

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): April 28, 2023

**BRIGHTCOVE INC.**

(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction  
of incorporation)

001-35429  
(Commission  
File Number)

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

281 Summer Street, Boston, MA  
(Address of principal executive offices)

02210  
(Zip Code)

(888) 882-1880  
Registrant's telephone number, including area code

Not Applicable  
(Former name or former address, if changed since last report)

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

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

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

| Title of each class                       | Trading Symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Common Stock, par value \$0.001 per share | BCOV              | The NASDAQ Global Market                  |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth 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.

**Item 1.02. Termination of a Material Definitive Agreement.**

On May 1, 2023, Brightcove Inc. (the “Company”) notified Cowen and Company, LLC (“Cowen”) of its decision to terminate the Sales Agreement, dated as of February 23, 2023 (the “Sales Agreement”) between the Company and Cowen, effective as of May 1, 2023 (the “Termination Date”). The Sales Agreement provided for the offer and sale of the Company’s common stock, par value \$0.001 per share (“Common Stock”), from time to time through Cowen as its sales agent, in an “at the market” equity offering program (the “ATM Program”), subject to the maximum aggregate dollar amount registered pursuant to the applicable prospectus supplement. The Company previously announced that, in light of current market conditions, the Company did not intend to make sales under the ATM Program and suspended the ATM Program. The Company ultimately determined to exercise its option to terminate the Sales Agreement due to such conditions. Through the Termination Date, the Company made no sales under the ATM Program.

The foregoing description of the Sales Agreement is not complete and is qualified in its entirety by reference to the full text of the Sales Agreement, a copy of which was filed as Exhibit 1.2 to the Company’s Registration Statement on Form S-3 filed with the SEC on February 23, 2023.

**Item 2.02. Results of Operations and Financial Condition.**

On May 3, 2023, the Company issued a press release announcing certain financial and other information for the quarter ended March 31, 2023. The full text of the press release and the related attachments are furnished as Exhibit 99.1 hereto and incorporated herein by reference.

The information in this Item 2.02 of this Current Report on Form 8-K and Exhibit 99.1 attached hereto is intended to be furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

**Item 2.05. Costs Associated with Exit or Disposal Activities.**

On April 28, 2023, the Board of Directors of the Company authorized a restructuring (the “Plan”) that is designed to reduce operating costs, improve operating margins and focus on key growth and strategic priorities. The Plan includes a reduction of the Company’s current workforce by approximately 10%.

In connection with the Plan, the Company estimates that it will incur charges of between \$2.0 million and \$2.2 million related to employee severance costs, consisting primarily of cash expenditures.

The actions associated with the workforce reduction under the Plan are expected to be substantially complete by the end of the second quarter of 2023, subject to local law and consultation requirements. The estimates of the charges and expenditures that the Company expects to incur in connection with the Plan, and timing thereof, are subject to a number of assumptions, including local law requirements in various jurisdictions, and actual amounts may differ from the estimates discussed above.

## Safe Harbor Statement

Information provided in this Item 2.05 of this Current Report on Form 8-K, including information concerning the expected amount and timing of charges and cash expenditures and expected completion of the contemplated actions, are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based upon the Company’s current plans, assumptions, beliefs, and expectations. Forward-looking statements are subject to the occurrence of many events outside of the Company’s control. Actual results and the timing of events may differ materially from those contemplated by such forward-looking statements due to numerous factors that involve substantial known and unknown risks and uncertainties.

These risks and uncertainties include, among other things, the risk that the restructuring costs and charges may be greater than anticipated or incurred in different periods than anticipated; the risk that the Company’s restructuring efforts may adversely affect the Company’s internal programs and the Company’s ability to recruit and retain skilled and motivated personnel, and may be distracting to employees and management; the risk that the Company’s restructuring efforts may negatively impact the Company’s business operations and reputation with or ability to serve customers; the risk that the Company’s restructuring efforts may not generate their intended benefits to the extent or as quickly as anticipated; and other risks and uncertainties included in the reports on Forms 10-K, 10-Q and 8-K and in other filings the Company makes with the Securities and Exchange Commission from time to time, available at [www.sec.gov](http://www.sec.gov). Forward-looking statements should be considered in light of these risks and uncertainties. Investors and others are cautioned not to place undue reliance on forward-looking statements. All forward-looking statements contained herein speak only as of the date hereof. The Company assumes no obligation and does not intend to update these forward-looking statements, except as required by law.

