

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)

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

For the quarterly period ended March 31, 2024

Or

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

For the transition period from _____ to _____

Commission file number 001-40574

SYNCHRONOSS TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

06-1594540

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

**200 Crossing Boulevard, 8th Floor
Bridgewater, New Jersey**

08807

(Address of principal executive offices)

(Zip Code)

(866) 620-3940

(Registrant's telephone number, including area code)

(Former name, former address, and former fiscal year, if changed since last report)

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

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

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, \$.0001 par value	SNCR	The Nasdaq Stock Market, LLC
8.375% Senior Notes due 2026	SNCRL	The Nasdaq Stock Market, LLC

As of May 6, 2024, there were 10,792,176 shares of common stock issued and outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

SYNCHRONOSS TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited) (In thousands)

	March 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 19,100	\$ 24,572
Accounts receivable, net	22,482	23,477
Prepaid & other current assets	32,314	33,953
Total current assets	73,896	82,002
Non-current assets:		
Property and equipment, net	3,559	3,673
Operating lease right-of-use assets	13,867	14,791
Goodwill	182,150	183,908
Intangible assets, net	21,300	22,214
Other assets, non-current	3,731	3,749
Total non-current assets	224,607	228,335
Total assets	<u><u>\$ 298,503</u></u>	<u><u>\$ 310,337</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 6,207	\$ 7,475
Accrued expenses	33,036	39,127
Deferred revenues, current	656	1,095
Total current liabilities	39,899	47,697
Long-term debt, net of debt issuance costs	136,649	136,215
Deferred tax liabilities	3,213	3,207
Leases, non-current	21,953	23,593
Other liabilities, non-current	1,529	1,691
Total liabilities	203,243	212,403
Commitments and contingencies:		
Series B Non-Convertible Perpetual Preferred Stock, \$ 0.0001 par value; 150 shares authorized, 61 and 61 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	58,802	58,802
Redeemable noncontrolling interest	12,500	12,500
Stockholders' equity:		
Common stock, \$ 0.0001 par value; 16,667 shares authorized, 10,315 and 10,314 issued and outstanding at March 31, 2024 and December 31, 2023, respectively	1	1
Additional paid-in capital	482,492	483,527
Accumulated other comprehensive loss	(31,841)	(25,732)
Accumulated deficit	(426,694)	(431,164)
Total stockholders' equity	23,958	26,632
Total liabilities and stockholders' equity	<u><u>\$ 298,503</u></u>	<u><u>\$ 310,337</u></u>

See accompanying notes to condensed consolidated financial statements.

SYNCHRONOSS TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited) (In thousands, except per share data)

	Three Months Ended March 31,	
	2024	2023
Net revenues	\$ 42,965	\$ 41,985
Costs and expenses:		
Cost of revenues ¹	10,223	10,960
Research and development	10,331	12,744
Selling, general and administrative	13,257	15,966
Restructuring charges	219	342
Depreciation and amortization	4,359	3,932
Total costs and expenses	38,389	43,944
Income (loss) from operations	4,576	(1,959)
Interest income	208	94
Interest expense	(3,517)	(3,454)
Other income (expense), net	3,811	(2,975)
Income (loss) from continuing operations, before taxes	5,078	(8,294)
Provision for income taxes	(603)	(295)
Net income (loss) from continuing operations	4,475	(8,589)
Discontinued operations (Note 4):		
Loss from discontinued operations, before taxes	—	(1,578)
Provision for income taxes	—	(764)
Net loss from discontinued operations	—	(2,342)
Net income (loss)	4,475	(10,931)
Net (loss) income attributable to redeemable noncontrolling interests	(5)	14
Preferred stock dividend	(2,129)	(2,474)
Net income (loss) attributable to Synchronoss	<u><u>\$ 2,341</u></u>	<u><u>\$ (13,391)</u></u>
Earnings (loss) per share:		
Basic:		
Net income (loss) from continuing operations	\$ 0.24	\$ (1.14)
Net loss from discontinued operations	—	(0.25)
Basic	<u><u>\$ 0.24</u></u>	<u><u>\$ (1.39)</u></u>
Diluted:		
Net income (loss) from continuing operations	\$ 0.23	\$ (1.14)
Net loss from discontinued operations	—	(0.25)
Diluted	<u><u>\$ 0.23</u></u>	<u><u>\$ (1.39)</u></u>
Weighted-average common shares outstanding:		
Basic	<u><u>9,842</u></u>	<u><u>9,653</u></u>
Diluted	<u><u>10,277</u></u>	<u><u>9,653</u></u>

¹ Cost of revenues excludes depreciation and amortization which are shown separately.

See accompanying notes to condensed consolidated financial statements.

SYNCHRONOSS TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Unaudited) (In thousands)

	Three Months Ended March 31,	
	2024	2023
Net income (loss)	\$ 4,475	\$ (10,931)
Other comprehensive (loss) income, net of tax:		
Foreign currency translation adjustments	(6,109)	4,570
Comprehensive loss	(1,634)	(6,361)
Comprehensive (loss) income attributable to redeemable noncontrolling interests	(5)	14
Comprehensive loss attributable to Synchronoss	<u>\$ (1,639)</u>	<u>\$ (6,347)</u>

See accompanying notes to condensed consolidated financial statements.

SYNCHRONOSS TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited) (In thousands)

Three Months Ended March 31, 2024

	Common Stock						Total Stockholders' Equity	
	Shares	Par Value	Capital	Accumulated Other		Accumulated deficit		
				Additional Paid-In	Comprehensive (Loss) Income			
Balance at December 31, 2023	10,314	\$ 1	\$ 483,527	\$ (25,732)	\$ (431,164)	\$ 26,632		
Stock based compensation	—	—	1,089	—	—	—	1,089	
Issuance of restricted stock	1	—	—	—	—	—	—	
Preferred stock dividend	—	—	(2,129)	—	—	—	(2,129)	
Net income (loss)	—	—	—	—	4,475	4,475		
Non-controlling interest	—	—	5	—	(5)	—		
Total other comprehensive income (loss)	—	—	—	(6,109)	—	(6,109)		
Balance at March 31, 2024	<u>10,315</u>	<u>\$ 1</u>	<u>\$ 482,492</u>	<u>\$ (31,841)</u>	<u>\$ (426,694)</u>	<u>\$ 23,958</u>		

Three Months Ended March 31, 2023

	Common Stock						Total Stockholders' Equity	
	Shares	Par Value	Capital	Accumulated Other		Accumulated deficit		
				Additional Paid-In	Comprehensive (Loss) Income			
Balance at December 31, 2022	10,137	\$ 1	\$ 488,856	\$ (44,131)	\$ (376,629)	\$ 68,097		
Stock based compensation	—	—	1,314	—	—	—	1,314	
Issuance of restricted stock	299	—	—	—	—	—	—	
Preferred stock dividend	—	—	(2,474)	—	—	—	(2,474)	
Shares withheld for taxes in connection with issuance of restricted stock	—	—	(1)	—	—	—	(1)	
Net loss	—	—	—	—	(10,931)	(10,931)		
Non-controlling interest	—	—	(14)	—	14	—		
Total other comprehensive income (loss)	—	—	—	4,570	—	4,570		
Balance at March 31, 2023	<u>10,436</u>	<u>\$ 1</u>	<u>\$ 487,681</u>	<u>\$ (39,561)</u>	<u>\$ (387,546)</u>	<u>\$ 60,575</u>		

See accompanying notes to condensed consolidated financial statements.

SYNCHRONOSS TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Uaudited) (In thousands)

	Three Months Ended March 31,	
	2024	2023
Operating activities:		
Net income (loss) from continuing operations	\$ 4,475	\$ (8,589)
Net loss from discontinued operations	—	(2,342)
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Depreciation and amortization	4,359	7,520
Amortization of debt issuance costs	408	370
Amortization of bond discount	26	23
Stock-based compensation	1,110	1,739
Other, net	(3,950)	2,786
Changes in operating assets and liabilities:		
Accounts receivable, net	918	(845)
Prepaid expenses and other current assets	1,627	13
Accounts payable	(1,149)	(2,348)
Accrued expenses	(6,158)	3,457
Other assets	(5)	221
Deferred revenues	(422)	1,365
Other liabilities	(712)	(2,075)
Net cash provided by operating activities	527	1,295
Investing activities:		
Purchases of fixed assets	(517)	(876)
Additions to capitalized software	(3,286)	(4,594)
Net cash used in investing activities	(3,803)	(5,470)
Financing activities:		
Taxes paid on withholding shares	—	(1)
Drawdown on A/R Facility	3,000	—
Repayment of A/R Facility	(3,000)	—
Series B Preferred dividend paid in cash	(2,129)	(2,298)
Net cash used in financing activities	(2,129)	(2,299)
Effect of exchange rate changes on cash	(67)	113
Net decrease in cash and cash equivalents	(5,472)	(6,361)
Beginning cash and cash equivalents of continuing operations	24,572	18,310
Beginning cash and cash equivalents of discontinued operations	—	3,611
Beginning cash and cash equivalents	24,572	21,921
Ending cash and cash equivalents of continuing operations	19,100	12,921
Ending cash and cash equivalents of discontinued operations	—	2,639
Ending cash and cash equivalents	\$ 19,100	\$ 15,560

See accompanying notes to condensed consolidated financial statements.

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SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

Note 1. Description of Business

General

Synchronoss Technologies, Inc. ("Synchronoss" or the "Company") is a leading provider of white label cloud software and services that enable our customers to keep subscribers, systems, networks and content in sync.

The Synchronoss Personal Cloud™ solution is designed to create an engaging and trusted customer experience through ongoing content management and engagement. The Synchronoss Personal Cloud™ platform is a secure and highly scalable, white label platform that allows our customers' subscribers to backup and protect, engage with, and manage their personal content and gives our operator customers the ability to increase average revenue per user ("ARPU") and reduce churn.

Our Synchronoss Personal Cloud™ platform is specifically designed to support smartphones, tablets, desktops computers, and laptops.

Synchronoss' Messaging platform (Owned and operated through October 31, 2023) had powered mobile messaging and mailboxes for hundreds of millions of telecommunication subscribers. Our Advanced Messaging platform had been a powerful, secure, intelligent, white label messaging platform that expanded capabilities for communications service provider and multi-service providers to offer P2P messaging via Rich Communications Services ("RCS"). Our Mobile Messaging Platform ("MMP") provided a single standard ecosystem for onboarding and management to brands, advertisers and message wholesalers.

The Synchronoss NetworkX (Owned and operated through October 31, 2023) products had provided operators with the tools and software to design their physical network, streamlined their infrastructure purchases, and managed and optimized comprehensive network expenses for leading top tier carriers around the globe.

On October 31, 2023, Synchronoss Technologies, Inc. entered into an Asset Purchase Agreement with Lumine Group Software Solutions (Ireland) Limited, pursuant to which the Company sold its Messaging and NetworkX businesses. This transaction represented a strategic shift designed to maximize shareholder value and allow the Company to solely focus on providing cloud-centric solutions. In connection with the sale transaction, the Company determined its Messaging and NetworkX Businesses qualified for discontinued operations accounting treatment in accordance with ASC 205-20. Accordingly, the operating results of, and costs to separate the Messaging and NetworkX businesses are reported in Net loss from discontinued operations, net of taxes in the Consolidated Statements of Operations for prior periods presented. There were no assets and liabilities related to discontinued operations as of March 31, 2024 and December 31, 2023, as all balances were transferred to Lumine Group upon sale. The notes to the financial statements have been adjusted on a retrospective basis. For additional information, see Note 4. Divestitures and Discontinued Operations of the Notes to Consolidated Financial Statements in Item 1 of this Form 10-Q.

Note 2. Basis of Presentation and Consolidation

Basis of Presentation and Consolidation

The accompanying interim unaudited condensed consolidated financial statements have been prepared by Synchronoss and in the opinion of management, include all adjustments necessary for a fair presentation of the Company's financial position, results of operations and cash flows for the interim periods. They do not include all of the information and footnotes required by U.S. generally accepted accounting principles ("GAAP") for complete financial statements and should be read in conjunction with the Company's audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. The results of operations for the three months ended March 31, 2024 are not necessarily indicative of the results to be expected for the year ending December 31, 2024.

The condensed consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries and variable interest entities ("VIE") in which the Company is the primary beneficiary and entities in which the Company has a controlling interest. Investments in less than majority-owned companies in which the Company does not have a controlling

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

interest, but does have significant influence, are accounted for as equity method investments. Investments in less than majority-owned companies in which the Company does not have the ability to exert significant influence over the operating and financial policies of the investee are accounted for using the cost method. All material intercompany transactions and accounts are eliminated in consolidation.

