

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): February 21, 2024

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 2.02. Results of Operations and Financial Condition.

On February 22, 2024, Brightcove Inc. (the “Company”) issued a press release announcing certain financial and other information for the quarter and year ended December 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 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 (the “Securities Act”), 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.

Resignation of Robert Noreck

On February 21, 2024, Robert Noreck, the Company’s Chief Financial Officer, Principal Financial Officer and Principal Accounting Officer (collectively, “CFO”), notified the Company of his intent to resign as CFO, effective as of the earlier of May 31, 2024 and the appointment of a successor CFO (such date, the “Transition Date”). The Company and Mr. Noreck entered into a Transition and Resignation Agreement dated February 21, 2024 (the “Transition Agreement”) pursuant to which Mr. Noreck will serve as a consultant to the Company following the Transition Date. The Company has agreed that Mr. Noreck’s employment need not be exclusive to the Company after June 1, 2024. Mr. Noreck’s resignation is not the result of any disagreement with the Company on any matter relating to the Company’s operations, policies or practices.

On the Transition Date, Mr. Noreck will transition into the role of a consultant assisting with the transition of his responsibilities and performing such other duties as the Company determines until September 30, 2024 (the “Resignation Date”), at which time Mr. Noreck’s services to the Company will terminate. Subject to the terms of the Transition Agreement and Mr. Noreck entering into and not revoking a general release of claims in favor of the Company, (i) the Company will continue to pay Mr. Noreck his current base salary through the Resignation Date and (ii) Mr. Noreck will be paid a pro-rated bonus for calendar year 2024 through May 31, 2024 based on the Company’s actual performance level for 2024 as determined by the Company’s Board of Directors (the “Board”) or the Compensation Committee of the Board.

The foregoing description of the Transition Agreement is not complete and is qualified in its entirety by reference to the full text of the Transition Agreement, which will be filed as an exhibit to the Company’s Annual Report on Form 10-K to be filed by the Company with the Securities and Exchange Commission for the year ending December 31, 2023.

Item 7.01. Regulation FD Disclosure.

A copy of the Company’s press release announcing the foregoing is attached to this Current Report on Form 8-K as Exhibit 99.1. The information in this Item 7.01 and Exhibit 99.1 attached hereto is intended to be furnished and shall not be deemed “filed” for purposes of Section 18 of 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 or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of Brightcove Inc. dated February 22, 2024, including attachments, furnished herewith.
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: February 22, 2024

Brightcove Inc.

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

Brightcove Announces Financial Results for Fourth Quarter and Fiscal Year 2023

BOSTON, MA (February 22, 2024) – **Brightcove Inc.** (Nasdaq: BCOV), the world’s most trusted streaming technology company, today announced financial results for the fourth quarter and fiscal year ended December 31, 2023.

“Our fourth quarter results were highlighted by a return to top-line growth, substantial adjusted EBITDA growth, our second consecutive quarter of double-digit adjusted EBITDA margins, and positive free cash flow. This was a successful conclusion to an important transformational year. We have made significant strides in delivering new customers, growing average customer revenue, strengthening our products, and developing an effective go-to-market model that appeals to both media and enterprise customers,” said Marc DeBevoise, Brightcove’s Chief Executive Officer.

DeBevoise added, “As we look ahead in 2024, we have validated our strategy and have a clear view of the areas we need to prioritize to improve execution this year. We have a more resilient business, as demonstrated by our strong backlog growth, and expect to generate significant growth in adjusted EBITDA and cash flow while continuing to invest in our most promising growth opportunities.”

Fourth Quarter 2023 Financial Highlights:

- **Revenue** for the fourth quarter of 2023 was \$50.2 million, an increase of 2% compared to \$49.2 million for the fourth quarter of 2022. Subscription and support revenue was \$47.8 million, flat compared to the fourth quarter of 2022.
- **Gross profit** for the fourth quarter of 2023 was \$30.8 million, representing a gross margin of 61%, compared to gross profit of \$29.9 million, representing a gross margin of 61% for the fourth quarter of 2022. Non-GAAP gross profit for the fourth quarter of 2023 was \$31.6 million, representing a non-GAAP gross margin of 63%, compared to non-GAAP gross profit of \$30.7 million, representing a non-GAAP gross margin of 62% for the fourth quarter of 2022. Non-GAAP gross profit and non-GAAP gross margin exclude stock-based compensation expense, the amortization of acquired intangible assets and restructuring expenses.
- **Loss from operations** was \$2.3 million for the fourth quarter of 2023, compared to loss from operations of \$6.0 million for the fourth quarter of 2022. Non-GAAP operating income, which excludes stock-based compensation expense, the amortization of acquired intangible assets, merger-related and restructuring expenses and other (benefit) expense, was \$2.1 million for the fourth quarter of 2023, compared to non-GAAP operating loss of \$1.4 million during the fourth quarter of 2022.
- **Net loss** was \$2.5 million, or a loss of \$0.06 per diluted share, for the fourth quarter of 2023. This compares to net loss of \$5.4 million, or \$0.13 per diluted share, for the fourth quarter of 2022. Non-GAAP net income, which excludes stock-based compensation expense, the amortization of acquired intangible assets, merger-related and restructuring expenses and other (benefit) expense, was \$1.9 million for the fourth quarter of 2023, or \$0.04 per diluted share, compared to non-GAAP net loss of \$801,000 for the fourth quarter of 2022, or \$0.02 per diluted share.

- **Adjusted EBITDA** was \$5.5 million for the fourth quarter of 2023, representing an adjusted EBITDA margin of 11% and an increase of 366% compared to adjusted EBITDA of \$1.2 million for the fourth 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 provided by operations** was \$4.2 million for the fourth quarter of 2023, compared to cash flow provided by operations of \$5.7 million for the fourth quarter of 2022.
- **Free cash flow** was \$1.4 million after the company invested \$2.8 million in capital expenditures and capitalization of internal-use software during the fourth quarter of 2023. Free cash flow was negative \$585,000 for the fourth quarter of 2022.
- **Cash and cash equivalents** were \$18.6 million as of December 31, 2023 compared to \$31.9 million on December 31, 2022 and \$16.4 million on September 30, 2023.

Full Year 2023 Financial Highlights:

- **Revenue** for the full year 2023 was \$201.2 million, compared to \$211.0 million for 2022. Subscription and support revenue was \$192.5 million, compared to \$204.1 million for 2022.
- **Gross profit** for 2023 was \$123.8 million, representing a gross margin of 62%, compared to gross profit of \$133.9 million, representing a gross margin of 63% for 2022. Non-GAAP gross profit for 2023 was \$127.1 million, representing a non-GAAP gross margin of 63%, compared to non-GAAP gross profit of \$136.6 million, representing a non-GAAP gross margin of 65% for 2022. Non-GAAP gross profit and non-GAAP gross margin exclude stock-based compensation expense, the amortization of acquired intangible assets and restructuring expenses.
- **Loss from operations** was \$21.6 million for 2023, compared to loss from operations of \$8.0 million for 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 \$693,000 for 2023, compared to non-GAAP operating income of \$10.6 million for 2022.
- **Net loss** was \$22.9 million, or a loss of \$0.53 per diluted share, for 2023. This compares to net loss of \$9.0 million, or \$0.22 per diluted share, for 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 \$1.9 million for 2023, or \$0.04 per diluted share, compared to non-GAAP net income of \$9.6 million for 2022, or \$0.23 per diluted share.

- **Adjusted EBITDA** was \$11.9 million for 2023, compared to adjusted EBITDA of \$17.9 million for 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 provided by operations** was \$4.5 million for 2023, compared to cash flow provided by operations of \$25.4 million for 2022.
- **Free cash flow** was negative \$11.1 million after the company invested \$15.6 million in capital expenditures and capitalization of internal-use software during 2023. Free cash flow was \$869,000 for 2022.

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.”

Chief Financial Officer Transition

Today Brightcove is announcing a CFO transition plan. Rob Noreck will be stepping down as the Company’s CFO on May 31, 2024, or earlier if his successor is named prior to that date. Mr. Noreck will serve as a consultant to the Company through September 30, 2024 to ensure a smooth transition process. We have initiated an executive search process and expect to name a successor as quickly as possible.

Other Fourth Quarter and Recent Highlights/Updates:

- Announced the hiring of two senior management members. Industry veterans Kathy Klingler and Jim Norton joined as Chief Marketing and Chief Revenue Officer, respectively. Additionally, David Beck was elevated to the newly created position of Chief Operating Officer.
- Signed new, renewed or expanded the relationship with a diverse set of notable customers in the fourth quarter. This includes Fortune 500 companies such as 3M, Corning, Ford Motor Company, and Johnson & Johnson, leading organizations from the sports industry such as, MLS, MotoAmerica, and the Saudi Pro League and hundreds more across the Technology, Healthcare/Pharma, Finance and Media verticals.
- Continue to harness the power of AI across various parts of our portfolio, including our Analytics and Insights platform to help customers improve content decisions and business performance, in our Emmy-winning Context Aware Encoding platform to reduce storage and bandwidth costs for many customers by 25-50%, and to simplify workflows for users around metadata creation and automated, smart transcription.