### 9.01. Financial Statements and Exhibits.

#### (d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u>   |
|--------------------|--|
| 99.1               | <a href="#">Press Release of Brightcove Inc. dated May 3, 2023, including attachments, furnished herewith.</a> |
| 104                | Cover Page Interactive Data File (embedded within the Inline XBRL document).                                   |

**SIGNATURES**

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

Date: May 3, 2023

Brightcove Inc.

By: /s/ Robert Noreck  
Robert Noreck  
Chief Financial Officer

**Brightcove Announces Financial Results for First Quarter Fiscal Year 2023**

**BOSTON, MA (May 3, 2023)** — Brightcove Inc. (Nasdaq: BCOV), the world's most trusted streaming technology company, today announced financial results for the first quarter ended March 31, 2023.

"In the first quarter, we made important progress on our strategic initiatives and saw strength in our new business growth. This new business performance, including signing our largest ever new business deal with a leading global media company, helps demonstrate the long-term opportunity ahead for Brightcove. However, certain near-term revenue challenges, including lengthening sales cycles and lower overages and entitlement commitments, are driving the need for us to take meaningful steps to improve our cost structure to ensure we operate the business efficiently and achieve our full year profitability targets," said Marc DeBevoise, Brightcove's Chief Executive Officer.

DeBevoise added, "We believe the challenges we are facing are short-term and primarily impacted by recent economic uncertainty. We remain confident that our strategic plan, combined with these changes, will enable us to achieve our long-term financial goals."

**First Quarter 2023 Financial Highlights:**

- **Revenue** for the first quarter of 2023 was \$49.1 million, a decrease of 8% compared to \$53.4 million for the first quarter of 2022. Subscription and support revenue was \$47.1 million, a decrease of 9% compared to \$51.6 million for the first quarter of 2022.
- **Gross profit** for the first quarter of 2023 was \$28.8 million, representing a gross margin of 59%, compared to a gross profit of \$34.4 million, representing a gross margin of 64% for the first quarter of 2022. Non-GAAP gross profit for the first quarter of 2023 was \$29.6 million, representing a non-GAAP gross margin of 60%, compared to a non-GAAP gross profit of \$35.0 million, representing a non-GAAP gross margin of 66% for the first quarter of 2022. Non-GAAP gross profit and non-GAAP gross margin exclude stock-based compensation expense and the amortization of acquired intangible assets.
- **Loss from operations** was \$10.7 million for the first quarter of 2023, compared to loss from operations of \$2.0 million for the first quarter of 2022. Non-GAAP operating loss, which excludes stock-based compensation expense, the amortization of acquired intangible assets, merger-related and restructuring expenses and other (benefit) expense, was \$5.6 million for the first quarter of 2023, compared to non-GAAP operating income of \$3.8 million during the first quarter of 2022.
- **Net loss** was \$11.7 million, or a loss of \$0.28 per diluted share, for the first quarter of 2023. This compares to a net loss of \$1.6 million, or \$0.04 per diluted share, for the first quarter of 2022. Non-GAAP net loss, which excludes stock-based compensation expense, the amortization of

acquired intangible assets, merger-related and restructuring expenses and other (benefit) expense, was \$6.6 million for the first quarter of 2023, or a loss of \$0.15 per diluted share, compared to non-GAAP net income of \$4.2 million for the first quarter of 2022, or \$0.10 per diluted share.