Unless otherwise noted, tables are presented in U.S. dollars in thousands. Certain columns and rows may not add due to the use of rounded numbers. Percentages presented are calculated from the underlying numbers in thousands. Earnings per share amounts are computed independently for earnings from continuing operations, earnings from discontinued operations and net earnings. As a result, the sum of per-share amounts may not equal the total. We have reclassified certain prior year amounts to conform with current year presentation. Unless otherwise noted, all amounts and disclosures included in the Notes to Consolidated Financial Statements reflect only the Company's continuing operations except for the Consolidated Statements of Cash Flows, which are presented for the whole company for the three months ended March 31, 2023. For supplemental cash flow disclosures, see Note 4. Divestitures and Discontinued Operations of the Notes to Consolidated Financial Statements in Item 1 of this Form 10-Q.

During the fourth quarter of 2023 there was a change in the capital structure due to a reverse stock split, which decreased the number of common shares outstanding. The Company retroactively displayed the effect of the change in the Consolidated Balance Sheets, and retroactively adjusted the computations of basic and diluted EPS for all periods presented on the Consolidated Statement of Operations. For additional information, see Note 11. Capital Structure of the Notes to Consolidated Financial Statements in Item 1 of this Form 10-Q.

For further information about the Company's basis of presentation and consolidation or its significant accounting policies, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

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SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

Recently Issued Accounting Standards

Standards issued not yet adopted

Standard	Description	Effect on the financial statements
Update 2024-01 - Compensation—Stock Compensation (Topic 718) - Scope Application of Profits Interest and Similar Awards	The amendments in this Update related to the scope application issue apply to all reporting entities that account for profits interest awards as compensation to employees or nonemployees in return for goods or services. This Update provides specific examples to help stakeholders to determine whether a profits interest award should be accounted for as a share-based payment arrangement (Topic 718) or similar to a cash bonus or profit-sharing arrangement (Topic 710, Compensation—General, or other Topics).	The Company continues to evaluate these changes and does not anticipate a material impact on the Company consolidated financial position or results operations upon adoption.
Planned date of adoption: January 1, 2025		
Update 2023-09 - Income Taxes (Topic 740) - Improvements to Income Tax Disclosures	The amendments in this Update related to the rate reconciliation and income taxes paid disclosures improve the transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction.	The Company continues to evaluate these changes and does not anticipate a material impact on the Company consolidated financial position or results operations upon adoption.
Planned date of adoption: January 1, 2025		
Update 2023-07 - Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures	The amendments in this Update improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this Update Requires that a public entity that has a single reportable segment provide all the disclosures required by the amendments in this Update and all existing segment disclosures in Topic 280.	The Company continues to evaluate these changes and does not anticipate a material impact on the Company consolidated financial position or results operations upon adoption.
Planned date of adoption: January 1, 2025		

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SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

Note 3. Revenue

Disaggregation of revenue

The Company disaggregates revenue from contracts with customers into the nature of the products and services and geographical regions. The Company's geographic regions are the Americas, Europe, the Middle East and Africa ("EMEA"), and Asia Pacific ("APAC"). The majority of the Company's revenue is from the technology, media, and telecom ("TMT") sector.

	Three Months Ended March 31, 2024				Three Months Ended March 31, 2023			
	Cloud	NetworkX	Messaging ²	Total	Cloud	NetworkX ¹	Messaging ²	Total
Geography:								
Americas	\$ 39,579	\$ —	\$ 62	\$ 39,641	\$ 37,414	\$ 394	\$ 513	\$ 38,321
APAC	1,548	—	—	1,548	1,647	—	—	1,647
EMEA	1,776	—	—	1,776	2,017	—	—	2,017
Total	\$ 42,903	\$ —	\$ 62	\$ 42,965	\$ 41,078	\$ 394	\$ 513	\$ 41,985
Service Line:								
Professional Services	\$ 3,773	\$ —	\$ —	\$ 3,773	\$ 4,661	\$ —	\$ —	\$ 4,661
Transaction Services	—	—	—	—	127	—	—	127
Subscription Services	39,130	—	13	39,143	35,886	394	513	36,793
License	—	—	49	49	404	—	—	404
Total	\$ 42,903	\$ —	\$ 62	\$ 42,965	\$ 41,078	\$ 394	\$ 513	\$ 41,985

¹ Includes revenue recognized in prior periods associated with residual NetworkX contracts not included in the Asset Purchase Agreement with Lumine Group.

² Includes revenue recognized in the current and prior periods associated with residual Messaging contracts not included in the Asset Purchase Agreement with Lumine Group.

Trade Accounts Receivable and Contract balances

The Company classifies its right to consideration in exchange for deliverables as either a receivable or a contract asset. A receivable is a right to consideration that is unconditional (i.e. only the passage of time is required before payment is due). For example, the Company recognizes a receivable for revenues related to its time and materials and transaction or volume-based contracts. The Company presents such receivables in Trade accounts receivable, net in its consolidated statements of financial position at their net estimated realizable value. The Company maintains an allowance for credit losses to provide for the estimated amount of receivables that may not be collected. The allowance is based upon an assessment of customer creditworthiness, historical payment experience, the age of outstanding receivables and other applicable factors.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. For example, the Company would record a contract asset if it records revenue on a professional services engagement but are not entitled to bill until the Company achieves specified milestones. Contract asset balance was nil and \$1.2 million as of March 31, 2024 and December 31, 2023, respectively.

Amounts collected in advance of services being provided are accounted for as contract liabilities, which are presented as deferred revenue on the accompanying balance sheet and are realized with the associated revenue recognized under the contract. Nearly all of the Company's contract liabilities balance is related to services revenue, primarily subscription services contracts.

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SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
(Amounts in tables in thousands, except for per share data or unless otherwise noted)

The Company's contract assets and liabilities are reported in a net position on a customer basis at the end of each reporting period.

Significant changes in the contract liabilities balance (current and non-current) during the period are as follows:

	Contract Liabilities¹
Balance at December 31, 2023	\$ 1,095
Revenue recognized in the period	(42,947)
Amounts billed but not initially recognized as revenue	42,508
Balance at March 31, 2024	<u><u>\$ 656</u></u>

¹ Comprised of Deferred Revenue. \$1.0 million of revenue recognized in the period was included in the contract liability balance at the beginning of the period.

Transaction price allocated to the remaining performance obligations

Topic 606 requires that the Company disclose the aggregate amount of transaction price that is allocated to performance obligations that have not yet been satisfied as of March 31, 2024. The Company has elected not to disclose transaction price allocated to remaining performance obligations for:

1. Contracts with an original duration of one year or less, including contracts that can be terminated for convenience without a substantive penalty;
2. Contracts for which the Company recognizes revenues based on the right to invoice for services performed;
3. Variable consideration allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation in accordance with Topic 606 Section 10-25-14(b), for which the criteria in Topic 606 Section 10-32-40 have been met. This applies to a limited number of situations where the Company is dependent upon data from a third party or where fees are highly variable.

Many of the Company's performance obligations meet one or more of these exemptions. Specifically, the Company has excluded the following from the Company's remaining performance obligations, all of which will be resolved in the period in which amounts are known:

- consideration for future transactions, above any contractual minimums
- consideration for success-based transactions contingent on third party data
- credits for failure to meet future service level requirements

As of March 31, 2024, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was \$214.0 million, of which approximately 61.5 percent is expected to be recognized as revenues within 2 years, and the remainder thereafter.

Estimates of revenue expected to be recognized in future periods also exclude unexercised customer options to purchase services that do not represent material rights to the customer. Customer options that do not represent a material right are only accounted for in accordance with Topic 606 when the customer exercises its option to purchase additional goods or services.

Note 4. Divestitures and Discontinued Operations

Discontinued Operations

Messaging and NetworkX Businesses Sale

On October 31, 2023 (the "Closing Date"), Synchronoss Technologies, Inc. and certain of its affiliated entities (such entities, together with the Company, the "Company Group") entered into an Asset Purchase Agreement (the "Agreement") with

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Lumine Group Software Solutions (Ireland) Limited, a private limited company incorporated under the laws of Ireland, Lumine Group UK Holdco Ltd, Incognito Software Systems Inc., Lumine Group US Holdco, Inc., Lumine Group Australia Holdco Pty Ltd, Openwave Messaging (Ireland) Limited, Razorsight Software Solutions Ireland Limited, Spatial Software Solutions Ireland Limited, Razorsight Software Solutions US Inc., and Openwave Messaging US Inc. (such entities, the "Buyer"), pursuant to which the Company Group sold its Messaging and NetworkX businesses (the "Messaging and NetworkX Businesses") to Buyer (the "Transaction") for a total purchase price of up to \$41,800,000 (the "Purchase Price"), and Buyer assumed certain liabilities of the Messaging and Digital Businesses. Lumine Group Inc., the parent entity of Lumine Group Software Solutions (Ireland) Limited, guaranteed certain obligations of Buyer under the Agreement pursuant to a separate Limited Guaranty, by and between Lumine Group Inc. and the Company, dated as of the date of the Agreement. The Purchase Price, which is subject to set-off rights in certain circumstances and certain adjustments, is payable as follows: (i) \$31,300,000 (as adjusted) was paid in cash to the Company on the Closing Date, (ii) an additional \$7,200,000 was deposited by Buyer into an escrow account on the Closing Date (which amount will remain in escrow until reconciliation of a net tangible asset adjustment), with any amounts in such escrow account to be released from escrow to either Buyer or the Company, based on whether such reconciliation indicates a deficit or a surplus in net tangible assets relative to a negotiated target amount, following such reconciliation process, which could take in excess of 150 days following the Closing Date for the initial portion of the net tangible asset reconciliation and 300 days or more following the Closing Date for reconciliation of certain specified assets to be completed, (iii) an additional \$ 300,000 in cash (which amount was not deposited into an escrow account) may become payable to the Company in accordance with the terms of the Agreement in the event that the voluntary disclosure process with respect to certain sales tax matters related to the Messaging and NetworkX Businesses are resolved by the Company within 9 months following the Closing Date, and (iv) an additional amount of up to \$ 3,000,000 in cash (which amount was not deposited into an escrow account) may become payable to the Company as an earn-out based on the achievement of specified gross revenue targets for the Messaging and NetworkX Businesses in fiscal year 2023. Pursuant to the Certificate of Designations of the Series B Perpetual Non-Convertible Preferred Stock, on November 3, 2023 the Company redeemed 9,874 shares of its outstanding Series B Preferred Stock by using \$ 10,000,000 of the Purchase Price, of which \$9.9 million was related to principal and \$0.1 million was related to accrued dividend.

This transaction represents a strategic shift designed to maximize shareholder value and allow the Company to solely focus on providing cloud-centric solutions. In connection with the sale transaction, the Company determined its Messaging and NetworkX Businesses qualified for discontinued operations accounting treatment in accordance with ASC 205-20. During the fourth quarter of 2023 the Company allocated \$28.6 million goodwill to the transaction using level 3 estimates, and recognized a loss on divestiture of \$16.4 million reported in Loss on divestiture in the Consolidated Statements of Operations. The Company received \$31.3 million in cash proceeds from the sale of Messaging and NetworkX, which was offset by \$ 0.4 million of assumed transaction expenses and \$7.2 million of operating cash on the divested entities. Total consideration for the sale also included \$ 1.5 million of estimated deferred consideration, in addition to the cash received in the fourth quarter of 2023.

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The following tables set forth details of net income from discontinued operations for the three months ended March 31, 2024 and 2023, related to Messaging and NetworkX Businesses sale.

	Three Months Ended March 31,	
	2024	2023
Net revenues	\$ —	\$ 15,723
Costs and expenses:		
Cost of revenues*	—	9,421
Research and development	—	1,991
Selling, general and administrative	—	2,343
Restructuring charges	—	3
Depreciation and amortization	—	3,588
Total costs and expenses	—	17,346
Loss from operations	—	(1,623)
Interest income	—	1
Other expense, net	—	44
Loss from operations, before taxes	—	(1,578)
Provision for income taxes	—	(764)
Net loss	<u><u>\$ —</u></u>	<u><u>\$ (2,342)</u></u>

¹ Cost of revenues excludes depreciation and amortization which are shown separately.

There were no assets and liabilities related to discontinued operations as of March 31, 2024 and December 31, 2023, as all balances were transferred to Lumine Group upon sale.

The following table summarizes the significant non-cash items and capital expenditures of the discontinued operations that are included in the consolidated statements of cash flows for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
Operating activities:		
Depreciation and amortization	\$ —	\$ 3,588
Stock-based compensation	—	280
Investing activities:		
Additions to capitalized software	\$ —	\$ (1,305)

Divestitures

Digital Experience Platform and Activation Solutions Sale

On March 7, 2022, Synchronoss Technologies, Inc. and iQmetrix Global Ltd. (“iQmetrix”), entered into an Asset Purchase Agreement, pursuant to which Synchronoss has agreed to sell its Digital Experience Platform and activation solutions (the “DXP Business”) to iQmetrix for up to a total purchase price of \$14 million. The purchase price is payable as follows: (i) \$7.5 million on the closing date of the Transaction, (ii) \$0.5 million deposited into an escrow account on the Closing Date, (iii) \$1 million paid twelve (12) months from the Closing Date, and (iv) \$ 5 million that may be payable as an earn-out.

