



2020

INVESTOR
PRESENTATION

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Synchronoss has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its business, financial condition and results of operations. These forward-looking statements speak only as of the date of this press release and are subject to a number of risks, uncertainties and assumptions including, without limitation, risks relating to the Company’s ability to sustain or increase revenue from its larger customers and generate revenue from new customers, the Company’s expectations regarding expenses and revenue, the sufficiency of the Company’s cash resources, the Company’s growth strategies, the anticipated trends and challenges in the business and the market in which the Company operates, the Company’s expectations regarding federal, state and foreign regulatory requirements, the pending lawsuits against the Company described in its most recent SEC filings, the impact of the COVID-19 pandemic on the Company’s business and other risks and factors that are described in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of the Company’s Annual Report on Form 10-K for the year ended December 31, 2019 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, which are on file with the SEC and available on the SEC’s website at www.sec.gov. The company does not undertake any obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or otherwise.

Synchronoss is a Software Services Company, providing transformative SaaS and PaaS Offerings to TMT Customers

- NASDAQ: SNCR | 2019 Revenue: \$309 million | Market capitalization: \$164 million (8/10/2020)
- 200+ Customers, 1,500+ Employees, 135+ Patents | New leadership structure, significant turnaround and refocus of business model

CLOUD



52% of 2019 revenue

MESSAGING



30% of 2019 revenue

DIGITAL



18% of 2019 revenue

IoT



Emerging Business

We help companies **maximize growth, reduce operating costs and improve customer experiences and engagement.** *It's What We Do.*



Synchronoss is well positioned in the 5G Economy

5G networks power new businesses, technology, experiences, opportunities and customer experience imperatives across the TMT industry

\$1.1T

CapEx spending, globally,
80% solely on 5G
networks by 2025
(GSMA)

OPERATORS

Need new revenue streams
and opportunities to
monetize their massive
investment in network and
infrastructure



CLOUD



MESSAGING

\$2.2T

Additional Revenue
by 2035
(GSMA)

DIGITAL ECOSYSTEMS

Need intelligent, frictionless
experiences that drive top-line
and bottom-line revenue and
create new markets in an all-
wireless world



DIGITAL



IoT

Synchronoss has products in the right growth areas for Network providers and digital business in the post COVID world...

Synchronoss is positioned for 2020 and 2021+

Now, more than ever, our platforms are vital to helping our customers grow new revenue, lower costs and provide their customers with competitive products and services

Synchronoss is well positioned to weather the near-term economy and drive growth as the economy recovers

78%

RECURRING REVENUE

Our revenue provides predictable results for us and our customers

82%

TIER 1 REVENUE

Our business is rooted in large, well-established customers

85%

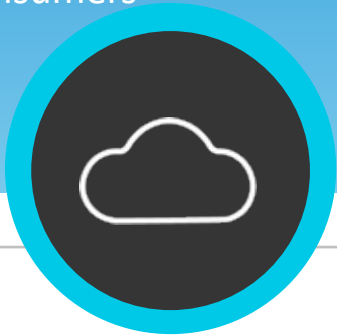
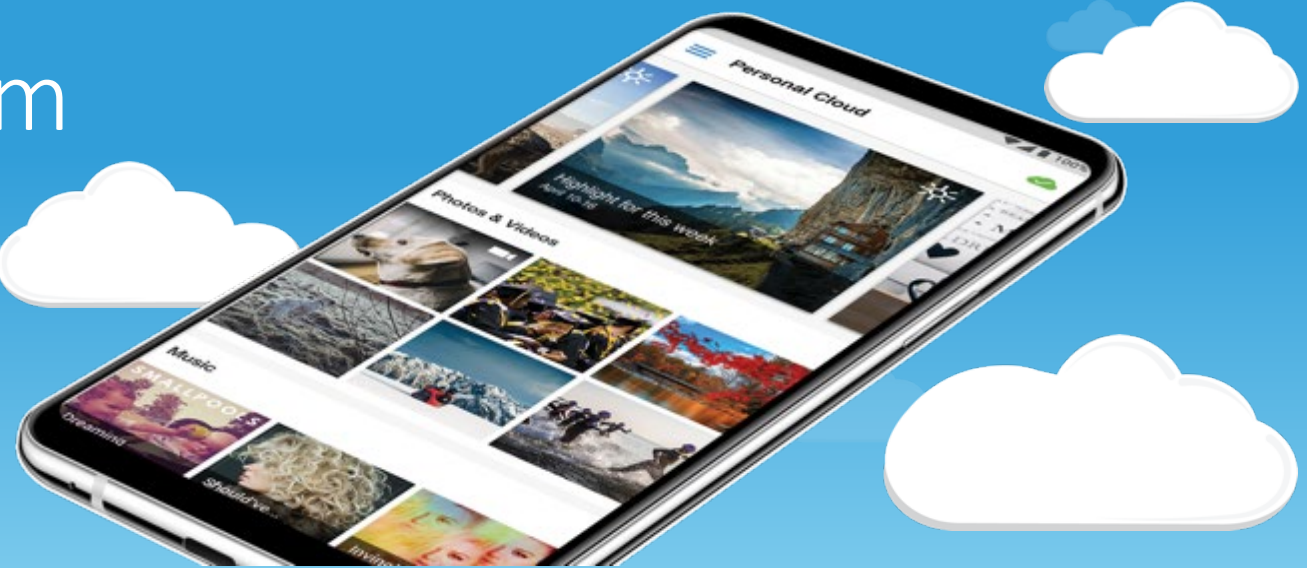
REVENUE UNDER CONTRACT

Majority of customers are signed to multi-year contracts



Synchronoss Cloud Platform

The world's leading, and largest white-label private cloud platform for Operators providing a profitable revenue stream and valuable customer experience for consumers



GLOBAL MARKET OPPORTUNITY

3.5B+

Personal Cloud
Users (2019)

Statista.com 2019

\$80B

Global opportunity
by 2020

Nasdaq

PRODUCTS:



Personal Cloud: Store, Sync and Engagement in Subscriber Media from any device



Content Transfer: Wirelessly transfer content from/to a device, all OS's, cloud in retail, online



Out of the Box Experience (OOBE): Wirelessly transfer content from/to a device, all OS's, cloud in retail, online



Switcher: Initiate MNO "switch" to simplify and reduce time at retail, online

COMMERCIAL SUCCESS

Three new cloud customers
in 2019:



Multiple Contract Extensions



verizon

Synchronoss Cloud Application Suite

A growing business that adds profitable revenue and creates a better customer experience