- Announced an expanded partnership with Socialive, a leading video content creation platform designed to provide customers additional remote video production capabilities. Brightcove's comprehensive and reliable live streaming solution with Socialive's features solidifies its position as a proven leader in corporate communications with live and on-demand streaming content management. The addition of Socialive continues Brightcove's strategy to curate, partner and integrate with leading technology platforms such as Salesforce, LinkedIn, Marketo, Eloqua, Shopify, Sprinklr, Hubspot, Drupal, Google Drive, Dropbox, Pinterest and numerous others to offer a seamless experience for our customers.
- 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 \$127.3 million. This represents a 6% increase year-over-year over \$120.1 million at the end of the fourth quarter of 2022. Total backlog was \$183.0 million, a 19% increase year-over-year over \$153.3 million at the end of the fourth quarter 2022.
- Average annual subscription revenue per premium customer was \$96,200 in the fourth quarter of 2023, excluding starter customers who had average annualized revenue of \$3,900 per customer. The average annual subscription revenue per premium customer increased 8% year-over-year compared to \$89,000 in the fourth quarter of 2022.
- Ended the fourth quarter of 2023 with 2,559 customers, of which 2,028 were premium.

Business Outlook:

Based on information as of today, February 22, 2024, the Company is issuing the following business updates and financial guidance

First Quarter 2024 Guidance:

- **Revenue** is expected to be in the range of \$49.0 million to \$50.0 million, including approximately \$2.4 million of professional services revenue and \$0.8 million of overages.
- **Non-GAAP income from operations** is expected to be in the range of \$0.0 million to \$1.0 million, which excludes stock-based compensation of approximately \$2.8 million, restructuring expenses of \$1.7 million and the amortization of acquired intangible assets of approximately \$1.0 million.
- **Adjusted EBITDA** is expected to be in the range of \$4.0 million to \$5.0 million, which excludes stock-based compensation of approximately \$2.8 million, restructuring expenses of \$1.7 million, the amortization of acquired intangible assets of approximately \$1.0 million, depreciation expense of approximately \$4.0 million, and other (income) expense and the provision for income taxes of approximately \$0.3 million.

- **Non-GAAP net (loss) income per diluted share** is expected to be (\$0.01) to \$0.02, which excludes stock-based compensation of approximately \$2.8 million, restructuring expenses of \$1.7 million, the amortization of acquired intangible assets of approximately \$4.0 million, and assumes approximately 44.2 million weighted-average shares outstanding.

Full Year 2024 Guidance:

- **Revenue** is expected to be in the range of \$195.0 million to \$198.0 million, including approximately \$9 million of professional services revenue and approximately \$3.0 million of overages.
- **Non-GAAP loss from operations** is expected to be in the range of (\$3.0) million to (\$1.0) million, which excludes stock-based compensation of approximately \$11.3 million, the amortization of acquired intangible assets of approximately \$4.1 million and restructuring expense of \$1.7 million.
- **Adjusted EBITDA** is expected to be in the range of \$14.0 million to \$16.0 million, which excludes stock-based compensation of approximately \$11.3 million, the amortization of acquired intangible assets of approximately \$4.1 million, restructuring expense of \$1.7 million, depreciation expense of approximately \$16.9 million, and other (income) expense and the provision for income taxes of approximately \$1.2 million.
- **Non-GAAP loss per diluted share** is expected to be (\$0.10) to (\$0.05), which excludes stock-based compensation of approximately \$11.3 million, the amortization of acquired intangible assets of approximately \$4.1 million, restructuring expense of \$1.7 million, and assumes approximately 45.6 million weighted-average shares outstanding.