This transaction closed on May 11, 2022. The Company received the \$ 7.5 million cash payment on the transaction close date. The Company received the \$0.5 million payment in escrow during the third quarter of 2022 in accordance with the terms of the Asset Purchase Agreement. The remaining \$ 1 million escrow payment has not been received by the Company in accordance with the agreement. As of December 31, 2023 the Company fully reserved for the asset and related receivables

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recorded within the Selling, general and administrative expenses line item on the Consolidated Statements of Income, and is pursuing collection of the payment.

The book value of the divested intangible assets associated with the DXP Business was \$ 2.3 million. For the goodwill allocation, the fair value of the core reporting unit was estimated using a combination of the income approach, which incorporates the use of the discounted cash flow method, and the market approach, which incorporates the use of earnings and revenue multiples based on market data. Based on the fair value of the core reporting unit and the aggregate consideration received in the transaction, the Company determined the attributable fair value of goodwill to the DXP Business was \$7.6 million. The transaction resulted in a \$2.5 million gain for the year ended December 31, 2022.

Note 5. Accounts Receivable Securitization Facility

On June 23, 2022 (the "Closing Date"), the Company and certain of its subsidiaries (together with the Company, the "Company Group") entered into a \$15 million accounts receivable securitization facility (the "A/R Facility") with Norddeutsche Landesbank Girozentrale.

The A/R Facility transaction includes (i) Receivables Purchase Agreements (the "Receivables Purchase Agreements") dated as of the Closing Date, among the Company, as initial servicer, SN Technologies, LLC, a wholly owned special purpose subsidiary of the Company ("SN Technologies"), as seller, Norddeutsche Landesbank Girozentrale, as administrative agent (the "Administrative Agent"), and the purchasers party thereto, the group agents party thereto and the originators party thereto; (ii) Purchase and Sale Agreements (the "Purchase and Sale Agreements") dated as of the Closing Date, between the Company Group, as originators (the "Originators"), and SN Technologies, as purchaser; (iii) the Administration Agreement (the "Administration Agreement") dated as of the Closing Date, between the Company, as servicer, and Finacity Corporation, as administrator; and (iv) the Performance Guaranty (the "Performance Guaranty") dated as of the Closing Date made by the Company in favor of the Administrative Agent.

Pursuant to the Purchase and Sale Agreements, the Originators will sell existing and future accounts receivable (and related assets) (the "Receivables") to SN Technologies in exchange for cash and/or subordinated notes. The Originators and SN Technologies intend the transactions contemplated by the Purchase and Sale Agreements to be true sales to SN Technologies by the respective Originators. Pursuant to the Receivables Purchase Agreement, SN Technologies will in turn grant an undivided security interest to the Administrative Agent in the Receivables in exchange for a credit facility permitting borrowings of up to \$15 million outstanding from time to time. Yield is payable to the Administrative Agent under the Receivables Purchase Agreements at a variable rate based on the Norddeutsche Landesbank Girozentrale's Hanover funding rate plus a 2.35% margin. The Company's commitment fee shall equal 0.85% per annum on the average daily unused outstanding capital. Pursuant to the Performance Guaranty, the Company guarantees the performance of the Originators of their obligations under the Purchase and Sale Agreements.

The Company has not agreed to guarantee any obligations of SN Technologies or the collection of any of the receivables and will not be responsible for any obligations to the extent the failure to perform such obligations by the Company or any Originators results from receivables being uncollectible on account of the insolvency, bankruptcy or lack of creditworthiness or other financial inability to pay of the related obligor.

Unless earlier terminated or subsequently extended pursuant to the terms of the Receivables Purchase Agreement, the A/R Facility will expire on June 23, 2025.

The foregoing description of the A/R Facility and the respective transactions contemplated thereby does not purport to be complete and is qualified in its entirety by reference to the full text of the Receivables Purchase Agreements, Purchase and Sale Agreements, Administration Agreement and Performance Guaranty, copies of which are filed as Exhibits 10.1, 10.2, 10.3 and 10.4, respectively, on Form 8-K filed with Securities and Exchange Commission on June 23, 2022.

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The Company drew \$3.0 million on the A/R Facility on February 23, 2024, and had repaid the balance in full on March 28, 2024. The interest associated with the draw and repayment was not material for the period. The drawdown and subsequent repayment of the A/R Facility represent financing activities, as reported in the Statement of Cash Flows. As of March 31, 2024 approximately \$4.7 million of the Company's receivables are held by SN Technologies. As of March 31, 2024 there were no outstanding borrowings against the A/R facility and \$3.8 million was available for the Company to draw under the A/R Facility.

Note 6. Fair Value Measurements

In accordance with accounting principles generally accepted in the United States, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level hierarchy prioritizes the inputs used to measure fair value as follows:

- Level 1 - Observable inputs - quoted prices in active markets for identical assets and liabilities;
- Level 2 - Observable inputs other than the quoted prices in active markets for identical assets and liabilities includes quoted prices for similar instruments, quoted prices for identical or similar instruments in inactive markets, and amounts derived from valuation models where all significant inputs are observable in active markets; and
- Level 3 - Unobservable inputs - includes amounts derived from valuation models where one or more significant inputs are unobservable and require the Company to develop relevant assumptions.

The Company had \$19.1 million and \$24.6 million of cash and cash equivalents as of March 31, 2024 and December 31, 2023, respectively. The company had nil and \$12.5 million in money market accounts, measured as Level 1 inputs as of March 31, 2024 and December 31, 2023, respectively.

Note 7. Note Receivable

Sequential Technology International, LLC

During the second quarter of 2020, the Company entered into an agreement with Sequential Technology International, LLC ("STIN") and AP Capital Holdings II, LLC ("APC") to divest its remaining equity interest in STIN as well as settle its paid-in-kind purchase money note ("PIK note") and certain amounts due as of December 31, 2019 in consideration for a \$9.0 million secured promissory note (the "Note"). As of December 31, 2022, the carrying value of the Note after the consideration of the allowance for credit loss was approximately \$4.8 million. The Company determined the allowance on the Note using a discounted cash flow analysis, which discounts the expected future cash flows of the asset to determine the collectible amount.

During the third quarter of 2023, the interest payment for the Note was not received by the Company from STIN. In the third quarter of 2023 the Company reassessed the collectability of the Note and determined that a full allowance for credit losses was required equal to the carrying value of the Note, recorded within the Selling, general and administrative expenses line item on the Consolidated Statements of Operations.

During the first quarter of 2024, the Company entered into an agreement with STIN and APC to amend the aforementioned promissory note and reduce the principal balance to \$3.0 million, forgive outstanding accrued interest and extend the maturity date of the Note to September 2027. Certain circumstances may enable the Company to receive consideration in excess of the amended principal balance. In the first quarter of 2024 the Company reassessed the collectability of the note and determined a full allowance for credit losses was required equal to the carrying value of the note. Accordingly, the modification of the terms of the Note had no net impact on the condensed consolidated financial statements for the quarter ended March 31, 2024.

Note 8. Leases

The Company has entered into contracts with third parties to lease a variety of assets, including certain real estate, equipment, automobiles and other assets. The Company's leases frequently allow for lease payments that could vary based on factors such as inflation or the degree of utilization of the underlying asset. For example, certain of the Company's real estate leases could require us to make payments that vary based on common area maintenance charges, insurance and other charges. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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The Company is party to certain sublease arrangements, primarily related to the Company's real estate leases, where it acts as the lessee and intermediate lessor.

Assets under operating leases are included in Operating lease right-of-use assets, with the related short term liabilities included in Accrued expenses and long term portion included in Leases, non-current on the Consolidated Balance Sheets.

Assets under finance leases are included in Property, plant and equipment, net, with the related short term liabilities included in Accrued Expenses and long term portion in Leases, non-current on the Consolidated Balance Sheets.

Operating lease costs are recognized on a straight-line basis over the lease terms. Finance lease assets are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the lease terms.

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The following table presents information about the Company's Right of Use (ROU) assets and lease liabilities:

	March 31, 2024	December 31, 2023
Operating lease assets:		
Non-current operating lease ROU assets	\$ 13,867	\$ 14,791
Finance lease assets:		
Equipment, net	1,034	1,094
Operating lease liabilities:		
Lease liabilities, current ¹	5,939	5,838
Lease liabilities, non-current	21,448	23,037
Total operating lease liabilities	<u><u>\$ 27,387</u></u>	<u><u>\$ 28,875</u></u>
Finance lease liabilities:		
Lease liabilities, current	557	562
Lease liabilities, non-current	505	556
Total finance lease liabilities	<u><u>\$ 1,062</u></u>	<u><u>\$ 1,118</u></u>

¹ Amounts are included in Accrued Expenses on the Condensed Consolidated Balance Sheet.

The following table presents information about lease expense and sublease income:

	Three Months Ended March 31,	
	2024	2023
Finance leases:		
Interest expense	\$ 28	\$ 16
Depreciation expense	<u><u>\$ 167</u></u>	<u><u>\$ 114</u></u>
Total finance leases	<u><u>\$ 195</u></u>	<u><u>\$ 130</u></u>
Operating leases:		
Operating lease cost ¹	\$ 1,424	\$ 1,533
Other lease costs and income:		
Variable lease costs ¹	141	295
Operating lease impairments, net ¹	—	(3)
Sublease income ¹	<u><u>(1,019)</u></u>	<u><u>(716)</u></u>
Total operating leases	<u><u>546</u></u>	<u><u>1,109</u></u>
Total net lease cost	<u><u>\$ 741</u></u>	<u><u>\$ 1,239</u></u>

¹ Amounts are included in Cost of revenues, Selling, general and administrative and/or Research and development based on the function that the underlying leased asset supports which are reflected in the Condensed Consolidated Statements of Operations.

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The following table provides the undiscounted amount of future cash flows included in our lease liabilities at March 31, 2024 for each of the five years subsequent to December 31, 2023 and thereafter, as well as a reconciliation of such undiscounted cash flows to our lease liabilities at March 31, 2024:

	Operating Leases	Finance Leases
2024	\$ 5,904	\$ 471
2025	7,876	478
2026	7,859	211
2027	6,213	—
2028	4,275	—
Total future lease payments	32,127	1,160
Less: amount representing interest	(4,740)	(98)
Present value of future lease payments (lease liability)	<u>\$ 27,387</u>	<u>\$ 1,062</u>

The following table provides the weighted-average remaining lease term and weighted-average discount rates for our leases:

	March 31, 2024	December 31, 2023
Weighted-average remaining lease term (years), weighted based on lease liability balances:		
Finance leases	2.08	2.19
Operating leases	4.17	4.40
Weighted-average discount rate (percentages), weighted based on the remaining balance of lease payments:		
Finance leases	9.6%	9.3%
Operating leases	8.0%	8.0%

The following table provides certain cash flow and supplemental noncash information related to our lease liabilities:

	Three Months Ended March 31,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Finance leases	\$ 186	\$ 134
Operating leases	1,961	1,997
Lease liabilities arising from obtaining right-of-use assets:		
Finance leases	\$ 105	\$ 294

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Note 9. Debt

Offering of Senior Notes

On June 30, 2021, the Company closed its underwritten public offering of \$ 120.0 million aggregate principal amount of 8.375% senior notes due 2026 at a par value of \$25.00 per senior note (the "Senior Notes"). The offering was conducted pursuant to an underwriting agreement (the "Notes Underwriting Agreement") dated June 25, 2021, by and among the Company and B. Riley Securities, Inc., as representative of the several underwriters (the "Notes Underwriters"). At the closing, the Company issued \$125.0 million aggregate principal amount of Senior Notes, inclusive of \$ 5.0 million aggregate principal amount of Senior Notes issued pursuant to the full exercise of the Notes Underwriters' option to purchase additional Senior Notes.

The Notes Underwriting Agreement contains customary representations, warranties and covenants of the Company, customary conditions to closing, indemnification obligations of the Company and the Notes Underwriters, including for liabilities under the Securities Act, other obligations of the parties and termination provisions.

On June 30, 2021, the Company entered into an indenture (the "Base Indenture") and a supplemental indenture (the "First Supplemental Indenture" and, together with the Base Indenture, the "Indenture") with The Bank of New York Mellon Trust Company National Association, as trustee (the "Trustee"), between the Company and the Trustee. The Indenture establishes the form and provides for the issuance of the Senior Notes.

