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

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**FORM 8-K**

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

**Date of Report (Date of Earliest Event Reported): November 2, 2016**

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**BRIGHTCOVE INC.**  
(Exact name of registrant as specified in its charter)

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**DELAWARE**  
(State or other jurisdiction  
of incorporation)

**001-35429**  
(Commission  
File Number)

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

**290 Congress Street, Boston, MA**  
(Address of principal executive offices)

**02210**  
(Zip Code)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition.**

On November 2, 2016, Brightcove Inc. (the “Company”) issued a press release announcing certain financial and other information for the quarter ended September 30, 2016. 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 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On November 1, 2016, the Company appointed Andrew Feinberg as President and Chief Operating Officer of the Company. Mr. Feinberg was previously the Company’s President, International Operations.

Mr. Feinberg has served as the Company’s President, International Operations since July 2015. Prior to that, Mr. Feinberg served as the Company’s Chief Legal Officer from 2005 through 2015 and Executive Vice President, Asia Pacific and Japan, from 2008 through 2012 and from 2014 through 2015. Mr. Feinberg also had responsibility for Human Resources and Emerging Markets from 2012 through 2014. Prior to joining the Company, Mr. Feinberg was at Lycos, a search engine provider, from 1999 to 2005, serving as Vice President and General Counsel from 2001 to 2005. Before joining Lycos, Mr. Feinberg was an attorney with Choate, Hall & Stewart, LLP in Boston, Massachusetts from 1997 to 1999 and with Shearman & Sterling LLP in New York, New York from 1991 to 1997. Before joining Shearman & Sterling, Mr. Feinberg served as a Law Clerk to United States District Judge T.F. Gilroy Daly in the District of Connecticut. Mr. Feinberg received his J.D. from Cornell Law School, where he was an Editor of the Cornell Law Review, and his B.A. from Tufts University.

In connection with his promotion, Mr. Feinberg’s annual base salary was increased from \$300,000 to \$370,000. In addition, Mr. Feinberg’s annual incentive compensation target under the Company’s Sales Incentive Plan is \$225,000. Subject to the approval of the Compensation Committee of the Company’s Board of Directors, Mr. Feinberg will be granted an option to purchase 50,000 shares of the Company’s common stock and 25,000 restricted stock units (“RSUs”). The option and RSUs will be subject to time-based vesting at the rate of 25% on each anniversary following the applicable grant date. A description of the other material terms of Mr. Feinberg’s compensation has been previously reported by the Company in its proxy statement filed with the Securities and Exchange Commission on April 8, 2016. Except as otherwise set forth herein, the terms of Mr. Feinberg’s employment agreement with the Company remain in effect.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u>  |
|--------------------|---|
| 99.1               | Press Release of Brightcove Inc. dated November 2, 2016, including attachments. |

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**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: November 2, 2016

Brightcove Inc.

By: /s/ Kevin R. Rhodes  
Kevin R. Rhodes  
Chief Financial Officer



## Brightcove Announces Financial Results for Third Quarter 2016

*Company reports third quarter revenue of \$38.4 million, up 13% year-over-year*

**BOSTON, MA (November 2, 2016)** – Brightcove Inc. (NASDAQ: BCOV), a leading global provider of cloud services for video, today announced financial results for the quarter ended September 30, 2016.

“Brightcove delivered solid third quarter results that met or exceeded our expectations from both a revenue and profitability perspective,” said David Mendels, Chief Executive Officer of Brightcove. “We continue to make good progress against our go-to-market strategy in both our digital marketing and media segments, which is driving our improved business performance.”

Mendels continued, “From a product perspective, we are working hard to deliver even greater value to both our digital marketing and media customers by making significant enhancements and additions to our product portfolio. We are particularly excited about the release of our new dynamic delivery platform over the coming quarters as well as the introduction of our new Brightcove Social product, which is being released in the next two weeks. While we still need to close out the year strong, we believe that our innovation across our product portfolio will continue to separate us from the competition and will drive further adoption of our products.”