Easy Storage



Personal Cloud

Store, Sync and Engagement in Subscriber Content from any device

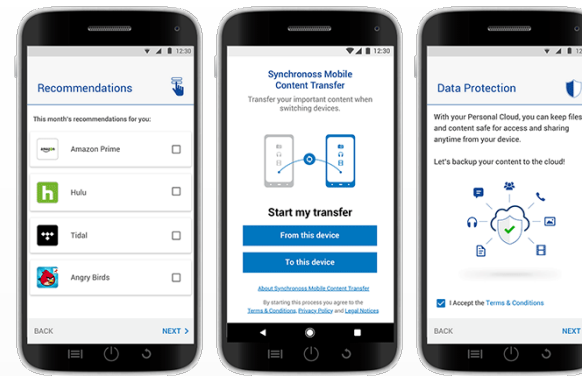
Better Upgrade Experiences



Content Transfer

Wirelessly transfer content from/to a device, all OS's, cloud in retail, online

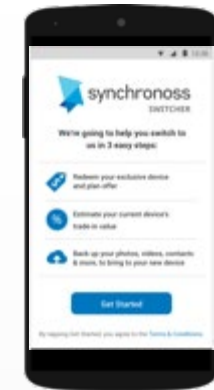
Simpler Device Setup



Out of Box Experience (OOBE).

Embedded in device setup with service promotion, upgrades and provisioning (Android)

OTT Switch



Switcher

Initiate MNO “switch” to simplify and reduce time at retail, online

Cloud is a high margin business, poised for growth



FAMILY

an innovation and
marketing focus
for 2020 and
beyond



SYNCHRONOSS CLOUD

A Proven Success Model

- 8 Operator Customers
- \$163M in Revenue
- High Contribution Margin
- Steady Predictable Growth



~120M SUBSCRIBERS



~100M SUBSCRIBERS

3 New Customers
Added in 2019



~50M SUBSCRIBERS

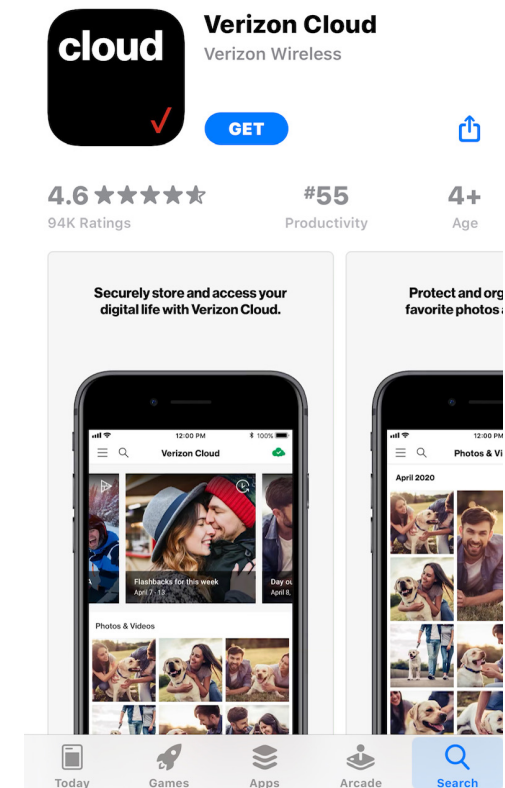


~21M SUBSCRIBERS

verizon[✓] Renewal Contract Summary

More than ever, our relationship is embedded for the long-term

- ✓ Substantially similar structure and financial terms as the previous contract
- ✓ 5-year term
- ✓ Provides increased certainty and stability
- ✓ Demonstrates Verizon's commitment to the Verizon Cloud and to Synchronoss
- ✓ Includes Joint Marketing Agreement which will be a powerful catalyst to drive future subscriber growth
 - ✓ To date, we have predominantly focused on cloud adoption in the setup flow, when Verizon is on-boarding a new customer, or an existing customer upgrades their device.



Introducing the “No Touch Cloud” Retail Experience

Make retail safe, make it better. As Operators re-open retail, they are looking for ways to bring back retail activity and make consumers feel safe and provide a better customer experience

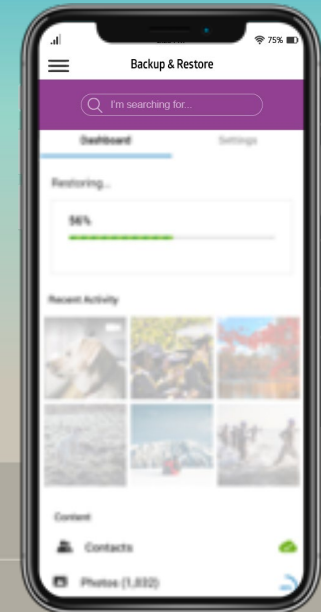
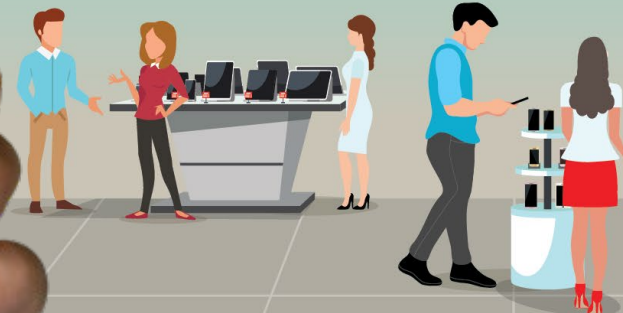
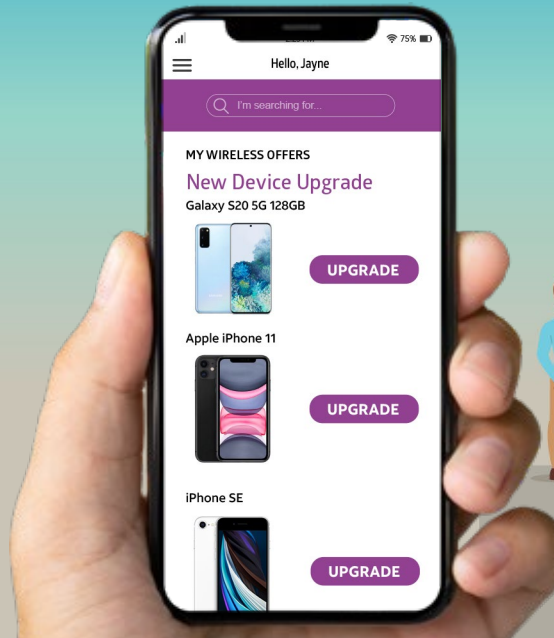
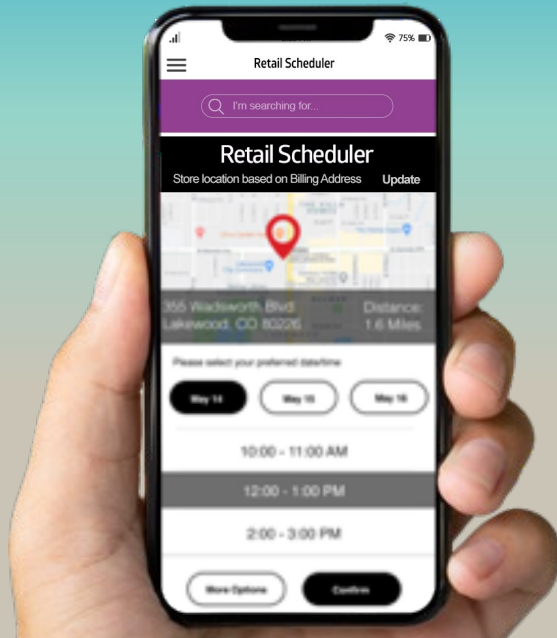
1 *Make store appt online or on the phone*