The Senior Notes are senior unsecured obligations of the Company and rank equally in right of payment with all of the Company's existing and future senior unsecured and unsubordinated indebtedness. The Senior Notes are effectively subordinated in right of payment to all of the Company's existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and structurally subordinated to all existing and future indebtedness of the Company's subsidiaries, including trade payables. The Senior Notes bear interest at the rate of 8.375% per annum. Interest on the Senior Notes is payable quarterly in arrears on January 31, April 30, July 31 and October 31 of each year, commencing on July 31, 2021. The Senior Notes will mature on June 30, 2026, unless redeemed prior to maturity.

The Company may, at its option, at any time and from time to time, redeem the Senior Notes for cash in whole or in part (i) on or after June 30, 2022 and prior to June 30, 2023, at a price equal to \$25.75 per Senior Note, plus accrued and unpaid interest to, but excluding, the date of redemption, (ii) on or after June 30, 2023 and prior to June 30, 2024, at a price equal to \$25.50 per Senior Note, plus accrued and unpaid interest to, but excluding, the date of redemption, (iii) on or after June 30, 2024 and prior to June 30, 2025, at a price equal to \$25.25 per Senior Note, plus accrued and unpaid interest to, but excluding, the date of redemption, and (iv) on or after June 30, 2025 and prior to maturity, at a price equal to 100% of their principal amount, plus accrued and unpaid interest to, but excluding, the date of redemption. On and after any redemption date, interest will cease to accrue on the redeemed Senior Notes.

The Company has not redeemed any of the Senior Notes as of March 31, 2024.

The Indenture contains customary events of default and cure provisions. If an uncured default occurs and is continuing, the Trustee or the holders of at least 25% of the principal amount of the Senior Notes may declare the entire amount of the Senior Notes, together with accrued and unpaid interest, if any, to be immediately due and payable. In the case of an event of default involving the Company's bankruptcy, insolvency or reorganization, the principal of, and accrued and unpaid interest on, the principal amount of the Senior Notes, together with accrued and unpaid interest, if any, will automatically, and without any declaration or other action on the part of the Trustee or the holders of the Senior Notes, become due and payable.

On October 25, 2021, the Company entered into an At Market Issuance Sales Agreement (the "Sales Agreement") between the Company and B. Riley Securities, Inc. (the "Agent"), a related party, pursuant to which the Company may offer and sell, from time to time, up to \$18.0 million of the Company's 8.375% Senior Notes due 2026. Sales of the additional Senior Notes pursuant to the Sales Agreement, if any, may be made in transactions that are deemed to be "at the market offerings" as defined in Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"). Under the Sales Agreement, the Agent will be entitled to compensation of 2.0% of the gross proceeds of all notes sold through it as the Company's agent.

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During the fourth quarter of 2021, the Company sold an additional \$ 16.1 million aggregate principal amount of Senior Notes pursuant to the Sales Agreement. The additional Senior Notes sold have terms identical to the initial Senior Notes and are fungible and vote together with, the initial Senior Notes. The Senior Notes are listed and trade on The Nasdaq Global Market under the symbol "SNCRL."

The carrying amounts of the Company's borrowings were as follows:

	March 31, 2024	December 31, 2023
8.375% Senior Notes due 2026	\$ 141,077	\$ 141,077
Unamortized discount and debt issuance cost ¹	(4,428)	(4,862)
Carrying value of Senior Notes	\$ 136,649	\$ 136,215

¹ Debt issuance costs are deferred and amortized into interest expense using the effective interest method.

Fair value of Debt

The fair value of the 2021 Non-Convertible Senior Notes due 2026 was determined based on the closing trading price of the Senior Notes as of March 31, 2024 and is categorized accordingly as Level 2 in the fair value hierarchy. The Company is in compliance with its debt covenants as of March 31, 2024.

	Carrying Amount	Fair Value			Total
		(Level 1)	(Level 2)	(Level 3)	
Balance at December 31, 2023	\$ 136,215	\$ —	\$ 107,557	\$ —	\$ 107,557
Balance at March 31, 2024	\$ 136,649	\$ —	\$ 119,916	\$ —	\$ 119,916

Interest expense

The following table summarizes the Company's interest expense:

	Three Months Ended March 31,	
	2024	2023
2021 Non-Convertible Senior Notes due 2026:		
Amortization of debt issuance costs	\$ 408	\$ 370
Interest on borrowings	2,954	2,954
Amortization of debt discount	26	23
Other ¹	129	107
Total	\$ 3,517	\$ 3,454

¹ Includes interest on uncertain tax provisions.

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Note 10. Accumulated Other Comprehensive (Loss) / Income

The changes in accumulated other comprehensive (loss) income during the three months ended March 31, 2024 were as follows:

	Balance at December 31, 2023	Other comprehensive loss	Tax effect	Balance at March 31, 2024
Foreign currency	\$ (22,212)	\$ (6,109)	\$ —	\$ (28,321)
Unrealized loss on intercompany foreign currency transactions	(3,520)	—	—	(3,520)
Total	\$ (25,732)	\$ (6,109)	\$ —	\$ (31,841)

Note 11. Capital Structure

Reverse Stock Split

On December 4, 2023, the Company's stockholders approved proposals at a special meeting of stockholders (the "Special Meeting") amending the Company's Restated Certificate of Incorporation (as amended, the "Certificate of Incorporation"), to effect a reverse stock split of the Company's common stock, \$0.0001 par value ("Common Stock"), at a ratio in the range of 1-for-5 to 1-to-20, and an associated reduction in the number of shares of Common Stock the Company is authorized to issue. On December 4, 2023, the Company's Board of Directors (the "Board") approved a final split ratio of 1-for-9 (the "Reverse Stock Split") where each nine (9) shares of Common Stock issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of Common Stock.

Following such approvals, the Company filed an amendment to the Certificate of Incorporation (the "Certificate of Amendment") to effect the Reverse Stock Split with the Secretary of State of the State of Delaware on December 8, 2023 as of 4:01 p.m. Eastern Time. The Certificate of Amendment states that the Company is authorized to issue two classes of stock to be designated common stock ("Common Stock") and preferred stock ("Preferred Stock"). The number of shares of Common Stock authorized to be issued is sixteen million six hundred sixty-six thousand six hundred sixty-seven (16,666,667), par value \$0.0001 per share, and the number of shares of Preferred Stock authorized to be issued is ten million (10,000,000), par value \$0.0001 per share.

As of the opening of trading on December 11, 2023, the Company's Common Stock began trading on a post-split basis under CUSIP number 87157B400. The Company's Common Stock will continue to trade on the Nasdaq Capital Market under the symbol "SNCR."

The Reverse Stock Split was effected simultaneously for all shares of Common Stock issued and outstanding, and affected all holders of the Company's Common Stock uniformly and does not affect any stockholder's percentage ownership interests in the Company, except with respect to the treatment of fractional shares. The Company did not issue fractional shares for post-Reverse Stock Split shares in connection with the Reverse Stock Split. Stockholders who otherwise were entitled to receive a fractional share of Common Stock had such fractional share rounded up to the nearest whole share. The Company retroactively displayed the effect of the Reverse Stock Split change in the Consolidated Balance Sheets, and retroactively adjusted the computations of basic and diluted EPS for all periods presented on the Consolidated Statement of Operations.

As of March 31, 2024, the Company's authorized capital stock was 26,666,667 shares of stock with a par value of \$ 0.0001, of which 16,666,667 shares were designated as common stock and 10,000,000 shares were designated as preferred stock, 150,000 of which were designated Series B Perpetual Non-Convertible Preferred Stock.

Common Stock

Each holder of common stock is entitled to vote on all matters and is entitled to one vote for each share held. Dividends on common stock will be paid when, and if, declared by the Company's Board of Directors. No dividends have ever been declared or paid by the Company.

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Preferred Stock

The Company's Board of Directors (the "Board") is authorized to issue preferred shares and has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences of preferred stock.

Series B Non-Convertible Preferred Stock

On June 30, 2021, the Company closed a private placement of 75,000 shares of its Series B Perpetual Non-Convertible Preferred Stock, par value \$0.0001 per share, with an initial liquidation preference of \$ 1,000 per share (the "Series B Preferred Stock"), for net proceeds of \$ 72.5 million (the "Series B Transaction"). The sale of the Series B Preferred Stock was pursuant to the Series B Preferred Stock Purchase Agreement, dated as of June 24, 2021 (the "Series B Purchase Agreement"), between the Company and B. Riley Principal Investments, LLC ("BRPI").

In connection with the closing of the Series B Transaction, the Company (i) filed a Certificate of Designation with the State of Delaware setting forth the rights, preferences, privileges, qualifications, restrictions and limitations on the Series B Preferred Stock (the "Series B Certificate") and (ii) entered into an Investor Rights Agreement with B. Riley Financial, Inc. ("B. Riley Financial") and BRPI setting forth certain governance and registration rights of B. Riley Financial with respect to the Company.

Certificate of Designation of the Series B Preferred Stock

The rights, preferences, privileges, qualifications, restrictions and limitations of the shares of Series B Preferred Stock are set forth in the Series B Certificate. Under the Series B Certificate, the holders of the Series B Preferred Stock are entitled to receive, on each share of Series B Preferred Stock on a quarterly basis, an amount equal to the dividend rate, as described in the following sentence, divided by four and multiplied by the then-applicable Liquidation Preference per share of Series B Preferred Stock (collectively, the "Preferred Dividends"). The dividend rate is (1) 9.5% per annum for the period commencing on June 30, 2021 and ending on and including December 31, 2021, (2) 13% per annum for the year commencing on January 1, 2022 and ending on and including December 31, 2022; and (3) 14% per annum for the year commencing on January 1, 2023 and thereafter. The Preferred Dividends are due in cash on January 1, April 1, July 1 and October 1 of each year (each, a "Series B Dividend Payment Date"). The Company may choose to pay the Series B Preferred Dividends in cash or in additional shares of Series B Preferred Stock. In the event the Company does not declare and pay a dividend in cash on any Series B Dividend Payment Date, the unpaid amount of the Preferred Dividend will be added to the Liquidation Preference. As of March 31, 2024, the Liquidation Value and Redemption Value of the Series B Preferred Shares was \$63.0 million.

Each share of Series B Preferred Stock will also be redeemable at the option of the holder upon the occurrence of a "Fundamental Change" at (i) par in the case of a payment in cash or (ii) 1.5 times par in the case of payment in shares of Common Stock (such shares being, "Registrable Securities"), subject to certain limitations on the amount of stock that could be issued to the holders of Series B Stock. In addition, the Company will be permitted to redeem outstanding shares of the Series B Preferred Stock at any time for the sum of the then-applicable Liquidation Preference and the accrued but unpaid dividends. Pursuant to the Series B Certificate, the Company will be required to use (i) the first \$50.0 million of proceeds from certain transactions (i.e., disposition, sale of assets, tax refunds) received by the Company to redeem for cash, shares of the Series B Preferred Stock, on a pro rata basis among each holder of Series B Preferred Stock and (ii) the next \$25.0 million of proceeds from certain transactions received by the Company may be used by the Company to buy back shares of Common Stock and to the extent, not used for such purpose by the Company, to redeem, for cash, shares of the Series B Preferred Stock, on a pro rata basis among each holder of the Series B Preferred Stock.

The Company shall be required to obtain the prior written consent of the holders holding at least a majority of the outstanding shares of the Series B Preferred Stock before taking certain actions, including: (i) certain dividends, repayments and redemptions; (ii) any amendment to the Company's certificate of incorporation that adversely affects the rights, preferences, privileges or voting powers of the Series B Preferred Stock; and (iii) issuances of stock ranking senior or equivalent to shares of the Series B Preferred Stock (including additional shares of the Series B Preferred Stock) in the priority of payment of dividends or in the distribution of assets upon any liquidation, dissolution or winding up of the Company. Other than with respect to the foregoing consent rights, the Series B Preferred Stock is non-voting stock.

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SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED
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Investor Rights Agreement

On June 30, 2021, the Company, B. Riley Financial and BRPI entered into an Investor Rights Agreement (the "Investor Rights Agreement"). Pursuant to the Investor Rights Agreement, for so long as affiliates of B. Riley Financial beneficially own at least 10% of the outstanding shares of common stock (unless such equity threshold percentage is not met due to dilution from equity issuances), B. Riley Financial is entitled to nominate one Class II director (the "B. Riley Nominee") to the Company's board of directors (the "Board"), who shall be an employee of B. Riley Financial or its affiliates and is approved by the Board, such approval not to be unreasonably withheld. For so long as affiliates of B. Riley Financial beneficially own 5% or more but less than 10% of the outstanding shares of common stock (unless such equity threshold percentage is not met due to dilution from equity issuances), B. Riley Financial is entitled to certain board observer rights.