Mendels concluded, “Finally, I’m pleased to announce an organizational change within Brightcove. We have named Andy Feinberg as Brightcove’s President and Chief Operating Officer. Andy will now be responsible for both of our business units and all of our customer-facing operations, globally. For the past year Andy has served as our President of International Operations and, together with his teams, has been a driving force behind our strong international growth over this past year. We believe his talents can be leveraged even further worldwide.”

### Third Quarter 2016 Financial Highlights:

- **Revenue** for the third quarter of 2016 was \$38.4 million, an increase of 13% compared to \$33.8 million for the third quarter of 2015. Subscription and support revenue was \$36.2 million, an increase of 9% compared with \$33.2 million for the third quarter of 2015.
- **Gross profit** for the third quarter of 2016 was \$24.6 million, compared to \$22.3 million for the third quarter of 2015, representing a gross margin of 64% for the third quarter of 2016. Non-GAAP gross profit for the third quarter of 2016 was \$25.3 million, representing a year-over-year increase of 10% and a non-GAAP gross margin of 66%. 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 \$1.6 million for the third quarter of 2016, compared to a loss of \$1.0 million for the third quarter of 2015. Non-GAAP income from operations, which excludes stock-based compensation expense, the amortization of acquired intangible assets and merger-related expenses, was \$913,000 for the third quarter of 2016, compared to non-GAAP income of \$1.3 million during the third quarter of 2015.
- **Net loss** was \$1.6 million, or \$0.05 per diluted share, for the third quarter of 2016. This compares to a net loss of \$1.3 million, or \$0.04 per diluted share, for the third quarter of 2015. Non-GAAP net income, which excludes stock-based compensation expense, the amortization of acquired intangible assets and merger-related expenses, was \$847,000 for the third quarter of 2016, or \$0.02 per diluted share, compared to a non-GAAP net income of \$1.1 million for the third quarter of 2015, or \$0.03 per diluted share.



- **Adjusted EBITDA** was \$2.0 million for the third quarter of 2016, compared to \$2.7 million for the third quarter of 2015. Adjusted EBITDA excludes stock-based compensation expense, the amortization of acquired intangible assets, merger-related expenses, depreciation expense, other income/expense and the provision for income taxes.
- **Cash flow from operations** was \$2.6 million for the third quarter of 2016, compared to cash flow from operations of \$3.8 million for the third quarter of 2015.
- **Free cash flow** was \$1.2 million after the company invested \$1.4 million in capital expenditures and capitalization of internal-use software during the third quarter of 2016. Free cash flow was \$3.1 million for the third quarter of 2015.
- **Cash and cash equivalents** were \$35.2 million as of September 30, 2016 compared to \$30.2 million at June 30, 2016.

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 Third Quarter and Recent Highlights:**

- Average revenue per premium customer was \$70,000 in the third quarter of 2016. This is an increase of 4% from \$67,000 in the comparable period in 2015.
- Recurring dollar retention rate was 97% in the third quarter of 2016, which was above our historical target in the low to mid 90% range.
- Ended the quarter with 4,647 customers, of which 1,981 were premium.
- New media customers and media customers who expanded their relationship during the quarter included: Aernow, Expansion SA, Baadl Technologies, Spuul, Book Walker, Next Interactive Media, UKTV, Fairfax Media, Genius, Sony, Time Inc., CRTV, Legacy Research Group, and RLJ Entertainment, among others.
- New digital marketing customers and digital marketing customers who expanded their relationship during the quarter included: Aviva, Eaton Corp., Enterprise Holdings, Gaiam, John Wiley & Sons, Kaplan Test Prep & Admissions, Vantiv, ServiceNow, Smithfield Foods, and The Church of Jesus Christ of Latter-Day Saints, among others.
- Announced the beta availability of the Brightcove Video Connect for Salesforce integration. This latest integration will enable Salesforce users to increase engagement throughout the buying cycle by accelerating time-to-close for sales using video messages, driving greater marketing results by tracking prospect video engagement, and improving customer success by sharing video support cases within existing workflows. Brightcove Video Connect customers will also be able to quickly add videos to Chatter® messages and access a dashboard of their video performance results within Salesforce.
- Forrester named Brightcove a leader in its Wave for Sales and Marketing Online Video Platforms. Forrester noted that Brightcove has established a platform of best-of-breed technologies for the use of video in sales and marketing operations.
- Ovum, a leading analyst house covering the intersection of the telecom, media and IT markets, named Brightcove the global market leader among OVPs for premium content owners.
- Frost & Sullivan awarded Brightcove with the 2016 Market Leadership Award for Global Online Video Platforms (OVP). This is the fourth time in five years that Brightcove has received this award for its ongoing dominance in market share, brand strength and growth, in both product and global expansion.



