (3)	<u>Eleventh Amended and Restated Certificate of Incorporation.</u>
3.2* (4)	<u>Amended and Restated By-Laws.</u>
4.1* (5)	<u>Form of Common Stock certificate of the Registrant.</u>
4.2* (6)	<u>Second Amended and Restated Investor Rights Agreement dated January 17, 2007, by and among the Registrant, the investors listed therein, and Jeremy Allaire, as amended.</u>
4.3* (7)	<u>Warrant to Purchase Stock dated August 31, 2006 issued by the Registrant to TriplePoint Capital LLC.</u>
4.4* (8)	<u>Brightcove Inc. RSU Inducement Plan.</u>
4.5* (9)	<u>Form of Restricted Stock Unit Award Agreement under the Brightcove Inc. 2012 RSU Inducement Plan.</u>
4.6* (10)	<u>Brightcove Inc. 2018 Inducement Plan.</u>
4.7* (11)	<u>Form of Stock Option Agreement under the Brightcove Inc. 2018 Inducement Plan.</u>
4.8* (12)	<u>Form of Performance-Based Restricted Stock Unit Agreement under the Brightcove Inc. 2018 Inducement Plan.</u>
4.9* (13)	<u>Description of Capital Stock.</u>
10.1* (14)	<u>Form of Indemnification Agreement between the Registrant and its directors and executive officers.</u>
10.2†* (15)	<u>Amended and Restated 2004 Stock Option and Incentive Plan of the Registrant, together with forms of award agreement.</u>
10.3†* (16)	<u>2012 Stock Incentive Plan of the Registrant.</u>
10.4†* (17)	<u>Form of Incentive Stock Option Agreement under the 2012 Stock Incentive Plan.</u>
10.5† (18)	<u>Form of Non-Qualified Stock Option Agreement for Company Employees under the 2012 Stock Incentive Plan.</u>
10.6* (19)	<u>Lease dated February 28, 2007 between Mortimer B. Zuckerman, Edward H. Linde and Michael A. Cantalupa, as Trustees of One Cambridge Center Trust and Brightcove Inc., as amended.</u>
10.7* (20)	<u>Lease dated June 15, 2011 between BP Russia Wharf LLC and Brightcove Inc.</u>
10.8* (21)	<u>Loan and Security Agreement dated March 30, 2011 between Silicon Valley Bank and Brightcove Inc., as amended.</u>

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Exhibits

10.9* (22)	<u>Second Loan Modification Agreement dated April 29, 2013 between Silicon Valley Bank and Brightcove Inc.</u>
10.10* (23)	<u>Third Loan Modification Agreement dated October 3, 2014 between Silicon Valley Bank and Brightcove Inc.</u>
10.11* (24)	<u>Loan and Security Agreement dated November 19, 2015 between Silicon Valley Bank and Brightcove Inc.</u>
10.12†* (25)	<u>Employment Agreement dated August 8, 2011 between the Registrant and Jeremy Allaire.</u>
10.13†* (26)	<u>Employment Agreement dated August 8, 2011 between the Registrant and David Mendels.</u>
10.14†* (27)	<u>Employment Agreement dated August 8, 2011 between the Registrant and Edward Godin.</u>
10.15†* (28)	<u>Employment Agreement dated August 8, 2011 between the Registrant and Andrew Feinberg.</u>
10.16* (29)	<u>Employment Separation Agreement dated January 2, 2013 between the Registrant and Edward Godin.</u>
10.17†* (30)	<u>Amended and Restated Employment Agreement dated July 25, 2013 between Brightcove Inc. and Jeremy Allaire</u>
10.18†* (31)	<u>Letter Agreement dated August 25, 2014 between the Registrant and Christopher Menard related to Mr. Menard's resignation and separation from employment with the Registrant.</u>
10.19†* (32)	<u>Employment Agreement dated October 1, 2014 between the Registrant and Jon Corley.</u>
10.20†* (33)	<u>Employment Agreement dated October 1, 2014 between the Registrant and Paul Goetz.</u>
10.21†* (34)	<u>Employment Agreement dated November 3, 2014 between the Registrant and Kevin R. Rhodes.</u>
10.22†* (35)	<u>Non-Employee Director Compensation Policy.</u>
10.23†* (36)	<u>Senior Executive Incentive Bonus Plan.</u>
10.24†* (37)	<u>Form of Restricted Stock Unit Award Agreement under the 2012 Stock Incentive Plan.</u>
10.25†* (38)	<u>Form of Restricted Stock Unit Award Agreement for Company Employees under the 2012 Stock Incentive Plan.</u>
10.26†* (39)	<u>Form of Restricted Stock Unit Award Agreement for Non-Employee Directors under the 2012 Stock Incentive Plan.</u>
10.27* (40)	<u>Form of Non-Qualified Stock Option Agreement for Non-Employee Directors under the 2012 Stock Incentive Plan.</u>
10.28†* (41)	<u>Separation Agreement dated July 24, 2017 between the Registrant and David Mendels.</u>
10.29†* (42)	<u>Amendment to Employment Agreement dated July 24, 2017 between the Registrant and Andrew Feinberg.</u>
10.30†* (43)	<u>Employment Agreement dated September 20, 2017 between the Registrant and David Plotkin.</u>
10.31*† (44)	<u>Amendment to Employment Agreement dated April 11, 2018 between the Registrant and Andrew Feinberg.</u>
10.32*† (45)	<u>Employment Agreement dated April 11, 2018 between the Registrant and Jeff Ray.</u>
10.34†* (46)	<u>Non-Employee Director Compensation Policy, as amended and restated on April 11, 2018.</u>
10.35†* (47)	<u>Employment Agreement dated May 3, 2018 between the Registrant and Robert Noreck.</u>
10.36* (48)	<u>Second Amended and Restated Loan and Security Agreement dated December 14, 2018 between the Registrant and Silicon Valley Bank.</u>

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Exhibits

10.37* (49)	First Loan Modification Agreement dated March 29, 2019 between the Registrant and Silicon Valley Bank.
10.38* (50)	Third Loan Modification Agreement dated December 28, 2020 between the Registrant and Silicon Valley Bank.
10.39†* (51)	Brightcove Inc. 2021 Stock Incentive Plan.
10.40†* (52)	Form of Incentive Stock Option Agreement under the Brightcove Inc. 2021 Stock Incentive Plan.
10.41†* (53)	Form of Non-Qualified Stock Option Agreement for Brightcove Employees under the Brightcove Inc. 2021 Stock Incentive Plan.
10.42†* (54)	Form of Non-Qualified Stock Option Agreement for Non-U.S. Employees under the Brightcove Inc. 2021 Stock Incentive Plan.
10.43†* (55)	Form of Non-Qualified Stock Option Agreement for Non-Employee Directors under the Brightcove Inc. 2021 Stock Incentive Plan.
10.44†* (56)	Form of Restricted Stock Unit Agreement for Brightcove Employees under the Brightcove Inc. 2021 Stock Incentive Plan.
10.45†* (57)	Form of Restricted Stock Unit Agreement for Non-U.S. Employees under the Brightcove Inc. 2021 Stock Incentive Plan.
10.46†* (58)	Form of Restricted Stock Unit Agreement for Non-Employee Directors under the Brightcove Inc. 2021 Stock Incentive Plan.
10.47†* (59)	Employment Agreement, dated February 8, 2022 by and between the Company and Marc DeBevoise
10.48**+	Lease dated November 23, 2021, between 281 Summer Street, LLC and Brightcove Inc
10.49†**	Transition Agreement, dated October 26, 2021, between Jeff Ray and Brightcove Inc.
21.1**	Subsidiaries of the Registrant.
23.1**	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
24.1**	Power of Attorney (included on signature page).
31.1**	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2**	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS**	Inline XBRL Instance Document.
101.SCH**	Inline XBRL Taxonomy Extension Schema Document.
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*)

- (1) Filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission (the "Commission") on July 26, 2012.

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- (2) Filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the Commission on January 6, 2014.
- (3) Filed as Exhibit 3.2 to Amendment No. 5 to the Registrant's Registration Statement on Form S-1 filed with the Commission on February 6, 2012.
- (4) Filed as Exhibit 3.3 to Amendment No. 5 to the Registrant's Registration Statement on Form S-1 filed with the Commission on February 6, 2012.
- (5) Filed as Exhibit 4.1 to Amendment No. 5 to the Registrant's Registration Statement on Form S-1 filed with the Commission on February 6, 2012.
- (6) Filed as Exhibit 4.2 to the Registrant's Registration Statement on Form S-1 filed with the Commission on August 24, 2011.
- (7) Filed as Exhibit 4.4 to the Registrant's Registration Statement on Form S-1 filed with the Commission on August 24, 2011.
- (8) Filed as Exhibit 4.4 to the Registrant's Registration Statement on Form S-8 filed with the Commission on August 14, 2012.
- (9) Filed as Exhibit 4.5 to the Registrant's Registration Statement on Form S-8 filed with the Commission on August 14, 2012.
- (10) Filed as Exhibit 4.4 to Registrant's Registration Statement on Form S-8 filed with the Commission on May 1, 2018.
- (11) Filed as Exhibit 4.5 to Registrant's Registration Statement on Form S-8 filed with the Commission on May 1, 2018.
- (12) Filed as Exhibit 4.6 to Registrant's Registration Statement on Form S-8 filed with the Commission on May 1, 2018.
- (13) Filed as Exhibit 4.9 to Registrant's Annual Report on Form 10-K filed with the Commission on February 27, 2020.
- (14) Filed as Exhibit 10.1 to Amendment No. 5 to the Registrant's Registration Statement on Form S-1 filed with the Commission on February 6, 2012.
- (15) Filed as Exhibit 10.2 to the Registrant's Registration Statement on Form S-1 filed with the Commission on August 24, 2011.
- (16) Filed as Exhibit 10.3 to Amendment No. 5 to the Registrant's Registration Statement on Form S-1 filed with the Commission on February 6, 2012.
- (17) Filed as Exhibit 10.4 to Amendment No. 5 to the Registrant's Registration Statement on Form S-1 filed with the Commission on February 6, 2012.
- (18) Filed as Exhibit 10.5 to Amendment No. 5 to the Registrant's Registration Statement on Form S-1 filed with the Commission on February 6, 2012.
- (19) Filed as Exhibit 10.6 to the Registrant's Registration Statement on Form S-1 filed with the Commission on August 24, 2011.
- (20) Filed as Exhibit 10.7 to the Registrant's Registration Statement on Form S-1 filed with the Commission on August 24, 2011.
- (21) Filed as Exhibit 10.8 to the Registrant's Registration Statement on Form S-1 filed with the Commission on August 24, 2011.
- (22) Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Commission on April 30, 2013.
- (23) Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Commission on October 7, 2014.
- (24) Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Commission on November 20, 2015.
- (25) Filed as Exhibit 10.9 to the Registrant's Registration Statement on Form S-1 filed with the Commission on August 24, 2011.
- (26) Filed as Exhibit 10.10 to the Registrant's Registration Statement on Form S-1 filed with the Commission on August 24, 2011.
- (27) Filed as Exhibit 10.11 to the Registrant's Registration Statement on Form S-1 filed with the Commission on August 24, 2011.

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- (28) Filed as Exhibit 10.13 to the Registrant's Registration Statement on Form S-1 filed with the Commission on August 24, 2011.
- (29) Filed as Exhibit 10.14 to the Registrant's Annual Report on Form 10-K filed with the Commission on March 5, 2013.
- (30) Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Commission on July 25, 2013.
- (31) Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on November 3, 2014.
- (32) Filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on November 3, 2014.
- (33) Filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on November 3, 2014.
- (34) Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Commission on November 10, 2014.
- (35) Filed as Exhibit 10.14 to Amendment No. 5 to the Registrant's Registration Statement on Form S-1 filed with the Commission on February 6, 2012.
- (36) Filed as Exhibit 10.15 to Amendment No. 5 to the Registrant's Registration Statement on Form S-1 filed with the Commission on February 6, 2012.
- (37) Filed as Exhibit 10.16 to Amendment No. 5 to the Registrant's Registration Statement on Form S-1 filed with the Commission on February 6, 2012.
- (38) Filed as Exhibit 10.17 to Amendment No. 5 to the Registrant's Registration Statement on Form S-1 filed with the Commission on February 6, 2012.
- (39) Filed as Exhibit 10.18 to Amendment No. 5 to the Registrant's Registration Statement on Form S-1 filed with the Commission on February 6, 2012.
- (40) Filed as Exhibit 10.19 to Amendment No. 5 to the Registrant's Registration Statement on Form S-1 filed with the Commission on February 6, 2012.
- (41) Filed as Exhibit 99.2 to the Registrant's Current Report on Form 8-K filed with the Commission on July 26, 2017.
- (42) Filed as Exhibit 99.3 to the Registrant's Current Report on Form 8-K filed with the Commission on July 26, 2017.
- (43) Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on October 26, 2017.
- (44) Filed as Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed with the Commission on April 11, 2018.
- (45) Filed as Exhibit 99.2 to the Registrant's Current Report on Form 8-K filed with the Commission on April 11, 2018.
- (46) Filed as Exhibit 99.5 to Registrant's Current Report on Form 8-K filed with the Commission on April 11, 2018.
- (47) Filed as Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed with the Commission on May 4, 2018.
- (48) Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Commission on December 14, 2018.
- (49) Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on April 24, 2019.
- (50) Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Commission on December 29, 2020.
- (51) Filed as Exhibit 99.1 to Registrant's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on May 17, 2021.
- (52) Filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on July 28, 2021.
- (53) Filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on July 28, 2021.

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- (54) Filed as Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on July 28, 2021.
- (55) Filed as Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on July 28, 2021.
- (56) Filed as Exhibit 10.6 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on July 28, 2021.
- (57) Filed as Exhibit 10.7 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on July 28, 2021.
- (58) Filed as Exhibit 10.8 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on July 28, 2021.
- (59) Filed as Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed with the Commission on February 9, 2022.

* Incorporated herein by reference.

** Filed herewith.

- The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference.

† Indicates a management contract or any compensatory plan, contract or arrangement.

+ Portions of this exhibit (indicated by asterisks) have been omitted in accordance with the rules of the Securities and Exchange Commission.

Item 16. Form 10-K Summary

Not applicable.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 18th day of February, 2022.

BRIGHTCOVE INC.

By: /s/ Jeff Ray

Jeff Ray
Chief Executive Officer

POWER OF ATTORNEY

Each person whose individual signature appears below hereby constitutes and appoints Robert Noreck and David Plotkin, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
/s/ Jeff Ray Jeff Ray	Chief Executive Officer <i>(Principal Executive Officer)</i> and Director	February 18, 2022
/s/ Robert Noreck Robert Noreck	Chief Financial Officer <i>(Principal Financial Officer and Principal Accounting Officer)</i>	February 18, 2022
/s/ Deborah Besemer Deborah Besemer	Chairperson of the Board of Directors	February 18, 2022
/s/ Kristin Frank Kristin Frank	Director	February 18, 2022
/s/ Gary Haroian Gary Haroian	Director	February 18, 2022
/s/ Diane Hessian Diane Hessian	Director	February 18, 2022
/s/ Scott Kurnit Scott Kurnit	Director	February 18, 2022
/s/ Tsedal Neeley Tsedal Neeley	Director	February 18, 2022
/s/ Ritcha Ranjan Ritcha Ranjan	Director	February 18, 2022
/s/ Thomas E. Wheeler Thomas E. Wheeler	Director	February 18, 2022

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH “[***]”. SUCH IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF DISCLOSED.

LEASE

281 SUMMER STREET LLC,

Landlord,

and

BRIGHTCOVE INC.,

Tenant

281 Summer Street
Boston, Massachusetts

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GROSS (BY)-INS OFFICE LEASE

REFERENCE PAGES

BUILDING: 281 Summer Street
Boston, Massachusetts 02210. The land on which the Building is situated, together with the Building and any and all improvements on the land is referred to herein as the "Property".

LANDLORD: 281 Summer Street LLC, a Delaware limited liability company

LANDLORD'S ADDRESS: c/o DWS - RREEF
100 Summer Street, 8th Floor
Boston, MA 02110

with a copy to:

c/o CBRE, Inc.
One Main Street
Cambridge, MA 02142
Attn: [***]

WIRE INSTRUCTIONS AND/OR ADDRESS FOR RENT PAYMENT: Lockbox:

[***]

Wire Transfer:

[***]

LEASE REFERENCE DATE: November 23, 2021

TENANT: Brightcove Inc., a Delaware corporation

TENANT'S NOTICE ADDRESS:

(a) As of beginning of Term: At the Premises
Attn: General Counsel
[***]

And to:
Attn: Chief Financial Officer

With a copy to:

JLL
One Post Office Square
26th Floor
Boston, MA 02109

(b) Prior to beginning of Term (if different):

290 Congress
Boston, MA 02210
To the Attention of: Chief Financial Officer
With a copy to: General Counsel
[***]

PREMISES ADDRESS:

281 Summer Street
Suites 600 & 700
Boston, Massachusetts 02210

PREMISES RENTABLE AREA:

Approximately 39, 238 rentable square feet, consisting of approximately 19,614 rentable sq. ft. on the 6th floor, and 19,624 rentable sq. ft. on the 7th floor of the Building (for outline of Premises see Exhibit A)

SCHEDULED COMMENCEMENT DATE:

November 23, 2021

COMMENCEMENT DATE:

As defined in Section 2.1.

RENT COMMENCEMENT DATE:

October 1, 2022

TERM OF LEASE:

The period beginning on the Commencement Date and ending on the Termination Date, subject to two (2), five (5) year Extension Options as set forth in Section 41 of this Lease.

TERMINATION DATE:

The last day of the one hundred twentieth (120th) full calendar month after the Rent Commencement Date, unless extended or earlier terminated as provided in this Lease.

ANNUAL RENT and MONTHLY
INSTALLMENT OF RENT (Article 3):

Period		Rentable Square Footage	Annual Rent Per Square Foot	Annual Rent	Monthly Installment of Rent
From	to				
Month 1	Month 12	39,238 rsf	\$ 63.00	\$2,471,994.00	\$ 205,999.50
Month 13	Month 24	39,238 rsf	\$ 64.26	\$2,521,433.88	\$ 210,119.49
Month 25	Month 36	39,238 rsf	\$ 65.55	\$2,572,050.90	\$ 214,337.58
Month 37	Month 48	39,238 rsf	\$ 66.86	\$2,623,452.68	\$ 218,621.06
Month 49	Month 60	39,238 rsf	\$ 68.20	\$2,676,031.60	\$ 223,002.63
Month 61	Month 72	39,238 rsf	\$ 69.56	\$2,729,395.28	\$ 227,449.61
Month 73	Month 84	39,238 rsf	\$ 70.95	\$2,783,936.10	\$ 231,994.68
Month 85	Month 96	39,238 rsf	\$ 72.37	\$2,839,654.06	\$ 236,637.84
Month 97	Month 108	39,238 rsf	\$ 73.82	\$2,896,549.16	\$ 241,379.10
Month 109	Month 120	39,238 rsf	\$ 75.30	\$2,954,621.40	\$ 246,218.45

Month 1 is the period beginning on the Rent Commencement Date and ending at the end of the first (1st) full calendar month of the Term (i.e. October 1, 2022 through October 31, 2022). Month 2 is the calendar month period immediately following Month 1; Month 3 is the calendar month following Month 2; and so forth, up to the Termination Date.

All rental amounts are net of Tenant electricity.