2 *One-touch upload of content to cloud*

4 *One-touch download at home (or just leave content in the cloud)*

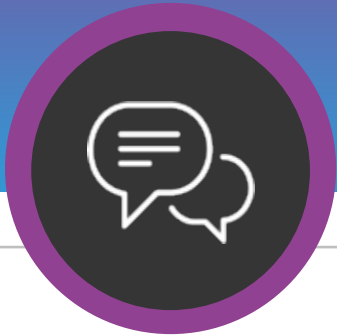
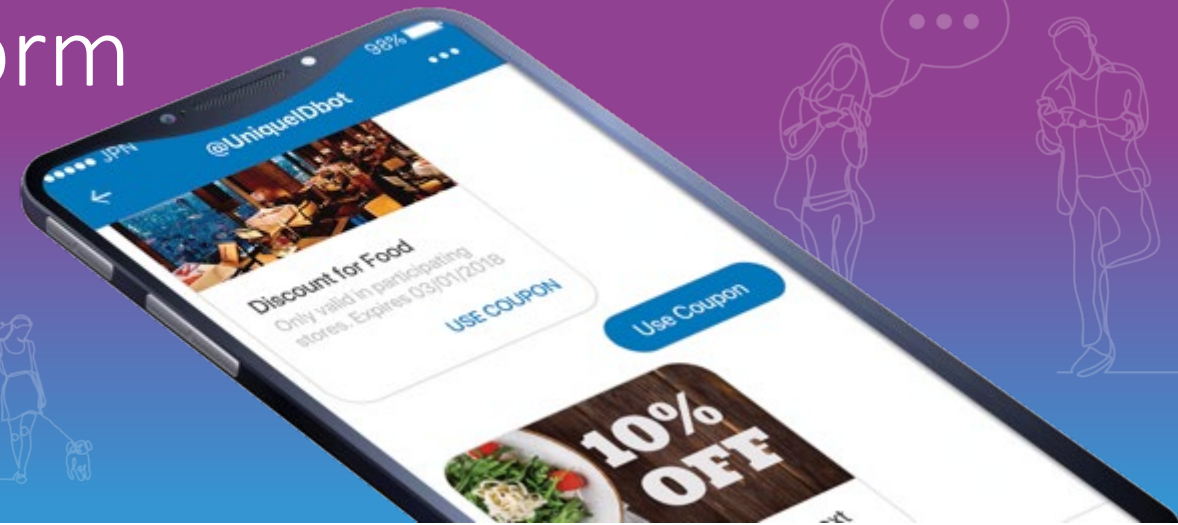


3 *Get new phone in less time, leave store*



Synchronoss Messaging Platform

An end-to-end platform and client suite that powers the world's leading, white-label advanced messaging experience ecosystem



GLOBAL MARKET OPPORTUNITY

4B+

Global messaging
users

Statista.com, 2018

\$20B+

Current value of B2C
Messaging to Operators

Company Financials, 2019

PRODUCTS:



Email Suite: A reliable, secure, white-label email platform that generates revenue and cost savings for Operators



Messaging Marketplace: A real-time portal for brand onboarding and consumer engagement



Advanced Messaging: RCS-powered application that delivers P2P and A2P experiences

COMMERCIAL SUCCESS

Extended expertise in RCS-based Advanced Messaging: Selected by CCMI joint venture to roll out RCS-based Advanced Messaging in the United States



Enabling Application to Person (A2P) and B2C advertising for Japan
Advanced Messaging Partnership



Synchronoss Messaging Platform

A white-label, cross-channel messaging platform helping Operators, worldwide create new revenue

White-Label Email Platform



Email Suite

Provides Operators the back-end framework for branded, white-label email service that's reliable, consistent, and safe

Advanced Messaging Platform



Advanced Messaging

An end-to-end messaging as a platform (MaaP), hosting and integration layer with clients and operator infrastructure

Ecosystem Management Platform



Messaging Marketplace

Messaging Marketplace provides simple tools for brands to onboard with Operators and manage campaigns to consumers

Transforming a global Email business to multi-channel messaging

Synchronoss re-invented its messaging business to embrace RCS and expanded to two national markets

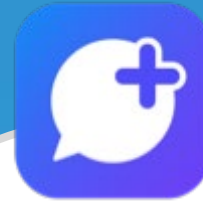
Launched 9th May 2018

CCMI Joint Venture



15M+

Downloads
(Goal of 40M by 2021)