## Business Outlook

Based on information as of today, November 2, 2016, the Company is issuing the following financial guidance:

### Fourth Quarter 2016:

- **Revenue** is expected to be in the range of \$38.5 million to \$39.0 million.
- **Non-GAAP income from operations** is expected to be in the range of \$1.0 million to \$1.5 million, which excludes stock-based compensation of approximately \$1.9 million and the amortization of acquired intangible assets of approximately \$800,000.
- **Adjusted EBITDA** is expected to be in the range of \$2.3 million to \$2.8 million, which excludes stock-based compensation of approximately \$1.9 million, the amortization of acquired intangible assets and depreciation of approximately \$2.0 million, and other expense and taxes of approximately \$300,000.
- **Non-GAAP diluted net income per share** is expected to be \$0.02 to \$0.03, which excludes stock-based compensation of approximately \$1.9 million and the amortization of acquired intangible assets of approximately \$800,000, and assumes approximately 36.0 million shares outstanding.

### Full Year 2016:

- **Revenue** is now expected to be in the range of \$150.1 million to \$150.6 million.
- **Non-GAAP income from operations** is now expected to be in the range of \$2.3 to \$2.8 million, which excludes stock-based compensation of approximately \$6.2 million and the amortization of acquired intangible assets of approximately \$3.1 million.
- **Adjusted EBITDA** for the full year is now expected to be in the range of \$7.1 to \$7.6 million, which excludes stock-based compensation of approximately \$6.2 million, the amortization of acquired intangible assets and depreciation of approximately \$7.9 million, and other expense and taxes of approximately \$700,000.
- **Non-GAAP diluted net income per share** is now expected to be in the range of \$0.05 to \$0.06, which excludes stock-based compensation of approximately \$6.2 million and the amortization of acquired intangible assets of approximately \$3.1 million, and assumes approximately 34.8 million shares outstanding.

## Supplemental Financial Information

Beginning this quarter, Brightcove is disclosing revenue from our media and digital marketing business units. Previously, Brightcove reported revenue from media and non-media companies based on a customer's SIC code. In order to provide better clarity and transparency into the company's business units, Brightcove is now reporting this revenue based on the business unit to which Brightcove has assigned a customer. Brightcove is now also separating Volume revenue into its own category, outside of either business unit. Historical results back to 1Q15 are provided in a table below.



### **Conference Call Information**

Brightcove will host a conference call today, November 2, 2016, at 5:00 p.m. (Eastern Time) to discuss the Company's financial results and current business outlook. To access the call, dial 877-407-3982 (domestic) or 201-493-6780 (international). A replay of this conference call will be available for a limited time at 877-870-5176 (domestic) or 858-384-5517 (international). The replay conference ID is 13647441. A replay of the webcast will also be available for a limited time at <http://investor.brightcove.com>.