BASE YEAR (EXPENSES):	2022
BASE YEAR (TAXES):	Taxes for July 1, 2022 to June 30, 2023 (fiscal 2023)
TENANT'S PROPORTIONATE SHARE:	25.647% (39,238/152,990)
SECURITY DEPOSIT:	\$823,998.00 (subject to the reduction provided in Section 5 herein)
ASSIGNMENT/SUBLETTING FEE:	\$1,500.00
AFTER-HOURS HVAC COST:	\$75.00 per hour, per air handling unit ("AHU"), subject to reasonable increases by Landlord from time to time. There are two (2) AHUs per floor.
REAL ESTATE BROKER DUE COMMISSION:	[***]
TENANT'S NAICS CODE:	511210
BUILDING BUSINESS HOURS:	Monday through Friday 8:00 a.m. – 6:00 p.m. (excluding Massachusetts state holidays) Saturday 9:00 a.m. – 1:00 p.m.
AMORTIZATION RATE:	8%

The Reference Pages information is incorporated into and made a part of the Lease. In the event of any conflict between any Reference Pages information and the Lease, the Lease shall control. This Lease includes Exhibits A through D, all of which are made a part of this Lease.

LANDLORD:

281 SUMMER STREET LLC,
a Delaware limited liability company

By: /s/ Gerald F. Ianetta
Name: Gerald F. Ianetta
Title: Vice President

By: /s/ David F. Crane
Name: David F. Crane
Title: Vice President

TENANT:

BRIGHTCOVE INC., a Delaware corporation

By: /s/ Robert Noreck
Name: Robert Noreck
Title: CFO

LEASE

By this Lease Landlord leases to Tenant and Tenant leases from Landlord the Premises in the Building as set forth and described on the Reference Pages. The Premises are depicted on the floor plan attached hereto as Exhibit A, and the Building is depicted on the site plan attached hereto as Exhibit A-1. The Building is located on the Lot legally described on Exhibit A-2. The Reference Pages, including all terms defined thereon, are incorporated as part of this Lease.

1. USE AND RESTRICTIONS ON USE.

1.1 The Premises are to be used solely for general office purposes and lawful ancillary uses in commercial office buildings in the Seaport district of Boston that are similar to the Building (“Comparable Buildings”). Throughout the Term (and any extension thereof), Tenant shall have non-exclusive access, on a first come, first served basis, to a bike storage (which is currently located in the basement of the Building) for the storage of bikes by Tenant and its employees. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or injure or disturb them, or allow the Premises to be used for any improper, immoral, unlawful, or objectionable purpose, or commit any waste. Tenant shall not do, permit or suffer in, on, or about the Premises the sale of any alcoholic liquor without the written consent of Landlord first obtained. Tenant shall comply with all governmental laws, ordinances and regulations applicable to Tenant’s use of the Premises and Tenant’s occupancy. Tenant shall promptly comply with all governmental orders and directions for the correction, prevention and abatement of any violations in the Building or appurtenant land, caused or permitted by, or resulting from the specific use by, Tenant, or in or upon, or in connection with, the Premises, all at Tenant’s sole expense. Subject to Tenant’s obligations under this Section 1.1, Landlord shall, as part of Expenses (unless excluded therefrom), maintain the common areas of the Building, the structural elements of the Building and the base building systems serving the Building in general in compliance with applicable Legal Requirements. Tenant shall not do or permit anything to be done on or about the Premises or bring or keep anything into the Premises which will in any way increase the rate of, invalidate or prevent the procuring of any insurance protecting against loss or damage to the Building or any of its contents by fire or other casualty or against liability for damage to property or injury to persons in or about the Building or any part thereof. Except for Landlord’s express obligations under this Lease, Tenant shall comply with all present and future laws (including, without limitation, Environmental Laws (as hereinafter defined), the Americans with Disabilities Act and the regulations promulgated thereunder (the “ADA”), as the same may be amended from time to time), ordinances (including without limitation, zoning ordinances and land use requirements), regulations, orders and recommendations (including, without limitation, those made by any public or private agency having authority over insurance rates), requirements, statutes, codes, by-laws and court decisions of the jurisdiction in which the Building is located or the federal government (collectively, “Legal Requirements”) applicable to the Premises and to Tenant’s use of the Premises. Tenant shall promptly comply with all governmental orders and directions for the correction, prevention and abatement of any violations in the Building or appurtenant land, if such violation resulted from the specific use of the Premises by Tenant (as opposed to general office use) or if such violation resulted from Alterations made by Tenant, all at Tenant’s sole expense. After Landlord delivers the Premises to Tenant, Tenant shall proceed with due diligence to construct (in accordance with Exhibit B) the Tenant’s Work to the Premises. Tenant shall be responsible to perform Tenant’s Work in accordance with all applicable Legal Requirements and, as part of Tenant’s Work, to install and maintain, at Tenant’s sole cost and expense (subject to the application of the TI Allowance) the Premises HVAC Work and the Premises Fire/Life Safety Work (as defined in Exhibit B) serving the Premises. Landlord shall comply with all Legal Requirements applicable to the Premises as to which Tenant is not liable and Landlord shall comply with all Legal Requirements applicable to the common areas, the Building (other than rentable areas thereof) and to the Systems and Equipment (as such term is defined in Section 7.1 below).

1.2 Tenant shall not, and shall not direct, suffer or permit any of its agents, contractors, employees, licensees or invitees (collectively, the "Tenant Entities") to at any time handle, use, manufacture, store or dispose of in or about the Premises or the Building any (collectively "Hazardous Materials") flammables, explosives, radioactive materials, hazardous wastes or materials, toxic wastes or materials, or other similar substances, petroleum products or derivatives or any substance subject to regulation by or under any federal, state and local laws and ordinances relating to the protection of the environment or the keeping, use or disposition of environmentally hazardous materials, substances, or wastes, presently in effect or hereafter adopted, all amendments to any of them, and all rules and regulations issued pursuant to any of such laws or ordinances (collectively "Environmental Laws"), nor shall Tenant suffer or permit any Hazardous Materials to be used in any manner not fully in compliance with all Environmental Laws, in the Premises or the Building and appurtenant land or allow the environment to become contaminated with any Hazardous Materials. Notwithstanding the foregoing, Tenant may handle, store, use or dispose of products containing small quantities of Hazardous Materials (such as aerosol cans containing insecticides, toner for copiers, paints, paint remover and the like) to the extent customary and necessary for the use of the Premises for general office purposes; provided that Tenant shall always handle, store, use, and dispose of any such Hazardous Materials in a safe and lawful manner and never allow such Hazardous Materials to contaminate the Premises, Building and appurtenant land or the environment. Tenant shall protect, defend, indemnify and hold each and all of the Landlord Entities (as defined in Article 30) harmless from and against any and all loss, claims, liability or costs (including court costs and attorney's fees) incurred by reason of any actual or asserted failure of Tenant to fully comply with all applicable Environmental Laws, or the presence, handling, use or disposition in or from the Premises of any Hazardous Materials by Tenant or any Tenant Entity (even though permissible under all applicable Environmental Laws or the provisions of this Lease), or by reason of any actual or asserted failure of Tenant to keep, observe, or perform any provision of this Section 1.2. Landlord shall remove, remediate or abate, if and to the extent required by, and in accordance with, applicable laws (x) Hazardous Materials located in the common areas, the structural elements or the base building systems of the Building, (y) Hazardous Materials that are present in the Building (including the Premises) as the result of the actions of Landlord, its agents, employees or contractors, or (z) Hazardous Materials which are determined to have been in, at or on the Premises prior to the Commencement Date (the "Remediation Obligations"). Notwithstanding the foregoing, Landlord's obligation to remove, remediate or abate Hazardous Materials pursuant to this Section 1.2 shall not apply to requirements of Environmental Laws resulting from the use of Hazardous Materials by Tenant or Tenant's agents, employees, contractors, subtenants, invitees or anyone claiming by, through or under Tenant. The Remediation Obligations of Landlord shall be performed promptly and in such a manner so as to minimize interference with Tenant's use and occupancy of the Premises. If the performance of the Remediation Obligations or Landlord's failure to perform the Remediation Obligations prohibits or interferes with Tenant's ability to perform Tenant's Work, the Premises HVAC Work and/or the Premises Fire/Life Safety Work then it shall be considered a "Landlord Delay" (as such term is further defined in Exhibit B). In addition, if the performance of the Remediation Obligations or Landlord's failure to perform the Remediation Obligations prohibits or interferes with Tenant's ability to conduct business from the Premises, then Tenant will be entitled to an equitable abatement of Annual Rent, Tenant's Proportionate Share of Expenses and Tenant's Proportionate Share of Taxes (or if no Rent is then due, Tenant shall receive a credit) for the period of such interference with respect to that portion of the Premises that Tenant is not able to use and occupy.

1.3 The Tenant shall have, as appurtenant to the Premises, rights to use in common with others entitled thereto:

1.3.1 the common facilities included in the Building or the Lot, including common walkways, driveways, lobbies, hallways, ramps, stairways and elevators;

1.3.2 the riser closets, shafts, raceways, pipes, ducts, conduits, wires and appurtenant equipment serving the Premises; and

1.3.3 if the Premises include less than the entire rentable area of any floor, the common toilets in the central core area of such floor.

Such rights shall always be subject to the Rules and Regulations set forth in Exhibit D as the same may be reasonably amended by the Landlord from time to time, and such other reasonable rules and regulations from time to time established by Landlord by suitable notice, and to the right of Landlord to designate and change from time to time areas and facilities so to be used, provided such designations and changes do not deprive Tenant of the substantive benefits of such areas and facilities.

Not included in the Premises are the ceiling, the floor and all perimeter walls of the space identified in Exhibit A, except the inner surfaces thereof and the perimeter doors and windows. Tenant agrees that Landlord shall have the right to place in the Premises (but in such manner as not unreasonably to interfere with Tenant's use of the Premises) utility lines, telecommunication lines, shafts, pipes and the like, for the use and benefit of Landlord and other tenants in the Building, and to replace and maintain and repair such lines, pipes and the like, in, over and upon the Premises. Such utility lines, pipes and the like, shall not be deemed part of the Premises under this Lease. Notwithstanding anything contained herein to the contrary, Landlord shall not have the right to install any such utility lines, telecommunication lines, shafts, pipes and the like in the Premises unless (a) no space in the Building core and shaft space and/or above the ceiling of the Premises is reasonably available and usable therefor on a commercially reasonable basis and (b) the installation of any such utility lines, telecommunication lines, shafts, pipes and the like and the use thereof, does not have a materially adverse effect on Tenant's Work or Alterations (including, without limitation, the aesthetics thereof), or Tenant's use and occupancy of the Premises for the conduct of Tenant's business. Landlord shall use reasonable efforts to locate any utility lines, telecommunication lines, shafts, pipes and the like installed in or through the Premises by Landlord so as not to reduce the usable area of the Premises.

1.4 Tenant shall have the right to install, at Tenant's expense and subject to Landlord's prior approval (i) one (1) exterior sign ("Exterior Signage") in the location and in the size as the current sign for Humana Insurance Company and otherwise reasonably approved by Landlord as to the design of said sign, and in compliance with applicable Legal Requirements, and (ii) Building lobby signage in a location to be determined by Landlord and Tenant ("Building Lobby Signage"), such Building Lobby Signage to be in a size, design, scale and of materials reasonably approved by Landlord, provided that Tenant's right to install such Building Lobby Signage shall be conditioned upon Tenant's lease of at least two (2) full floors in the Building, and Tenant shall have not assigned this Lease (other than to a Permitted Transferee) nor sublet more than 40% of the Premises. Tenant shall be responsible for obtaining all required governmental permits and approvals for such sign. Tenant shall, at its sole cost and expense, at all times keep all signs and display systems in accordance with Landlord's sign criteria and in good condition, proper operating order, and in accordance with all applicable Legal Requirements. Upon termination of this Lease, Tenant shall remove the Exterior Signage, Building Lobby Signage, and any other signs and display systems and repair any damage to the Building caused by the installation and removal thereof and, with respect to the Exterior Signage, returning the exterior Building to the condition as of the Commencement Date. Except for the foregoing Exterior Signage and Building Lobby Signage, Tenant shall not place or suffer to be placed or maintained on the exterior of the Premises any sign, advertising matter or any other thing of any kind, and will not place or maintain any sign, decal, decoration, letter or advertising matter on the glass, or on any window or door of the Premises, or in any other place within the Premises which is visible from outside the Premises, without Landlord's prior written consent. No handwritten signs shall be permitted.

2. TERM.

2.1 The Term of this Lease shall begin on the date (“Commencement Date”) that Landlord shall tender possession of the Premises to Tenant in the condition required herein, and shall terminate on the date as shown on the Reference Pages (“Termination Date”), unless sooner terminated or extended by the provisions of this Lease. Except for Landlord’s Work (as defined in Exhibit B), Landlord shall tender possession of the Premises in as-is condition with existing Systems and Equipment in good working order (but Landlord shall have removed any pre-existing horizontal cabling below Cat5c from the Premises). Notwithstanding the foregoing, Landlord and Tenant shall do a walk-through of the Premises within thirty (30) days following the Lease Reference Date at which time Tenant shall designate the items of furniture, fixtures and personal property of the prior tenant which Landlord must remove from the Premises (the “Designated Items”). Landlord agrees to remove the Designated Items from the Premises within five (5) days of the date of the walk-through. Notwithstanding the foregoing or anything in this Lease to the contrary, Landlord agrees to deliver the Premises to Tenant with existing Systems and Equipment in good working order. If a breach of such warranty exists as of the Commencement Date, Landlord will within ten (10) days after notice from Tenant setting forth in reasonable detail the nature and extent of such non-compliance, commence to rectify same and diligently prosecute to completion. Tenant shall, at Landlord’s request, execute and deliver a memorandum agreement provided by Landlord in the form of Exhibit C attached hereto, setting forth the actual Commencement Date, Rent Commencement Date, Termination Date and, if necessary, a revised rent schedule. Should Tenant fail to do so within thirty (30) days after Landlord’s request, the information set forth in such memorandum provided by Landlord shall be conclusively presumed to be agreed and correct. Tenant shall not be permitted to take possession of and enter the Premises until Tenant shall have delivered to Landlord the insurance certificates required under Section 11.2.

2.2 Except as provided below, Tenant agrees that in the event of the inability of Landlord to deliver possession of the Premises on the Scheduled Commencement Date for any reason, Landlord shall not be liable for any damage resulting from such inability, but Tenant shall not be liable for any rent until the time when Landlord can, after notice to Tenant, deliver possession of the Premises to Tenant and the Rent Commencement Date has occurred. No such failure to give possession on the Scheduled Commencement Date shall affect the other obligations of Tenant under this Lease.

2.3 If Landlord fails to deliver the Premises to Tenant on or before the date which is thirty (30) days after the Scheduled Commencement Date, then for each day after such date that Landlord is late in delivering possession, Tenant shall be entitled to one (1) day of abatement of Base Rent (the “Late Delivery Rent Credit”). The Late Delivery Rent Credit, if any, shall be applied following the Rent Commencement Date against Base Rent as and when same comes due until fully applied. If possession of the Premises is not delivered to Tenant by January 1, 2022 (the “Outside Date”), Tenant may, at its option, by notice to Landlord at any time thereafter and prior to such delivery, terminate this Lease (and, in such event, Landlord shall reimburse Tenant for all out-of-pocket costs incurred by Tenant in reliance of entering into this Lease, including all costs incurred in connection with the negotiation thereof). If Tenant does not terminate this Lease, as aforesaid, the Late Delivery Rent Credit shall increase to two (2) days of free Rent for each day that Landlord’s failure to deliver possession of the Premises to Tenant continues following the Outside Date.

2.4 In the event Landlord permits Tenant, or any agent, employee or contractor of Tenant, to enter, use or occupy the Premises prior to the Commencement Date, such entry, use or occupancy shall be subject to all the provisions of this Lease other than the payment of rent, including, without limitation, Tenant’s compliance with the insurance requirements of Article 11. Said early possession shall not advance the Termination Date.

3. RENT.

3.1 Commencing on the Rent Commencement Date, Tenant agrees to pay to Landlord the Annual Rent in effect from time to time by paying the Monthly Installment of Rent then in effect on or before the first day of each full calendar month during the Term, except that the first full month's rent shall be paid upon the execution of this Lease. The Monthly Installment of Rent in effect at any time shall be one-twelfth (1/12) of the Annual Rent in effect at such time. Rent for any period during the Term which is less than a full month shall be a prorated portion of the Monthly Installment of Rent based upon the number of days in such month. Except as otherwise provided herein, said rent shall be paid to Landlord, without deduction or offset and without notice or demand, at the Rent Payment Address, as set forth on the Reference Pages, or to such other person or at such other place as Landlord may from time to time designate in writing. As used herein the term "Rent" shall mean the Monthly installment of Rent plus all other rent and charges payable under this Lease, including Tenant's Proportionate Share of Expenses and Tenant's Proportionate Share of Taxes which Tenant is obligated to pay pursuant to the terms of Section 4 below. If an Event of Default occurs, Landlord may require by notice to Tenant that all subsequent rent payments be made by an automatic payment from Tenant's bank account to Landlord's account, without cost to Landlord. Tenant must implement such automatic payment system prior to the next scheduled rent payment or within ten (10) days after Landlord's notice, whichever is later. Unless specified in this Lease to the contrary, all amounts and sums payable by Tenant to Landlord pursuant to this Lease shall be deemed additional rent.

3.2 Tenant recognizes that late payment of any rent or other sum due under this Lease will result in administrative expense to Landlord, the extent of which additional expense is extremely difficult and economically impractical to ascertain. Tenant therefore agrees that if rent or any other sum is not paid within five (5) days after written notice that the same was due and not paid pursuant to this Lease (provided that Landlord shall have no obligation to deliver any such notice to Tenant more than two (2) times within any twelve (12) month period during the Term), a late charge shall be imposed in an amount equal to the greater of: (a) Fifty Dollars (\$50.00), or (b) six percent (6%) of the unpaid rent or other payment. The amount of the late charge to be paid by Tenant shall be reassessed and added to Tenant's obligation for each successive month until paid. The provisions of this Section 3.2 in no way relieve Tenant of the obligation to pay rent or other payments on or before the date on which they are due, nor do the terms of this Section 3.2 in any way affect Landlord's remedies pursuant to Article 19 of this Lease in the event said rent or other payment is unpaid after date due.

3.3 Except as otherwise provided herein, Tenant hereby acknowledges and agrees that the obligations of Tenant hereunder shall be separate and independent covenants and agreements, that rent shall continue to be payable in all events and that the obligations of Tenant hereunder shall continue unaffected, unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this Lease. Landlord and Tenant each acknowledges and agrees that the independent nature of the obligations of Tenant hereunder represents fair, reasonable, and accepted commercial practice with respect to the type of property subject to this Lease. Such acknowledgements by Tenant are a material inducement to landlord entering into this Lease.

4. RENT ADJUSTMENTS.

4.1 For the purpose of this Article 4, the following terms are defined as follows:

4.1.1 **Lease Year:** Each fiscal year (as determined by Landlord from time to time) falling partly or wholly within the Term.