A summary of the Company's Series B Perpetual Non-Convertible Preferred Stock balance at March 31, 2024 and changes during the three months ended March 31, 2024, are presented below:

	Series B Preferred Stock	
	Shares	Amount
Balance at December 31, 2023	61	\$ 58,802
Balance at March 31, 2024 ¹	61	\$ 58,802

¹ Series B preferred stock net principal balance of \$58.8 million is presented as gross principal balance of \$80.8 million net of \$2.0 million unamortized issuance costs.

The Company paid Series B Perpetual Non-Convertible Preferred Stock dividend of \$ 2.1 million in cash for the three months ended March 31, 2024 . On April 1, 2024 the Company paid the accrued Series B Perpetual Non-Convertible Preferred Stock dividend of \$2.1 million in cash.

Note 12. Stock Plans

On December 8, 2023 the Company filed an amendment to the Certificate of Amendment to effect the Reverse Stock Split with the Secretary of State of the State of Delaware. The Certificate of Amendment states that the Company is authorized to issue 16,666,667 shares of Common Stock, par value \$ 0.0001 per share, and 10,000,000 shares of Preferred Stock, par value \$ 0.0001 per share, 150,000 of which were designated Series B Perpetual Non-Convertible Preferred Stock.

As of March 31, 2024, the Company maintains two stock-based compensation plans, the 2015 Equity Incentive Plan (the "2015 Plan") and the 2017 New Hire Equity Incentive Plan ("2017 Plan"). The maximum number of shares of common stock authorized for issuance under the 2015 Plan is 4,688,576 shares as of March 31, 2024. The maximum number of shares of common stock authorized for issuance under the 2017 Plan is 229,635 shares as of March 31, 2024.

As of March 31, 2024, there were 0.8 million shares available for the grant or award under the Company's 2015 Plan and 0.1 million shares available for the grant or award under the Company's 2017 Plan.

The Company's performance based cash unit ("PBCU") awards granted to employees under the Long Term Incentive ("LTI") Plans have been accounted for as liability awards, due to the Company's intent and the ability to settle such awards in cash upon vesting and the Company has reflected such awards in accrued expenses on the Condensed Consolidated Balance Sheet. As of March 31, 2024, the liability for such awards is approximately \$0.5 million.

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Stock-Based Compensation

The following table summarizes stock-based compensation expense related to all of the Company's stock awards included by operating expense categories, as follows:

	Three Months Ended March 31,	
	2024	2023
Cost of revenues	\$ 23	\$ 79
Research and development	223	471
Selling, general and administrative	864	909
Total stock-based compensation expense	\$ 1,110	\$ 1,459

The following table summarizes stock-based compensation expense related to all of the Company's stock awards included by award type, as follows:

	Three Months Ended March 31,	
	2024	2023
Stock options	\$ 198	\$ 422
Restricted stock awards	428	679
Performance based cash units	484	358
Total stock-based compensation before taxes	\$ 1,110	\$ 1,459
Tax benefit	\$ 252	\$ 312

The total stock-based compensation cost related to unvested equity awards as of March 31, 2024 was approximately \$ 2.6 million. The expense is expected to be recognized over a weighted-average period of approximately 1.5 years.

The total stock-based compensation cost related to unvested performance based cash units as of March 31, 2024 was approximately \$ 1.5 million. The expense is expected to be recognized over a weighted-average period of approximately 1.2 years.

Stock Options

The Company uses the Black-Scholes option pricing model for determining the estimated fair value for stock options. The weighted-average assumptions used in the Black-Scholes option pricing model are as follows:

	Three Months Ended March 31,	
	2024	2023
Expected stock price volatility	45.9 %	72.5 %
Risk-free interest rate	2.3 %	4.3 %
Expected life of options (in years)	2.47	4.28
Expected dividend yield	0.0 %	0.0 %
Weighted-average fair value of the options	\$ 3.80	\$ 5.39

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The following table summarizes information about stock options outstanding as of March 31, 2024:

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2023	649	\$ 30.44		
Options Granted	1	6.26		
Options Exercised	—	—		
Options Cancelled	(148)	36.62		
Outstanding at March 31, 2024	502	\$ 29.37	4.10	\$ 14
Vested and exercisable at March 31, 2024	319	\$ 38.63	3.51	\$ —

The total intrinsic value of stock options exercisable was nil as of March 31, 2024 and 2023, respectively. The total intrinsic value of stock options exercised was nil and nil during the three months ended March 31, 2024 and 2023, respectively.

Awards of Restricted Stock and Performance Stock

A summary of the Company's unvested restricted stock at March 31, 2024, and changes during the three months ended March 31, 2024, is presented below:

	Number of Awards	Weighted- Average Grant Date Fair Value
Unvested at December 31, 2023	491	\$ 10.88
Granted	2	6.26
Granted adjustment ¹	38	12.24
Vested	(53)	9.94
Forfeited	(39)	10.85
Unvested at March 31, 2024	439	\$ 10.56

¹ Represents performance based cash units grants that vested and were paid out in form of shares of stock during the period and changes in unvested performance based restricted stock awards due to performance adjustments.

Restricted stock awards are granted subject to service conditions or service and performance conditions. Restricted stock awards ("RSA") and performance based restricted stock awards ("PRSA") are measured at the closing stock price at the date of grant and the expense is recognized straight line over the requisite service period.

Performance Based Cash Units

Performance based cash units generally vest at the end of a three-year period based on service and achievement of certain performance objectives determined by the Company's Board of Directors.

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A summary of the Company's outstanding performance based cash units at March 31, 2024 and changes during the three months ended March 31, 2024, is presented below:

	Number of Units	Period End Fair Value
Outstanding at December 31, 2023	507	\$ 6.21
Granted	—	—
Granted adjustment ¹	(162)	—
Vested and distributed ²	(38)	—
Forfeited	(30)	—
Outstanding at March 31, 2024	<u>277</u>	<u>\$ 8.35</u>

¹ Includes changes in the outstanding PBCU due to performance adjustments.

² Includes earned PBCU that vested and were distributed to participants during the period.

Performance based cash units are measured at the closing stock price at the reporting period end date and the expense is recognized straight line over the requisite service period. The expense for the period will increase or decrease based on updated fair values of these units at each reporting date. Unvested units' fluctuations are shown as adjustments to units granted in the table above. These fluctuations are based on the percentage achievement of the performance metrics at the end of each reporting period.

Note 13. Restructuring

The Company continues to identify workforce optimization opportunities to better align the Company's resources with its key strategic priorities.

A summary of the Company's restructuring accrual at March 31, 2024 and changes during the three months ended March 31, 2024, are presented below:

	Employee Termination Costs
Balance at December 31, 2023	\$ 2,388
Charges	219
Payments	(1,024)
Other adjustments	(5)
Balance at March 31, 2024	<u>\$ 1,578</u>

Note 14. Income Taxes

The Company recognized an income tax expense of approximately \$ 0.6 million and \$ 0.3 million during the three months ended March 31, 2024 and 2023, respectively. The effective tax rate was approximately 11.9% for the three months ended March 31, 2024, which was lower than the U.S. federal statutory rate primarily due to the impact of valuation allowances recorded and foreign tax rate differential, partially offset by projected current income tax expense in the U.S. and certain foreign jurisdictions. The Company's projection of current income tax expense for the period is driven by the impact of Global Intangible Low-Taxed Income and enacted Internal Revenue Code Section 174 rules that require the Company to capitalize and amortize qualifying research and development expenses and by operating income generated in certain foreign jurisdictions. The Company's effective tax rate was approximately (3.6)% for the three months ended March 31, 2023, which was lower than the U.S. federal statutory rate due to pre-tax losses in jurisdictions where full valuation allowances have been recorded, foreign tax rate differential and certain jurisdictions projecting current income tax expense. The Company continues to consider all available evidence, including historical profitability and projections of future taxable income together with new evidence, both

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positive and negative, that could affect the view of the future realization of deferred tax assets. As a result of the assessment, no change was recorded by the Company to the valuation allowance during the three months ended March 31, 2024.

Unrecognized tax benefits associated with uncertain tax positions are \$4.4 million at March 31, 2024. We are not able to reasonably estimate when we would make any cash payments required to settle these liabilities, but we do not believe that the ultimate settlement of our obligations will materially affect our liquidity. We do not expect that the balance of unrecognized tax benefits will significantly increase or decrease over the next twelve months.

During 2021 the Internal Revenue Service commenced an audit of certain of the Company's prior year U.S. federal income tax filings, including the 2013 through 2020 tax years. The audit is currently ongoing and while the receipt of the associated refunds would materially improve its financial position, the Company does not believe that the results of this audit will have a material effect on its results of operations.

The Pillar Two Global Anti-Base Erosion rules issued by the Organization for Economic Co-operation and Development ("OECD"), a global policy forum, introduced a global minimum tax of 15% which would apply to multinational groups with consolidated financial statement revenue in excess of EUR 750 million. Nearly all OECD member jurisdictions have agreed in principle to adopt these provisions and numerous jurisdictions, including jurisdictions where the Company operates, have enacted these rules effective January 1, 2024. The Company is not currently subject to these rules but is continuing to evaluate the Pillar Two Framework and its potential impact on future periods.

On January 31, 2024, the House of Representatives passed a proposed tax bill which, among other provisions, aims to reinstate 100% bonus depreciation for property placed in service in 2023 and through 2025 and to allow taxpayers to expense domestic research costs retroactively back to 2022 and prospectively through tax years beginning before 2026. Enactment remains highly uncertain and the Company continues to monitor the ongoing developments in the proposed legislation.

Note 15. Earnings per Common Share ("EPS")

Basic EPS is computed based upon the weighted average number of common shares outstanding for the year. Diluted EPS is computed based upon the weighted average number of common shares outstanding for the year plus the dilutive effect of common stock equivalents using the treasury stock method and the average market price of the Company's common stock for the year. The Company includes participating securities (Redeemable Convertible Preferred Stock - Participation with Dividends on Common Stock that contain preferred dividend) in the computation of EPS pursuant to the two-class method. The two-class method of computing earnings per share is an allocation method that calculates earnings per share for common stock and participating securities. During periods of net loss, no effect is given to the participating securities because they do not share in the losses of the Company.

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The following table provides a reconciliation of the numerator and denominator used in computing basic and diluted net income attributable to common stockholders per common share from operations.

	Three Months Ended March 31,	
	2024	2023
Numerator - Basic:		
Net income (loss) from continuing operations	\$ 4,475	\$ (8,589)
Net (loss) income attributable to redeemable noncontrolling interests	(5)	14
Preferred stock dividend	(2,129)	(2,474)
Net income (loss) attributable to SynchronoSS from continuing operations	2,341	(11,049)
Net loss from discontinued operations	—	(2,342)
Net income (loss) attributable to SynchronoSS	<u><u>\$ 2,341</u></u>	<u><u>\$ (13,391)</u></u>
Numerator - Diluted:		
Net income (loss) attributable to SynchronoSS from continuing operations	2,341	(11,049)
Net loss from discontinued operations	—	(2,342)
Net income (loss) attributable to SynchronoSS	<u><u>\$ 2,341</u></u>	<u><u>\$ (13,391)</u></u>
Denominator:		
Weighted average common shares outstanding — basic	9,842	9,653
Dilutive effect of:		
Shares from assumed conversion of PBCU	277	—
Options and unvested restricted shares	158	—
Weighted average common shares outstanding — diluted	<u><u>\$ 10,277</u></u>	<u><u>\$ 9,653</u></u>
Earnings (loss) per share:		
Basic EPS:		
Net income (loss) from continuing operations	\$ 0.24	\$ (1.14)
Net loss from discontinued operations	—	(0.25)
Basic EPS	<u><u>\$ 0.24</u></u>	<u><u>\$ (1.39)</u></u>
Diluted EPS:		
Net income (loss) from continuing operations	\$ 0.23	\$ (1.14)
Net loss from discontinued operations	—	(0.25)
Diluted EPS	<u><u>\$ 0.23</u></u>	<u><u>\$ (1.39)</u></u>

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Note 16. Commitments***Non-cancelable agreements***

The Company has various non-cancelable arrangements such as services for hosting, support, and software that expire at various dates, with the latest expiration in 2027.

Aggregate annual future minimum payments under non-cancelable agreements as of March 31, 2024 for each year subsequent to December 31, 2023 and thereafter, are as follows:

	Non-cancelable agreements
2024	\$ 16,391
2025	12,674
2026	901
2027	28
Thereafter	—
Total	<u><u>29,994</u></u>

Note 17. Legal Matters

In the ordinary course of business, the Company is regularly subject to various claims, suits, regulatory inquiries and investigations. The Company records a liability for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable, and the loss can be reasonably estimated. Management has also identified certain other legal matters where they believe an unfavorable outcome is not probable and, therefore, no reserve is established. Although management currently believes that resolving claims against the Company, including claims where an unfavorable outcome is reasonably possible, will not have a material impact on the Company's business, financial position, results of operations, or cash flows, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. The Company also evaluates other contingent matters, including income and non-income tax contingencies, to assess the likelihood of an unfavorable outcome and estimated extent of potential loss. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a material impact on the liquidity, results of operations, or financial condition of the Company.