- **Adjusted EBITDA** was negative \$2.7 million for the first quarter of 2023, compared to adjusted EBITDA of \$5.1 million for the first quarter of 2022. Adjusted EBITDA excludes stock-based compensation expense, merger-related and restructuring expenses, other (benefit) expense, the amortization of acquired intangible assets, depreciation expense, other income/expense and the provision for income taxes.
- **Cash flow used by operations** was \$12.6 million for the first quarter of 2023, compared to cash flow used by operations of \$690,000 for the first quarter of 2022.
- **Free cash flow** was negative \$17.5 million after the company invested \$4.9 million in capital expenditures and capitalization of internal-use software during the first quarter of 2023. Free cash flow was negative \$5.5 million for the first quarter of 2022.
- **Cash and cash equivalents** were \$12.5 million as of March 31, 2023 compared to \$31.9 million on December 31, 2022. The low cash balance was driven by the collapse of Silicon Valley Bank (SVB) on March 10, 2023, which meaningfully delayed the timing of cash collections at the end of the quarter while we directed customers to make payments to another financial institution. As of May 3, 2023, the majority of this cash has already been collected.

A Reconciliation of GAAP to Non-GAAP results has been provided in the financial statement tables included at the end of this press release. An explanation of these measures is also included below under the heading “Non-GAAP Financial Measures.”

#### **Other First Quarter and Recent Highlights/Updates:**

- New business was a record-high in the first quarter, up 325% YoY, driven by the largest new business deal in our history. Excluding that deal, new business was up 35% YoY. Notable new customers signed in the first quarter include, A24 Films, Blackdoctor.org, Broadcom, Harvest Ministries, LeMaitre, One 31 and The Capra Project.
- Notable customers who renewed or expanded their relationship with Brightcove during the first quarter include: American Academy of Orthopedic Surgeons, Audacy, BouncTV, Dell, Express Scripts, Forbes Media, Harley Davidson, Herbalife, Little League Baseball, Merck, Motorola Solutions, Nikon Instruments, Phillips Auctioneers, SkyWest Airlines, The 33rd Team and TVB USA.
- Net revenue retention in the quarter was 94%, which compares to 94% in the fourth quarter of 2022 and 98% in the first quarter of 2022.

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- Recurring dollar retention rate was 88% in the first quarter of 2023, versus our historical target of the low to mid-90 percent range.
  - 12-month Backlog (which we define as the aggregate amount of committed subscription revenue related to future performance obligations in the next 12 months) was \$129.3 million. This represents a slight year-over-year increase over \$128.7 million at the end of the first quarter of 2022. Total backlog was \$181.3 million, a 14% increase year-over-year over \$159.2 million at the end of the first quarter 2022. The strength in total backlog was driven by a higher percentage of multi-year bookings, including the large media win referenced earlier.
  - Average annual subscription revenue per premium customer was \$89,400 in the first quarter of 2023, excluding starter customers who had average annualized revenue of \$3,900 per customer. The average annual subscription revenue per premium customer compares to \$96,500 in the first quarter of 2022.
  - Ended the first quarter of 2023 with 2,739 customers, of which 2,180 were premium.
  - Launched *Brightcove Ad Monetization*, a new advertising monetization service for media companies to generate additional revenue from their advertising strategy. Brightcove Ad Monetization helps media companies maximize measurable returns on advertising with actionable insights and supports the monetization of live and video-on-demand (VOD) content with improved yield optimization to fill unsold ad inventory and increase revenue.
  - Entered into a partnership with Frequency, a cloud-based video platform powering linear channel creation for content providers. As a leader in free ad-supported streaming TV (FAST) channel solutions, Frequency's integration into Brightcove's award-winning video platform allows customers to seamlessly create, launch and manage linear FAST channels to expand their reach and increase their revenue.
  - Launched *Brightcove Communications Studio*, our video-first solution purpose-built for HR and communications professionals.
  - Launched *Enterprise-focused eCommerce integrations* with Shopify, Salesforce Sales Cloud and Instagram that allow our customers to distribute and analyze video across each of these leading platforms to drive leads or revenue.