### **About Brightcove**

Brightcove Inc. (NASDAQ:BCOV) is the leading global provider of powerful cloud solutions for delivering and monetizing video across connected devices. The company offers a full suite of products and services that reduce the cost and complexity associated with publishing, distributing, measuring and monetizing video across devices. Brightcove has thousands of customers in over 70 countries that rely on the company's cloud solutions to successfully publish high-quality video experiences to audiences everywhere. To learn more, 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 fourth fiscal quarter of 2016 and full year 2016, our position to execute on our growth strategy, 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: our history of losses; our limited operating history; expectations regarding the widespread adoption of customer demand for our products; our ability to expand the sales of our products to customers located outside the U.S.; keeping up with the rapid technological change required to remain competitive in our industry; our ability to retain existing customers; our ability to manage our growth effectively and successfully recruit additional highly-qualified personnel; 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, as updated by our subsequently filed Quarterly Reports on Form 10-Q and our other SEC filings. 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 and non-GAAP diluted net income (loss) per share. 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, the amortization of acquired intangible assets and merger-related expenses. The non-GAAP financial results discussed above of adjusted EBITDA is defined as consolidated net income (loss), plus stock-based compensation expense, the amortization of acquired intangible assets, merger-related expenses, depreciation expense, other income/expense, including interest expense and interest income, and the provision for income taxes. Merger-related expenses include fees incurred in connection with closing an acquisition in addition to fees associated with the retention of key employees. 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>.

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ICR for Brightcove

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

|   | <u>September 30, 2016</u> | <u>December 31, 2015</u> |
|---|---------------------------|--------------------------|
| <b>Assets</b>                               |                           |                          |
| Current assets:                             |                           |                          |
| Cash and cash equivalents                   | \$ 35,192                 | \$ 27,637                |
| Accounts receivable, net of allowance       | 22,710                    | 21,213                   |
| Prepaid expenses and other current assets   | 5,802                     | 4,579                    |
| Total current assets                        | 63,704                    | 53,429                   |
| Property and equipment, net                 | 9,501                     | 8,689                    |
| Intangible assets, net                      | 11,753                    | 13,786                   |
| Goodwill                                    | 50,776                    | 50,776                   |
| Deferred tax asset                          | 80                        | 63                       |
| Restricted cash                             | 201                       | 201                      |
| Other assets                                | 956                       | 724                      |
| Total assets                                | <u>\$ 136,971</u>         | <u>\$ 127,668</u>        |
| <b>Liabilities and stockholders' equity</b> |                           |                          |
| Current liabilities:                        |                           |                          |
| Accounts payable                            | \$ 3,659                  | \$ 3,302                 |
| Accrued expenses                            | 14,426                    | 12,849                   |
| Capital lease liability                     | 551                       | 850                      |
| Equipment financing                         | 304                       | —                        |
| Deferred revenue                            | 34,690                    | 29,836                   |
| Total current liabilities                   | 53,630                    | 46,837                   |
| Deferred revenue, net of current portion    | 5                         | 95                       |
| Other liabilities                           | 2,033                     | 2,601                    |
| Total liabilities                           | 55,668                    | 49,533                   |
| Stockholders' equity:                       |                           |                          |
| Common stock                                | 34                        | 33                       |
| Additional paid-in capital                  | 229,004                   | 220,458                  |
| Treasury stock, at cost                     | (871)                     | (871)                    |
| Accumulated other comprehensive loss        | (644)                     | (888)                    |
| Accumulated deficit                         | (146,220)                 | (140,597)                |
| Total stockholders' equity                  | 81,303                    | 78,135                   |
| Total liabilities and stockholders' equity  | <u>\$ 136,971</u>         | <u>\$ 127,668</u>        |