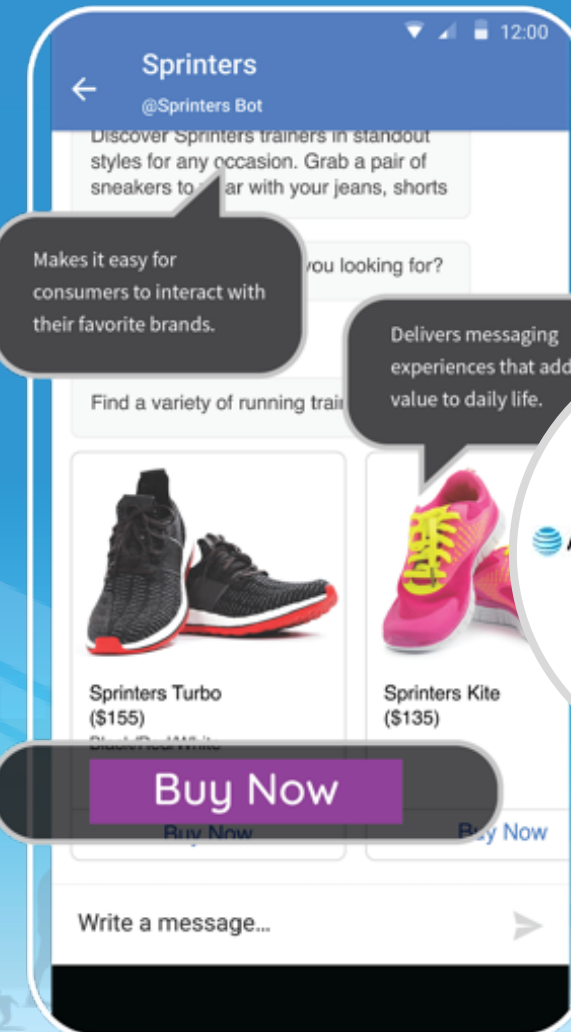


+Message

70M Japanese Subscribers

SoftBank KDDI docomo

Invented the world's first
Operator-driven RCS national
market & ecosystem
"Plus Message"



Makes it easy for
consumers to interact with
their favorite brands.

Delivers messaging
experiences that add
value to daily life.

CCMI

300M US Subscribers

AT&T T-Mobile Sprint verizon

Transposed the RCS national
model to leading Operators
in North America with a
larger population, higher
revenue potential

Synchronoss powers RCS A2P business growth

Synchronoss Advanced Messaging focuses on the underlying messaging platform (MaaP) and powering B2C commerce

Brands

Common Messaging & Commerce Platform

Global Markets

A single platform for world-wide brands and advertisers to integrate across unified Operator networks and conduct 1:1 messaging with their customers at scale

(Common Ecosystem)



MESSAGING MARKETPLACE (MMP)

Brand Onboarding
Carrier Admin
Brand Mgt Console
(Campaign
Orchestration)
Analytics



MESSAGING AS A PLATFORM (MAAP)

A2P/P2A
Messaging
Transmission &
Routing
into Carrier
Networks

RCS
MOBILE
CLIENTS
(PLUS
Message,
CCMI, Google,
Samsung,
LG, etc.)



Synchronoss has multiple ways to make money on RCS

Integration and Hosting

Subscriber Volume

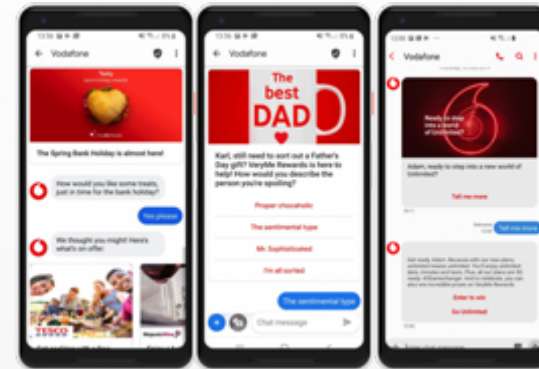
Messaging Volume

Advertising Revenue

A2P Revenue

SNCR Powers B2C Commerce

The RCS experience will make A2P more profitable with an order of magnitude better conversion rate per message



Vodafone UK trials

	RCS	SMS
OPEN RATE	80%	1%
RESPONSE	25%	>1%



Per/message rate

Creates increased revenue in what Operators can charge brands vs SMS



Engagement

Creates more transactions and revenue share opportunities

SNCR interoperability is key to RCS commercial success

Synchronoss provides a single platform for Operators providing crucial interoperability across networks and offering brands a larger market to drive more A2P Revenue



Interoperability within Country



- Japan & USA
- P2P + A2P
- SNCR MaaP
- Client Agnostic

The same platform across 2 countries attracts more brands to message to a larger audience




A2P Commerce at Scale

- Market Scale
- Brand Onboarding
- A2P Revenue

Synchronoss powers interoperability across multiple networks providing A2P scale

Google Client



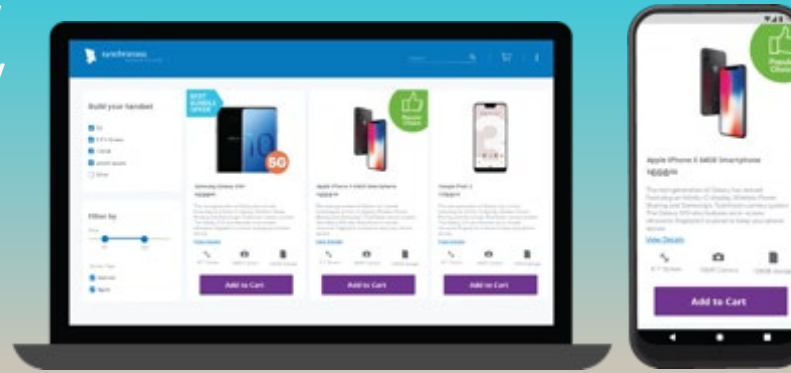
- P2P Only
- No A2P
- No Interoperability

Recent Google client announcement is very limited in scale

Synchronoss Powers Interoperability, Scale and Revenue

Synchronoss Digital Portfolio

Our Digital Solutions help transform new experiences, customer journeys, delivery timelines and bottom-line savings



GLOBAL MARKET OPPORTUNITY

94%
Customers frustrated by
poor experiences

Thunderhead, 2019

\$14.5B

Expected spend on
customer experience
management in 2024

Statista, 2019

PRODUCTS:



Activation: Digital activation of wireless accounts, billing integration



DXP : Delivering omnichannel customer journeys, automated customer onboarding, slashing time-to-market



Financial Analytics/iNOW Integrated order lifecycle and network expense management platform providing end-to-end governance



spatialSUITE Manages the planning, design, construction, and delivery of physical network assets and inventory management

COMMERCIAL SUCCESS

DXP agreements with **Indosat Ooredoo, Amazon, Wireless Advocates and Telkom Indonesia**

Financial Analytics for Public Cloud **Rackspace**

CenturyLink – total access management with integrated Financial Analytics to iNOW