## Business Outlook:

Based on information as of today, May 3, 2023, the Company is issuing the following business updates and financial guidance

### Second Quarter 2023 Business Update:

- On April 28, 2023, the Board of Directors of Brightcove authorized a restructuring that is designed to reduce operating costs, improve operating margins and focus on key growth and strategic priorities. The restructuring includes a reduction of the company's workforce by approximately 10%. We expect the restructuring will result in over \$10M of savings for 2023 and over \$13M in savings on an annual run-rate basis. The Company estimates that it will incur charges of approximately \$2.0 million related to employee severance costs and intends to exclude these charges from its non-GAAP financial measures, including non-GAAP gross profit, non-GAAP gross margin, non-GAAP income (loss) from operations, non-GAAP net income (loss), adjusted EBITDA and non-GAAP diluted net income (loss) per share.
- On May 1, 2023, Brightcove terminated its Sales Agreement with Cowen and Company LLC related to the ATM offering filed in conjunction with our 10K filing in February 2023. Brightcove previously announced that, in light of current market conditions, Brightcove did not intend to make sales under the ATM Program and suspended the ATM Program. Brightcove ultimately determined to exercise its option to terminate the Sales Agreement due to such conditions. Through the Termination Date, Brightcove made no sales under the ATM Program.

### Second Quarter 2023 Guidance:

- **Revenue** is expected to be in the range of \$50.0 million to \$51.0 million, including approximately \$2.1 million of professional services revenue and \$1.0 million of overages.
- **Non-GAAP loss from operations** is expected to be in the range of (\$1.3) million to (\$0.3) million, which excludes stock-based compensation of approximately \$3.4 million, the amortization of acquired intangible assets of approximately \$1.0 million, and restructuring expense of approximately \$2.0 million.
- **Adjusted EBITDA** is expected to be in the range of \$1.8 million to \$2.8 million, which excludes stock-based compensation of approximately \$3.4 million, the amortization of acquired intangible assets of approximately \$1.0 million, restructuring expense of approximately \$2.0 million, depreciation expense of approximately \$3.0 million, and other (income) expense and the provision for income taxes of approximately \$0.3 million.
- **Non-GAAP net loss per diluted share** is expected to be (\$0.04) to (\$0.01), which excludes stock-based compensation of approximately \$3.4 million, the amortization of acquired intangible assets of approximately \$1.0 million, restructuring expense of approximately \$2.0 million, and assumes approximately 43.1 million weighted-average shares outstanding.

### Full Year 2023 Guidance:

- **Revenue** is expected to be in the range of \$204.0 million to \$209.0 million, including approximately \$8.8 million of professional services revenue and \$4.4 million of overages.
- **Non-GAAP income from operations** is expected to be in the range of \$3.0 million to \$6.0 million, which excludes stock-based compensation of approximately \$13.9 million, the amortization of acquired intangible assets of approximately \$4.1 million, merger-related expense of approximately \$0.1 million, and restructuring expense of \$2.4 million.



- **Adjusted EBITDA** is expected to be in the range of \$16.0 million to \$19.0 million, which excludes stock-based compensation of approximately \$13.9 million, the amortization of acquired intangible assets of approximately \$4.1 million, merger-related expense of approximately \$0.1 million, restructuring expense of \$2.4 million, depreciation expense of approximately \$13.2 million, and other (income) expense and the provision for income taxes of approximately \$1.8 million.
- **Non-GAAP earnings per diluted share** is expected to be \$0.03 to \$0.10, which excludes stock-based compensation of approximately \$13.9 million, the amortization of acquired intangible assets of approximately \$4.1 million, merger-related expense of approximately \$0.1 million, restructuring expense of \$2.4 million, and assumes approximately 43.4 million weighted-average shares outstanding.

#### **Earnings Stream Information:**

Brightcove earnings will be streamed on May 3, 2023, at 5:00 p.m. (Eastern Time) to discuss the Company's financial results and current business outlook. To access the live stream, visit the "Investors" page of the Company's website, <http://investor.brightcove.com>. Once the live stream concludes, an on-demand recording will be available on Brightcove's Investor page for a limited time at <http://investor.brightcove.com>.