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

|   | <u>Three Months Ended September 30,</u> |                   | <u>Nine Months Ended September 30,</u> |                   |
|---|---|-------------------|--|-------------------|
|   | <u>2016</u>                             | <u>2015</u>       | <u>2016</u>                            | <u>2015</u>       |
| <b>Revenue:</b>   |   |                   |  |                   |
| Subscription and support revenue  | \$ 36,203                               | \$ 33,184         | \$ 105,936                             | \$ 96,912         |
| Professional services and other revenue   | 2,186                                   | 653               | 5,705                                  | 2,658             |
| <b>Total revenue</b>  | <b>38,389</b>                           | <b>33,837</b>     | <b>111,641</b>                         | <b>99,570</b>     |
| <b>Cost of revenue: (1) (2)</b>   |   |                   |  |                   |
| Cost of subscription and support revenue  | 11,691                                  | 10,314            | 35,041                                 | 31,017            |
| Cost of professional services and other revenue   | 2,086                                   | 1,198             | 5,453                                  | 3,645             |
| <b>Total cost of revenue</b>  | <b>13,777</b>                           | <b>11,512</b>     | <b>40,494</b>                          | <b>34,662</b>     |
| <b>Gross profit</b>   | <b>24,612</b>                           | <b>22,325</b>     | <b>71,147</b>                          | <b>64,908</b>     |
| <b>Operating expenses: (1) (2)</b>  |   |                   |  |                   |
| Research and development  | 7,704                                   | 7,233             | 22,385                                 | 22,320            |
| Sales and marketing   | 13,334                                  | 11,664            | 39,845                                 | 34,406            |
| General and administrative  | 5,126                                   | 4,391             | 14,190                                 | 14,761            |
| Merger-related  | —                                       | 62                | 21                                     | 138               |
| <b>Total operating expenses</b>   | <b>26,164</b>                           | <b>23,350</b>     | <b>76,441</b>                          | <b>71,625</b>     |
| Loss from operations  | (1,552)                                 | (1,025)           | (5,294)                                | (6,717)           |
| Other expense, net  | (5)                                     | (127)             | (127)                                  | (780)             |
| Net loss before income taxes  | (1,557)                                 | (1,152)           | (5,421)                                | (7,497)           |
| Provision for income taxes  | 61                                      | 123               | 202                                    | 255               |
| <b>Net loss</b>   | <b>\$ (1,618)</b>                       | <b>\$ (1,275)</b> | <b>\$ (5,623)</b>                      | <b>\$ (7,752)</b> |
| <b>Net income (loss) per share—basic and diluted</b>                                    | <b>\$ (0.05)</b>                        | <b>\$ (0.04)</b>  | <b>\$ (0.17)</b>                       | <b>\$ (0.24)</b>  |
| <b>Weighted-average shares—basic and diluted</b>  | <b>33,345</b>                           | <b>32,636</b>     | <b>32,956</b>                          | <b>32,560</b>     |
| <b>(1) Stock-based compensation included in above line items:</b>                       |   |                   |  |                   |
| Cost of subscription and support revenue  | \$ 94                                   | \$ 30             | \$ 204                                 | \$ 101            |
| Cost of professional services and other revenue   | 69                                      | 79                | 158                                    | 131               |
| Research and development  | 372                                     | 400               | 942                                    | 1,060             |
| Sales and marketing   | 651                                     | 843               | 1,630                                  | 1,764             |
| General and administrative  | 495                                     | 171               | 1,331                                  | 1,256             |
| <b>(2) Amortization of acquired intangible assets included in the above line items:</b> |   |                   |  |                   |
| Cost of subscription and support revenue  | \$ 507                                  | \$ 508            | \$ 1,523                               | \$ 1,523          |
| Research and development  | 32                                      | 31                | 95                                     | 94                |
| Sales and marketing   | 245                                     | 235               | 715                                    | 736               |