Earnings Stream Information:

Brightcove earnings will be streamed on February 22, 2024, 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 on LinkedIn, Twitter, Facebook, Instagram and YouTube. Visit 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 first fiscal quarter and full year 2024, 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 macro-economic conditions currently affecting the global economy; 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:

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Brightcove

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Brightcove Inc.
Condensed Consolidated Balance Sheets
(in thousands)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 18,615	\$ 31,894
Accounts receivable, net of allowance	33,451	26,004
Prepaid expenses and other current assets	18,333	19,422
Total current assets	<u>70,399</u>	<u>77,320</u>
Property and equipment, net	42,476	39,677
Operating lease right-of-use asset	16,233	18,671
Intangible assets, net	6,368	10,279
Goodwill	74,859	74,859
Other assets	5,772	7,007
Total assets	<u>\$ 216,107</u>	<u>\$ 227,813</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 14,422	\$ 11,326
Accrued expenses	17,566	26,877
Operating lease liability	4,486	4,157
Deferred revenue	68,155	61,597
Total current liabilities	<u>104,629</u>	<u>103,957</u>
Operating lease liability, net of current portion	17,358	20,528
Other liabilities	207	981
Total liabilities	<u>122,194</u>	<u>125,466</u>
Stockholders' equity:		
Common stock	44	42
Additional paid-in capital	328,918	314,825
Treasury stock, at cost	(871)	(871)
Accumulated other comprehensive loss	(1,236)	(1,593)
Accumulated deficit	(232,942)	(210,056)
Total stockholders' equity	<u>93,913</u>	<u>102,347</u>
Total liabilities and stockholders' equity	<u>\$ 216,107</u>	<u>\$ 227,813</u>

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Revenue:				
Subscription and support revenue	\$47,775	\$47,688	\$192,461	\$204,091
Professional services and other revenue	2,381	1,550	8,726	6,917
Total revenue	50,156	49,238	201,187	211,008
Cost of revenue: (1) (2)				
Cost of subscription and support revenue	16,484	17,763	68,244	69,935
Cost of professional services and other revenue	2,840	1,563	9,109	7,138
Total cost of revenue	19,324	19,326	77,353	77,073
Gross profit	30,832	29,912	123,834	133,935
Operating expenses: (1) (2)				
Research and development	8,261	8,984	37,202	33,524
Sales and marketing	16,689	18,725	72,410	73,997
General and administrative	8,146	8,159	35,556	32,550
Merger-related	—	—	307	747
Other expense	—	—	—	1,149
Total operating expenses	33,096	35,868	145,475	141,967
Loss from operations	(2,264)	(5,956)	(21,641)	(8,032)
Other (expense) income, net	(89)	845	(80)	(1,035)
Loss before income taxes	(2,353)	(5,111)	(21,721)	(9,067)
Loss (benefit) from provision for income taxes	161	286	1,165	(52)
Net loss	\$ (2,514)	\$ (5,397)	\$ (22,886)	\$ (9,015)
Net loss per share—basic and diluted				
Basic	\$ (0.06)	\$ (0.13)	\$ (0.53)	\$ (0.22)
Diluted	(0.06)	(0.13)	(0.53)	(0.22)
Weighted-average shares—basic and diluted				
Basic	43,578	42,184	43,128	41,831
Diluted	43,578	42,184	43,128	41,831
(1) Stock-based compensation included in above line items:				
Cost of subscription and support revenue	\$ 117	\$ 123	\$ 506	\$ 508
Cost of professional services and other revenue	91	99	375	433
Research and development	616	711	2,453	2,746
Sales and marketing	1,040	1,133	4,197	3,990
General and administrative	1,595	1,513	6,368	5,622
Other expense	—	—	—	249
(2) Amortization of acquired intangible assets included in the above line items:				
Cost of subscription and support revenue	\$ 521	\$ 601	\$ 2,270	\$ 1,757
Sales and marketing	402	416	1,641	1,662

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

	Twelve Months Ended December 31,	
	2023	2022
Operating activities		
Net loss	\$(22,886)	\$ (9,015)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	16,536	10,696
Stock-based compensation	13,899	13,548
Provision for reserves on accounts receivable	162	118
Changes in assets and liabilities:		
Accounts receivable	(7,707)	4,227
Prepaid expenses and other current assets	1,565	(1,216)
Other assets	1,328	(348)
Accounts payable	3,294	120
Accrued expenses	(7,950)	2,397
Operating leases	(409)	5,503
Deferred revenue	6,673	(609)
Net cash provided by operating activities	<u>4,505</u>	<u>25,421</u>
Investing activities		
Cash paid for acquisition, net of cash acquired	—	(13,215)
Purchases of property and equipment, net of returns	(3,120)	(10,727)
Capitalization of internal-use software costs	(12,530)	(13,825)
Net cash used in investing activities	<u>(15,650)</u>	<u>(37,767)</u>
Financing activities		
Proceeds from exercise of stock options	—	177
Deferred acquisition payments	(1,700)	—
Other financing activities	(330)	(260)
Net cash used in financing activities	<u>(2,030)</u>	<u>(83)</u>
Effect of exchange rate changes on cash and cash equivalents	(104)	(1,416)
Net decrease in cash and cash equivalents	(13,279)	(13,845)
Cash and cash equivalents at beginning of period	31,894	45,739
Cash and cash equivalents at end of period	<u>\$ 18,615</u>	<u>\$ 31,894</u>

Brightcove Inc.