Windstream – iNOW integration to Financial Analytics

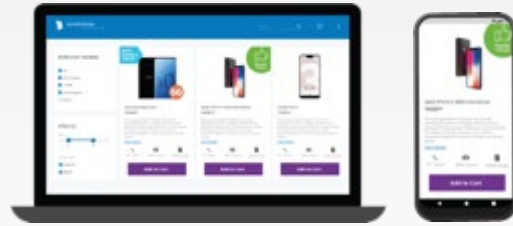
Globe Telecom – spatialNET Cloud Managed Services

Synchronoss Digital Portfolio



Activation

Automated account activation, orchestrating data with legacy IT systems



Digital Experience Platform (DXP)

Digital creation and management of customer journeys, Omni-channel experiences and Back-office integration



Financial Analytics/iNOW

Multi-channel expense management and workflow automation combined with end-to-end telecom service order management – provides total network management



spatialSUITE

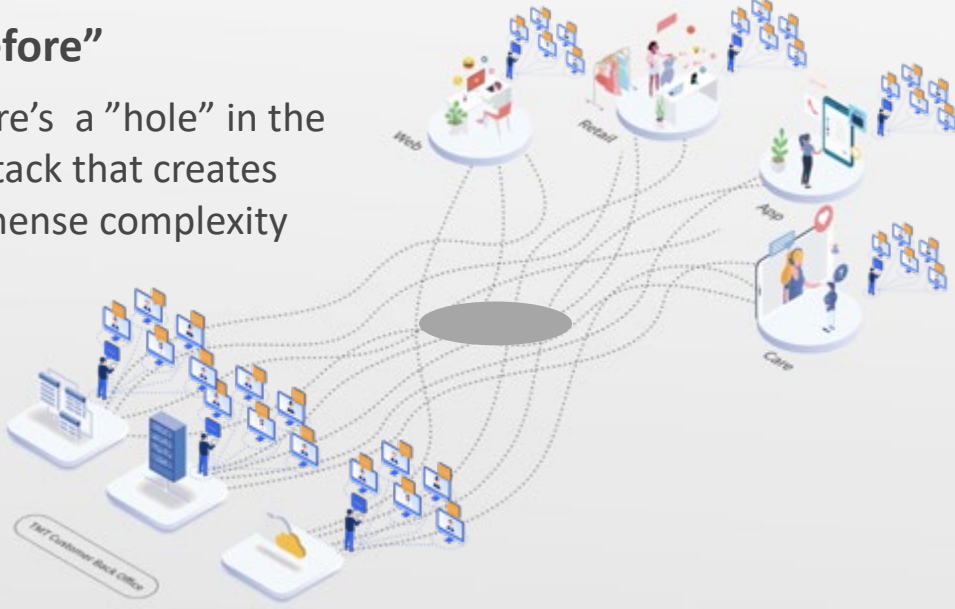
Manages the planning, design, construction, and delivery of physical network assets and inventory management

DXP makes businesses digitally competitive

DXP is a purpose-built next-gen platform layered over existing legacy systems platforms that creates and manages digital experiences and journeys, across all channels, in real time

“Before”

There's a “hole” in the IT Stack that creates immense complexity



“After”

DXP fills the hole in the IT stack and allows companies to create innovative customer experiences



DXP
Journey Design
& Management



Decision Engine
Contextually relevant
product recommendations



Catalog
Establish and manage
products, offers and bundles



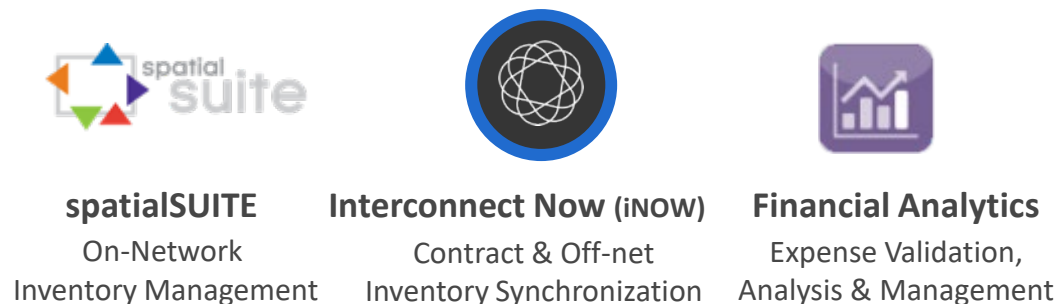
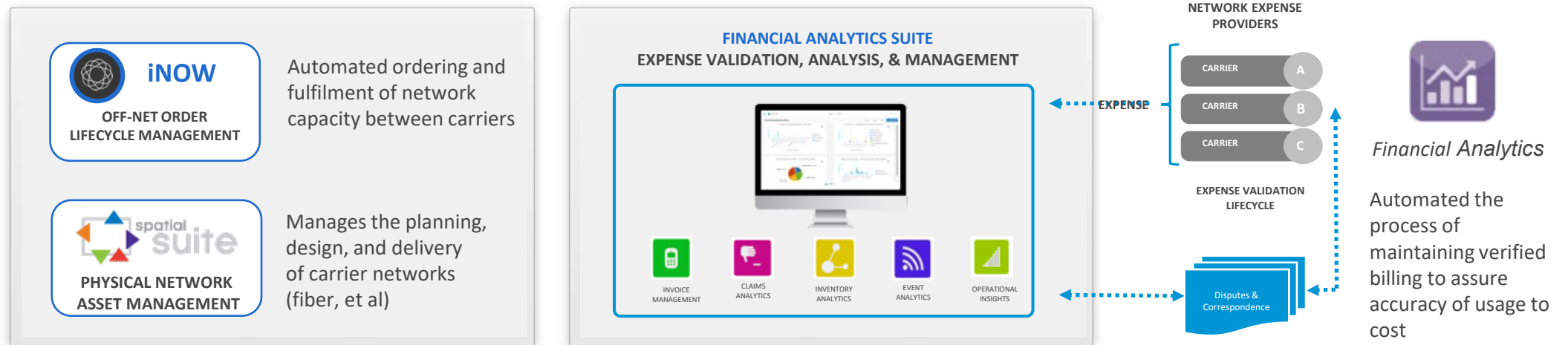
Digital Coach
Customer facing team
gamification & insights

DXP Benefits

- Cost savings
- Streamlined development
- Back office Integration
- Better Customer Experience

Synchronoss Digital Access Management Platform manages, optimizes, & controls network inventory & cost for carriers

A unified framework to assist with Transport Contract & Order Management, Billing Reconciliation & Inventory Management



Digital Access Management Suite Benefits

- Circuit Reconciliation
- Order Lifecycle Management
- Automated Reports & Analytics