4.1.2 **Expenses:** All costs of operation, maintenance, repair, replacement and management of the Building (including the amount of any credits which Landlord may grant to particular tenants of the Building in lieu of providing any standard services or paying any standard costs described in this Section 4.1.2 for similar tenants), as determined in accordance with generally accepted accounting principles, including the following costs by way of illustration, but not limitation: Insurance Costs (as defined below) water and sewer charges; utility costs, including, but not limited to, the cost of heat, light, power, steam, gas; waste disposal; the cost of janitorial services; the cost of security and alarm services (including any central station signaling system); costs of cleaning, repairing, replacing and maintaining the common areas, including parking and landscaping, window cleaning costs; labor costs; costs and expenses of managing the Building including management and/or administrative fees (not to exceed three percent (3%) of the gross fixed revenue from the office portions of the Building); air conditioning maintenance costs; elevator maintenance fees and supplies; material costs; equipment costs including the cost of maintenance, repair and service agreements; purchase costs of equipment; current rental and leasing costs of items which would be capital items if purchased; tool costs; licenses, permits and inspection fees; wages and salaries; employee benefits and payroll taxes; accounting and legal fees; any sales, use or service taxes incurred in connection therewith. In addition, Landlord shall be entitled to recover, as part of Expenses, Tenant's Proportionate Share of: (i) an allocable portion of the cost of capital improvement items which are reasonably intended to reduce Expenses by a reasonably proportionate amount; (ii) an allocable portion of the cost of capital improvement items which are required under any Legal Requirements which were not applicable to the Building as of the Commencement Date, and (iii) the cost of fire sprinklers and suppression systems and other life safety systems which are required under any Legal Requirements which were not applicable to the Building as of the Commencement Date; provided that the costs described in this sentence shall be amortized over the useful life of such expenditures in accordance with such useful life and amortization schedules in accordance with GAAP, with interest on the unamortized amount at one percent (1%) in excess of the Wall Street Journal prime lending rate announced from time to time ("Permitted Capital Expenses"). Notwithstanding anything contained in this Lease to the contrary, in all instances Expenses and Taxes shall be limited to commercially reasonable costs without duplication or profit.

Notwithstanding any provision to the contrary in this Lease, Expenses shall not include the following costs and expenses: (i) any mortgage charges (including interest, principal, points and fees, and ground rent); (ii) costs in connection with leasing space in the Building, including advertising, brokerage commissions; lease concessions, rental abatements and construction allowances granted to specific tenants; (iii) salaries of executives and owners or other employees not directly employed in the management/operation of the Building; (iv) the cost of work done by Landlord for or on behalf of a particular tenant which is separately chargeable to such tenant; (v) the costs of any contributions made by Landlord to any tenant of the Building in connection with the build-out of its premises; (vi) franchise or income taxes imposed on Landlord; (vii) costs paid directly by individual tenants to suppliers, including tenant electricity, telephone and other utility costs; (viii) increases in premiums for insurance when such increase is caused solely by the use of the Building by any other tenant of the Building; (ix) depreciation expenses and any ground lease payments; (x) costs relating to maintaining Landlord's existence as a corporation, partnership or other entity; (xi) advertising and other fees and costs incurred in procuring tenants; (xii) the cost of any items for which Landlord is reimbursed by insurance, condemnation awards, refund, rebate or otherwise, and any expenses for repairs or maintenance to the extent covered by warranties, guaranties and service contracts; (xiii) costs incurred in connection with any disputes between Landlord and its employees, between Landlord and Building management, or between Landlord and other tenants or occupants; (xiv) costs incurred in connection with the sale, financing or refinancing of the Building; (xv) fines, interest and penalties incurred due to the late payment of Taxes or Expenses or Insurance Costs; (xvi) costs of any expansions of the

Building; (xvii) amounts (exclusive of the management fee) paid to subsidiaries or affiliates of Landlord for goods and/or services rendered to the Building to the extent such amounts exceed the competitive costs for delivery of such services were they not provided by such related parties; (xviii) payments for rented equipment, the cost of which equipment would constitute a capital expenditure if the equipment were purchased, to the extent that such payments exceed the amount which could have been included in Expenses had Landlord purchased such equipment rather than leasing such equipment; (xix) charitable or political contributions; (xx) replacement or contingency reserves or any bad debt loss, rent loss or reserves for bad debts or rent loss; (xxi) costs associated with retail leases at the Building, if any, to the extent such cost would exceed that of an office tenant; (xxii) the cost of testing, remediation or removal, transportation or storage of Hazardous Materials in the Building or on the Lot required by Environmental Laws provided, however, the foregoing shall not prohibit the inclusion of expenses to test, remove or remediate materials (whether existing at the Building as of the date of this Lease or subsequently introduced to the Building) which are not as of the date of this Lease (or as of the date of the introduction) deemed to be Hazardous Materials under applicable Legal Requirements but which are subsequently deemed to be Hazardous Materials under applicable Legal Requirements, (xxiii) capital expenditures except as expressly permitted above in this Section 4.1.2, (xxiv) costs to make improvements, alterations, additions or replacements to the Building which are required in order to render the same in compliance with Legal Requirements in effect as of the Commencement Date, (xxv) the cost of installing any specialty service, such as a cafeteria, observatory, broadcasting facilities, child or daycare, (xxvi) costs to acquire sculptures and other works of fine art, exclusive of any holiday decorations, (xxvii) Taxes or taxes on Landlord's business (such as income, excess profits, franchise, capital stock, estate, inheritance, etc.), (xxviii) Landlord's general overhead and any other expenses not directly attributable to the operation and management of the Building and the land appurtenant thereto (e.g. the activities of Landlord's officers and executives or professional development expenditures), except to the extent included in the management fee permitted hereby, (xxix) the cost of any repairs made by Landlord pursuant to the damage or condemnation Articles of this Lease, and (xxx) any improvement that is not a Permitted Capital Expense.

4.1.1 Taxes: Real estate taxes and any other taxes, charges and assessments which are levied with respect to the Building or the land appurtenant to the Building, or with respect to any improvements, fixtures and equipment or other property of Landlord, real or personal, located in the Building and used in connection with the operation of the Building and said land, any payments to any ground lessor in reimbursement of tax payments made by such lessor; and all reasonable fees, expenses and costs incurred by Landlord in investigating, protesting, contesting or in any way seeking to reduce or avoid increase in any assessments, levies or the tax rate pertaining to any Taxes to be paid by Landlord in any Lease Year. Landlord shall take commercially reasonable actions to contest any tax assessments which are unreasonable and the reasonable costs of such actions to contest Taxes shall be included in Expenses. Taxes shall not include any corporate franchise, or estate, inheritance or net income tax, or tax imposed upon Landlord's business (such as income, excess profits, franchise, transfer, personal income, capital stock, estate, etc.) or any transfer by Landlord of its interest in this Lease or the Building, any stadium, sports complex or arena tax (including, without limitation, the ballpark/stadium tax) or any taxes to be paid by Tenant pursuant to Article 28. Taxes for any year which Tenant is obligated to pay its share thereof shall be reduced by the net amount of any tax refund received by Landlord attributable to such year. If a special assessment payable in installments is levied against any part of the Property, Taxes for any year shall include only the installment of such assessment and any interest payable or paid during such year.

4.1.2 Insurance Costs: Any and all insurance charges of or relating to all insurance policies and endorsements deemed by Landlord to be reasonably necessary or desirable and relating in any manner to the protection, preservation, or operation of the Building or any part thereof.

4.2 Subject to the provisions of this Article 4 (including the exclusions), if in any Lease Year, (i) Expenses paid or incurred shall exceed Expenses paid or incurred in the Base Year (Expenses) and/or (ii) Taxes payable by Landlord in any Lease Year shall exceed the amount of such Taxes paid by Landlord in the Base Year (Taxes), Tenant shall pay as additional rent for such Lease Year Tenant's Proportionate Share of each such excess amount.

4.3 The annual determination of Expenses and Taxes shall be made by Landlord and shall be delivered to Tenant within ninety (90) days of the end of the applicable Lease Year. Such annual determination shall be accompanied by a statement and accounting of Tenant's Proportionate Share of the Expenses which exceeded Expenses paid or incurred in the Base Year (Expenses) and Taxes which exceeded the amount of such Taxes which became due and payable in the Base Year (Taxes) ("Landlord's Statement"). Landlord's Statement shall be binding upon Landlord and Tenant, subject to the provisions of this Section 4.3. During the Term, Tenant may review, at Tenant's sole cost and expense, the books and records supporting such determination which during any such review shall include the books and records for the Base Year (Expenses) and Base Year (Taxes) in the office of Landlord, or Landlord's agent, at a location in the Boston area during normal business hours, upon giving Landlord five (5) days advance written notice within ninety (90) days after receipt of such determination, but in no event more often than once in any one (1) year period, subject to execution of a confidentiality agreement acceptable to Landlord, and provided that if Tenant utilizes an independent accountant or lease auditing firm to perform such review it shall be one of national standing which is reasonably acceptable to Landlord, is not compensated on a contingency basis and is also subject to such confidentiality agreement. Notwithstanding anything contained herein to the contrary, Tenant's right to object to the determination of the Base Year (Expenses) and Base Year (Taxes) shall be limited to the first time Tenant requests to review the Base Year (Expenses) and Base Year (Taxes). If Tenant fails to object to Landlord's determination of Expenses and/or Taxes within ninety (90) days after receipt, Tenant shall be deemed to have approved such determination and shall have no further right to object to or contest such determination. In the event that it is finally determined that Landlord overstated the total Expenses and/or Taxes attributable to Tenant by five percent (5%) or more, Landlord shall reimburse Tenant for the actual out-of-pocket costs of such audit up to a maximum of \$6,000. Notwithstanding the "deemed approval" of Landlord's determination of Expenses or Taxes, if any examination discloses errors or omissions for any calendar year resulting in an overstatement of Expenses and/or Taxes, Landlord shall correct such errors or omissions for all preceding calendar years to the extent the same error was made during preceding calendar years.

4.4 In the event that during all or any portion of any Lease Year or Base Year, the Building is less than ninety-five percent (95%) rented and occupied Landlord shall make an appropriate adjustment in occupancy-related Expenses for such year for the purpose of avoiding distortion of the amount of such Expenses to be attributed to Tenant by reason of variation in total occupancy of the Building, by employing consistent and sound accounting and management principles to determine Expenses that would have been paid or incurred by Landlord had the Building been ninety-five percent (95%) rented and occupied, and the amount so determined shall be deemed to have been Expenses for such Lease Year.

4.5 Landlord shall estimate Tenant's Proportionate Share of Expenses which are estimated to exceed Expenses paid or incurred in the Base Year (Expenses) and Tenant's Proportionate Share of Taxes which are estimated to exceed the amount of such Taxes which became due and payable in the Base Year (Taxes) ("Landlord's Estimate"). At least thirty (30) days prior to the beginning of any Lease Year, Landlord will deliver Landlord's Estimate to Tenant, and Tenant agrees that it will pay, by increase of its Monthly Installments of Rent due in such Lease Year, additional rent in the amount of such estimate. Any such increased rate of Monthly Installments of Rent pursuant to this Section 4.4 shall remain in effect until further written notification to Tenant pursuant hereto.

4.6 When the above mentioned actual determination of Tenant's liability for Expenses and/or Taxes is made for any Lease Year and when Tenant is so notified in writing (together with reasonable detail regarding said costs), then:

4.6.1 If the total additional rent Tenant actually paid pursuant to Section 4.5 on account of Expenses and/or Taxes for the Lease Year is less than Tenant's actual liability for Expenses and/or Taxes, then Tenant shall pay such deficiency to Landlord as additional rent in one lump sum within thirty (30) days of receipt of Landlord's bill therefor; and

4.6.2 If the total additional rent Tenant actually paid pursuant to Section 4.5 on account of Expenses and/or Taxes for the Lease Year is more than Tenant's liability for Expenses and/or Taxes as set forth on Landlord's Statement, then Landlord shall credit the difference against the then next due payments to be made by Tenant under this Article 4, or, if the Lease has terminated, refund the difference in cash to Tenant within thirty (30) days of the delivery of Landlord's Statement. Tenant shall not be entitled to a credit by reason of actual Expenses and/or Taxes in any Lease Year being less than Expenses and/or Taxes in the Base Year (Expenses and/or Taxes and/or Insurance).

4.7 If the Commencement Date is other than January 1 or if the Termination Date is other than December 31, Tenant's liability for Expenses and Taxes for the Lease Year in which said Date occurs shall be prorated based upon a three hundred sixty-five (365) day year.

4.8 Notwithstanding anything to the contrary contained in this Lease, for the purpose of calculating Tenant's Proportionate Share of Expenses, annual increases in Controllable Expenses shall not increase by more than seven percent (7%) of Controllable Expenses for the preceding year increased on a cumulative and compounding basis. As used herein, the term "Controllable Expenses" shall mean all Expenses except the following: management fees, security costs, weather-related costs, (including, but not limited to, snow removal costs), costs incurred to comply with Legal Requirements, utilities and Insurance.

5. SECURITY DEPOSIT. Within thirty (30) days after the Lease Reference Date, Tenant shall deliver the Security Deposit to Landlord which may, at Tenant's election either be in cash or in the form of an irrevocable and unconditional Letter of Credit in the amount required on the references Pages of this Lease (the "Letter of Credit"). Landlord consents to the Letter of Credit being issued by Silicon Valley Bank. Notwithstanding anything contained herein to the contrary, Tenant shall have the right to reduce the amount of the Letter of Credit (or the cash Security Deposit, if applicable) to \$412,000.00 on September 1, 2024 (the "Reduction Date") by the delivery of a substitute letter of credit to Landlord; provided, however, if an Event of Default exists as of September 1, 2024, Tenant shall not be entitled to reduce the Security Deposit until such Event of Default has been cured (and the date that such Event of Default has been cured shall be the "Reduction Date" hereunder). Upon Tenant's delivery of such substitute letter of credit, Landlord shall return the Letter of Credit to Tenant and such substitute letter of credit shall become the "Letter of Credit" hereunder. If Tenant elects to post a cash security deposit, Landlord shall refund the amount in excess of \$412,000.00 to Tenant on the Reduction Date. If Tenant shall fully and faithfully comply with the terms, provisions, covenants and conditions of this Lease, the Letter of Credit (or the cash Security Deposit) shall be returned to Tenant within thirty (30) days after the expiration or earlier termination of the Term and Tenant's vacation and surrender of the Premises as required by this Lease.

6. ALTERATIONS.

6.1 Except as expressly set forth herein, Tenant shall not make or suffer to be made any alterations, additions, or improvements, including, but not limited to, the attachment of any fixtures or equipment in, on, or to the Premises or any part thereof or the making of any improvements as required by

Article 7, without the prior written consent of Landlord. When applying for such consent, Tenant shall, if requested by Landlord, furnish complete plans and specifications for such alterations, additions and improvements to the extent typically prepared for same. Landlord's consent may be withheld in Landlord's sole discretion with respect to alterations which (i) materially and adversely affect the structure of the Building, (ii) are visible from the exterior of the Building, and (iii) materially and adversely affect the Systems and Equipment. Notwithstanding the foregoing, for alterations, additions or improvements that are not structural in nature and in aggregate do not cost more than \$100,000.00 Tenant shall provide notice thereof to Landlord prior to commencement of any work but Landlord's consent thereto shall not be required. Landlord shall respond with its consent or withholding of consent (with Landlord's reasons therefor) within fifteen (15) business days after receiving Tenant's written request for consent and reasonably detailed and complete construction drawings. In addition, the consent of the Landlord shall not be required for any purely cosmetic changes to the Premises regardless of cost, provided that Tenant shall provide Landlord with advance notice of same.

6.2 In the event Landlord consents to the making of any such alteration, addition or improvement by Tenant, the same shall be made by using either Landlord's contractor or a contractor reasonably approved by Landlord, in either event at Tenant's sole cost and expense. If Tenant shall employ any contractor other than Landlord's contractor and such other contractor or any subcontractor of such other contractor shall employ any non-union labor or supplier, Tenant shall be responsible for and hold Landlord harmless from any and all delays, damages and extra costs suffered by Landlord as a result of any dispute with any labor unions concerning the wage, hours, terms or conditions of the employment of any such labor. Landlord may charge Tenant third-party costs actually incurred by Landlord in connection with review of Tenant's plans, with all such amounts being due five (5) days after Landlord's written demand.

6.3 All alterations, additions or improvements proposed by Tenant shall be constructed in accordance with all government laws, ordinances, Rules and Regulations, using Building standard materials where applicable, and Tenant shall, prior to construction, provide the additional insurance required under Article 11 in such case, and also all such assurances to Landlord as Landlord shall reasonably require to assure payment of the costs thereof, including but not limited to, notices of non-responsibility, waivers of lien, surety company performance bonds and funded construction escrows and to protect Landlord and the Building and appurtenant land against any loss from any mechanic's, materialmen's or other liens. Tenant shall pay in addition to any sums due pursuant to Article 4, any increase in real estate taxes attributable to any such alteration, addition or improvement for so long, during the Term, as such increase is ascertainable; at Landlord's election said sums shall be paid in the same way as sums due under Article 4.

6.4 Tenant shall be permitted, at its sole cost and expense, to make non-structural, cosmetic alterations to the fire stairwell which connects the sixth (6th) and seventh (7th) floors, including the installation of dedicated security access to each such floor of the Premises (the "Tenant's Stairwell Alterations"), subject to Landlord's right to reasonably approve such Tenant's Stairwell Alterations. The Tenant's Stairwell Alterations shall be subject to all of the terms and conditions of this Article 6. The exact specifications of the Tenant's Stairwell Alterations and the location of any of Tenant's security access installations shall all be submitted to Landlord at least [ten (10) business days] prior to Tenant's intended commencement of the performance of Tenant's Stairwell Alterations, and shall be subject to Landlord's prior written approval, which shall not be unreasonably withheld or delayed.

6.5 Tenant shall, in connection with the Tenant's Work as set forth on Exhibit B attached hereto, be permitted, at its sole cost and expense, to connect to the Building Fire/Life Safety System, (as such term is defined in Section 2.5 of Exhibit B to this Lease), subject to Landlord's prior written approval (which shall not be unreasonably withheld), and provided that Tenant's performance of any alterations necessary to connect to the base building fire and life safety systems shall be in accordance with all of the requirements set forth in this Lease.

7. REPAIR.

7.1 Landlord shall have no obligation to alter, remodel, improve, repair, decorate or paint the interior of the Premises, except as specified in this Lease. Landlord shall repair and maintain in good working order and in compliance with applicable laws (and make necessary replacements), to all portions of the Building (exclusive of the Premises), including, but not limited to, the structural portions of the Building (foundation, exterior, windows, load-bearing walls, elevators, egress stairs, roof), common areas and landscaping and all systems and equipment servicing the Building (the "Systems and Equipment"). "Systems and Equipment shall include, but not be limited to, the Base Building HVAC System, the Building Fire/Life Safety System, plumbing, air conditioning, heating and electrical systems installed or furnished by Landlord but shall exclude all systems installed by Tenant which service the Premises exclusively and internal distribution elements of such systems within the Premises. The internal components of the existing fire/life safety system within the Premises shall be delivered to Tenant on the Commencement Date in as-is condition. By taking possession of the Premises, Tenant accepts them as being in good order, condition and repair and in the condition in which Landlord is obligated to deliver them. It is hereby understood and agreed that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant, except as specifically set forth in this Lease. Notwithstanding anything contained in this Lease to the contrary, in no event shall Tenant be responsible for the performance of, or the payment of any costs incurred by Landlord (whether directly or as a component of Expenses) for, repairs or replacements (i) due to the gross negligence or willful misconduct of Landlord or Landlord's agents; (ii) to the structural elements of the Building Systems and Equipment or the common areas of the Property if such repairs or replacements are required to comply with violations of Legal Requirements which existed as of the Commencement Date.

7.2 Tenant shall, at all times during the Term, keep the Premises in good condition and repair excepting damage by fire, or other casualty, and in compliance with all applicable governmental laws, ordinances and regulations, promptly complying with all governmental orders and directives for the correction, prevention and abatement of any violations or nuisances in or upon, or connected with, the Premises, all at Tenant's sole expense. All lighting within the Premises or exclusively serving the Premises shall be maintained at Tenant's sole expense, but such maintenance may be provided by Landlord upon Tenant's request. Tenant shall maintain the window treatments for all Premises windows.