In the third quarter of 2017, the SEC and Department of Justice (the "DoJ") initiated investigations in connection with certain financial transactions that the Company effected in 2015 and 2016 and its disclosure of and accounting for such transactions, which the Company restated in the third quarter of 2018 in its restated annual and quarterly financial statements for 2015 and 2016. On June 7, 2022 the SEC approved the Offer of Settlement and filed an Order Instituting Cease-And-Desist Proceedings pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-And-Desist Order (the "SEC Order"). Pursuant to the terms of the SEC Order, the Company consented to pay a civil penalty in the amount of \$12.5 million in equal quarterly installments over two years and to cease and desist from committing or causing any violations of Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and the associated rules thereunder. In addition, failure to comply with the provisions of the SEC Order could result in further actions by one or both governmental agencies which could have a material adverse effect on the Company's results of operations. The penalties have been paid in full as of March 31, 2024. Also on June 7, 2022, the SEC filed a civil action against two former members of the Company's management team, alleging misconduct arising out of the restated transactions that took place in 2015 and 2016 investigated by the SEC as set forth above. The Company may be required to indemnify the former members of management in that action for certain costs and expenses, including reasonable attorney's fees. At this time it is not possible for us to estimate the amount, if any, of such indemnification obligations.

On or about July 12, 2023, the Company filed a complaint in the Superior Court of the State of Delaware against iQmetrix Global Ltd. ("iQmetrix") for breach of the asset purchase and transition services agreements by and between the Company and iQmetrix as a result of iQmetrix's failure to pay amounts due under those agreements in excess of \$1,200,000. On September 11, 2023, iQmetrix filed its "Answer Defenses and Counterclaims" against the Company, claiming the Company breached the

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asset purchase, transition services and software license agreements, committed fraud and breached the implied covenant of good faith and fair dealing entitling iQmetrix to an amount to be determined at trial. On October 10, 2023, the Company filed its "Answer to Defendant's Counterclaims" denying all counts asserted by iQmetrix and asserting certain affirmative defenses thereto. The Company believes that the counterclaims are without merit, and the Company intends to defend all such counterclaims.

Due to the inherent uncertainty of litigation, the Company cannot predict the outcome of the litigation and can give no assurance that the asserted claims will not have a material adverse effect on its financial position, prospects, or results of operations.

Except as set forth above, the Company is not currently subject to any other legal proceedings that could have a material adverse effect on its operations; however, the Company may from time to time become a party to various legal proceedings arising in the ordinary course of our business.

Note 18. Additional Financial Information

Other income (expense), net

The following table sets forth the components of Other Income (expense), net included in the Condensed Consolidated Statements of Operations:

	Three Months Ended March 31,	
	2024	2023
Foreign exchange gains (losses)	\$ 3,801	\$ (2,953)
Other ¹	10	(22)
Total	\$ 3,811	\$ (2,975)

¹ Represents an aggregate of individually immaterial transactions.

Note 19. Subsequent Events

The Company drew \$3.0 million on the A/R Facility on April 10, 2024, and had not repaid the balance as of the date of filing this Form 10-Q.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide a reader of our financial statements with a narrative from the perspective of our management on our financial condition, results of operations, liquidity and certain other factors that may affect our future results. The following discussion and analysis should be read in conjunction with our Condensed Consolidated Financial Statements and the related notes included in Item 1 "Financial Information" of this Form 10-Q.

The words "Synchronoss," "we," "our," "ours," "us," and the "Company" refer to Synchronoss Technologies, Inc. and its consolidated subsidiaries. This quarterly report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties and are based on the beliefs and assumptions of our management based on information currently available to our management. Use of words such as "believes," "expects," "anticipates," "intends," "plans," "hopes," "should," "continues," "seeks," "likely" or similar expressions, indicate a forward-looking statement. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions, including, but not limited to, risks, uncertainties and assumptions relating to the duration and severity of the geopolitical tensions and its impact on our business and financial performance. Actual results may differ materially from the forward-looking statements we make. We caution investors not to place substantial reliance on the forward-looking statements included in this quarterly report. These statements speak only as of the date of this quarterly report, and we undertake no obligation to update or revise the statements in light of future developments. All numbers are expressed in thousands unless otherwise stated.

Overview

Synchronoss Technologies, Inc. ("Synchronoss" or the "Company") is a leading provider of white label cloud software and services that enable our customers to keep subscribers, systems, networks and content in sync.

The Synchronoss Personal Cloud™ solution is designed to create an engaging and trusted customer experience through ongoing content management and engagement. The Synchronoss Personal Cloud™ platform is a secure and highly scalable, white label platform that allows our customers' subscribers to backup and protect, engage with, and manage their personal content and gives our operator customers the ability to increase average revenue per user ("ARPU") and reduce churn.

Our Synchronoss Personal Cloud™ platform is specifically designed to support smartphones, tablets, desktops computers, and laptops.

Synchronoss' Messaging platform (Owned and operated through October 31, 2023) had powered mobile messaging and mailboxes for hundreds of millions of telecommunication subscribers. Our Advanced Messaging platform had been a powerful, secure, intelligent, white label messaging platform that expanded capabilities for communications service provider and multi-service providers to offer P2P messaging via Rich Communications Services ("RCS"). Our Mobile Messaging Platform ("MMP") provided a single standard ecosystem for onboarding and management to brands, advertisers and message wholesalers.

The Synchronoss NetworkX (Owned and operated through October 31, 2023) products had provided operators with the tools and software to design their physical network, streamlined their infrastructure purchases, and managed and optimized comprehensive network expenses for leading top tier carriers around the globe.

We market our solutions and services directly through our sales organizations in the Americas, Europe, Middle East and Africa ("EMEA") and Asia-Pacific ("APAC").

Revenues

We generate most of our revenues on a subscription basis, which is derived from contracts that extend up to 48 months from execution.

The future success of our business depends on the continued growth of Business-to-Business and Business-to-Business-to-Consumer driving customer transactions, and continued expansion of our platforms into the TMT market globally through cloud markets. As such, the volume of subscribers and our ability to expand our footprint in TMT and globally may result in revenue fluctuations on a quarterly basis.

Most of our revenues are recorded in U.S. dollars but as we continue to expand our footprint with international carriers, we are subject to currency translation that could affect our future net sales as reported in U.S. dollars.

The Company's top five customers accounted for 97.2% and 95.6% of net revenues for the three months ended March 31, 2024 and March 31, 2023, respectively. Contracts with these customers typically run for three to five years. Of these customers, both Verizon and AT&T accounted for more than 10% of our revenues in 2024 and 2023. The loss of Verizon or AT&T as a customer would have a material negative impact on our company. However, we believe that the costs incurred and subscriber disruption by Verizon or AT&T to replace Synchronoss' solutions would be substantial.

Current Trends Affecting Our Results of Operations

Business from our Synchronoss Personal Cloud™ solution has been driven by the growth in mobile devices globally that are becoming content rich. As these devices replace other traditional devices like PCs, the ability to securely back up content from mobile devices, sync it with other devices and share it with family, friends and business associates have become an essential need and subscriber expectation. Such devices include smartphones, connected cars, personal health and wellness devices and connected home devices. The need for the content from these devices to be stored in a common cloud is also expected to drive our business in the longer term.

To support our growth, which we expect to be driven by the favorable industry trends, we plan to leverage modular components from our existing software platforms to build new products. We believe that these opportunities will continue to provide future benefits and position us for future revenue growth. We have focused our product development efforts on expanding the functionality, scalability and security of our products and solutions. We expect to sustain our research and development investments as we intend to continue on an aggressive path to develop new features and functionality, upgrade and extend our product offerings and develop new technology. Our purchase of capital assets and equipment may increase based on aggressive deployment, subscriber growth and promotional offers for free or bundled storage by our major Tier 1 carrier customers.

We continue to expand our platforms into the converging TMT market to enable connected devices to do more things across multiple networks, brands and communities. Our initiatives with our customers continue to grow both with regard to our current business as well as our new product offerings. We are also exploring additional opportunities to support our customer, product and geographic diversification strategies.

Discussion of the Condensed Consolidated Statements of Operations

Three months ended March 31, 2024 compared to the three months ended March 31, 2023

The following table presents an overview of our results of operations for the three months ended March 31, 2024 and 2023 (in thousands):

	Three Months Ended March 31,		\$ Change
	2024	2023	
Net revenues	\$ 42,965	\$ 41,985	\$ 980
Cost of revenues ¹	10,223	10,960	(737)
Research and development	10,331	12,744	(2,413)
Selling, general and administrative	13,257	15,966	(2,709)
Restructuring charges	219	342	(123)
Depreciation and amortization	4,359	3,932	427
Total costs and expenses	38,389	43,944	(5,555)
Income (loss) from operations	\$ 4,576	\$ (1,959)	\$ 6,535

¹ Cost of revenues excludes depreciation and amortization which are shown separately.

Net revenues increased \$1.0 million to \$43.0 million for the three months ended March 31, 2024, compared to the same period in 2023. The increase in revenue was primarily due to \$3.2 million increase in subscription revenue due to growth in Cloud subscribers, partially offset by (\$0.9) million decrease in professional services associated with the prior year launch of SoftBank and (\$0.9) million revenue recognized in the prior period from expiring Messaging and Digital contracts not included in the Assets Purchase Agreement with Lumine Group.

Cost of revenues decreased \$0.7 million to \$10.2 million for the three months ended March 31, 2024, compared to the same period in 2023. The 2024 decrease was primarily attributable to the reduced employee costs due to restructuring.

Research and development expense decreased \$2.4 million to \$10.3 million for the three months ended March 31, 2024, compared to the same period in 2023. The research and development costs decreased year over year mainly as a result of reduced employee costs due to restructuring and executed cost savings initiatives to streamline our workforce and reduce vendor spend and overhead costs.

Selling, general and administrative expense decreased \$2.7 million to \$13.3 million for the three months ended March 31, 2024, compared to the same period in 2023. The decrease in selling, general and administrative expense is mainly related to reduced employee costs due to restructuring and non-recurring professional fees.

Restructuring charges were \$0.2 million for the three months ended March 31, 2024 and \$0.3 million for the three months ended March 31, 2023. Restructuring charges were primarily related to employment termination costs as a result of the work-force reductions initiated to reduce operating costs and align our resources with our key strategic priorities.

Depreciation and amortization expense increased \$0.4 million to \$4.4 million for the three months ended March 31, 2024, compared to the same period in 2023. The 2024 increase was primarily attributable to the increased amortization of capitalized software.

Income tax. The Company recognized an income tax expense of approximately \$0.6 million and \$0.3 million during the three months ended March 31, 2024 and 2023, respectively. The effective tax rate was approximately 11.9% for the three months ended March 31, 2024, which was lower than the U.S. federal statutory rate primarily due to the impact of valuation allowances recorded and foreign tax rate differential, partially offset by projected current income tax expense in the U.S. and certain foreign jurisdictions. The Company's projection of current income tax expense for the period is driven by the impact of Global Intangible Low-Taxed Income and enacted Internal Revenue Code Section 174 rules that require the Company to capitalize and amortize qualifying research and development expenses and by operating income generated in certain foreign

jurisdictions. The Company's effective tax rate was approximately (3.6)% for the three months ended March 31, 2023, which was lower than the U.S. federal statutory rate due to pre-tax losses in jurisdictions where full valuation allowances have been recorded, foreign tax rate differential and certain jurisdictions projecting current income tax expense.

Liquidity and Capital Resources

As of March 31, 2024, our principal sources of liquidity were cash provided by operations. Our cash and cash equivalents balance was \$19.1 million at March 31, 2024. We anticipate that our principal uses of cash and cash equivalents will be sufficient to fund our business, including technology expansion and working capital.

At March 31, 2024, our non-U.S. subsidiaries held approximately \$13.1 million of cash and cash equivalents that are available for use by our operations around the world.

Our policy has been to leave our cumulative unremitted foreign earnings invested indefinitely outside the United States, and we intend to continue this policy for most of our foreign subsidiaries. During 2023, we changed our indefinite reinvestment assertion for our Indian subsidiary and recorded a deferred tax liability associated with the outside basis difference. The Company continues to assert permanent reinvestment of foreign earnings in all other foreign jurisdictions. Due to the timing and circumstances of repatriation of such earnings, if any, it is not practicable to determine the unrecognized deferred tax liability relating to such amounts.