Synchronoss IoT Platform

A single intelligent, smart buildings platform, making it easier to manage facilities, save cost and extend into new, vital health and wellness technologies



GLOBAL MARKET OPPORTUNITY

3.3B+

M2M connections

by 2021

Cisco, 2017

\$105.8B

Smart Buildings Revenue (2024)
74% Growth

PRODUCTS:



IoT Edge: Direct sensor enabled SaaS solution for monitoring, alerting & analytical insights



BMS Edge: BMS based SaaS platform that delivers insights & capabilities for taking action to reduce energy & operations expenses



P2P Edge: Platform to platform refrigeration centric analytics and optimization tools

RECENT NEW DEALS

New Smart Buildings partnerships



Rackspace - deployed solution in five facilities globally



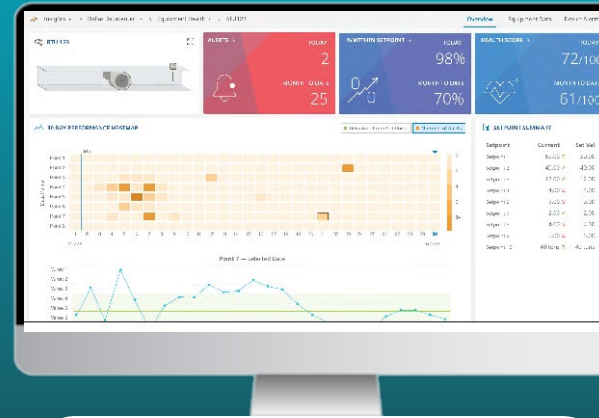
Commercial launch of **AT&T** channel



Smart Buildings Platform

A single portal to interact with different systems and sensors – unifying traditional, locked legacy building systems into a single, easy-to-use, intelligent portal

- **Cost Savings ROI**
- **Reduce Business & Operational Risk**
- **Extensible, Future Proof**
- **Partner-Friendly**



MONITORING & ALERTS

KPIs & DASHBOARDS

REPORTS & ANALYSIS

APIs



Smart Buildings Portal



SYSTEM
CONTROLS



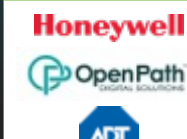
LIGHTING
SYSTEMS



SYSTEM
CONTROLLER HVAC



SURVEILLANCE SYSTEM



ACCESS CONTROL
SYSTEM



BUILDING
METERS



NEW

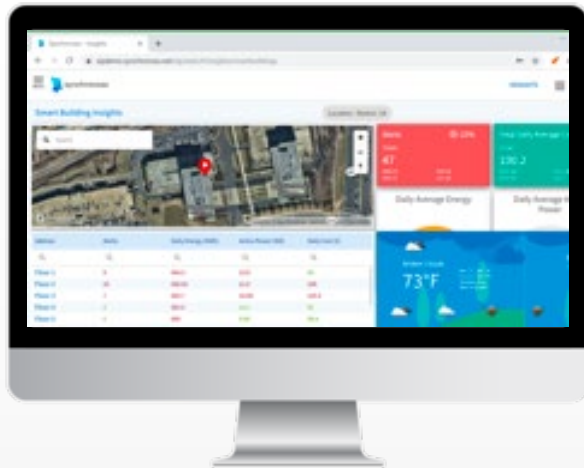
Add New
Systems as
needed



Smart Building Portfolio

IoT Edge

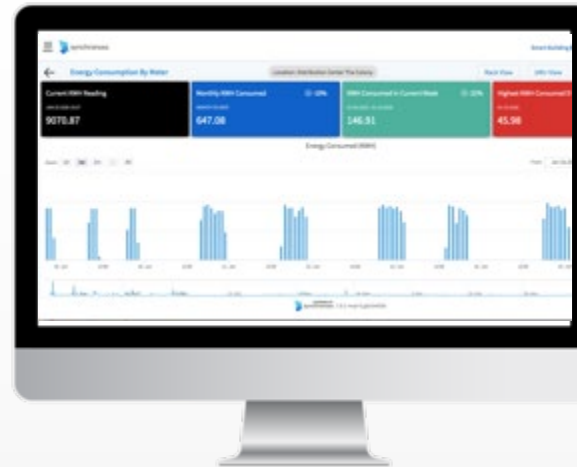
Sensor enabled analytics



Direct sensor enabled SaaS solution for monitoring, alerting & analytical insights

BMS Edge

Analytics for Building Systems



BMS based SaaS platform that delivers insights & capabilities for taking action to reduce energy & operations expenses

Platform 2 Platform

Analytics for Platform Systems

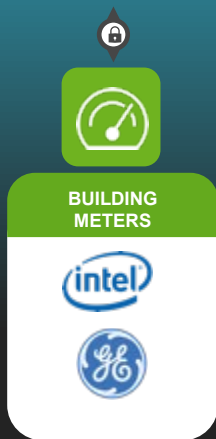
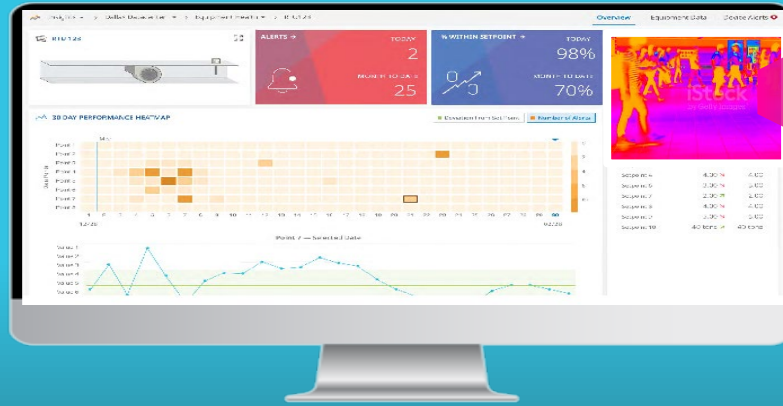


Platform 2 platform refrigeration centric analytics and optimization tools

Smart Buildings platform integrates with health & wellness technology

Smart Buildings Platform integrates with multiple, best-of-breed wellness technologies such as:

- HVAC
- Pathogens
- Temperature
- Spatial Monitoring



Smart Buildings Platform is essential for helping workplaces quickly adapt to and operate with new safety standards



Synchronoss platforms are better positioned than ever

Consumers Rely on Cloud



CLOUD + DATA

85% OF CONTENT IS MOBILE

The **explosion in mobile data creation** is accelerating the move from endpoint storage to cloud storage