7.3 Subject to the provisions of Section 39 and except as provided elsewhere in this Lease, Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant.

7.4 Except as otherwise provided in this Lease, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Building or the Premises or to fixtures, appurtenances and equipment in the Building. Except as otherwise provided herein and to the extent, if any, prohibited by law, Tenant waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

8. LIENS. Tenant shall keep the Premises, the Building and appurtenant land and Tenant's leasehold interest in the Premises free from any liens arising out of any services, work or materials performed, furnished, or contracted for by Tenant, or obligations incurred by Tenant. In the event that Tenant fails,

within twenty (20) days following the imposition of any such lien, to either cause the same to be released of record or provide Landlord with insurance against the same issued by a major title insurance company or such other protection against the same as Landlord shall accept (such failure to constitute an Event of Default), Landlord shall have the right to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses incurred by it in connection therewith shall be payable to it by Tenant within five (5) days of Landlord's demand.

9. ASSIGNMENT AND SUBLETTING.

9.1 Tenant shall not have the right to assign or pledge this Lease or to sublet the whole or any part of the Premises whether voluntarily or by operation of law, or permit the use or occupancy of the Premises by anyone other than Tenant, and shall not make, suffer or permit such assignment, subleasing or occupancy without the prior written consent of Landlord, such consent not to be unreasonably withheld, conditioned or delayed, subject however to the terms of Section 9.5 below, and said restrictions shall be binding upon any and all assignees of the Lease and subtenants of the Premises. In the event Tenant desires to sublet, or permit such occupancy of, the Premises, or any portion thereof, or assign this Lease, Tenant shall give written notice thereof to Landlord at least twenty (20) days prior to the proposed commencement date of such subletting or assignment, which notice shall set forth the name of the proposed subtenant or assignee, the relevant terms of any sublease or assignment and copies of financial reports and other relevant financial information of the proposed subtenant or assignee.

9.2 Notwithstanding any assignment or subletting, permitted or otherwise, Tenant shall at all times remain directly, primarily and fully responsible and liable for the payment of the rent specified in this Lease and for compliance with all of its other obligations under the terms, provisions and covenants of this Lease. Upon the occurrence of an Event of Default, if the Premises or any part of them are then assigned or sublet, Landlord, in addition to any other remedies provided in this Lease or provided by law, may, at its option, collect directly from such assignee or subtenant all rents due and becoming due to Tenant under such assignment or sublease and apply such rent against any sums due to Landlord from Tenant under this Lease, and no such collection shall be construed to constitute a novation or release of Tenant from the further performance of Tenant's obligations under this Lease.

9.3 Landlord shall respond to Tenant's request for consent to an assignment or sublease within twenty (20) days of receipt of Tenant's notice of same, giving reasonably detailed information in the event Landlord reasonably refuses consent. In addition to Landlord's right to approve of any subtenant or assignee, Landlord shall have the option, in its sole discretion, in the event of any proposed subletting or assignment, to terminate this Lease, or in the case of a proposed subletting of all or substantially all of the Premises for the remainder of the Term, to recapture the portion of the Premises to be sublet, as of the date the subletting or assignment is to be effective. The option shall be exercised, if at all, by Landlord giving Tenant written notice given by Landlord to Tenant within thirty (30) days following Landlord's receipt of Tenant's written notice as required above. However, if Tenant notifies Landlord, within five (5) days after receipt of Landlord's termination notice, that Tenant is rescinding its proposed assignment or sublease, the termination notice shall be void and the Lease shall continue in full force and effect. If this Lease shall be terminated with respect to the entire Premises pursuant to this Section, the Term of this Lease shall end on the date stated in Tenant's notice as the effective date of the sublease or assignment as if that date had been originally fixed in this Lease for the expiration of the Term. If Landlord recaptures under this Section only a portion of the Premises, the rent to be paid from time to time during the unexpired Term shall abate proportionately based on the proportion by which the approximate square footage of the remaining portion of the Premises shall be less than that of the Premises as of the date immediately prior to such recapture. Tenant shall, at Tenant's own cost and expense, discharge in full any outstanding commission obligation which may be due and owing as a result of any proposed assignment or subletting, whether or not the Premises are recaptured pursuant to this Section 9.3 and rented by Landlord to the proposed tenant or any other tenant.

9.4 In the event that Tenant sells, sublets, assigns or transfers this Lease, Tenant shall pay to Landlord as additional rent an amount equal to fifty percent (50%) of any Increased Rent (as defined below), less the Costs Component (as defined below), when and as such Increased Rent is received by Tenant. As used in this Section, "Increased Rent" shall mean the excess of (i) all rent and other consideration which Tenant is entitled to receive by reason of any sublease, assignment or other transfer of this Lease, over (ii) the rent otherwise payable by Tenant under this Lease at such time. For purposes of the foregoing, any consideration received by Tenant in form other than cash shall be valued at its fair market value as determined by Landlord in good faith. The "Costs Component" is that amount which, if paid monthly, would fully amortize on a straight-line basis, over the entire period for which Tenant is to receive Increased Rent, the reasonable costs incurred by Tenant for leasing commissions, legal fees and tenant improvements in connection with such sublease, assignment or other transfer.

9.5 Notwithstanding any other provision hereof, it shall be considered reasonable for Landlord to withhold its consent to any assignment of this Lease or sublease of any portion of the Premises if at the time of either Tenant's notice of the proposed assignment or sublease or the proposed commencement date thereof, there shall exist an Event of Default, or if the proposed assignee or sublessee is an entity: (a) with which Landlord is already in active negotiation for competitive space in the last one hundred eighty (180) days; (b) is already an occupant of the Building unless Landlord is unable to provide the amount of space required by such occupant; (c) is a governmental agency; (d) is incompatible with the character of occupancy of the Building; (e) Landlord is not reasonably satisfied with the financial condition, tangible net worth or creditworthiness of the proposed subtenant or assignee taking into account the financial condition, tangible net worth or creditworthiness of Tenant (who shall remain liable under the Lease); (f) with which the payment for the sublease or assignment is determined in whole or in part based upon its net income or profits; or (g) would subject the Premises to a use which would: (i) involve increased personnel above which is considered normal office use in Comparable Buildings or materially increase wear upon the Building; (ii) violate any exclusive right granted to another tenant of the Building prior to the Lease Reference Date; (iii) require any structural modification of the Premises or the Building in order to comply with building code or other governmental requirements; or, (iv) involve a violation of Article 1 of this Lease. Tenant expressly agrees that for the purposes of any statutory or other requirement of reasonableness on the part of Landlord, Landlord's refusal to consent to any assignment or sublease for any of the reasons described in this Section 9.5, shall be conclusively deemed to be reasonable.

9.6 Other than with respect to a Permitted Transfer, upon any request to assign or sublet, Tenant will pay to Landlord the Assignment/Subletting Fee plus, on demand, a sum equal to all of Landlord's costs, including reasonable attorney's fees (not to exceed \$3,500.00), incurred in investigating and considering any proposed or purported assignment or pledge of this Lease or sublease of any of the Premises, regardless of whether Landlord shall consent to, refuse consent, or determine that Landlord's consent is not required for, such assignment, pledge or sublease. Any purported sale, assignment, mortgage, transfer of this Lease or subletting which does not comply with the provisions of this Article 9 shall be void.

9.7 If Tenant is a corporation, limited liability company, partnership or trust, any transfer or transfers of or change or changes within any twelve (12) month period in the number of the outstanding voting shares of the corporation or limited liability company, the general partnership interests in the partnership or the identity of the persons or entities controlling the activities of such partnership or trust resulting in the persons or entities owning or controlling a majority of such shares, partnership interests or activities of such partnership or trust at the beginning of such period no longer having such ownership or

control shall be regarded as equivalent to an assignment of this Lease to the persons or entities acquiring such ownership or control and shall be subject to all the provisions of this Article 9 to the same extent and for all intents and purposes as though such an assignment.

9.8 Notwithstanding the foregoing provisions of this Article to the contrary, Tenant shall be permitted to assign this Lease, or sublet all or a portion of the Premises, to Permitted Transferee (as such term is defined below) without the payment of any fees, including the Assignment/Subletting Fee or the payment of Increased Rent, and without the prior consent of Landlord, if all of the following conditions are satisfied:

9.8.1 No Event of Default exists under this Lease as of the effective date of such Permitted Transfer (as such term is defined below);

9.8.2 to the extent the disclosure of same is not prohibited by law or contract, a fully executed copy of such assignment or sublease, the assumption of this Lease by the assignee or acceptance of the sublease by the sublessee, and such other information regarding the assignment or sublease as Landlord may reasonably request, shall have been delivered to Landlord within ten (10) days after the effective date of such Permitted Transfer;

9.8.3 the Premises shall continue to be operated solely for the use specified in the Reference Page or other use acceptable to Landlord in its sole discretion;

9.8.4 the Permitted Transferee shall have a net worth which is at least equal to Tenant's net worth as of the date of this Lease.

9.8.5 Tenant shall pay all legal costs reasonably incurred by Landlord (not to exceed \$2,000.00) in connection with such assignment or subletting.

Tenant acknowledges (and, at Landlord's request, at the time of such assignment or subletting shall confirm) that in each instance Tenant shall remain liable for performance of the terms and conditions of the Lease despite such assignment or subletting. As used herein the term "Permitted Transferee" shall mean an entity which (i) directly controls Tenant or (ii) is under the direct control of Tenant or (iii) is under common direct control with Tenant, (iv) is the successor in interest to Tenant by way of merger or consolidation, or by sale of all or substantially all of the stock of Tenant or of all or substantially all of the assets of Tenant, so long as the tangible net worth of the surviving or successor entity following such transaction is at least as much as the tangible net worth of Tenant immediately preceding the Commencement Date. Control shall mean ownership of fifty-one percent (51%) or more of the voting securities or rights of the controlled entity. The assignment, sublease or other transfer by Tenant to such Permitted Transferee is referred to herein as a "Permitted Transfer".

9.9 With respect to any sublease covering at least 50% of the Premises, Landlord agrees to enter into a commercially reasonable recognition and non-disturbance agreement (a "Recognition Agreement") with the subtenant (the "Subtenant") which provides that Subtenant shall be entitled to remain in occupancy of the sublet premises in the event of a termination of Tenant's rights under the Lease as a result of a Default. Landlord shall only be obligated to deliver a Recognition Agreement if the Subtenant is not in default under the Sublease and Landlord consented to the sublease in question or Landlord's consent thereto was not required hereunder (i.e. the sublease is to a Permitted Transferee). The Recognition Agreement shall provide that if Landlord desires to terminate this Lease due to a Default by Tenant under this Lease, Landlord will provide Subtenant with written notice of same. The Recognition Agreement shall further provide that if, within fifteen (15) days after receipt of Landlord's notice of Tenant's Default, Subtenant notifies Landlord that Subtenant will succeed to Tenant's interest under this Lease, such

succession will take effect immediately (although the parties will subsequently document the succession), and Landlord shall recognize Subtenant's right to continue to occupy the Premises pursuant to the terms and conditions of this Lease. In the event of a succession, the sublease agreement will no longer be of any further force or effect (other than those provisions which are specifically stated to survive termination as set forth in the sublease agreement). In addition, the Recognition Agreement shall provide that, if Subtenant elects to succeed to Tenant's interest under this Lease, Subtenant shall be obligated to (i) cure the Default by Tenant which resulted in Landlord notifying Tenant and Subtenant of Landlord's desire to terminate this Lease; (ii) pay Rent (as proportionately adjusted for the space occupied by Subtenant) as provided in the Lease; and Landlord shall be reimbursed for all legal fees reasonably incurred by Landlord in connection with the Recognition Agreement.

10. INDEMNIFICATION. None of the Landlord Entities shall be liable and Tenant hereby waives all claims against them for any damage to any property or any injury to any person in or about the Premises or the Building by or from any cause whatsoever (including without limiting the foregoing, rain or water leakage of any character from the roof, windows, walls, basement, pipes, plumbing works or appliances, the Building not being in good condition or repair, gas, fire, oil, electricity or theft), except to the extent caused by or arising from the negligence or willful misconduct of Landlord or its agents, employees or contractors. Tenant shall protect, indemnify and hold the Landlord Entities harmless from and against any and all loss, claims, liability or costs (including court costs and attorney's fees) incurred by reason of (a) any damage to any property (including but not limited to property of any Landlord Entity) or any injury (including but not limited to death) to any person occurring in, on or about the Premises or the Building to the extent that such injury or damage shall be caused by or arise from any actual or alleged act, neglect, fault, or omission by or of Tenant or any Tenant Entity to meet any standards imposed by any duty with respect to the injury or damage; (b) the conduct or management of any work or thing whatsoever done by the Tenant in or about the Premises or from transactions of the Tenant concerning the Premises; (c) Tenant's failure to comply with any and all Legal Requirements applicable to the condition or use of the Premises or its occupancy; or (d) any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of the Tenant to be performed pursuant to this Lease. The provisions of this Article shall survive the termination of this Lease with respect to any claims or liability accruing prior to such termination.

Landlord agrees to indemnify and hold Tenant and Tenant's agents, contractors and employees harmless from and against any and all loss, claims or costs (including court costs and attorney's fees) incurred by or claimed against Tenant to the extent such injury or damage results from the negligence or willful misconduct of Landlord, its employees, agents or contractors. The provisions of this Article shall be subject to the waiver of subrogation provided below and shall survive the termination of this Lease with respect to any claims or liability accruing prior to such termination.

11. INSURANCE.

11.1 Tenant shall keep in force throughout the Term: (a) a Commercial General Liability insurance policy or policies to protect the Landlord Entities against any liability to the public or to any invitee of Tenant or a Landlord Entity incidental to the use of or resulting from any accident occurring in or upon the Premises with a limit of not less than \$1,000,000.00 per occurrence and not less than \$3,000,000.00 in the annual aggregate (which annual aggregate coverage may be in the form of umbrella policy), covering bodily injury and property damage liability and \$1,000,000 products/completed operations aggregate; (b) Business Auto Liability covering owned, non-owned and hired vehicles with a limit of not less than \$1,000,000 per accident; (c) Worker's Compensation Insurance with limits as required

by statute and Employers Liability with limits of \$500,000 each accident, \$500,000 disease policy limit, \$500,000 disease—each employee; (d) All Risk or Special Form coverage protecting Tenant against loss of or damage to Tenant’s alterations, additions, improvements (including Tenant’s Work), carpeting, floor coverings, paneling, decorations, fixtures, inventory and other business personal property situated in or about the Premises to the full replacement value of the property so insured; (e) Business Interruption Insurance with limit of liability representing loss of at least approximately six (6) months of income; and (f) Umbrella/Excess Liability with a limit of not less than \$10,000,000.00 per occurrence and not less than \$10,000,000.00 in the annual aggregate.

11.2 The aforesaid policies shall (a) be provided at Tenant’s expense; (b) name the Landlord Entities as additional insureds as their interests may appear (General Liability) and loss payee (Property—Special Form); (c) be issued by an insurance company with a minimum Best’s rating of “A-VII” during the Term a certificate of Liability insurance on ACORD Form 25 and a certificate of Property insurance on ACORD Form 27 shall be delivered to Landlord by Tenant upon the Commencement Date and at each renewal of said insurance. Tenant shall provide Landlord at least thirty (30) days prior written notice of the cancellation of any policy.

11.3 Whenever Tenant shall undertake any alterations, additions or improvements in, to or about the Premises (“Work”) the aforesaid insurance protection must extend to and include injuries to persons and damage to property arising in connection with such Work, without limitation including liability under any applicable structural work act, and such other insurance as Landlord shall require; and the policies of or certificates evidencing such insurance must be delivered to Landlord prior to the commencement of any such Work.

11.4 Landlord agrees to maintain in full force and effect, at all times during the Term of this Lease, (i) property damage insurance covering the Building and Landlord’s property in amounts of coverage as is required by any institutional mortgagee of the Building or, if there is no institutional mortgagee of the Building, then in amounts of coverage as may from time to time be carried by reasonably prudent owners of Comparable Buildings; and (ii) commercial general liability insurance with respect to the Building in an amount not less than amounts prudent landlords carry in Comparable Buildings. Landlord may satisfy such insurance requirements by including the Property in a so called “blanket” insurance policy.

12. WAIVER OF SUBROGATION. So long as their respective insurers so permit, Landlord and Tenant hereby waive and shall cause their respective insurance carriers to waive any and all rights of recovery, claims, actions or causes of action against the other for any property loss or damage with respect to Tenant’s property, Landlord’s property, alterations, additions and improvements, the Building, the Property, the Premises, and any contents thereof, including rights, claims, actions and causes of action based on negligence, which loss or damage is (or would have been, had the insurance required by this Lease been carried) covered by insurance. For the purposes of this waiver, any deductible with respect to a party’s insurance shall be deemed covered by and recoverable by such party under valid and collectable policies of insurance. The parties hereto agree that any and all such insurance policies required to be carried by either party herein shall either contain a waiver of subrogation clause or be endorsed with a waiver of subrogation clause that effectively waives the insurers rights of recovery for losses or damages that the parties have waived hereunder.

13. SERVICES AND UTILITIES.

13.1 Provided no Event of Default shall exist by Tenant under this Lease, and subject to the other provisions of this Lease, Landlord agrees to furnish to the Premises during Building Business Hours (specified on the Reference Pages) on generally recognized business days (but exclusive in any event of

Sundays and national and local legal holidays), the following services and utilities subject to the Rules and Regulations of the Building prescribed from time to time: (a) hot and cold water suitable for normal office use of the Premises; (b) air to the air handling units on each floor and heat and air conditioning required for the use and occupation of the Premises during Building Business Hours, subject to the performance of the Premises HVAC Work by Tenant, including, but not limited to, VAV boxes, electric reheats, and/or fan powered boxes; (c) cleaning and janitorial service for the Premises and the common areas; (d) elevator service 24 hours a day/7 days a week by non-attended automatic elevators with emergency response support, if applicable; and, (e) equipment to bring to the Premises electricity for lighting, convenience outlets and other normal office use; (f) routine maintenance and electric lighting service for all common areas, and (g) pest control within the Premises and common areas, and (g) bi-annual window cleaning of all exterior windows. Landlord shall keep the Building exterior common areas clean and orderly and free from dirt, debris, snow and ice, and, if permitted by law, make all repairs and replacements to the sidewalks and curbs adjacent thereto. Subject to Tenant's satisfaction of all of its HVAC-related obligations under this Section 13 and Exhibit B, Landlord shall maintain a temperature of 72 (+/- 4) degrees within the Premises, unless otherwise requested by Tenant. In addition to Tenant's obligations for HVAC as set forth in Exhibit B, Tenant shall have the right to install supplemental HVAC units (water or air cooled) and outdoor condensing units in a location approved by Landlord.