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

|   | <u>Nine Months Ended September 30,</u> |                  |
|---|--|------------------|
|   | <u>2016</u>                            | <u>2015</u>      |
| <b>Operating activities</b>   |  |                  |
| Net loss  | \$ (5,623)                             | \$ (7,752)       |
| Adjustments to reconcile net loss to net cash provided by operating activities: |  |                  |
| Depreciation and amortization   | 5,901                                  | 6,898            |
| Stock-based compensation  | 4,265                                  | 4,312            |
| Provision for reserves on accounts receivable                                   | 233                                    | 317              |
| Loss on disposal of equipment   | —                                      | 45               |
| Changes in assets and liabilities:  |  |                  |
| Accounts receivable   | (1,441)                                | 1,050            |
| Prepaid expenses and other current assets                                       | (1,720)                                | (441)            |
| Other assets  | (200)                                  | (478)            |
| Accounts payable  | (17)                                   | 1,001            |
| Accrued expenses  | 1,953                                  | (1,660)          |
| Deferred revenue  | 4,278                                  | 957              |
| Net cash provided by operating activities                                       | <u>7,629</u>                           | <u>4,249</u>     |
| <b>Investing activities</b>   |  |                  |
| Cash paid for purchase of intangible asset                                      | (300)                                  | —                |
| Purchases of property and equipment, net of returns                             | (1,194)                                | (2,479)          |
| Capitalization of internal-use software costs                                   | (2,940)                                | (1,020)          |
| Net cash used in investing activities   | <u>(4,434)</u>                         | <u>(3,499)</u>   |
| <b>Financing activities</b>   |  |                  |
| Proceeds from exercise of stock options   | 4,392                                  | 72               |
| Payments of withholding tax on RSU vesting                                      | (216)                                  | (48)             |
| Proceeds from equipment financing   | 604                                    | 1,704            |
| Payments on equipment financing   | (196)                                  | (576)            |
| Payments under capital lease obligation   | (682)                                  | (988)            |
| Net cash provided by financing activities                                       | <u>3,902</u>                           | <u>164</u>       |
| Effect of exchange rate changes on cash and cash equivalents                    | 458                                    | (42)             |
| Net increase in cash and cash equivalents                                       | 7,555                                  | 872              |
| Cash and cash equivalents at beginning of period                                | 27,637                                 | 22,916           |
| Cash and cash equivalents at end of period                                      | <u>\$ 35,192</u>                       | <u>\$ 23,788</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 Income (Loss) From Operations, Non-GAAP Net Income (Loss) and Non-GAAP Net Income (Loss) Per Share (in thousands, except per share amounts) (unaudited)**

|   | Three Months Ended September 30, |                  | Nine Months Ended September 30, |                  |
|---|----------------------------------|------------------|---------------------------------|------------------|
|   | 2016                             | 2015             | 2016                            | 2015             |
| <b>GROSS PROFIT:</b>  |                                  |                  |                                 |                  |
| GAAP gross profit   | \$ 24,612                        | \$ 22,325        | \$ 71,147                       | \$ 64,908        |
| Stock-based compensation expense                                      | 163                              | 109              | 362                             | 232              |
| Amortization of acquired intangible assets                            | 507                              | 508              | 1,523                           | 1,523            |
| Non-GAAP gross profit   | <u>\$ 25,282</u>                 | <u>\$ 22,942</u> | <u>\$ 73,032</u>                | <u>\$ 66,663</u> |
| <b>LOSS FROM OPERATIONS:</b>  |                                  |                  |                                 |                  |
| GAAP loss from operations   | \$ (1,552)                       | \$ (1,025)       | \$ (5,294)                      | \$ (6,717)       |
| Stock-based compensation expense                                      | 1,681                            | 1,523            | 4,265                           | 4,312            |
| Merger-related expenses   | —                                | 62               | 21                              | 138              |
| Amortization of acquired intangible assets                            | 784                              | 774              | 2,333                           | 2,353            |
| Non-GAAP income from operations                                       | <u>\$ 913</u>                    | <u>\$ 1,334</u>  | <u>\$ 1,325</u>                 | <u>\$ 86</u>     |
| <b>NET LOSS:</b>  |                                  |                  |                                 |                  |
| GAAP net loss   | \$ (1,618)                       | \$ (1,275)       | \$ (5,623)                      | \$ (7,752)       |
| Stock-based compensation expense                                      | 1,681                            | 1,523            | 4,265                           | 4,312            |
| Merger-related expenses   | —                                | 62               | 21                              | 138              |
| Amortization of acquired intangible assets                            | 784                              | 774              | 2,333                           | 2,353            |
| Non-GAAP net income (loss)  | <u>\$ 847</u>                    | <u>\$ 1,084</u>  | <u>\$ 996</u>                   | <u>\$ (949)</u>  |
| GAAP diluted net loss per share                                       | <u>\$ (0.05)</u>                 | <u>\$ (0.04)</u> | <u>\$ (0.17)</u>                | <u>\$ (0.24)</u> |
| Non-GAAP diluted net income (loss) per share                          | <u>\$ 0.02</u>                   | <u>\$ 0.03</u>   | <u>\$ 0.03</u>                  | <u>\$ (0.03)</u> |
| Shares used in computing GAAP diluted net loss per share              | 33,345                           | 32,636           | 32,956                          | 32,560           |
| Shares used in computing Non-GAAP diluted net income (loss) per share | 35,554                           | 33,493           | 34,336                          | 32,560           |