Messaging Drives Digital Revenue



MESSAGING + COMMERCE

100B A2P MESSAGES/YEAR

RCS functionality will **increase the volume and yield of A2P & advertising** making it the fastest growing digital business

Good Experience = Table Stakes



DIGITAL+ EXPERIENCE

94% UNDERWHELMED

Consumers are becoming increasingly intolerant to poor friction-heavy digital experiences – especially post COVID

Buildings Have Responsibility



IoT + SAFE WORKPLACE

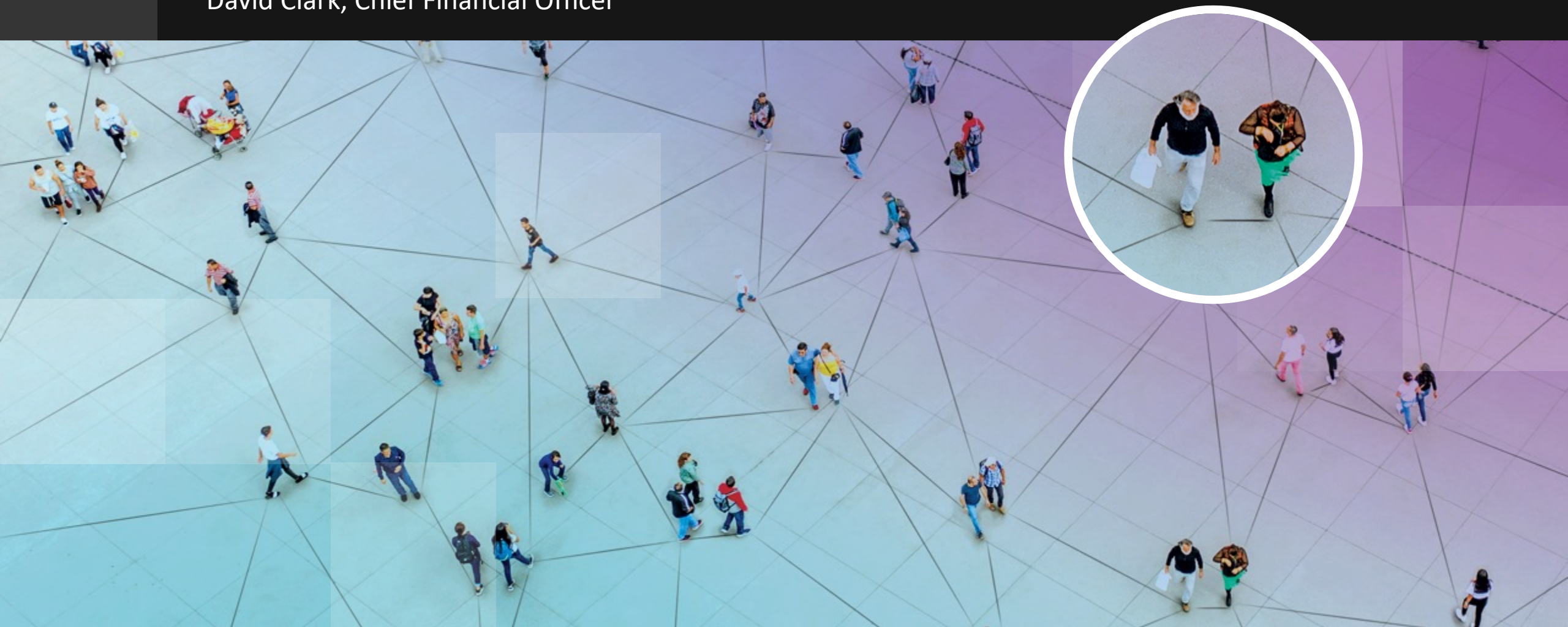
70% FEAR RETURN TO WORK

Workplace safety is a liability for employers and a **major concern for employees** as they look to return to work



Synchronoss Financial Overview


David Clark, Chief Financial Officer



BUILDING BLOCKS FOR A DIGITAL FUTURE

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Financial Overview

 Demonstrated success delivering expense reductions driving significantly improved earnings leverage

- ✓ Lower expenses
- ✓ Improved margins
- ✓ Improved profitability

 Additional cost actions in 2020 expected to deliver \$45 million of in-year expense savings and accelerate EBITDA growth and higher Free Cash Flow

 Strong cash and liquidity position

2019 Results

STRONG IMPROVEMENT IN PROFITABILITY

(000s)	FY 2018	FY 2019	
GAAP Revenue	\$325,839	\$308,749	Excluding 3Q STI write-down revenue would have been up 3 percent for the year
Adjusted Gross Profit	170,484	187,719	Transition from data centers to public cloud driving better gross profits and gross margins
Total Costs and Expenses	490,115	416,537	Continued cost optimization – down 15.0% YOY
Adjusted Gross Margin	52.3%	60.7%	84 basis point improvement in AGM
Adjusted EBITDA	14,023	27,584	97% improvement in Adjusted EBITDA
GAAP Net Loss	(243,748)	(136,727)	44% improvement in GAAP net loss
Non-GAAP Net Loss from Continuing Operations attributable to Synchronoss	(176,914)	(53,784)	70% improvement in non-GAAP net loss