13.1.1 Electricity. The electricity meters currently existing may be reused by the Tenant's general contractor and electrical subcontractor during construction in order to capture all electrical consumption associated with the Premises. Additional meters and current transformers (CTs) may be required by Landlord during construction pending the need for additional power, which will be at the sole cost and expense of the Tenant and completed during the performance of Tenant's Work. Tenant shall pay for its electricity directly to the Landlord, free of any administrative fee and without markup. Except as set forth herein, Landlord's failure to furnish, or any interruption, diminishment or termination of the supply of electrical energy to the Premises due to the application of any law, the failure of any equipment, the performance of repairs or improvements or acts or omissions of the public utility serving the Building with electricity shall not render Landlord liable to Tenant, constitute a constructive eviction of Tenant, give rise to an abatement of Rent, nor relieve Tenant from the obligation to fulfill any covenant or agreement. Tenant's use of electrical energy in the Premises shall not at any time exceed the Building Capacity (as such term is defined below). In order to ensure that such capacity is not exceeded and to avert possible adverse effect upon the Building electrical services, Tenant shall give notice to Landlord and obtain Landlord's prior written consent (which shall not be unreasonably withheld) whenever Tenant shall connect to the Building electrical distribution system any major fixtures, appliances or equipment which will exceed the Building Capacity. Any additional feeders or risers to supply Tenant's electrical requirements in addition to those existing as of the Commencement Date and installed as a part of Tenant's Work and all other equipment proper and necessary in connection with such feeders or risers, shall be installed by Landlord upon Tenant's request, at the sole cost and expense of Tenant, provided that such additional feeders and risers are permissible under applicable laws and insurance regulations and the installation of such feeders or risers will not cause permanent damage or injury to the Building or cause or create a dangerous condition or unreasonably interfere with other tenants of the Building. Tenant agrees that it will not make any significant alteration or material addition to the electrical equipment and/or appliances in the Premises without the prior written consent of Landlord in each instance first obtained, which consent will not be unreasonably withheld or delayed, and will promptly advise Landlord of any alteration or addition to such electrical equipment and/or appliances. Tenant, at Tenant's expense, shall purchase, install and replace all light fixtures, bulbs, tubes, lamps, lenses, globes, ballasts and switches used in the Premises. In the absence of Landlord's gross negligence or willful misconduct, Landlord shall not be liable for, and Tenant shall not be entitled to, any abatement or reduction of rental by reason of Landlord's failure to furnish any of the foregoing, unless such failure shall persist for five (5) days after written notice of such failure is given to Landlord by Tenant (and provided further that Landlord shall not be liable when such

failure is caused by accident, breakage, repairs, labor disputes of any character, the acts or omissions of Tenant or Tenant Parties, energy usage restrictions or by any other cause, similar or dissimilar, beyond the reasonable control of Landlord), in which case fixed Annual Rent and Expenses and Taxes shall abate from and after the fifth (5th) consecutive day following such notice from Tenant, until the service or utility interruption has been corrected (and access, if applicable, is restored). Landlord shall use reasonable efforts to promptly remedy any interruption in the furnishing of services and utilities.

13.2 Should Tenant require any additional work or service, as described above, including services furnished outside of Building Business Hours, Landlord may, on terms to be agreed, upon reasonable advance notice by Tenant, furnish such additional service and Tenant agrees to pay Landlord such charges as may be agreed upon, including any tax imposed thereon, but, with respect to the provision of after-hours HVAC, in no event shall Landlord charge Tenant more than Landlord's actual cost for such service plus, where appropriate, a reasonable allowance for depreciation of the HVAC system being used to provide such service. The current charge for after-hours HVAC service, which is subject to change at any time (so long as any increase is limited to Landlord's actual cost plus a reasonable allowance for depreciation), is specified on the Reference Pages.

13.3 Wherever heat-generating machines or equipment are used by Tenant in the Premises which affect the temperature otherwise maintained by the air conditioning system or Tenant allows occupancy of the Premises by more persons than the heating and air conditioning system is designed to accommodate, in either event whether with or without Landlord's approval, Landlord reserves the right to install supplementary heating and/or air conditioning units in or for the benefit of the Premises and the cost thereof, including the cost of installation and the cost of operations and maintenance, shall be paid by Tenant to Landlord within fifteen (15) days of Landlord's demand.

13.4 Tenant will not, without the written consent of Landlord (which shall not be unreasonably withheld or delayed), use any apparatus or device in the Premises, including but not limited to, electronic data processing machines and machines using current in excess of 2000 watts and/or 20 amps or 120 volts (the "Building Capacity"), which will in any way increase the amount of electricity used by Tenant above the Building Capacity or the water usually furnished or supplied for use of the Premises for normal office use, nor connect with electric current, except through existing electrical outlets in the Premises, or water pipes, any apparatus or device for the purposes of using electrical current or water. If Tenant shall require water in excess of that usually furnished or supplied for use of the Premises as normal office use or electrical current which exceeds Building Capacity, Tenant shall procure the prior written consent of Landlord for the use thereof, which Landlord may not unreasonably refuse, and if Landlord does consent, Landlord may cause a water meter or electric current meter to be installed so as to measure the amount of such excess water and electric current. The cost of any such meters shall be paid for by Tenant. Tenant agrees to pay to Landlord within five (5) days of Landlord's demand, the cost of all such excess water and electric current consumed (as shown by said meters, if any, or, if none, as reasonably estimated by Landlord) at the rates charged for such services by the local public utility or agency, as the case may be, furnishing the same, plus the additional expense incurred by and charged to Landlord by the utility supplier in keeping account of the water and electric current so consumed.

13.5 Tenant will not, without the written consent of Landlord (which shall not be unreasonably withheld or delayed), contract with a utility provider to service the Premises with any utility, including, but not limited to, telecommunications, electricity, water, sewer or gas, which is not previously providing such service to other tenants in the Building. Subject to Landlord's reasonable Rules and Regulations and the provisions of Articles 6 and 26, Tenant shall be entitled to the use of wiring ("Communications Wiring") from the existing telecommunications nexus in the Building to the Premises, sufficient for normal general office use of the Premises. Tenant shall not install any additional Communications Wiring, nor remove any

Communications Wiring, without in each instance obtaining the prior written consent of Landlord (which shall not be unreasonably withheld or delayed). Any access to, from or within the Building by Tenant's telecommunications companies shall be subject to execution and delivery of a license agreement between Landlord and any such companies in a form reasonably satisfactory to Landlord.

13.6 Tenant shall have access to the Building and Premises 24 hours per day, 7 days per week, but such access shall be by means of Landlord's security access system for the Building. Tenant shall have the right to install an internal security system, but such system shall tie into and be compatible with Landlord's fire alarm system for the Building. After initial occupancy, the costs of access cards for the Building access system shall be charged to Tenant at \$15.00 per card. Landlord shall provide a total of three hundred (300) fobs for access to the Building at no cost to Tenant, which may be assigned by Tenant to its employees as they onboard with Tenant.

14. HOLDING OVER. So long as no Event of Default exists under this Lease and Tenant provides Landlord with written notice at least nine (9) months' prior to the Termination Date of Tenant's election to holdover in the Premises, Tenant will have the right to holdover beyond the Termination Date (without such holdover in and of itself being deemed to be an Event of Default) for a period of up to three (3) months (as Tenant shall elect in its notice). The monthly rental payable by Tenant during such holdover period shall be the same as the monthly rental (the amount due by Tenant for Base Rent and Rent Adjustments under Article 4) payable by Tenant for the last month of the initial Term, for the first (1st) month of such holdover; one hundred twenty-five percent (125%) of the Base Rent and Rent Adjustments under Article 4 for the second (2nd) month of such holdover; and one hundred fifty percent (150%) of the Base Rent and Rent Adjustments under Article 4 for the third (3rd) month of such holdover. Except for any holdover during the first three (3) months following the Termination Date in accordance with the provisions of this Section 14, Tenant shall pay Landlord for each day Tenant retains possession of the Premises or part of them after termination of this Lease by lapse of time or otherwise at the rate ("Holdover Rate") which shall be Two Hundred Percent (200%) of the greater of (a) the amount of the Annual Rent for the last period prior to the date of such termination plus all Rent Adjustments under Article 4; and (b) the then market rental value of the Premises as reasonably determined by Landlord assuming a new lease of the Premises of the then usual duration and other terms, in either case, prorated on a daily basis, and also pay all damages sustained by Landlord by reason of such retention, including, without limitation damages arising from the loss of any other tenant. A tenancy at sufferance shall be deemed to have been created during any holdover of the Premises (or portion thereof) by Tenant. In any event, no provision of this Article 14 shall be deemed to waive Landlord's right of reentry or any other right under this Lease or at law.

15. SUBORDINATION. Landlord represents and warrants to Tenant that there are no mortgages or ground leases encumbering the Property as of the Lease Reference Date. Landlord shall provide Tenant with a so-called non-disturbance agreement from any party who, now or in the future, holds a mortgage or leasehold interest that superior this Lease, which agreement shall be on such party's commercially reasonable form. Without the necessity of any additional document being executed by Tenant for the purpose of effecting a subordination, this Lease shall be subject and subordinate at all times to ground or underlying leases and to the lien of any mortgages or deeds of trust now or hereafter placed on, against or affecting the Building, Landlord's interest or estate in the Building, or any ground or underlying lease; provided, however, that (i) Landlord shall use reasonable efforts to obtain a commercially reasonable non-disturbance agreement from such ground lessor, trustee or mortgagee for the benefit of Tenant; and (ii) if the lessor, mortgagee, trustee, or holder of any such mortgage or deed of trust elects to have Tenant's interest in this Lease be superior to any such instrument, then, by notice to Tenant, this Lease shall be deemed superior, whether this Lease was executed before or after said instrument. Notwithstanding the foregoing, Tenant covenants and agrees to execute and deliver such commercially reasonable agreement to Landlord within thirty (30) days of Landlord's request.

16. RULES AND REGULATIONS. Tenant shall faithfully observe and comply with all the rules and regulations as set forth in Exhibit D to this Lease and all reasonable and non-discriminatory modifications of and additions to them from time to time put into effect by Landlord upon notice to Tenant (“**Rules and Regulations**”). Landlord shall not be responsible to Tenant for the non-performance by any other tenant or occupant of the Building of any such rules and regulations provided that Landlord will not discriminate in its enforcement of the Rules and Regulations. Notwithstanding anything in the Lease or in Exhibit D to the contrary, Tenant shall not be bound by any Rule or Regulation if such rule, regulation or modification (or amendment thereto) (i) is not communicated in writing within a reasonable period of time before the enforcement thereof by Landlord, (ii) is not generally applicable to all tenants of the Building, (iii) unreasonably and adversely diminishes, limits or restricts Tenant’s rights, powers or privileges under this Lease or unreasonably impairs Tenant’s enjoyment and use of the Premises, or (iv) unreasonably increases Tenant’s duties and obligations under. If there is any inconsistency between the Rules and Regulations and the other terms of this Lease, the terms of this Lease shall govern.

17. REENTRY BY LANDLORD.

17.1 Landlord reserves and shall at all times have the right to re-enter the Premises to inspect the same, to supply janitor service and any other service to be provided by Landlord to Tenant under this Lease, to show said Premises to prospective purchasers, mortgagees or tenants (provided such showing may only be during the last twelve months of the Term), and to alter, improve or repair the Premises and any portion of the Building as provided in this Lease, without abatement of rent, and may for that purpose erect, use and maintain scaffolding, pipes, conduits and other necessary structures and open any wall, ceiling or floor in and through the Building and Premises where reasonably required by the character of the work to be performed, provided entrance to the Premises shall not be blocked thereby, and further provided that in all instances of any entry into the Premises by Landlord or its agents the business of Tenant shall not be interfered with and Landlord shall use commercially reasonable efforts to minimize disruption to Tenant’s use of the Premises, which efforts shall include scheduling any such activities which affect the Premises in advance with Tenant and outside Tenant’s business hours. Landlord shall provide Tenant at least 24 hours’ notice prior to any entry in the Premises except in the event of an emergency and to perform Landlord’s janitorial obligations. Landlord shall have the right at any time to change the arrangement and/or locations of entrances, or passageways, doors and doorways, and corridors, windows, elevators, stairs, toilets or other public parts of the Building and to change the name, number or designation by which the Building is commonly known. In the event that Landlord damages any portion of any wall or wall covering, ceiling, or floor or floor covering within the Premises, Landlord shall repair or replace the damaged portion to match the original as nearly as commercially reasonable but shall not be required to repair or replace more than the portion actually damaged. Except as set forth herein, Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant’s business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned by any action of Landlord authorized by this Article 17.

17.2 For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in the Premises, excluding Tenant’s vaults and safes or special security areas (designated in advance), and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency to obtain entry to any portion of the Premises. As to any portion to which access cannot be had by means of a key or keys in Landlord’s possession, Landlord is authorized to gain access by such means as is reasonable under the circumstances, and the cost of repairing any damage occurring in doing so shall be borne by Tenant and paid to Landlord within five (5) days of Landlord’s demand.

18. DEFAULT.

18.1 Except as otherwise provided in Article 20, the following events shall be deemed to be Events of Default under this Lease:

18.1.1 Tenant shall fail to pay when due any sum of money becoming due to be paid to Landlord under this Lease, whether such sum be any installment of the rent reserved by this Lease, any other amount treated as additional rent under this Lease, or any other payment or reimbursement to Landlord required by this Lease, whether or not treated as additional rent under this Lease, and such failure shall continue for a period of five (5) days after written notice that such payment was not made when due.

18.1.2 Tenant shall fail to comply with any term, provision or covenant of this Lease which is not provided for in another Section of this Article and shall not cure such failure within thirty (30) days (forthwith, if the failure involves a hazardous condition) after written notice of such failure to Tenant provided, however, that such failure shall not be an Event of Default if such failure could not reasonably be cured during such thirty (30) day period, Tenant has commenced the cure within such thirty (30) day period and thereafter is diligently pursuing such cure to completion, but the total aggregate cure period shall not exceed ninety (90) days unless the nature of the Event of Default cannot be reasonably cured within such ninety (90) day period, then the time frame for which Tenant may cure shall be extended only as long as is reasonable to effectuate the cure. If, during such extended period beyond the ninety (90) days, Tenant ceases to diligently pursue the cure, the extended cure period shall immediately expire.

18.1.3 Subject to the provisions of Section 14, Tenant shall fail to vacate the Premises immediately upon termination of this Lease, by lapse of time or otherwise, or upon termination of Tenant's right to possession only.

18.1.4 Tenant shall become insolvent, admit in writing its inability to pay its debts generally as they become due, file a petition in bankruptcy or a petition to take advantage of any insolvency statute, make an assignment for the benefit of creditors, make a transfer in fraud of creditors, apply for or consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws, as now in effect or hereafter amended, or any other applicable law or statute of the United States or any state thereof and Tenant does not cease all action in connection therewith within thirty (30) days from and after Tenant's receipt of written notice thereof.

18.1.5 A court of competent jurisdiction shall enter an order, judgment or decree adjudicating Tenant bankrupt, or appointing a receiver of Tenant, or of the whole or any substantial part of its property, without the consent of Tenant, or approving a petition filed against Tenant seeking reorganization or arrangement of Tenant under the bankruptcy laws of the United States, as now in effect or hereafter amended, or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof.

19. REMEDIES.

19.1 Except as otherwise provided in Article 20, upon the occurrence of any of the Events of Default described or referred to in Article 18, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever, concurrently or consecutively and not alternatively:

19.1.1 Landlord may, at its election, terminate this Lease or terminate Tenant's right to possession only, without terminating the Lease.

19.1.2 Upon any termination of this Lease, whether by lapse of time or otherwise, or upon any termination of Tenant's right to possession without termination of the Lease, Tenant shall surrender possession and vacate the Premises immediately, and deliver possession thereof to Landlord, and Tenant hereby grants to Landlord full and free license to enter into and upon the Premises in such event and to repossess Landlord of the Premises as of Landlord's former estate and to expel or remove Tenant and any others who may be occupying or be within the Premises and to remove Tenant's signs and other evidence of tenancy and all other property of Tenant therefrom without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without incurring any liability for any damage resulting therefrom, Tenant waiving any right to claim damages for such re-entry and expulsion, and without relinquishing Landlord's right to rent or any other right given to Landlord under this Lease or by operation of law.

19.1.3 Upon any termination of this Lease, whether by lapse of time or otherwise, Landlord shall be entitled to recover as damages, all rent, including any amounts treated as additional rent under this Lease, and other sums due and payable by Tenant on the date of termination, plus as liquidated damages and not as a penalty, an amount equal to the sum of: (a) an amount equal to the then present value of the rent reserved in this Lease for the residue of the stated Term of this Lease including any amounts treated as additional rent under this Lease and all other sums provided in this Lease to be paid by Tenant, minus the fair rental value of the Premises for such residue; (b) the value of the time and expense necessary to obtain a replacement tenant or tenants, and the estimated expenses described in Section 19.1.4 relating to recovery of the Premises, preparation for reletting and for reletting itself; and (c) the cost of performing any other covenants which would have otherwise been performed by Tenant.

19.1.4 Upon any termination of Tenant's right to possession only without termination of the Lease:

19.1.4.1 Neither such termination of Tenant's right to possession nor Landlord's taking and holding possession thereof as provided in Section 19.1.2 shall terminate the Lease or release Tenant, in whole or in part, from any obligation, including Tenant's obligation to pay the rent, including any amounts treated as additional rent, under this Lease for the full Term, and if Landlord so elects Tenant shall continue to pay to Landlord the entire amount of the rent as and when it becomes due, including any amounts treated as additional rent under this Lease, for the remainder of the Term plus any other sums provided in this Lease to be paid by Tenant for the remainder of the Term.

19.1.4.2 Landlord shall use commercially reasonable efforts to mitigate. Landlord and Tenant agree that nevertheless Landlord shall at most be required to use only the same efforts Landlord then uses to lease premises in the Building generally and that in any case that Landlord shall not be required to give any preference or priority to the showing or leasing of the Premises or portions thereof over any other space that Landlord may be leasing or have available and may place a suitable prospective tenant in any such other space regardless of when such other space becomes available and that Landlord shall have the right to relet the Premises for a greater or lesser term than that remaining under this Lease, the right to relet only a portion of the Premises, or a portion of the Premises or the entire Premises as a part of a larger area, and the right to change the character or use of the Premises. In connection with or in preparation for any reletting, Landlord may, but shall not be required to, make repairs, alterations and additions in or to the Premises and redecorate the same to the extent Landlord deems necessary or desirable, and Tenant shall pay the cost thereof, together with Landlord's expenses of reletting, including, without limitation, any commission incurred by Landlord, within thirty (30) days of Landlord's demand. Landlord shall not be required to observe any instruction given by Tenant about any reletting or accept any tenant offered by Tenant unless such offered tenant has a credit-worthiness acceptable to Landlord and leases the entire Premises upon terms and conditions including a rate of rent (after giving effect to all expenditures by

Landlord for tenant improvements, broker's commissions and other leasing costs) all no less favorable to Landlord than as called for in this Lease, nor shall Landlord be required to make or permit any assignment or sublease for more than the current term or which Landlord would not be required to permit under the provisions of Article 9.

19.1.4.3 Until such time as Landlord shall elect to terminate the Lease and shall thereupon be entitled to recover the amounts specified in such case in Section 19.1.3, Tenant shall pay to Landlord upon demand the full amount of all rent, including any amounts treated as additional rent under this Lease and other sums reserved in this Lease for the remaining Term, together with the costs of repairs, alterations, additions, redecorating and Landlord's expenses of reletting and the collection of the rent accruing therefrom (including reasonable attorney's fees and broker's commissions), as the same shall then be due or become due from time to time, less only such consideration as Landlord may have received from any reletting of the Premises; and Tenant agrees that Landlord may file suits from time to time to recover any sums falling due under this Article 19 as they become due. Any proceeds of reletting by Landlord in excess of the amount then owed by Tenant to Landlord from time to time shall be credited against Tenant's future obligations under this Lease but shall not otherwise be refunded to Tenant or inure to Tenant's benefit.