**Brightcove Inc.**  
**Calculation of Adjusted EBITDA**  
**(in thousands)**  
**(unaudited)**

|                                  | <u>Three Months Ended September 30,</u> |                 | <u>Nine Months Ended September 30,</u> |                 |
|----------------------------------|---|-----------------|--|-----------------|
|                                  | <u>2016</u>                             | <u>2015</u>     | <u>2016</u>                            | <u>2015</u>     |
| Net loss                         | \$ (1,618)                              | \$ (1,275)      | \$ (5,623)                             | \$ (7,752)      |
| Other expense, net               | 5                                       | 127             | 127                                    | 780             |
| Provision for income taxes       | 61                                      | 123             | 202                                    | 255             |
| Merger-related expenses          | —                                       | 62              | 21                                     | 138             |
| Depreciation and amortization    | 1,916                                   | 2,096           | 5,901                                  | 6,898           |
| Stock-based compensation expense | 1,681                                   | 1,523           | 4,265                                  | 4,312           |
| Adjusted EBITDA                  | <u>\$ 2,045</u>                         | <u>\$ 2,656</u> | <u>\$ 4,893</u>                        | <u>\$ 4,631</u> |



**Brightcove Inc.**  
**Business Unit and Industry Revenue as a Percentage of Total Revenue**

*Revenue by Business Unit*

|                           | Three Months Ended |                  |                       |                      | Three Months Ended |                  |                       |
|---------------------------|--------------------|------------------|-----------------------|----------------------|--------------------|------------------|-----------------------|
|                           | March 31,<br>2015  | June 30,<br>2015 | September 30,<br>2015 | December 31,<br>2015 | March 31,<br>2016  | June 30,<br>2016 | September 30,<br>2016 |
| Media Revenue             | 54%                | 53%              | 54%                   | 55%                  | 56%                | 56%              | 57%                   |
| Digital Marketing Revenue | 38%                | 40%              | 39%                   | 39%                  | 39%                | 39%              | 38%                   |
| Volume Revenue            | 8%                 | 7%               | 7%                    | 6%                   | 5%                 | 5%               | 5%                    |

*Revenue by Industry (SIC)*

|                   | Three Months Ended |                  |                       |                      | Three Months Ended |                  |                       |
|-------------------|--------------------|------------------|-----------------------|----------------------|--------------------|------------------|-----------------------|
|                   | March 31,<br>2015  | June 30,<br>2015 | September 30,<br>2015 | December 31,<br>2015 | March 31,<br>2016  | June 30,<br>2016 | September 30,<br>2016 |
| Media Revenue     | 48%                | 46%              | 49%                   | 49%                  | 51%                | 51%              | 52%                   |
| Non-Media Revenue | 52%                | 54%              | 51%                   | 51%                  | 49%                | 49%              | 48%                   |