#### **About Brightcove Inc. (NASDAQ: BCOV)**

Brightcove creates the world's most reliable, scalable, and secure streaming technology solutions to build a greater connection between companies and their audiences, no matter where they are or on which devices they consume content. In more than 60 countries, Brightcove's intelligent video platform enables businesses to sell to customers more effectively, media leaders to stream and monetize content more reliably, and every organization to communicate with team members more powerfully. With two Technology and Engineering Emmy® Awards for innovation, uptime that consistently leads the industry, and unmatched scalability, we continuously push the boundaries of what video can do. Follow Brightcove on [Twitter](#), [LinkedIn](#), and [Facebook](#). Visit [www.brightcove.com](http://www.brightcove.com).

#### **Forward-Looking Statements**

This press release includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements concerning our financial guidance for the second fiscal quarter and full year 2023, our position to execute on our growth strategy, the effects of our restructuring efforts, and our ability to expand our leadership position and market opportunity. These forward-looking statements include, but are not limited to, plans, objectives, expectations and intentions and other statements contained in this press release that are not historical facts and statements identified by words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" or words of similar meaning. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we

have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation: the effect of the COVID-19 pandemic, including on our business operations and broader conditions, as well as its impact on the general economic and financial market conditions; our ability to retain existing customers and acquire new ones; our history of losses; expectations regarding the widespread adoption of customer demand for our products; the effects of increased competition and commoditization of services we offer, including data delivery and storage; keeping up with the rapid technological change required to remain competitive in our industry; our ability to manage our growth effectively and successfully recruit additional highly-qualified personnel; our reduction in force, including risks that the related costs and charges may be greater than anticipated and that the restructuring efforts may not generate their intended benefits, may adversely affect the Company's internal programs and the Company's ability to recruit and train skilled and motivated personnel, and may be distracting to employees and management; the price volatility of our common stock; and other risks set forth under the caption "Risk Factors" in our most recently filed Annual Report on Form 10-K and similar disclosures in our subsequent filings with the SEC. We assume no obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

### **Non-GAAP Financial Measures**

Brightcove has provided in this release the non-GAAP financial measures of non-GAAP gross profit, non-GAAP gross margin, non-GAAP income (loss) from operations, non-GAAP net income (loss), adjusted EBITDA, non-GAAP diluted net income (loss) per share, and revenue and adjusted EBITDA on a constant currency basis. Brightcove uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to GAAP measures, in evaluating Brightcove's ongoing operational performance. Brightcove believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing its financial results with other companies in Brightcove's industry, many of which present similar non-GAAP financial measures to investors. As noted, the non-GAAP financial results discussed above of non-GAAP gross profit, non-GAAP gross margin, non-GAAP income (loss) from operations, non-GAAP net income (loss) and non-GAAP diluted net income (loss) per share exclude stock-based compensation expense, amortization of acquired intangible assets, merger-related and restructuring expenses, restructuring and other (benefit) expense. The non-GAAP financial results discussed above of adjusted EBITDA is defined as consolidated net income (loss), plus other income/expense, including interest expense and interest income, the provision for income taxes, depreciation expense, the amortization of acquired intangible assets, stock-based compensation expense, merger-related and restructuring expenses, restructuring and other (benefit) expense. Merger-related expenses include fees incurred in connection with an acquisition and restructuring expenses include primarily cash severance costs. Revenue and adjusted EBITDA on a constant currency basis reflect our revenues and adjusted EBITDA using

exchange rates used for Brightcove's Fiscal Year 2023 outlook on Brightcove's press release on February 23, 2023. Non-GAAP financial measures have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures. As previously mentioned, a reconciliation of our non-GAAP financial measures to their most directly comparable GAAP measures has been provided in the financial statement tables included below in this press release. The Company's earnings press releases containing such non-GAAP reconciliations can be found on the Investors section of the Company's web site at <http://www.brightcove.com>.