19.2 Upon the occurrence of an Event of Default, Landlord may (but shall not be obligated to) cure such default at Tenant's sole expense. Without limiting the generality of the foregoing, if Landlord determines in its reasonable discretion that (i) Tenant is not acting within a commercially reasonable time to maintain, repair or replace anything for which Tenant is responsible under this Lease or to otherwise effect compliance with its obligations under this Lease; and (ii) such failure to act or effect compliance would cause injury to persons or property, Landlord may, at Landlord's option, enter into and upon the Premises and perform such maintenance, repair or replacement or effect compliance without being deemed in any manner guilty of trespass, eviction or forcible entry and detainer and without incurring any liability for any damage or interruption of Tenant's business resulting therefrom and Tenant agrees to reimburse Landlord within five (5) days of Landlord's demand as additional rent, for any expenses which Landlord actually incurs in thus effecting compliance with Tenant's obligations under this Lease, plus interest from the date of expenditure by Landlord at the Wall Street Journal prime rate.

19.3 Tenant understands and agrees that in entering into this Lease, Landlord is relying upon receipt of all the Annual and Monthly Installments of Rent to become due with respect to all the Premises originally leased hereunder over the full Initial Term of this Lease for amortization, including interest at the Amortization Rate. For purposes hereof, the "Concession Amount" shall be defined as the aggregate of all amounts forgone or expended by Landlord as free rent under the lease, under Exhibit B hereof for construction allowances (excluding therefrom any amounts expended by Landlord for Landlord's Work, as defined in Exhibit B), and for brokers' commissions payable by reason of this Lease. Accordingly, Tenant agrees that if this Lease or Tenant's right to possession of the Premises leased hereunder shall be terminated as of any date ("Default Termination Date") prior to the expiration of the full Initial Term hereof by reason of an Event of Default, there shall be due and owing to Landlord as of the day prior to the Default Termination Date, as rent in addition to all other amounts owed by Tenant as of such Date, the amount ("Unamortized Amount") of the Concession Amount determined as set forth below; provided, however, that in the event that such amounts are recovered by Landlord pursuant to any other provision of this Article 19, Landlord agrees that it shall not attempt to recover such amounts pursuant to this Paragraph 19.3. For the purposes hereof, the Unamortized Amount shall be determined in the same manner as the remaining principal balance of a mortgage with interest at the Amortization Rate payable in level payments over the same length of time as from the effectuation of the Concession concerned to the end of the full Initial Term of this Lease would be determined.

19.4 If, on account of any Event of Default, it shall become necessary or appropriate for Landlord to employ or consult with an attorney or collection agency concerning or to enforce or defend any of Landlord's rights or remedies arising under this Lease or to collect any sums due from Tenant, Tenant agrees to pay all costs and fees so incurred by Landlord, including, without limitation, reasonable attorneys' fees and costs.

LANDLORD AND TENANT EXPRESSLY WAIVE ANY RIGHT TO: (A) TRIAL BY JURY; AND (B) SERVICE OF ANY NOTICE REQUIRED BY ANY PRESENT OR FUTURE LAW OR ORDINANCE APPLICABLE TO LANDLORDS OR TENANTS BUT NOT REQUIRED BY THE TERMS OF THIS LEASE.

19.5 Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies provided in this Lease or any other remedies provided by law (all such remedies being cumulative), nor shall pursuit of any remedy provided in this Lease constitute a forfeiture or waiver of any rent due to Landlord under this Lease or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants contained in this Lease.

19.6 No act or thing done by Landlord or its agents during the Term shall be deemed a termination of this Lease or an acceptance of the surrender of the Premises, and no agreement to terminate this Lease or accept a surrender of said Premises shall be valid, unless in writing signed by Landlord. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants contained in this Lease shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants contained in this Lease. Landlord's acceptance of the payment of rental or other payments after the occurrence of an Event of Default shall not be construed as a waiver of such Default, unless Landlord so notifies Tenant in writing. Forbearance by Landlord in enforcing one or more of the remedies provided in this Lease upon an Event of Default shall not be deemed or construed to constitute a waiver of such Event of Default or of Landlord's right to enforce any such remedies with respect to such Event of Default or any subsequent Event of Default.

19.7 To secure the payment of all rentals and other sums of money becoming due from Tenant under this Lease, Landlord shall have and Tenant grants to Landlord a first lien upon the leasehold interest of Tenant under this Lease, which lien may be enforced in equity, and a continuing security interest upon all goods, wares, equipment, fixtures, furniture, inventory, accounts, contract rights, chattel paper and other personal property of Tenant situated on the Premises, and such property shall not be removed therefrom without the consent of Landlord until all arrearages in rent as well as any and all other sums of money then due to Landlord under this Lease shall first have been paid and discharged. Upon the occurrence of an Event of Default, Landlord shall have, in addition to any other remedies provided in this Lease or by law, all rights and remedies under the Uniform Commercial Code, including without limitation the right to sell the property described in this Section 19.7 at public or private sale upon five (5) days' notice to Tenant. Tenant shall execute all such financing statements and other instruments as shall be deemed necessary or desirable in Landlord's discretion to perfect the security interest hereby created.

19.8 Upon the Event of Default by Tenant and the termination of this Lease or Tenant's rights of possession as provided herein, any and all property which may be removed from the Premises by Landlord pursuant to the authority of this Lease or of law, to which Tenant is or may be entitled, may be handled, removed and/or stored, as the case may be, by or at the direction of Landlord but at the risk, cost and expense of Tenant, and Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. Tenant shall pay to Landlord, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in Landlord's possession or under Landlord's control. Any such property of Tenant not retaken by Tenant from storage within thirty (30) days after removal from the Premises shall, at Landlord's option, be deemed conveyed by Tenant to Landlord under this Lease as by a bill of sale without further payment or credit by Landlord to Tenant.

19.9 If Tenant breaches a covenant or fails to perform a particular obligation provided in this Lease more than three (3) times during the Term (or any extension thereof) and such breach or failure constitutes an Event of Default each time same occurs, Tenant's extension options and Tenant's rights of first offer provided in this Lease shall be null and void following the third (3rd) time that an Event of Default occurs.

20. TENANT'S BANKRUPTCY OR INSOLVENCY.

20.1 If at any time and for so long as Tenant shall be subjected to the provisions of the United States Bankruptcy Code or other law of the United States or any state thereof for the protection of debtors as in effect at such time (each a "Debtor's Law"):

20.1.1 Tenant, Tenant as debtor-in-possession, and any trustee or receiver of Tenant's assets (each a "Tenant's Representative") shall have no greater right to assume or assign this Lease or any interest in this Lease, or to sublease any of the Premises than accorded to Tenant in Article 9, except to the extent Landlord shall be required to permit such assumption, assignment or sublease by the provisions of such Debtor's Law. Without limitation of the generality of the foregoing, any right of any Tenant's Representative to assume or assign this Lease or to sublease any of the Premises shall be subject to the conditions that:

20.1.1.1 Such Debtor's Law shall provide to Tenant's Representative a right of assumption of this Lease which Tenant's Representative shall have timely exercised and Tenant's Representative shall have fully cured any Event of Default of Tenant under this Lease.

20.1.1.2 Tenant's Representative or the proposed assignee, as the case shall be, shall have deposited with Landlord as security for the timely payment of rent an amount equal to the larger of: (a) three (3) months' rent and other monetary charges accruing under this Lease; and (b) any sum specified in Article 5; and shall have provided Landlord with adequate other assurance of the future performance of the obligations of the Tenant under this Lease. Without limitation, such assurances shall include, at least, in the case of assumption of this Lease, demonstration to the reasonable satisfaction of the Landlord that Tenant's Representative has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that Tenant's Representative will have sufficient funds to fulfill the obligations of Tenant under this Lease; and, in the case of assignment, submission of current financial statements of the proposed assignee, audited by an independent certified public accountant reasonably acceptable to Landlord and showing a net worth and working capital in amounts determined by Landlord (in its reasonable discretion) to be sufficient to assure the future performance by such assignee of all of the Tenant's obligations under this Lease.

20.1.1.3 The assumption or any contemplated assignment of this Lease or subleasing any part of the Premises, as shall be the case, will not breach any provision in any other lease, mortgage, financing agreement or other agreement by which Landlord is bound.

20.1.1.4 Landlord shall have, or would have had absent the Debtor's Law, no right under Article 9 to refuse consent to the proposed assignment or sublease by reason of the identity or nature of the proposed assignee or sublessee or the proposed use of the Premises concerned.

21. QUIET ENJOYMENT. Landlord represents and warrants that it has full right and authority to enter into this Lease and that Tenant, so long as no Event of Default exists hereunder, shall peaceably and quietly have, hold and enjoy the Premises for the Term without hindrance or molestation from Landlord subject to the terms and provisions of this Lease. Landlord shall not be liable for any interference or disturbance by other tenants or third persons, nor shall Tenant be released from any of the obligations of this Lease because of such interference or disturbance.

22. CASUALTY

22.1 In the event the Premises or the Building are damaged by fire or other cause and in Landlord's reasonable estimation such damage can be materially restored within one hundred twenty (120) days, Landlord shall forthwith repair the same and this Lease shall remain in full force and effect, except that Tenant shall be entitled to a proportionate abatement in rent from the date of such damage until thirty (30) days following the complete restoration of the damage by Landlord. Such abatement of rent shall be made pro rata in accordance with the extent to which the damage and the making of such repairs shall interfere with the use and occupancy by Tenant of the Premises from time to time. Within forty-five (45) days from the date of such damage, Landlord shall notify Tenant, in writing, of Landlord's reasonable estimation of the length of time within which material restoration can be made. For purposes of this Lease, the Building or Premises shall be deemed "materially restored" when they are returned substantially to the condition that existed immediately before such damage subject to compliance with Legal Requirements. The parties hereby agree that Landlord shall have the obligation to restore the Tenant's Work and the Alterations to substantially the same condition that existed immediately before such damage subject to compliance with Legal Requirements.

22.2 If such repairs cannot, in Landlord's reasonable estimation, be made within one hundred eighty (180) days, Landlord and Tenant shall each have the option of giving the other, at any time within ninety (90) days after such damage, notice terminating this Lease as of the date of such damage. In the event of the giving of such notice, this Lease shall expire and all interest of the Tenant in the Premises shall terminate as of the date of such damage as if such date had been originally fixed in this Lease for the expiration of the Term. In the event that neither Landlord nor Tenant exercises its option to terminate this Lease, then Landlord shall materially restore (as such term is defined above) the Building and the Premises, this Lease shall continue in full force and effect, and all rent hereunder shall be proportionately abated as provided in Section 22.1.

22.3 Other than Landlord's obligation to restore the Tenant's Work and the Alterations to substantially the same condition that existed immediately before such damage as set forth herein, Landlord shall not be required to repair or replace any damage or loss by or from fire or other cause to any improvements (which are not part of Tenant's Work or Alterations), office fixtures, furniture, equipment or any other property installed on the Premises by, or belonging to, Tenant. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Building or Premises shall be for the sole benefit of the party carrying such insurance and under its sole control.

22.4 In the event that Landlord should fail to complete such repairs and material restoration within sixty (60) days after the date estimated by Landlord therefor as extended by this Section 22.4, Tenant may at its option and as its sole remedy terminate this Lease by delivering written notice to Landlord, within fifteen (15) days after the expiration of said period of time, whereupon the Lease shall end on the date of such notice or such later date fixed in such notice as if the date of such notice was the date originally fixed in this Lease for the expiration of the Term; provided, however, that if construction is delayed because of changes, deletions or additions in construction requested by Tenant, strikes, lockouts, casualties, Acts of God, war, material or labor shortages, government regulation or control or other causes beyond the reasonable control of Landlord, the period for restoration, repair or rebuilding shall be extended for the amount of time Landlord is so delayed.

22.5 Notwithstanding anything to the contrary contained in this Article: (a) Landlord shall not have any obligation whatsoever to repair, reconstruct, or restore the Premises when the damages resulting from any casualty covered by the provisions of this Article 22 occur during the last twelve (12) months of the Term or any extension thereof, but if Landlord determines not to repair such damages Landlord shall notify Tenant and if such damages shall render any material portion of the Premises untenable Tenant shall have the right to terminate this Lease by notice to Landlord within fifteen (15) days after receipt of Landlord's notice; and (b) in the event the holder of any indebtedness secured by a mortgage or deed of trust covering the Premises or Building requires that any insurance proceeds be applied to such indebtedness, then Landlord shall have the right to terminate this Lease by delivering written notice of termination to Tenant within fifteen (15) days after such requirement is made by any such holder, whereupon this Lease shall end on the date of such damage as if the date of such damage were the date originally fixed in this Lease for the expiration of the Term.

22.6 In the event of any damage or destruction to the Building or Premises by any peril covered by the provisions of this Article 22, it shall be Tenant's responsibility to properly secure the Premises and upon notice from Landlord to remove forthwith, at its sole cost and expense, such portion of all of the property belonging to Tenant or its licensees from such portion or all of the Building or Premises as Landlord shall request.

23. EMINENT DOMAIN. If all or any substantial part of the Premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, or conveyance in lieu of such appropriation, either party to this Lease shall have the right, at its option, of giving the other, at any time within thirty (30) days after such taking, notice terminating this Lease, except that Tenant may only terminate this Lease by reason of taking or appropriation, if such taking or appropriation shall be so substantial as to materially interfere with Tenant's use and occupancy of the Premises. If neither party to this Lease shall so elect to terminate this Lease, the rental thereafter to be paid shall be adjusted on a fair and equitable basis under the circumstances. In addition to the rights of Landlord above, if any substantial part of the Building shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain or conveyance in lieu thereof, and regardless of whether the Premises or any part thereof are so taken or appropriated, Landlord shall have the right, at its sole option, to terminate this Lease. Landlord shall be entitled to any and all income, rent, award, or any interest whatsoever in or upon any such sum, which may be paid or made in connection with any such public or quasi-public use or purpose, and Tenant hereby assigns to Landlord any interest it may have in or claim to all or any part of such sums, other than any separate award which may be made with respect to Tenant's trade fixtures and moving expenses; Tenant shall make no claim for the value of any unexpired Term.

24. SALE BY LANDLORD. In event of a sale or conveyance by Landlord of the Building, the same shall operate to release Landlord from any future liability upon any of the covenants or conditions, expressed or implied, contained in this Lease in favor of Tenant, and in such event Tenant agrees to look solely to the responsibility of the successor in interest of Landlord in and to this Lease. Except as set forth in this Article 24, this Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee. If any security has been given by Tenant to secure the faithful performance of any of the covenants of this Lease, Landlord may transfer or deliver said security, as such, to Landlord's successor in interest and thereupon Landlord shall be discharged from any further liability with regard to said security.

25. ESTOPPEL CERTIFICATES. Within ten (10) business days following any written request which Landlord may make from time to time, Tenant shall execute and deliver to Landlord or mortgagee or prospective mortgagee a sworn statement certifying: (a) the date of commencement of this Lease; (b) the fact that this Lease is unmodified and in full force and effect (or, if there have been modifications to this

Lease, that this Lease is in full force and effect, as modified, and stating the date and nature of such modifications); (c) the date to which the rent and other sums payable under this Lease have been paid; (d) the fact that there are no current defaults under this Lease by either Landlord or Tenant except as specified in Tenant's statement; and (e) such other matters as may be requested by Landlord. Landlord and Tenant intend that any statement delivered pursuant to this Article 25 may be relied upon by any mortgagee, beneficiary or purchaser, and Tenant shall be liable for all loss, cost or expense resulting from the failure of any sale or funding of any loan caused by any material misstatement contained in such estoppel certificate. Tenant irrevocably agrees that if Tenant fails to execute and deliver such certificate within such ten (10) business day period Landlord or Landlord's beneficiary or agent may execute and deliver such certificate on Tenant's behalf, and that such certificate shall be fully binding on Tenant.

26. SURRENDER OF PREMISES.

26.1 Tenant and Landlord shall arrange to meet for two (2) joint inspections of the Premises, the first to occur at least thirty (30) days (but no more than sixty (60) days) before the last day of the Term, and the second to occur not later than forty-eight (48) hours after Tenant has vacated the Premises.

26.2 All alterations, additions, and improvements in, on, or to the Premises made or installed by or for Tenant, including, without limitation, carpeting (collectively, "Alterations"), shall be and remain the property of Tenant during the Term. Upon the expiration or sooner termination of the Term, all Alterations shall become a part of the realty and shall belong to Landlord without compensation, and title shall pass to Landlord under this Lease as by a bill of sale. At the end of the Term or any extension of the Term or other sooner termination of this Lease, Tenant will peaceably deliver up to Landlord possession of the Premises, together with all Alterations by whomsoever made, in the same conditions received or first installed, broom clean and free of all debris, excepting only damage caused by Landlord, ordinary wear and tear and damage by fire or other casualty. Notwithstanding the foregoing, (i) if Landlord elects at the time Landlord reviews and approves Tenant's plans for any Alterations that certain Specialty Alterations (as defined below) must be removed, Tenant shall, at Tenant's sole cost, remove such Specialty Alterations so designated by Landlord in writing at the time of consent, and repair any damage caused by such removal, and (ii) Tenant must, at Tenant's sole cost, remove upon termination of this Lease, any and all of Tenant's furniture, furnishings, equipment, movable partitions of less than full height from floor to ceiling and other trade fixtures and personal property, (collectively, "Personalty"). Personalty not so removed shall be deemed abandoned by the Tenant and title to the same shall thereupon pass to Landlord under this Lease as by a bill of sale, but Tenant shall remain responsible for the cost of removal and disposal of such Personalty, as well as any damage caused by such removal. As used herein the Term "Specialty Alterations" shall mean any alterations which would cost substantially more to remove than normal office improvements such as internal stairwells and private showers and private restroom facilities, raised flooring, all specialty wall applications such as Ideapaint, wallpaper, specialty films on glass and all other wall applications. Notwithstanding anything contained herein to the contrary, Tenant shall not be required to remove any improvements installed by Landlord, the Premises HVAC Work, the Premises Fire/Life Safety Work or any data/telecommunications cabling and wiring installed by or on behalf of Tenant or existing as of the Commencement Date, whether inside walls, under any raised floor or above any ceiling.

26.3 All obligations of Tenant under this Lease not fully performed as of the expiration or earlier termination of the Term shall survive the expiration or earlier termination of the Term. Upon the expiration or earlier termination of the Term, Tenant shall pay to Landlord the amount, as reasonably estimated by Landlord, necessary to repair and restore the Premises as provided in this Lease and/or to discharge Tenant's obligation for unpaid amounts due or to become due to Landlord. All such amounts shall be used and held by Landlord for payment of such obligations of Tenant, with Tenant being liable for any additional costs upon demand by Landlord, or with any excess to be returned to Tenant after all such obligations have been determined and satisfied. Any otherwise unused Security Deposit shall be credited against the amount payable by Tenant under this Lease.

27. NOTICES. Any notice or document required or permitted to be delivered under this Lease shall be addressed to the intended recipient, by fully prepaid registered or certified United States Mail return receipt requested, or by reputable independent contract delivery service furnishing a written record of attempted or actual delivery, and shall be deemed to be delivered when tendered for delivery to the addressee at its address set forth on the Reference Pages, or at such other address as it has then last specified by written notice delivered in accordance with this Article 27, or if to Tenant at either its aforesaid address or its last known registered office or home of a general partner or individual owner, so long as same is actually accepted or received by the addressee. Any such notice or document may also be personally delivered if a receipt is signed by and received from, the individual, if any, named in Tenant's Notice Address.