We believe that our cash, cash equivalents, financing sources, and our ability to manage working capital and expected positive cash flows generated from operations in combination with continued expense reductions will be sufficient to fund our operations for the next twelve months from the filing date of this Form 10-Q based on our current business plans. Our liquidity plans are subject to a number of risks and uncertainties, including those described in the "Forward-Looking Statements" section of this MD&A and Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, some of which are outside of our control.

For further details, see Note 9. Debt and Note 11. Capital Structure of the Notes to Condensed Consolidated Financial Statements in Item 1 of this Form 10-Q.

Discussion of Cash Flows

A summary of net cash flows follows (in thousands):

	Three Months Ended March 31,	
	2024	2023
Net cash provided by (used in):		
Operating activities	\$ 527	\$ 1,295
Investing activities	(3,803)	(5,470)
Financing activities	\$ (2,129)	\$ (2,299)

Our primary source of cash is receipts from revenue. The primary uses of cash are personnel and related costs, telecommunications and facility costs related primarily to our cost of revenue and general operating expenses including professional service fees, consulting fees, building and equipment maintenance and marketing expense.

Cash provided by operating activities for the three months ended March 31, 2024 was \$0.5 million as compared to \$1.3 million of cash provided by operating activities for the same period in 2023. In the current period, the Company generated cash from operations mainly driven by continued growth in cloud subscribers and reduced operating costs, offset by unfavorable movements in working capital compared to the first quarter of 2023.

Cash used in investing activities for the three months ended March 31, 2024 was \$3.8 million as compared to \$5.5 million of cash used in investing activities during the same period in 2023. The cash used for investing activities in the current year and

prior year was primarily related to continued investment in product development for our Cloud offering and capitalization of associated labor costs.

Cash used in financing activities for the three months ended March 31, 2024 was \$2.1 million as compared to \$2.3 million of cash used in financing activities during the same period in 2023. The cash used in investing activities in the current year and prior year was primarily related to dividend payments on the Series B Preferred Stock.

Effect of Inflation

Inflationary increases in certain input costs, such as occupancy, labor and benefits, and general administrative costs, have impacted our business. Management does not believe these impacts have had a material impact on our results of operations during the three months ended March 31, 2024 and 2023. We cannot assure you, however, that we will not be affected by general inflation in the future.

Contractual Obligations

Our contractual obligations consist of office and laptop leases, notes payable and related interest as well as contractual commitments under third-party hosting, software licenses and maintenance agreements. The following table summarizes our long-term contractual obligations as of March 31, 2024 (in thousands):

	Payments Due by Period			
	Total	2024	2025-2027	2028
Finance lease obligations	\$ 1,160	\$ 471	\$ 689	\$ —
Interest	29,538	8,861	20,677	—
Operating lease obligations	32,127	5,904	21,948	4,275
Purchase obligations ¹	29,994	16,391	13,603	—
Senior Note Payable	141,077	—	141,077	—
Total	\$ 233,896	\$ 31,627	\$ 197,994	\$ 4,275

¹ Amount represents obligations associated with colocation agreements and other customer delivery related purchase obligations.

Uncertain Tax Positions

Unrecognized tax benefits associated with uncertain tax positions are \$4.4 million at March 31, 2024. We are not able to reasonably estimate when we would make any cash payments required to settle these liabilities, but we do not believe that the ultimate settlement of our obligations will materially affect our liquidity. We do not expect that the balance of unrecognized tax benefits will significantly increase or decrease over the next twelve months.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements and accompanying notes have been prepared in accordance with U.S. GAAP. The preparation of these condensed consolidated financial statements in accordance with U.S. GAAP requires us to utilize accounting policies and make certain estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies as of the date of the financial statements and the reported amounts of revenues and expenses during a fiscal period. The SEC considers an accounting policy to be critical if it is important to a company's financial condition and results of operations, and if it requires significant judgment and estimates on the part of management in its application.

These estimates and assumptions take into account historical and forward looking factors that the Company believes are reasonable, including but not limited to the potential impacts from current geopolitical tensions. As the extent and duration of the impacts from geopolitical developments remain unclear, the Company's estimates and assumptions may evolve as conditions change. Actual results could differ significantly from those estimates. If actual results or events differ materially from those contemplated by us in making these estimates, our reported financial condition and results of operations for future

periods could be materially affected. See Part II, "Item 1A. Risk Factors" in this Form 10-Q for certain matters bearing risks on our future results of operations.

During the three months ended March 31, 2024, there were no significant changes in our critical accounting policies and estimates discussed in our Form 10-K for the year ended December 31, 2023. Please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations contained in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2023 for a more complete discussion of our critical accounting policies and estimates.

Recently Issued Accounting Standards

For a discussion of recently issued accounting standards see Note 2. Basis of Presentation and Consolidation of the Notes to Condensed Consolidated Financial Statements in Item 1 of this Form 10-Q.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements as of March 31, 2024 and December 31, 2023 that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

The following discussion about market risk disclosures involves forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. We deposit our excess cash in what we believe are high-quality financial instruments, primarily money market funds and certificates of deposit and, we may be exposed to market risks related to changes in interest rates. These investments are denominated in United States dollars.

The primary objective of our investment activities is to preserve our capital for the purpose of funding operations, while at the same time maximizing the income, we receive from our investments without significantly increasing risk. To achieve these objectives, our investment policy allows us to maintain a portfolio of cash equivalents and short- and long-term investments in a variety of securities, which could include commercial paper, money market funds and corporate and government debt securities. Our cash and cash equivalents at March 31, 2024 and December 31, 2023 were invested in liquid money market accounts and certificates of deposit. All market-risk sensitive instruments were entered into for non-trading purposes.

Foreign Currency Exchange Risk

We are exposed to translation risk because certain of our foreign operations utilize the local currency as their functional currency and those financial results must be translated into U.S. dollars. As currency exchange rates fluctuate, translation of the financial statements of foreign businesses into U.S. dollars affects the comparability of financial results between years.

We do not hold any derivative instruments and do not engage in any hedging activities. Although our reporting currency is the U.S. dollar, we may conduct business and incur costs in the local currencies of other countries in which we may operate, make sales and buy materials and services. As a result, we are subject to foreign currency transaction risk. Further, changes in exchange rates between foreign currencies and the U.S. dollar could affect our future net sales, cost of sales and expenses and could result in foreign currency transaction gains or losses.

We cannot accurately predict future exchange rates or the overall impact of future exchange rate fluctuations on our business, results of operations and financial condition. To the extent that our international activities recorded in local currencies increase in the future, our exposure to fluctuations in currency exchange rates will correspondingly increase and hedging activities may be considered if appropriate.

Interest Rate Risk

We are exposed to the risk of interest rate fluctuations on the interest income earned on our cash and cash equivalents. A hypothetical 100 basis point movement in interest rates applicable to our cash and cash equivalents outstanding at March 31, 2024 would increase interest income by approximately \$0.2 million on an annual basis.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the registrant's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934), as of the end of the period covered by this quarterly report, that ensure that information relating to the registrant which is required to be disclosed in this report is recorded, processed, summarized and reported within required time periods using the criteria for effective internal control established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the registrant's disclosure controls and procedures were effective as of March 31, 2024.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the period covered by this Quarterly Report on Form 10-Q that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a discussion of our material pending legal proceedings that could impact our results of operations, financial condition or cash flows see Note 17. Legal Matters of the Notes to Condensed Consolidated Financial Statements in Item 1 of this Form 10-Q.

ITEM 1A. RISK FACTORS

There have been no material changes to our risk factors as previously disclosed in Part I, Item 1A. included in our Annual Report on Form 10-K for the year ended December 31, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

There have been no changes to our Rule 10b5-1 Trading Plans as previously disclosed in Part II, Item 9B. included in our Annual Report on Form 10-K for the year ended December 31, 2023.

ITEM 6. EXHIBITS

Exhibit No.	Description	Incorporated by Reference				
		Form	File No.	Exhibit	Filing Date	Filed Herewith
3.1	Restated Certificate of Incorporation of the Registrant.	10-K	001-40574	3.1	March 15, 2023	
3.2	Certificate of Amendment to the Restated Certificate of Incorporation of the Registrant.	8-K	001-40574	3.1	June 23, 2022	
3.3	Amended and Restated Bylaws of the Registrant.	S-1	333-132080	3.4	May 9, 2006	
3.4	Amendment No. 1 to Amended and Restated Bylaws of the Registrant.	8-K	000-52049	3.2	February 20, 2018	
3.5	Amendment No. 2 to the Amended and Restated Bylaws of the Registrant.	8-K	000-52049	3.3	June 30, 2021	
3.6	Certificate of Designations of the Series B Perpetual Non-Convertible Preferred Stock.	8-K	000-52049	3.1	June 30, 2021	
3.7	Certificate of Amendment of the Restated Certificate of Incorporation of Synchronoss Technologies, Inc.	8-K	001-40574	3.1	December 7, 2023	
10.1†	Transition and Separation Agreement dated December 31, 2023 between the Registrant and Christopher Hill.					X
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and section 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and section 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Schema Document					X
101.CAL	XBRL Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase					X
101.LAB	XBRL Labels Linkbase Document					X
101.PRE	XBRL Presentation Linkbase Document					X

† Compensation agreement.

SIGNATURES

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

Synchronoss Technologies, Inc.

/s/ Jeff Miller

Jeff Miller

Chief Executive Officer

(Principal Executive Officer)

/s/ Louis Ferraro

Louis Ferraro

Chief Financial Officer

May 9, 2024

CONFIDENTIAL SEPARATION OF EMPLOYMENT
AGREEMENT AND GENERAL RELEASE

This Confidential Separation of Employment Agreement and General Release (the "Agreement") constitutes the agreement between **Christopher Hill** (hereinafter the "Employee") and Synchronoss Technologies, Inc. (hereinafter the "Company") regarding the termination of his employment with the Company effective **December 31, 2023** ("Termination Date").

Whereas, on or before December 19, 2023, the Company delivered this Agreement to Employee for Employee's consideration; and it is hereby agreed by and between Employee and the Company as follows:

1. Pursuant to the terms of the Tier 1 Executive Agreement entered into by and between Employee and Company effective upon the date signed by Employee, and in consideration of execution of this Agreement, the Company agrees to:

- (i) Pay Employee severance in the gross sum of **\$910,394** minus all applicable withholdings and deductions, in **thirty six (36) equal installments** ("Severance Payments") beginning in the payroll following the execution of this Agreement and after the revocation period ends.
- (ii) You will remain **eligible** to receive the **2023 Company 401k match** when similarly situated employees receive their match in 2024. Any owed match funds will be deposited into your 401k account with Fidelity provided your 401k assets remain in your Fidelity account until after the match is deposited. If you transfer or withdraw your assets prior to the deposit of the match, you will not receive the 2023 Company 401k match.
- (iii) 2023 Bonus Payment. In addition to the foregoing, the Company agrees to pay your 2023 Bonus based on the attainment results of the 2023 Executive Bonus Plan, less all applicable federal and state withholdings, on the date that similar executives are paid their 2023 bonuses.
- (iv) Employee is eligible to continue health care coverage beyond December 31, 2023 (coverage end date) through COBRA health care continuation. Provided Employee **executes** this Agreement and **elects** COBRA coverage, the **Company will subsidize twelve (12) months of the employer portion of the premium** (Employee will be responsible for Employee's portion of the premium); all subsequent months beyond the twelve (12) month period must be fully covered at the Employee's own expense. If at any time, the Employee elects to discontinue coverage during the initial twelve (12) month period, Company will not be obligated to provide the value of any remaining employer portion of the premium.

Employee expressly acknowledges that the Severance Payments exceed any amounts he may be entitled to receive from the Company under any contract, plans, policies, procedures or handbooks utilized by the Company, or any other legal obligations which the Company may have made and Employee is not entitled to and will not receive any additional compensation or benefits of any kind from the Company other than what is set forth in this Agreement. Employee expressly agrees that the Severance Payments, independently and in the aggregate, are sufficient consideration for the promises and mutual covenants set forth in this Agreement.