**Investors:**

ICR for Brightcove

Brian Denyeau, 646-277-1251

[brian.denyeau@icrinc.com](mailto:brian.denyeau@icrinc.com)

or

**Media:**

Brightcove

Sara Griggs, 929-888-4866

[sgriggs@brightcove.com](mailto:sgriggs@brightcove.com)

**Brightcove Inc.**  
**Condensed Consolidated Balance Sheets**  
(in thousands)

|   | <u>March 31, 2023</u> | <u>December 31, 2022</u> |
|---|-----------------------|--------------------------|
| <b>Assets</b>                                     |                       |                          |
| Current assets:                                   |                       |                          |
| Cash and cash equivalents                         | \$ 12,478             | \$ 31,894                |
| Accounts receivable, net of allowance             | 40,623                | 26,004                   |
| Prepaid expenses and other current assets         | 21,299                | 19,422                   |
| Total current assets                              | 74,400                | 77,320                   |
| Property and equipment, net                       | 42,155                | 39,677                   |
| Operating lease right-of-use asset                | 18,025                | 18,671                   |
| Intangible assets, net                            | 9,261                 | 10,279                   |
| Goodwill  | 74,859                | 74,859                   |
| Other assets                                      | 6,750                 | 7,007                    |
| Total assets                                      | <u>\$ 225,450</u>     | <u>\$ 227,813</u>        |
| <b>Liabilities and stockholders' equity</b>       |                       |                          |
| Current liabilities:                              |                       |                          |
| Accounts payable                                  | \$ 13,014             | \$ 11,326                |
| Accrued expenses                                  | 21,692                | 26,877                   |
| Operating lease liability                         | 4,218                 | 4,157                    |
| Deferred revenue                                  | 71,537                | 61,597                   |
| Total current liabilities                         | 110,461               | 103,957                  |
| Operating lease liability, net of current portion | 19,740                | 20,528                   |
| Other liabilities                                 | 959                   | 981                      |
| Total liabilities                                 | 131,160               | 125,466                  |
| Stockholders' equity:                             |                       |                          |
| Common stock                                      | 43                    | 42                       |
| Additional paid-in capital                        | 318,293               | 314,825                  |
| Treasury stock, at cost                           | (871)                 | (871)                    |
| Accumulated other comprehensive loss              | (1,405)               | (1,593)                  |
| Accumulated deficit                               | (221,770)             | (210,056)                |
| Total stockholders' equity                        | 94,290                | 102,347                  |
| Total liabilities and stockholders' equity        | <u>\$ 225,450</u>     | <u>\$ 227,813</u>        |