28. TAXES PAYABLE BY TENANT. In addition to rent and other charges to be paid by Tenant under this Lease, Tenant shall reimburse to Landlord, upon demand, any and all taxes payable by Landlord (other than net income taxes) whether or not now customary or within the contemplation of the parties to this Lease: (a) upon, allocable to, or measured by or on the gross or net rent payable under this Lease, including without limitation any gross income tax or excise tax levied by the State, any political subdivision thereof, or the Federal Government with respect to the receipt of such rent; (b) upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy of the Premises or any portion thereof, including any sales, use or service tax imposed as a result thereof; (c) upon or measured by the Tenant's gross receipts or payroll or the value of Tenant's equipment, furniture, fixtures and other personal property of Tenant or leasehold improvements, alterations or additions located in the Premises; or (d) upon this transaction or any document to which Tenant is a party creating or transferring any interest of Tenant in this Lease or the Premises. In addition to the foregoing, Tenant agrees to pay, before delinquency, any and all taxes levied or assessed against Tenant and which become payable during the term hereof upon Tenant's equipment, furniture, fixtures and other personal property of Tenant located in the Premises.

29. DEFINED TERMS AND HEADINGS. The Article headings shown in this Lease are for convenience of reference and shall in no way define, increase, limit or describe the scope or intent of any provision of this Lease. Any indemnification or insurance of Landlord shall apply to and inure to the benefit of all the following "Landlord Entities", being Landlord, Landlord's investment manager, and the trustees, boards of directors, officers, general partners, beneficiaries, stockholders, employees and agents of each of them. Any option granted to Landlord shall also include or be exercisable by Landlord's trustee, beneficiary, agents and employees, as the case may be. In any case where this Lease is signed by more than one person, the obligations under this Lease shall be joint and several. The terms "Tenant" and "Landlord" or any pronoun used in place thereof shall indicate and include the masculine or feminine, the singular or plural number, individuals, firms or corporations, and their and each of their respective successors, executors, administrators and permitted assigns, according to the context hereof. The term "rentable area" shall mean the rentable area of the Premises or the Building as calculated by the Landlord on the basis of the plans and specifications of the Building including a proportionate share of any common areas. Tenant hereby accepts and agrees to be bound by the figures for the rentable square footage of the Premises and Tenant's Proportionate Share shown on the Reference Pages; however, there will be an adjustment of either or both figures if there is an actual addition or subtraction to the Building, otherwise, there shall be no remeasurement of the Premises during the Term (or any extensions thereof). The term "Building" refers to the structure in which the Premises are located and the common areas (parking lots, sidewalks, landscaping, etc.) appurtenant thereto. If the Building is part of a larger complex of structures, the term "Building" may include the entire complex, where appropriate (such as shared Expenses or Taxes)

and subject to Landlord's reasonable discretion. Notwithstanding anything in this Lease to the contrary, in all instances in this Lease and all Exhibits attached hereto, if no time frame for payment is provided but the terms require that Tenant must pay Landlord or Landlord pay Tenant any sum "on demand" or "upon demand" or "immediately pay" or "promptly pay" or words of similar import, such demand shall be in writing and the party to which the demand is made shall have ten (10) business days following the receipt of such written demand to make such payment. In all instances where Landlord provides notice to Tenant or Tenant provides notice to Landlord, such notice must be in writing unless the terms of this Lease specifically provide for oral notice (in the case of an emergency).

30. TENANT'S AUTHORITY. If Tenant signs as a corporation, partnership, trust or other legal entity each of the persons executing this Lease on behalf of Tenant represents and warrants that Tenant has been and is qualified to do business in the state in which the Building is located, that the entity has full right and authority to enter into this Lease, and that all persons signing on behalf of the entity were authorized to do so by appropriate actions.

Tenant hereby represents and warrants that neither Tenant, nor any persons or entities holding any legal or beneficial interest whatsoever in Tenant, are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC"); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: "List of Specially Designated Nationals and Blocked Persons." If the foregoing representation is untrue at any time during the Term, an Event of Default will be deemed to have occurred, without the necessity of notice to Tenant.

31. FINANCIAL STATEMENTS AND CREDIT REPORTS. Within thirty (30) days after Landlord's written request therefor (but not more often than one (1) time per calendar year unless such request is in connection with a sale or refinance of the Building or an Event of Default exists by Tenant hereunder), Tenant shall deliver to Landlord a copy, certified by an officer of Tenant as being a true and correct copy, of Tenant's most recent audited financial statement, or, if unaudited, certified by Tenant's chief financial officer as being true, complete and correct in all material respects. Tenant hereby authorizes Landlord to obtain one or more credit reports on Tenant at any time, and shall execute such further authorizations as Landlord may reasonably require in order to obtain a credit report.

32. COMMISSIONS. Each of the parties represents and warrants to the other that it has not dealt with any broker or finder in connection with this Lease, except as described on the Reference Pages.

33. TIME AND APPLICABLE LAW. Time is of the essence of this Lease and all of its provisions. This Lease shall in all respects be governed by the laws of the state in which the Building is located.

34. SUCCESSORS AND ASSIGNS. Subject to the provisions of Article 9, the terms, covenants and conditions contained in this Lease shall be binding upon and inure to the benefit of the heirs, successors, executors, administrators and assigns of the parties to this Lease.

35. ENTIRE AGREEMENT. This Lease, together with its exhibits, contains all agreements of the parties to this Lease and supersedes any previous negotiations. There have been no representations made by the Landlord or any of its representatives or understandings made between the parties other than those set forth in this Lease and its exhibits. This Lease may not be modified except by a written instrument duly executed by the parties to this Lease.

36. EXAMINATION NOT OPTION. Submission of this Lease shall not be deemed to be a reservation of the Premises. Landlord shall not be bound by this Lease until it has received a copy of this Lease duly executed by Tenant and has delivered to Tenant a copy of this Lease duly executed by Landlord, and until such delivery Landlord reserves the right to exhibit and lease the Premises to other prospective tenants. Notwithstanding anything contained in this Lease to the contrary, Landlord may withhold delivery of possession of the Premises from Tenant until such time as Tenant has paid to Landlord any security deposit required by Article 5, the first month's rent as set forth in Article 3 and any sum owed pursuant to this Lease.

37. RECORDATION. Tenant shall not record or register this Lease or a short form memorandum hereof without the prior written consent of Landlord, and then shall pay all charges and taxes incident such recording or registration.

38. SELF-HELP. If Landlord fails to make any repairs to the Building which prevents Tenant from its realization of the intended material economic benefit from the Premises for more than thirty (30) days following written notice of such required repair from Tenant, Tenant may provide Landlord with a second written notice of Tenant's election to make the required repairs in the event Landlord does not commence such repairs within five (5) days. If Landlord fails to commence such repairs within such five (5) day period, Tenant may make such repairs using contractors who are reasonably acceptable to Landlord and who maintain the insurance required by Landlord. Such repair work shall be performed by Tenant in a good and workmanlike manner. Landlord shall pay the reasonable out-of-pocket cost of such repairs to Tenant within thirty (30) days after receipt of an invoice therefor.

39. LIMITATION OF LANDLORD'S LIABILITY. Redress for any claim against Landlord under this Lease shall be limited to and enforceable only against and to the extent of Landlord's interest in the Building and the land upon which the same was built, including all rents, sale, insurance and condemnation proceeds, and subject to the rights of any mortgagee of Landlord which is unrelated to Landlord, and of Landlord to use such proceeds or awards for reconstruction, the insurance proceeds and taking awards therefor. The obligations of Landlord under this Lease are not intended to be and shall not be personally binding on, nor shall any resort be had to the private properties of, any of its or its investment manager's trustees, directors, officers, partners, beneficiaries, members, stockholders, employees, or agents, and in no case shall Landlord be liable to Tenant hereunder for any lost profits, damage to business, or any form of special, indirect or consequential damages. The obligations of Tenant under this Lease are not intended to be and shall not be personally binding on, nor shall any resort be had to the private properties of, any of its directors, officers, partners, beneficiaries, members, stockholders, employees, or agents. Except for Tenant's liability under Section 14 of this Lease, in no event shall either party be liable to the other for any loss of business or any other indirect or consequential damages suffered by such party from whatever cause.

40. RIGHT OF FIRST OFFER. Provided no Event of Default exists under this Lease, and subject to the Initial Lease Up (as hereinafter defined), Tenant shall have the right to lease any space on the second or fifth floors of the Building (any such space, referred to as an "Expansion Space") when it becomes available, as defined below. The term "Initial Lease Up" shall refer to the initial leases (and any extensions or renewals thereof) entered into by Landlord with third party tenants for all or any portion of the Expansion Space on the second (2nd) floor of the Building following the date of this Lease. Space is "available" for purposes of this Article when (i) it is vacated by the prior tenant, such tenant's lease having expired or been terminated by Landlord, or the space is scheduled to be vacant and Landlord currently desires to begin marketing the space, (ii) any tenants having superior rights to such space have declined or failed to exercise such rights, and (iii) Landlord intends to market such space for lease. In such event, Landlord shall give written notice to Tenant of the date of availability of the Expansion Space and the terms and conditions on which Landlord intends to offer it to the public (the "Offer Notice") and Tenant shall have a period of ten

(10) days in which to exercise Tenant's right to lease the Expansion Space pursuant to the Offer Notice, failing which Landlord may lease the Expansion Space to any third party on whatever basis Landlord desires, and Tenant shall have no further rights with respect to the Expansion Space. Notwithstanding the foregoing, if Landlord leases a particular Expansion Space to a third party pursuant to the preceding sentence and such Expansion Space is subsequently vacated again during the Term of this Lease or any renewal hereof or, if Landlord intends to offer the Expansion Space on terms which are ten (10%) or more economically favorable to the tenant than the terms set forth in the Offer Notice on a net effective basis, Landlord shall re-offer the Expansion Space to Tenant as provided herein on such more economically favorable terms and Tenant shall again have a new right of first offer to lease such Expansion Space. Notwithstanding the foregoing, Landlord shall have the absolute right to renew or extend any existing tenant's lease then leasing the Expansion Space. If Tenant exercises its right to lease hereunder, effective as of the date Landlord delivers the Expansion Space, the Expansion Space shall automatically be included within the Premises and subject to all the terms and conditions of the Lease, except as set forth in the Offer Notice and as follows:

40.1 The Term of the Lease for the Offer Space shall commence upon the date on which the Offer Space is delivered to Tenant in the condition required by the Offer Notice (if applicable) and shall end on the Termination Date.

40.2 Tenant's Proportionate Share shall be recalculated, using the total square footage of the Premises, as increased by the Expansion Space.

40.3 The Expansion Space shall be leased on an "as is" basis and Landlord shall have no obligation to improve the Expansion Space or grant Tenant any improvement allowance thereon.

40.4 Prior to the beginning of the term for the Expansion Space, Landlord and Tenant shall execute a written memorandum confirming the inclusion of the Expansion Space and the Annual Rent for the Expansion Space.

40.5 Notwithstanding the foregoing, Tenant shall have no right to lease the Expansion Space if, as of the date on which the Offer Space is to be delivered to Tenant as set forth in the Offer Notice, less than two (2) years remain in the Term. However, if Tenant has a remaining renewal option which, if properly exercised, would extend the Termination Date of this Lease such that at least two (2) years will remain in the Term, Tenant shall have the right to lease the Expansion Space if, concurrently with its exercise of that right, it also exercises such renewal option.

40.6 Nothing herein shall be construed as to prohibit Landlord from extending the term of the lease of any existing tenant.

This option is not transferable; the parties hereto acknowledge and agree that they intend that the aforesaid right of first offer shall be "personal" to the originally-named Tenant as set forth above and any Permitted Transferee and that in no event will any assignee or sublessee (other than an assignee that is a Permitted Transferee) have any rights to exercise the aforesaid right.

41. EXTENSION OPTIONS. Tenant shall, provided the Lease is in full force and effect and there is no uncured Event of Default at the time of notification or commencement, have two (2) options to extend the Term of this Lease for a term of five (5) years each (each an "Extension Term" and collectively, the

“Extension Terms”), for a minimum of two (2) contiguous floors of the Premises, on the same terms and conditions set forth in the Lease, except as modified by the terms, covenants and conditions as set forth below:

41.1 If Tenant elects to exercise said option, then Tenant shall provide Landlord with written notice no earlier than the date which is fifteen (15) months prior to the expiration of the then current Term of the Lease (unless Tenant is exercising same in conjunction with an exercise of the right of first offer described above) but no later than the date which is twelve (12) months prior to the expiration of the then current Term of this Lease. If Tenant fails to provide such notice, time being of the essence, Tenant shall have no further or additional right to extend or renew the term of the Lease.

41.2 The Annual Rent and Monthly Installment in effect at the expiration of the then current term of the Lease shall be increased for each Extension Term as hereinafter provided. The Annual Rent and Monthly Installment for the first Extension Term shall be increased to equal the then current fair market rental for comparable space in similar buildings in the same rental market as of the date the applicable Extension Term is to commence, taking into account the specific provisions of the Lease which will remain constant and taking into consideration that the Base Year for each Extension Term shall be readjusted to be the actual Expenses and Taxes for the first full calendar year of the Extension Term. Landlord shall advise Tenant of the new Annual Rent and Monthly Installment for the Premises no later than thirty (30) days after receipt of Tenant’s written request to exercise an Extension Term. Said request shall be made no earlier than thirty (30) days prior to the first date on which Tenant may exercise its option under this Paragraph. Said notification of the new Annual Rent may include a provision for its escalation to provide for a change in fair market rental between the time of notification and the commencement of the extension term. If Landlord and Tenant are unable to agree on a mutually acceptable fair market rental within thirty (30) days after Tenant’s exercise of the first extension option, then Landlord and Tenant shall each appoint a qualified commercial real estate retail broker doing business in Boston, Massachusetts that is not currently engaged to represent the party appointing such broker and who has at least ten (10) years of relevant experience in the market in which the Building is located. Those brokers shall, in turn, appoint a third commercial real estate retail broker doing business in Boston, Massachusetts that is not currently engaged to represent Landlord or Tenant and who is similarly qualified and the majority determination of the three brokers shall be the fair market rental for the Premises for the determining the Annual Rent for the first Extension Term. Landlord and Tenant shall equally share in the expense of this appraisal.

41.3 This option is not transferable; the parties hereto acknowledge and agree that they intend that the aforesaid option to extend the Term of this Lease shall be “personal” to the originally-named Tenant as set forth above and that, except in connection with a transfer to a Permitted Transferee pursuant to Section 9.8, in no event will any assignee or sublessee (other than a Permitted Transferee) have any rights to exercise the aforesaid option to renew.

As each extension option is exercised, the number of extension options remaining to be exercised is reduced by one and upon exercise of the last of the two (2) extension options, Tenant shall have no further right to extend the Term of this Lease.

42. ROOFTOP ANTENNA. Landlord agrees that Tenant may install, at Tenant’s expense and for its own internal business use (and not for the purpose of granting access to others, whether or not for profit), a satellite or other antenna communications system (collectively, “Tenant’s Communications Equipment”) on the roof of the Building or the mezzanine space in the loading dock at a location reasonably designed by Landlord. Without limiting the generality of the foregoing, the installation, size and location of Tenant’s Communications Equipment must comply with all governmental requirements (local, state and federal). Prior to installation of Tenant’s Communications Equipment, Tenant shall furnish plans and specifications for installation of Tenant’s Communications Equipment and its location and installation (which installation shall not involve any penetration of the roof) to Landlord for its approval, which approval shall not be unreasonably withheld or delayed. In addition, prior to installation of Tenant’s Communications Equipment, Tenant shall obtain all necessary governmental permits and approvals and deliver copies

thereof to Landlord. All costs related to Tenant's Communications Equipment shall be paid by Tenant, including all costs of installation, screening (if reasonably required by Landlord or any governmental entity), maintenance, repair, restoration and removal. If requested by Landlord in connection with required maintenance and repair of the roof, no more often than once during the Term, Tenant will, at Tenant's expense, move Tenant's Communications Equipment to another location on the roof selected by Landlord and reasonably acceptable to Tenant. Tenant acknowledges that Landlord may also install or grant to others the right to install microwave, satellite or other antenna communications systems on the roof so long as same does not unreasonably interfere with Tenant's Communications Equipment. Upon the expiration or sooner termination of the Term, Tenant shall, at Tenant's sole cost, remove Tenant's Communications Equipment and all appurtenances and related equipment, and repair any damage caused by such removal. Tenant shall be responsible for any damage to the roof or mezzanine space, or any impairment of any existing roof warranty, resulting from the installation, use, maintenance, operation or removal of Tenant's Communications Equipment and related equipment. Tenant shall be responsible for any damage to the roof, or any impairment to Landlord's roof warranty, resulting from the installation, use, maintenance, operation or removal of Tenant's Communications Equipment and related equipment, and must coordinate any roof work, including roof penetrations, if any, with Landlord's roofing contractor. Tenant shall also be responsible for all cost and coordination of temporary removal or relocation of Tenant's Communications Equipment to the extent required in connection with roof or Building maintenance or repairs. Tenant shall be responsible for any interference with any existing systems located at the Building caused by Tenant's Communications Equipment. Notwithstanding the foregoing, Tenant's rights under this Section shall be subject to availability and the execution of a license agreement between Landlord and Tenant's proposed provider of any services related to such Tenant's Communications Equipment.

LANDLORD:

281 SUMMER STREET LLC, a Delaware limited liability company

By: /s/ Gerald F. Ianetta
Name: Gerald F. Ianetta
Title: Vice President

By: /s/ David F. Crane
Name: David F. Crane
Title: Vice President

TENANT:

BRIGHTCOVE INC., a Delaware corporation

By: /s/ Robert Noreck
Name: Robert Noreck
Title: CFO



October 26, 2021

Mr. Jeff Ray
c/o Brightcove
290 Congress Street
Boston, MA 02210

Transition Agreement

Dear Jeff,

This Transition Agreement ("Transition Agreement") confirms the terms of your transition from your current position as Chief Executive Officer ("CEO") of Brightcove Inc. ("Brightcove" or the "Company"), and ultimately your separation from employment with Brightcove, and describes the agreement between you, Jeff Ray (hereinafter, "you"), and Brightcove (collectively, the "Parties," or individually, a "Party") related to the transition and separation.

The purpose of the Transition Agreement is in the interest of establishing a smooth transition of your responsibilities as CEO and, thereafter, an amicable ending to your relationship with the Company, and to provide you with certain benefits in exchange for your release of the Company and related persons or entities from any claims. It is customary in separation agreements for the departing employee to release the employer from any possible claims, even if the employer believes, as is the case here, that no such claims exist. By entering into the Transition Agreement and the Release Agreement attached as Exhibit A (such Release Agreement to be signed after the Separation Date, as described in more detail below) you understand that the Company is not admitting in any way that it violated any legal obligation that it owes or owed to you. Unless otherwise defined in this Transition Agreement, capitalized terms used herein shall have the same meaning ascribed to them in your Employment Agreement with the Company dated April 11, 2018 ("Employment Agreement").

1. Termination of Employment/Duties through the Separation Date.

Your employment with Brightcove will terminate effective on December 31, 2022 (the "Separation Date"). During the period between the Effective Date and the Separation Date, you will continue initially to perform your duties as the Company's CEO, and assist the Company's Board of Directors in the search for a new CEO, until a new CEO is hired by the Company, a process which you understand may take until the Separation Date (or longer). You agree that the Company has not assured you that a new CEO will begin employment on or before the Separation Date and that, if the Company does not hire a new CEO before the Separation Date, you will continue to serve as the CEO up through the Separation Date. If a new CEO is hired by the Company before the Separation Date, you will (i) resign as CEO on the day before the new CEO's start date with Brightcove (the "CEO Transition Date"), (ii) transition your responsibilities to the new CEO as requested, and (iii) continue your employment with the Company as an advisor to the new CEO, in such capacity as such new CEO determines from time to time, through the Separation Date, provided, however, that during the period from the CEO Transition Date until the Separation Date, you will not be required to work more than 40 hours per calendar month. You also agree to resign from your status as a member of the Company's Board of Directors on the earlier of (i) the CEO Transition Date and (ii) the Separation Date.