Reconciliation of GAAP Gross Profit, GAAP Loss (Income) 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)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
GROSS PROFIT:				
GAAP gross profit	\$30,832	\$29,912	\$123,834	\$133,935
Stock-based compensation expense	208	222	881	941
Amortization of acquired intangible assets	521	601	2,270	1,757
Restructuring	—	—	104	—
Non-GAAP gross profit	<u>\$31,561</u>	<u>\$30,735</u>	<u>\$127,089</u>	<u>\$136,633</u>
GAAP gross profit as a percentage of revenue	61%	61%	62%	63%
Stock-based compensation expense	0.4%	0.5%	0.4%	0.4%
Amortization of acquired intangible assets	1.0%	1.2%	1.1%	0.8%
Restructuring	0.0%	0.0%	0.1%	0.0%
Non-GAAP gross profit as a percentage of revenue	<u>63%</u>	<u>62%</u>	<u>63%</u>	<u>65%</u>
INCOME (LOSS) FROM OPERATIONS:				
GAAP loss from operations	\$ (2,264)	\$ (5,956)	\$ (21,641)	\$ (8,032)
Stock-based compensation expense	3,459	3,579	13,899	13,299
Amortization of acquired intangible assets	923	1,017	3,911	3,419
Merger-related	—	—	307	747
Restructuring	1	—	2,831	—
Other expense	—	—	—	1,149
Non-GAAP income (loss) from operations	<u>\$ 2,119</u>	<u>\$ (1,360)</u>	<u>\$ (693)</u>	<u>\$ 10,582</u>
NET INCOME (LOSS):				
GAAP net loss	\$ (2,514)	\$ (5,397)	\$ (22,886)	\$ (9,015)
Stock-based compensation expense	3,459	3,579	13,899	13,299
Amortization of acquired intangible assets	923	1,017	3,911	3,419
Merger-related	—	—	307	747
Restructuring	1	—	2,831	—
Other expense	—	—	—	1,149
Non-GAAP net income (loss)	<u>\$ 1,869</u>	<u>\$ (801)</u>	<u>\$ (1,938)</u>	<u>\$ 9,599</u>
GAAP diluted net loss per share	<u>\$ (0.06)</u>	<u>\$ (0.13)</u>	<u>\$ (0.53)</u>	<u>\$ (0.22)</u>
Non-GAAP diluted net income (loss) per share	<u>\$ 0.04</u>	<u>\$ (0.02)</u>	<u>\$ (0.04)</u>	<u>\$ 0.23</u>
Shares used in computing GAAP diluted net loss per share	43,578	42,184	43,128	41,831
Shares used in computing Non-GAAP diluted net income per share	43,628	42,184	43,128	42,293

Brightcove Inc.
Calculation of Adjusted EBITDA
(in thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Net loss	\$(2,514)	\$(5,397)	\$(22,886)	\$(9,015)
Other income (expense), net	89	(845)	80	1,035
Loss (benefit) from income taxes	161	286	1,165	(52)
Depreciation and amortization	4,292	3,555	16,536	10,696
Stock-based compensation expense	3,459	3,579	13,899	13,299
Merger-related	—	—	307	747
Restructuring	1	—	2,831	—
Other expense	—	—	—	1,149
Adjusted EBITDA	<u>\$ 5,488</u>	<u>\$ 1,178</u>	<u>\$ 11,932</u>	<u>\$ 17,859</u>

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

	Three Months Ended December 31,	Twelve Months Ended December 31,
	2023	2023
Total revenue	\$ 50,156	\$ 201,187
Constant currency adjustment	211	372
Total revenue on a constant currency basis	<u>\$ 50,367</u>	<u>\$ 201,559</u>
	Three Months Ended December 31,	Twelve Months Ended December 31,
	2023	2023
Adjusted EBITDA	\$ 5,488	\$ 11,932
Constant currency adjustment	172	1,032
Adjusted EBITDA on a constant currency basis	<u>\$ 5,660</u>	<u>\$ 12,964</u>