**Brightcove Inc.**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except per share amounts)

|   | <b>Three Months Ended March 31,</b> |                   |
|---|-------------------------------------|-------------------|
|   | <b>2023</b>                         | <b>2022</b>       |
| <b>Revenue:</b>   |                                     |                   |
| Subscription and support revenue  | \$ 47,102                           | \$ 51,601         |
| Professional services and other revenue   | 1,961                               | 1,778             |
| <b>Total revenue</b>  | <b>49,063</b>                       | <b>53,379</b>     |
| <b>Cost of revenue: (1) (2)</b>   |                                     |                   |
| Cost of subscription and support revenue  | 18,265                              | 16,982            |
| Cost of professional services and other revenue   | 2,002                               | 1,998             |
| <b>Total cost of revenue</b>  | <b>20,267</b>                       | <b>18,980</b>     |
| <b>Gross profit</b>   | <b>28,796</b>                       | <b>34,399</b>     |
| <b>Operating expenses: (1) (2)</b>  |                                     |                   |
| Research and development  | 9,866                               | 8,237             |
| Sales and marketing   | 19,465                              | 18,288            |
| General and administrative  | 10,064                              | 8,089             |
| Merger-related  | 145                                 | 594               |
| Other expense   | —                                   | 1,149             |
| <b>Total operating expenses</b>   | <b>39,540</b>                       | <b>36,357</b>     |
| <b>Loss from operations</b>   | <b>(10,744)</b>                     | <b>(1,958)</b>    |
| Other expense, net  | (543)                               | (387)             |
| <b>Loss before income taxes</b>   | <b>(11,287)</b>                     | <b>(2,345)</b>    |
| Loss (benefit) from provision for income taxes  | 427                                 | (708)             |
| <b>Net loss</b>   | <b>\$ (11,714)</b>                  | <b>\$ (1,637)</b> |
| <b>Net loss per share—basic and diluted</b>   |                                     |                   |
| Basic   | \$ (0.28)                           | \$ (0.04)         |
| Diluted   | (0.28)                              | (0.04)            |
| <b>Weighted-average shares—basic and diluted</b>  |                                     |                   |
| Basic   | 42,528                              | 41,436            |
| Diluted   | 42,528                              | 41,436            |
| <b>(1) Stock-based compensation included in above line items:</b>                       |                                     |                   |
| Cost of subscription and support revenue  | \$ 138                              | \$ 109            |
| Cost of professional services and other revenue   | 100                                 | 119               |
| Research and development  | 688                                 | 722               |
| Sales and marketing   | 1,169                               | 943               |
| General and administrative  | 1,448                               | 1,337             |
| Other expense   | —                                   | 249               |
| <b>(2) Amortization of acquired intangible assets included in the above line items:</b> |                                     |                   |
| Cost of subscription and support revenue  | \$ 601                              | \$ 404            |
| Sales and marketing   | 416                                 | 413               |

**Brightcove Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(in thousands)

|   | <b>Three Months Ended March 31,</b> |                  |
|---|-------------------------------------|------------------|
|   | <b>2023</b>                         | <b>2022</b>      |
| <b>Operating activities</b>   |                                     |                  |
| Net loss  | \$ (11,714)                         | \$ (1,637)       |
| Adjustments to reconcile net loss to net cash used in operating activities: |                                     |                  |
| Depreciation and amortization   | 3,949                               | 2,061            |
| Stock-based compensation  | 3,543                               | 3,479            |
| Provision for reserves on accounts receivable                               | 67                                  | 106              |
| Changes in assets and liabilities:  |                                     |                  |
| Accounts receivable   | (14,713)                            | (3,802)          |
| Prepaid expenses and other current assets                                   | (986)                               | (1,550)          |
| Other assets  | 314                                 | 54               |
| Accounts payable  | 956                                 | 347              |
| Accrued expenses  | (3,999)                             | (1,980)          |
| Operating leases  | (81)                                | 705              |
| Deferred revenue  | 10,032                              | 1,527            |
| Net cash used in operating activities                                       | <u>(12,632)</u>                     | <u>(690)</u>     |
| <b>Investing activities</b>   |                                     |                  |
| Cash paid for acquisition, net of cash acquired                             | —                                   | (13,176)         |
| Purchases of property and equipment, net of returns                         | (952)                               | (1,884)          |
| Capitalization of internal-use software costs                               | (3,930)                             | (2,882)          |
| Net cash used in investing activities                                       | <u>(4,882)</u>                      | <u>(17,942)</u>  |
| <b>Financing activities</b>   |                                     |                  |
| Proceeds from exercise of stock options                                     | —                                   | 100              |
| Deferred acquisition payments   | (1,700)                             | —                |
| Other financing activities  | (225)                               | —                |
| Net cash (used in) provided by financing activities                         | <u>(1,925)</u>                      | <u>100</u>       |
| Effect of exchange rate changes on cash and cash equivalents                | 23                                  | (502)            |
| Net decrease in cash and cash equivalents                                   | (19,416)                            | (19,034)         |
| Cash and cash equivalents at beginning of period                            | 31,894                              | 45,739           |
| Cash and cash equivalents at end of period                                  | <u>\$ 12,478</u>                    | <u>\$ 26,705</u> |

**Brightcove Inc.**

**Reconciliation of GAAP Gross Profit, GAAP Loss From Operations, GAAP Net Loss and GAAP Net Loss Per Share to  
Non-GAAP Gross Profit, Non-GAAP (Loss) Income From Operations, Non-GAAP Net (Loss) Income and Non-GAAP Net (Loss) Income Per  
Share**