2. Compensation, Equity and Benefits through the Separation Date.

Provided that you execute and do not revoke this Transition Agreement within the time frame set forth below, and provided that you reaffirm the terms of this Transition Agreement by signing and returning the Release Agreement attached as Exhibit A on or within 7 days after the Separation Date (but not before the Separation Date), and subject to Section 4 of this Transition Agreement: (i) the Company shall continue to pay you your current base salary according to the Company's regular payroll schedule through the Separation Date, (ii) you shall be paid your 2021 and 2022 bonuses at whatever payout level is achieved by the Company in those years, respectively, payment of each such bonus to occur in the first quarter of the year following the year to which each such bonus relates in accordance with the Company's practice regarding calculation and payment of such bonuses; provided, however, that the target bonus for 2022 shall not be less than 150% of your current base salary, (iii) you shall continue to vest in previously granted stock options and time-based restricted stock units ("RSUs") through the Separation Date, provided, however, that (A) the date for you to exercise any options vested through the Separation Date shall be extended to and including December 31, 2023 (or until the original expiration date of the option, if earlier), (B) if the Company has not hired a new CEO on or before July 1, 2022, and provided you have not resigned from employment with the Company prior to the Separation Date, 50% of the RSUs (i.e., 8,365 RSUs) of the final tranche of RSUs scheduled to vest in December 2023 (such RSUs initially granted on December 31, 2020) shall be accelerated and shall vest on the Separation Date, and (C) if the Company has not hired a new CEO on or before the Separation Date, and provided you have not resigned from employment with the Company prior to the Separation Date, the remaining 50% of the RSUs (i.e., 8,365 RSUs) of the final tranche of RSUs scheduled to vest in December 2023 (such RSUs initially granted on December 31, 2020) shall be accelerated and shall vest on the Separation Date, (iv) any performance-based Restricted Stock Units previously granted to you ("PRsUs"), for which the performance criteria has been met on or before the Separation Date, shall be accelerated and vest on the Separation Date, regardless of any requirement in the PRSU grant agreement for continued employment with the Company after the Separation Date, (v) you shall continue to be eligible to participate in the Company's Employee Benefit Plans through the Separation Date under the terms you participated immediately prior to the Effective Date, (vi) you shall continue to participate in the Company's Vacation Policy through the CEO Transition Date, and (vii) the Company shall continue to reimburse you for your travel-related and business-related expenses through the Separation Date. In the event of your death prior to the Separation Date the cash compensation, employee benefits and equity compensation described in this Section 2 will be paid or provided instead to your surviving spouse (or if none, to your estate) as if you had survived and remained continuously employed by the Company until the Separation Date. Upon your execution of this Transition Agreement the Company shall pay your reasonable legal fees, not to exceed \$14,000, incurred in connection with the negotiation, documentation and execution of the Transition Agreement.

3. COBRA.

You have the right to continue certain health and dental insurance benefits under Brightcove's group health and dental plan at your own expense after the Separation Date under the law known as "COBRA." You and/or your dependents are entitled to elect COBRA coverage (usually for up to 18 months or more) under your existing plan(s). Following the Separation Date, Brightcove will send to you a package describing your rights under COBRA in more detail, which will include forms for you to complete to enroll in COBRA.

4. Amendment of Employment Agreement and NonCompetition/NonSolicitation Agreement.

(a) The Parties agree that the Employment Agreement, as modified by this Transition Agreement, will remain in full force and effect. The Parties agree that none of (i) the entry of the Parties into this Transition Agreement, (ii) any events that constitute Good Reason as defined in subsections 3(e)(i) and (ii) of the Employment Agreement, or (iii) your termination of employment on the Separation Date, will constitute a termination of your employment by the Company or constitute a basis for you to resign for Good Reason. The Parties agree that in the event you are terminated by the Company without Cause, or you resign for Good Reason, in each case as modified by this Transition Agreement, prior to the Separation Date, (i) you will receive as severance benefits all cash compensation, employee benefits and equity compensation described in Section 2 of this Transition Agreement as if you had remained continuously employed until the Separation Date and the Company achieved the performance criteria set forth in the PRSUs, and (ii) you will not be eligible for any of the cash compensation, employee benefits or equity compensation set forth in Sections 4 and 5 of the Employment Agreement as severance benefits. Notwithstanding the foregoing, (i) if a new CEO does not commence employment with the Company prior to a Change of Control (as defined in the Employment Agreement), and (ii) you become eligible for the benefits described in Section 5 of the Employment Agreement, upon and following the Change in Control, the Company shall, in addition to the cash compensation, employee benefits and equity compensation described in Section 2 and this Section 4 of this Transition Agreement, pay you an additional amount in cash equal to (x) the Severance Amount described in Section 4(b)(i) of the Employment Agreement in the time and the manner described therein, less (to avoid duplication of cash severance payments) (y) a pro-rated amount of the base salary and bonus payable to you under clause (i) and clause (ii) of Section 2 of this Transition Agreement for the period of time from your separation from service with the Company through your Separation Date . The Parties further agree that in the event that you resign from your employment prior to the Separation Date or your employment is terminated by the Company for Cause prior to the Separation Date you shall not be eligible for any additional cash compensation, employee benefits, equity compensation under this Transition Agreement or the Employment Agreement, other than your Accrued Benefits. The parties agree that the first sentence of Section 8 (Consent to Jurisdiction) of the Employment Agreement shall be replaced by the following sentence: “The parties hereby consent to the jurisdiction of the Twelfth Judicial Court of the State of Florida and the United States District Court for the Middle District of Florida, Tampa Division, for any matter relating to this Agreement.” The parties also agree that the language in Section 17 (Governing Law) of the Employment Agreement shall be replaced with the following: “This is a Florida contract and shall be construed under and be governed in all respects by the laws of the State of Florida, without giving effect to the conflict of laws principles of such State. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Eleventh Judicial Circuit.”

(b) You agree that your Employee NonCompetition, NonDisclosure and Developments Agreement with the Company, dated April 11, 2018 (“NonCompetition Agreement”) shall be amended (i) by striking the phrase at the beginning of the second sentence of Section 1 that reads: “Further, during the period of my employment by the Company and for twelve months after the termination of such employment (for any reason whatsoever) (the “Restricted Period”),” and substituting the following language: “Further, during the period through and including the Separation Date (as defined in my Transition and Separation Agreement with the Company) and for twenty-four (24) months after the Separation Date (the “Restricted Period”)” and (ii) by striking the word “Massachusetts” as it appears in Section 16 of the NonCompetition Agreement and substituting the word “Florida”. You agree that all other terms and conditions of such NonCompetition Agreement are valid and enforceable.

5. Release of Claims.

In consideration of, among other terms, the terms described in Sections 1 and 2 above, to which you acknowledge you would otherwise not be entitled, but subject to payment to you of the compensation, benefits and equity described in this Transition Agreement, you voluntarily release and forever discharge Brightcove, its affiliated and related entities, its and their respective predecessors, successors and assigns, its and their respective employee benefit plans and fiduciaries of such plans, and the current and former officers, directors, shareholders, employees, attorneys, accountants and agents of each of the foregoing in their official and personal capacities (collectively referred to as the “Releasees”) generally from all claims, demands, debts, damages, causes of action, and liabilities of every name and nature, known or unknown (“Claims”) that, as of the date you sign this Transition Agreement, you have, ever had, now claim to have or ever claimed to have had against any or all of the Releasees, *specifically including any claim under the Age Discrimination in Employment Act of 1967, as amended, or Chapter 151B of the Massachusetts General Laws*, and also including, without limitation, all Claims:

- relating to your employment by, and termination of employment with, Brightcove;
- of wrongful discharge;
- of breach of contract, including, without limitation, any claim for severance benefits as provided in the Employment Agreement;
- of retaliation or discrimination under federal, state or local law (including, without limitation, claims under the Age Discrimination in Employment Act, the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the Massachusetts Fair Employment Practices Act (M.G.L. c. 151B));
- under any other federal, state or local statute, law or ordinance (including, without limitation, claims under the Worker Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Massachusetts Parental Leave Act, the Massachusetts Earned Sick Leave Act, and the Fair Labor Standards Act);
- of defamation or other torts;
- of violation of public policy;
- for wages, overtime pay, bonuses, incentive compensation, stock, stock options, restricted stock or other equity compensation, vacation pay, holiday pay or any other compensation or benefits under federal, state or local law (including the Massachusetts Wage Act, M.G.L. c. 149, § 148 et seq.); and
- for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney’s fees;

provided, however, that this release does not: (i) affect your rights under any Company Benefit Plan (including the Company’s Section 401(k) plan), or with respect to your vested equity in the Company, or your rights under this Transition Agreement (including your rights to the compensation, equity and benefits provided under Section 2 thereof); (ii) limit your right to file, cooperate with or participate in a discrimination proceeding before a state or federal Fair Employment Practices Agency, provided that you waive any right to recover monetary benefits in such proceeding; (iii) limit your remedies as a whistleblower under any state or federal law or (iv) waive any claim that cannot be waived as a matter of law. Except to the extent prohibited by law, you agree that you shall not seek or accept damages of any nature, other equitable or legal remedies for your own benefit, attorney’s fees, or costs from any of the Releasees with respect to any Claim released by this Transition Agreement. As a material inducement to Brightcove to enter into this Transition Agreement, you represent that you have not assigned to any third party, and you have not filed with any agency or court, any Claim released by this Transition Agreement.

The Company represents that as of the Effective Date it is not aware of any grounds for a claim against you or any basis for a termination of your employment with the Company for Cause.

6. Tax Treatment.

Brightcove shall undertake to make deductions, withholdings and tax reports with respect to payments and benefits under this Transition Agreement to the extent that it reasonably and in good faith determines is required. Payments under this Transition Agreement will be in amounts net of any such deductions or withholdings. Nothing in this Transition Agreement will be construed to require Brightcove to make any payments to compensate you for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

7. Return of Property.

You agree to return to Brightcove no later than the Separation Date all Brightcove property, including, without limitation, computer equipment, software, keys and access cards, credit cards, files and any documents (including electronic data and any copies made of any electronic data or software) containing information concerning Brightcove, its business or its business relationships (in the latter two cases, actual or prospective). You also commit to permanently deleting any duplicates of files or documents that may contain Brightcove information from any computer or other device that remains your property after the Separation Date. In the event that you discover that you continue to retain any such property, you shall return it to Brightcove immediately.

8. Confidential Information.

You understand and agree that you have been employed in a position of confidence and trust and have had access to Confidential Information (as defined in your NonCompetition Agreement). You agree that you shall not use or disclose any Confidential Information at any time without the written consent of Brightcove, except as may be necessary in the ordinary course of performing your duties to the Company under this Transition Agreement.

In the event that Confidential Information is also deemed a trade secret pursuant to 18 U.S.C. § 1833(b)(1), you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

The Company represents that it is not aware of the existence of any grounds for a claim against you under any federal or state trade secret law for the disclosure or misappropriation of any trade secrets.

In addition, nothing in this Transition Agreement limits your rights under federal or state whistleblower laws, as those laws relate to your communication with government agencies about violations of law.

9. Mutual NonDisparagement.

You agree not to make any disparaging statements (including through social media) concerning Brightcove or any of its affiliates or current or former officers, directors, shareholders, employees or agents. You further agree not to take any actions or conduct yourself in any way that would reasonably be expected to affect adversely the reputation or goodwill of Brightcove or any of its affiliates or any of

its current or former officers, directors, shareholders, employees or agents. The Company's current directors, officers and senior executives reporting directly to you will be instructed not to make any oral or written disparaging statements outside the Company (including through social media) about you. These mutual non-disparagement obligations shall not in any way limit you or any other person's obligation to testify truthfully in any legal or administrative proceeding.

10. Outside Inquiries.

Brightcove agrees that any inquiry from any person as to your status, position, and/or employment relationship or employment history with Brightcove shall be referred to Brightcove's Chief People Officer ("CPO") or Chief Legal Officer ("CLO"). The CPO or CLO will respond to such inquiry by informing the inquirer of your dates of employment and the job titles held, and that Brightcove policy precludes the provision of any further information to the inquirer. The CPO or CLO will make no other comments and will provide no documents containing further information. Notwithstanding the generality of the foregoing, this Section does not affect Brightcove's obligation to provide complete and truthful information to a state or federal agency.

11. Legal Representation.

This Transition Agreement is a legally binding document and its signature will commit the Parties to its terms. You acknowledge that you have been advised to consult with an attorney prior to executing this Transition Agreement, that you have carefully read and fully understand all of the provisions of this Transition Agreement and that you are voluntarily entering into this Transition Agreement.

12. Absence of Reliance.

In signing this Transition Agreement, you agree that you are not relying on any promises or representations made by anyone at or on behalf of Brightcove, except as set forth in this Transition Agreement.

13. Enforceability.

If any portion or provision of this Transition Agreement is, to any extent, declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Transition Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, will not be affected, and each portion and provision of this Transition Agreement will be valid and enforceable to the fullest extent permitted by law.

14. Waiver.

No waiver of any provision of this Transition Agreement will be effective unless made in writing and signed by the waiving Party. The failure of any Party to require the performance of any term or obligation of this Transition Agreement, or the waiver by any Party of any breach of this Transition Agreement, will not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

15. Enforcement.

(a) Jurisdiction. The Twelfth Judicial Court of the State of Florida and the United States District Court for the Middle District of Florida, Tampa Division, shall have the exclusive jurisdiction to consider any matters related to this Transition Agreement. With respect to any such court action, the Parties (i) submit to the jurisdiction of such courts, (ii) consent to service of process, provided there is actual notice of any such court action, and (iii) waive any other requirement (whether imposed by statute, rule of court or otherwise) with respect to personal jurisdiction.

(b) Relief. You agree that it would be difficult to measure any harm caused to Brightcove that might result from any material breach by you of your promises set forth in any section of this Transition Agreement or the agreements incorporated herein by reference in Section 17, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, you agree that if you materially breach, or propose to materially breach, any portion of your obligations under this Transition Agreement or the Agreements incorporated herein by reference in Section 17, Brightcove will be entitled, in addition to all other remedies it may have, to (i) apply for an injunction or other appropriate equitable relief to restrain any such material breach, without showing or proving any actual damage to the Brightcove and without the necessity of posting a bond and (ii) the return of the severance payment set forth in Section 4(a), less \$100. If Brightcove prevails in any action to enforce any section of, or for material breach of, this Transition Agreement or the Agreements incorporated herein by reference in Section 17, you will also be liable to Brightcove for attorney's fees and costs incurred by Brightcove in enforcing such provision(s).

16. Governing Law; Interpretation.

This Transition Agreement will be interpreted and enforced under the laws of the State of Florida, without regard to conflict of law principles. In the event of any dispute, this Transition Agreement is intended by the Parties to be construed as a whole, to be interpreted in accordance with its fair meaning, and not to be construed strictly for or against either you or Brightcove or the "drafter" of all or any portion of this Transition Agreement.

17. Entire Agreement.

This Transition Agreement, your Employee Agreement, as amended herein, your NonCompetition Agreement, as amended herein, and the equity agreements applicable to your equity grants, as amended herein, constitute the entire agreement between you and Brightcove with respect to the subject matter hereof and thereof and supersede any previous agreements or understandings between you and Brightcove.

18. Counterparts.

This Transition Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be taken to be an original, but all of which together constitute one and the same document.

19. Time for Consideration; Effective Date.

You understand that you have been given the opportunity to consider this Transition Agreement for up to 21 days before deciding whether to sign it. If you signed this Transition Agreement before the expiration of that 21-day period, you acknowledge that such decision was entirely voluntary and that you had the opportunity to consider this Transition Agreement for the entire 21-day period. For a period of seven days from the date of the execution of this Transition Agreement, you have the right to revoke this Transition Agreement by written notice received by Brightcove before the expiration of such period, and you understand that this Transition Agreement will not become effective or enforceable until the expiration of such revocation period (the "Effective Date"). If you violate any of the provisions of this Transition Agreement during the time that you are considering it, this offer will be null and void.

Please indicate your agreement to the terms of this Transition Agreement by signing and returning to me the original of this letter on or before October 27, 2021.

Very truly yours,

On behalf of,

BRIGHTCOVE INC.

By: /s/ Robert Noreck
Name: Robert Noreck
EVP & Chief Financial Officer
Date: _____

You are advised to consult with an attorney before signing this Transition Agreement.

By: /s/ Jeff Ray
Name: Jeff Ray
Date: _____

Exhibit 21.1**Subsidiaries of the Registrant**

<u>Name</u>	<u>Jurisdiction of Organization</u>
Brightcove UK Ltd	UK
Brightcove Singapore Pte. Ltd.	Singapore
Brightcove K.K.	Japan
Brightcove Korea	Korea
Brightcove Australia Pty Ltd	Australia
Brightcove India Pte. Ltd.	India
Brightcove Holdings, Inc.	Delaware
Zencoder Inc.	Delaware
Brightcove FZ-LLC	United Arab Emirates
Cacti Acquisition LLC	Delaware
Brightcove S. de R.L. de C.V.	Mexico
Othello Acquisition Corporation	Delaware
TV App Agency Ltd.	UK
TV App Agency Unipessoal Lda.	Portugal
Brightcove Philippines, Inc.	Philippines
Wicket Labs, Inc.	Washington

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-179966) pertaining to the Amended and Restated 2004 Stock Option and Incentive Plan of Brightcove Inc. and the Brightcove Inc. 2012 Stock Incentive Plan,
- (2) Registration Statement (Form S-8 No. 333-183315) pertaining to the Brightcove Inc. 2012 RSU Inducement Plan,
- (3) Registration Statement (Form S-8 Nos. 333-187051, 333-202540, 333-209770, 333-216140, 333-223308, 333-229775, 333-236673 and 333-253458) pertaining to the Brightcove Inc. 2012 Stock Incentive Plan,
- (4) Registration Statement (Form S-8 No. 333-193701) pertaining to the Brightcove Inc. 2014 Stock Option Inducement Plan and the Brightcove Inc. 2012 Stock Incentive Plan,
- (5) Registration Statement (Form S-8 No. 333-224578) pertaining to the Brightcove Inc. 2018 Inducement Plan,
- (6) Registration Statement (Form S-3 No. 333-253462) of Brightcove Inc., and
- (7) Registration Statement (Form S-8 No. 333-256204) pertaining to the Brightcove Inc. 2021 Stock Incentive Plan;

of our reports dated February 18, 2022, with respect to the consolidated financial statements of Brightcove Inc. and the effectiveness of internal control over financial reporting of Brightcove Inc. included in this Annual Report (Form 10-K) of Brightcove Inc. for the year ended December 31, 2021.

/s/ Ernst & Young LLP

Boston, Massachusetts
February 18, 2022

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF
THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Jeff Ray, certify that:

1. I have reviewed this Annual Report on Form 10-K of Brightcove Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 18, 2022

By:
/s/ Jeff Ray

Jeff Ray
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF
THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Robert Noreck, certify that:

1. I have reviewed this Annual Report on Form 10-K of Brightcove Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 18, 2022

By:
/s/ Robert Noreck

Robert Noreck
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Brightcove Inc. for the year ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Jeff Ray, as Chief Executive Officer of Brightcove Inc., hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Brightcove Inc.

Date: February 18, 2022

By:

/s/ Jeff Ray

Jeff Ray
Chief Executive Officer
(Principal Executive Officer)

In connection with the Annual Report on Form 10-K of Brightcove Inc. for the year ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Robert Noreck, as Chief Financial Officer of Brightcove Inc., hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Brightcove Inc.

Date: February 18, 2022

By:

/s/ Robert Noreck

Robert Noreck
Chief Financial Officer
(Principal Financial Officer)