2. Employee agrees that on or before the Termination Date, Employee will enter into a Consulting Services Agreement with Company to provide services to the Company as set forth therein for a period of six months following the Termination Date.
3. Employee is hereby advised to consult with an attorney of Employee's own choice (at Employee's own cost) prior to signing this Agreement. Employee shall have a period of forty-five (45) days from the Termination Date in which to consider the terms of this Agreement, and Employee may execute this Agreement before or during the 45-day period. Upon receipt of the signed Agreement there is a (7) day revocation period during which Employee may revoke this Agreement pursuant to the terms defined in Sections 4 & 14 of this Agreement. The offer of severance shall be withdrawn if the signed Agreement is not returned to the Company by **February 15, 2024**.
4. With full understanding of Employee's legal rights and of Employee's own free will, except as provided by Section 5, below, Employee voluntarily, irrevocably and unconditionally releases and forever discharges the Company (including its current and former owners, shareholders, officers, parents, subsidiaries, affiliates, agents, employees, representatives, successors and assigns, past and present, jointly and individually) (collectively, the "Released Parties") from any and all liabilities, claims, causes of action, charges, complaints, benefits, grievances, damages, injuries, attorneys' fees, contracts, promises, agreements, and other legal responsibilities which can be legally waived by private agreement (collectively referred to as "Claims") regardless of whether such Claims are unknown, unforeseen, and/or unanticipated, which Employee has or may have from the beginning of the world to the date Employee signs this Agreement including but not limited to any and all matters arising out of Employee's employment with or termination of employment from the Company. Employee's release of Claims includes, but is not limited to, any and all Claims under any state, federal, and/or local statutory, constitutional, common law, wrongful termination, discrimination, harassment, constructive discharge, defamation, intentional or negligent infliction of emotional distress, negligent or fraudulent misrepresentation, retaliation, pain, anguish and suffering, loss of consortium, physical harm, assault, breach of contract or implied contract, unjust enrichment, as well as any alleged violation of the Age Discrimination in Employment Act ("ADEA"), Title VII of the Civil Rights Act of 1964, the Reconstruction Era Civil Rights Acts, the Civil Rights Act of 1991, the Equal Pay Act, the Americans With Disabilities Act, the Occupational Safety and Health Act, the Employee Retirement Income Security Act, the Worker Adjustment and Retraining Notification Act, the Vietnam Era Veterans Readjustment Assistance Act, the Immigration Reform and

Control Act, the Rehabilitation Act, the Consolidated Omnibus Budget Reconciliation Act, the Fair Credit Reporting Act, the National Labor Relations Act, the Pennsylvania Human Relation Act, The Pennsylvania Wage Payment and Collection Law, as amended, the New Jersey Family Leave Act, the New Jersey Law Against Discrimination, the New Jersey Conscientious Employee Protection Act, New Jersey wage-hour laws, the New Jersey Constitution, and/or any other alleged violation of any federal, state or local law, regulation, order or ordinance dealing with employment to the greatest extent such claims can be released by private agreement.¹

5. Employee further agrees to waive and release any claims Employee may have against the Released Parties as of the date Employee executes this Agreement arising out of the Federal Age Discrimination in Employment Act ("ADEA,") 29 U.S.C. § 621, et seq., and in connection with such waiver: (a) Employee is hereby advised to consult with an attorney of Employee's own choice (and at Employee's own cost) prior to signing this Agreement; (b) Employee shall have a period of forty five (45) days from the Termination Date in which to consider the terms of this Agreement, and Employee may execute this Agreement before or during the 45-day period; (c) Employee may revoke this Agreement at any time during the first seven (7) days following Employee's execution of this Agreement, and this Agreement shall not be effective or enforceable until the seven-day period has expired; and (d) Employee is not waiving new ADEA claims that arise after the date Employee signs this Agreement. The "Effective Date" of this Agreement shall be eighth (8th) day after Employee signs this Agreement and returns it to the Company, provided that Employee does not timely revoke this Agreement as specified in Section 144 below.
6. To the extent applicable, Employee also expressly waives and releases any and all rights and benefits under Section 1542 of the *Civil Code of the State of California*(or any analogous law of any other state), which reads as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release which if known by him or her must have materially affected his or her settlement with the debtor."

In connection with such waiver and relinquishment, Employee hereby acknowledges that Employee may hereafter discover claims or facts in addition to, or different from, those which Employee now knows or believes to exist, but that Employee expressly agrees to fully, finally and forever settle and release any and all claims, known or unknown, suspected

¹ Including *without limitation* the California Fair Employment and Housing Act, the Illinois Human Rights Act, the Washington State Labor and Industries Laws, the Washington Law Against Discrimination, the Arizona Civil Rights Act, the Arizona Employment Practices Act, Arizona Wage Laws, the New York State Human Rights Law, the Maryland Fair Employment Practices Act, the Virginia Human Rights Act and Virginians with Disabilities, the Georgia Age Discrimination in Employment Act, the Equal Employment for Persons with Disabilities Code, the Sex Discrimination in Employment Act, the Common Day of Rest Act, and the Fair Employment Practices, the Florida Civil Rights Act, the Colorado Wage Act, the Colorado Anti-Discrimination Act, and Chapters 21 and 451 of the Texas Labor Code.

or unsuspected, which exist or may exist on Employee's behalf against the Released Parties at the time of execution of this Agreement.

7. Employee represents that he has no complaints, lawsuits or claims of any kind pending against the Company, and Employee further agrees that, except as set forth in this Section 6, Employee will not institute any action, complaint, lawsuit, charge, grievance or claim of any kind against the Company or any of the Released Parties, either individually or as a member of a class in any class or collective action, in any court or other forum with regard to any claim, demand, liability, obligation or matter arising out of his employment with the Company, separation from employment or otherwise. Nothing in this Agreement (including but not limited to the release of claims, promise not to sue, confidentiality, non-disparagement, no cooperation and any other limiting provisions) (i) limits or affects Employee's right to challenge the validity of this Agreement under the Age Discrimination in Employment Act or the Older Worker Benefit Protection Act; (ii) prevents Employee filing a charge or complaint with or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission (EEOC), the National Labor Relations Board (NLRB), the Securities and Exchange Commission (SEC), or any other federal, state or local agency charged with the enforcement of any laws, including providing documents or other information, or (iii) prevents Employee from exercising Employee's rights under Section 7 of the National Labor Relations Act to engage in protected, concerted activity with other employees, although by signing this Agreement Employee is waiving Employee's right to recover any individual relief (including back pay, front pay, reinstatement or other legal or equitable relief) in any charge, complaint, or lawsuit or other proceeding brought by Employee or on Employee's behalf by any third party, except for any right Employee may have to receive a payment from a government agency (and not the Company) for information provided to the government agency. This promise not to sue does not apply to any claims or rights that may arise after the date Employee signed this Agreement, claims for breach of or enforcement of this Agreement, claims for vested rights under the Company's ERISA-covered employee benefit plans as applicable on the date Employee signs this release, and any claims that the controlling law clearly states may not be released by private agreement, such as claims for unemployment insurance or workers' compensation.
8. By signing below, Employee acknowledges and reaffirms his obligation to remain bound, at all times in the future, by the Company's Proprietary Information and Invention Agreement ("PIIA") signed by Employee during the course of Employee's employment with the Company. A copy of Employee's signed PIIA will be included in the Transition Packet and is incorporated herein by reference. Employee represents and warrants that he: (a) has returned to the Company all Company property as required by Company, including, but not limited to, any papers, files, documents, equipment, phone(s), keys, access cards, software, disks, or other storage devices containing any Company information; (b) have not made and/or retained copies of any Company property or confidential information; and (c) have not disclosed to any third-party any Company Confidential Information (as defined therein).

9. Employee agrees that the terms of this Agreement are confidential and that except as outlined in Section 6 above, Employee will not disclose the terms of this Agreement or the negotiations leading to this Agreement to any person or entity, including but not limited to any current or former employee of the Company, with the exception of a disclosure (a) required by law or to enforce any obligations in this Agreement; and (b) to Employee's spouse, attorneys, accountants, immediate family, and financial advisors, who must be advised of the confidential nature of this Agreement and must agree to be bound by this confidentiality provision. Employee acknowledges he has no pending discrimination, harassment or retaliation claim against the Company or any other Released Party, and that this Agreement is not a settlement agreement and does not constitute the resolution of such a claim. Employee also acknowledges that nothing in this Agreement prevents Employee from disclosing the details relating to a discrimination, harassment or retaliation claim, or prevents the Company or any Released Party from disclosing the details regarding the denial of such a claim.
10. Employee certifies that Employee has reported to the Company any and all injuries, accidents, diseases, conditions and/or any other health related issue which arise(s) out of or are related to Employee's employment with the Company. Employee further certifies and warrants that Employee has (1) received all compensation due to Employee as a result of services performed for the Company with the receipt of Employee's final paycheck; and (2) been properly provided any leave of absence because of Employee's or a family member's family or medical condition or military status, and Employee has not been subjected to any improper treatment, conduct or actions due to a request for or taking such leave.
11. Employee agrees that except as expressly provided in Sections 2 and 7 of this Agreement, this Agreement renders null and void any and all prior agreements between Employee and the Company. Employee and the Company agree that, except as set forth in Sections 2 and 7 above, this Agreement constitutes the entire agreement between Employee and the Company regarding the subject matter of this Agreement, and that this Agreement may be modified only in a written document signed by Employee and a duly authorized officer of the Company.
12. Each of the parties to this Agreement consents to (i) the exclusive jurisdiction and venue of the Courts of the State of New Jersey in any and all actions between or among any of the parties, and (ii) service of process by first-class certified mail, return receipt requested, postage prepaid. This Agreement and any issues arising from it or regarding its provisions shall be governed and construed under the procedural and substantive laws of the State of New Jersey without reference to New Jersey's choice of law rules. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable laws.
13. Employee agrees that this Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one agreement.

14. Should any provision of this Agreement be held to be illegal, void or unenforceable by a court of competent jurisdiction, such provision shall be of no force and effect. However, the illegality or unenforceability of any such provision shall have no effect upon, and shall not impair the enforceability of, any other provision of this Agreement.
15. AS STATED IN SECTION 4 ABOVE, THIS AGREEMENT MAY BE REVOKED BY EMPLOYEE WITHIN SEVEN (7) DAYS AFTER THE DATE EMPLOYEE SIGNS IT. THIS AGREEMENT IS NOT BINDING OR ENFORCEABLE AGAINST EITHER EMPLOYEE OR THE COMPANY UNTIL THIS SEVEN-DAY PERIOD HAS EXPIRED. ANY SUCH REVOCATION MUST BE MADE IN A SIGNED LETTER EXECUTED BY EMPLOYEE AND RECEIVED BY JEFF MILLER, PRESIDENT & CEO AT HRAMERICAS@SYNCHRONOSS.COM, NO LATER THAN 5:00 P.M. ON THE SEVENTH DAY AFTER EMPLOYEE EXECUTES THIS AGREEMENT. EMPLOYEE EXPRESSLY UNDERSTANDS AND AGREES THAT, IF EMPLOYEE REVOKES THIS AGREEMENT, IT WILL NOT BE EFFECTIVE OR ENFORCEABLE AND EMPLOYEE WILL NOT BE ENTITLED TO THE SEVERANCE PAYMENTS.
16. The parties understand and agree that this Agreement is not an admission of liability, wrongdoing or a violation of any federal or state law or regulation, by either Employee or the Company, and both parties expressly deny any liability, wrongdoing or violation of law.

Employee agrees not to engage in any act or say anything that is intended, or may reasonably be expected, to harm the reputation, business or operations of the Company, its customers, employees, officers, directors or shareholders, except as permitted by Section 7 above.

Please indicate Employee's agreement with the above terms by physically signing the below and returning **ALL** pages of this Agreement via email to HRAmericas@synchronoss.com.

Executed on behalf of Company

/s/ Jeff Miller

Jeff Miller

President & CEO

Employee agrees with the above terms as signified by Employee's signature below. Furthermore, Employee acknowledges that he has read and understands this Agreement and that Employee voluntarily signs this release of all claims, known and unknown, with full understanding that at no time in the future may Employee pursue any of the rights Employee has waived in this Agreement.

Signed:

/s/ Christopher Hill

EMPLOYEE NAME

Dated:

December 19, 2023

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 13a-14(a)**

I, **Jeff Miller**, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Synchronoss Technologies, Inc. for the quarter ended March 31, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2024

/s/ Jeff Miller

Jeff Miller

Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 13a-14(a)**

I, **Louis Ferraro**, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Synchronoss Technologies, Inc. for the quarter ended March 31, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2024

/s/ Louis Ferraro

Louis Ferraro
Chief Financial Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Synchronoss Technologies, Inc. (the "Company") for the quarter ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, **Jeff Miller**, the Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being provided pursuant to 18 U.S.C. 1350 and is not to be deemed a part of the Report, nor is it to be deemed to be "filed" for any purpose whatsoever.

Date: May 9, 2024

/s/ Jeff Miller

Jeff Miller
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Synchronoss Technologies, Inc. (the "Company") for the quarter ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, **Louis Ferraro**, the Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being provided pursuant to 18 U.S.C. 1350 and is not to be deemed a part of the Report, nor is it to be deemed to be "filed" for any purpose whatsoever.

Date: May 9, 2024

/s/ Louis Ferraro
Louis Ferraro
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.