(in thousands, except per share amounts)

|  | <u>Three Months Ended March 31,</u> |                  |
|--|-------------------------------------|------------------|
|  | <u>2023</u>                         | <u>2022</u>      |
| <b>GROSS PROFIT:</b>   |                                     |                  |
| GAAP gross profit  | \$ 28,796                           | \$ 34,399        |
| Stock-based compensation expense                               | 238                                 | 228              |
| Amortization of acquired intangible assets                     | 601                                 | 404              |
| Restructuring  | —                                   | —                |
| Non-GAAP gross profit  | <u>\$ 29,635</u>                    | <u>\$ 35,031</u> |
| <b>(LOSS) INCOME FROM OPERATIONS:</b>                          |                                     |                  |
| GAAP loss from operations                                      | \$ (10,744)                         | \$ (1,958)       |
| Stock-based compensation expense                               | 3,543                               | 3,230            |
| Amortization of acquired intangible assets                     | 1,017                               | 817              |
| Merger-related   | 145                                 | 594              |
| Restructuring  | 427                                 | —                |
| Other expense  | —                                   | 1,149            |
| Non-GAAP (loss) income from operations                         | <u>\$ (5,612)</u>                   | <u>\$ 3,832</u>  |
| <b>NET (LOSS) INCOME:</b>                                      |                                     |                  |
| GAAP net loss  | \$ (11,714)                         | \$ (1,637)       |
| Stock-based compensation expense                               | 3,543                               | 3,230            |
| Amortization of acquired intangible assets                     | 1,017                               | 817              |
| Merger-related   | 145                                 | 594              |
| Restructuring  | 427                                 | —                |
| Other expense  | —                                   | 1,149            |
| Non-GAAP net (loss) income                                     | <u>\$ (6,582)</u>                   | <u>\$ 4,153</u>  |
| GAAP diluted net loss per share                                | <u>\$ (0.28)</u>                    | <u>\$ (0.04)</u> |
| Non-GAAP diluted net (loss) income per share                   | <u>\$ (0.15)</u>                    | <u>\$ 0.10</u>   |
| Shares used in computing GAAP diluted net loss per share       | 42,528                              | 41,436           |
| Shares used in computing Non-GAAP diluted net income per share | 42,528                              | 41,852           |

**Brightcove Inc.**

**Calculation of Adjusted EBITDA  
(in thousands)**

|                                  | <u>Three Months Ended March 31,</u> |                 |
|----------------------------------|-------------------------------------|-----------------|
|                                  | <u>2023</u>                         | <u>2022</u>     |
| Net loss                         | \$ (11,714)                         | \$ (1,637)      |
| Other expense, net               | 543                                 | 387             |
| Loss (benefit) from income taxes | 427                                 | (708)           |
| Depreciation and amortization    | 3,949                               | 2,061           |
| Stock-based compensation expense | 3,543                               | 3,230           |
| Merger-related                   | 145                                 | 594             |
| Restructuring                    | 427                                 | —               |
| Other expense                    | —                                   | 1,149           |
| Adjusted EBITDA                  | <u>\$ (2,680)</u>                   | <u>\$ 5,076</u> |

Brightcove Inc.

Reconciliation of Revenue on a Constant Currency Basis and Calculation of Adjusted EBITDA on a Constant Currency Basis  
(in thousands)

|  | <u>Three Months Ended March 31,</u><br><u>2023</u> |
|--|--|
| Total revenue                                | \$ 49,063  |
| Constant currency adjustment                 | (144)  |
| Total revenue on a constant currency basis   | <u>\$ 48,919</u>                                   |
|  | <u>Three Months Ended March 31,</u><br><u>2023</u> |
| Adjusted EBITDA                              | \$ (2,680)   |
| Constant currency adjustment                 | (32)   |
| Adjusted EBITDA on a constant currency basis | <u>\$ (2,712)</u>                                  |