✓ Substantial improvement in nearly all financial metrics in 2019

Q2 2020 Results

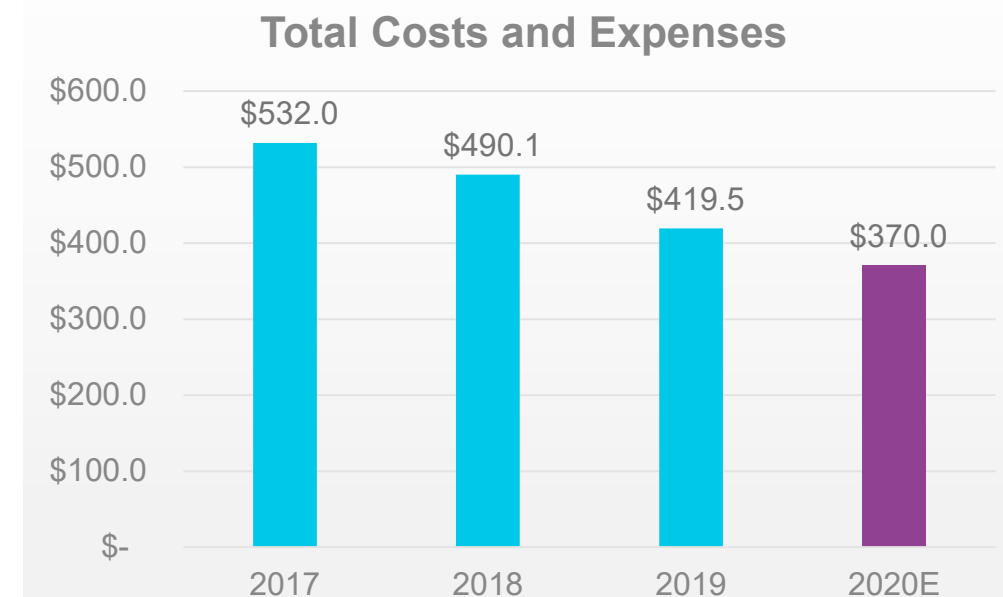
(000s)	Q1 2020	Q2 2020	
GAAP Revenue	\$77,122	\$76,535	Revenue down due to increases in Cloud and Messaging revenue were offset by decrease in Digital revenue due to new agreement with STI
Adjusted Gross Profit	42,302	47,939	Decrease in AGP in the 6-mo period was due to inclusion of STI-related revenue and gross profits in 2019 period which did not recur this year
Adjusted Gross Margin	55.0%	62.6%	AGM and AGP increase due to improvements in cost management
Total Costs and Expenses	\$94,409	\$87,993	Effectiveness of 2020 cost actions positively impacting financial results
Adjusted EBITDA	1,758	11,549	Eight consecutive quarters of positive adjusted EBITDA, and return to double digit
GAAP Net Loss	(11,990)	(10,148)	GAAP Net Loss narrowing due to effectiveness of ongoing cost actions
Non-GAAP Net Income (Loss) from Continuing Operations attributable to Synchronoss	49	6,637	Return to non-GAAP profitability due to aforementioned cost actions

✓ Cost cuts drive improvement in profitability on lower revenue in Q1 2020

Delivering on Cost Cutting to Improve Earnings Leverage and Cash Flow

(\$000s)	2017	2019	% Change
R&D	\$90,850	\$75,568	(16.8%)
SG&A	\$154,037	\$112,771	(26.8%)
Restructuring	\$10,739	\$755	(93.0%)
Depreciation & Amortization	\$94,884	\$77,036	(18.8%)
Total Expenses	\$350,510	\$266,150	(24.1%)
Two-year Decrease		(\$84,360)	

NOTE: Reduction in D&A due to transition from data centers to public cloud for storage



- ✓ Key driver for CoS decline due to hosting transfer from physical data centers to 3rd party hosting
- ✓ Synchronoss executing another \$55 million of cost reductions in 2020
- ✓ In-year expense savings expected to be approximately \$45 million

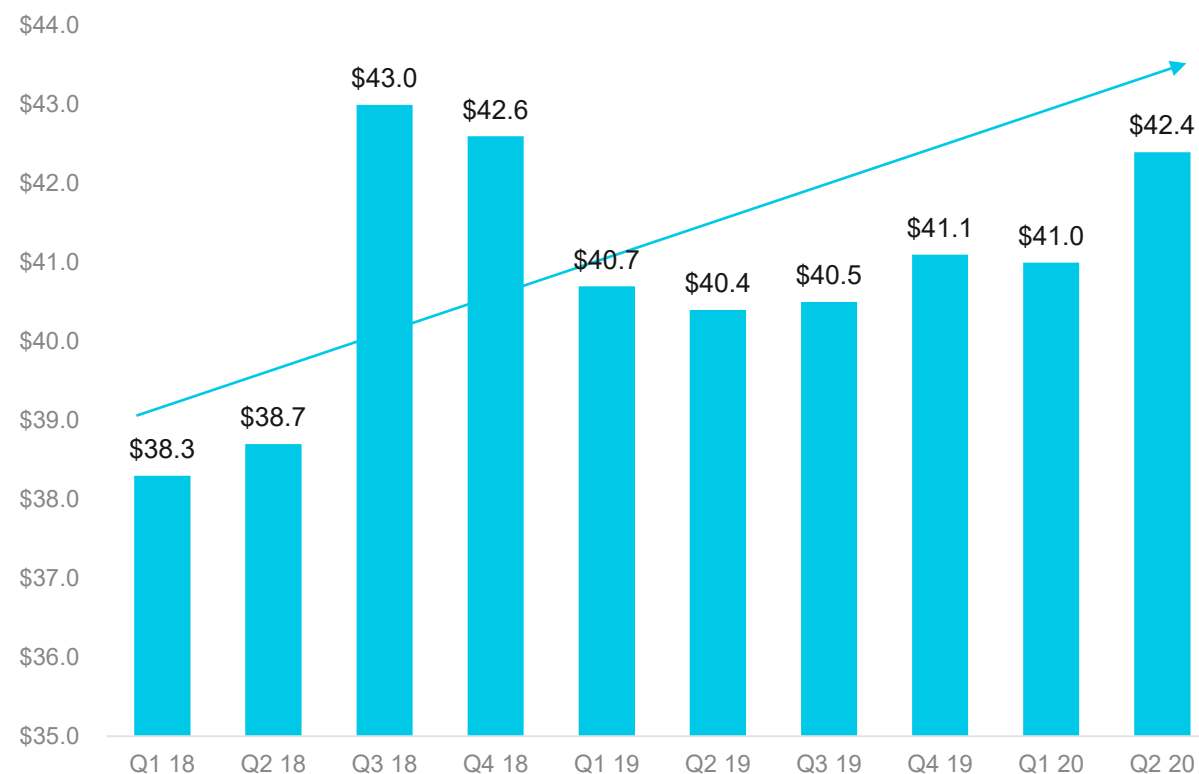
2020 Cost Actions

	Annual Impact	2020 In-Year Impact
Q1 Cost Actions	\$15 million	\$15 million
Q2 Cost Actions	\$40 million	\$30 million
Total 2020 Cost Actions	\$55 million	\$45 million

- ✓ **Workforce Impacts:**
 - Operational Right Sizing
 - SLT Salary Reductions
 - Hiring Freeze
 - Bonus, Sales Commissions, and Merit Increase Deferrals
 - Contingent Worker Review
 - Elimination of open positions
- ✓ **Compensation Re-Alignment**
- ✓ **Travel Reduction**
- ✓ **Facilities Reduction**
- ✓ **OpEx Reductions – Marketing, Legal, HR, R&D**
- ✓ **Hosting Savings**

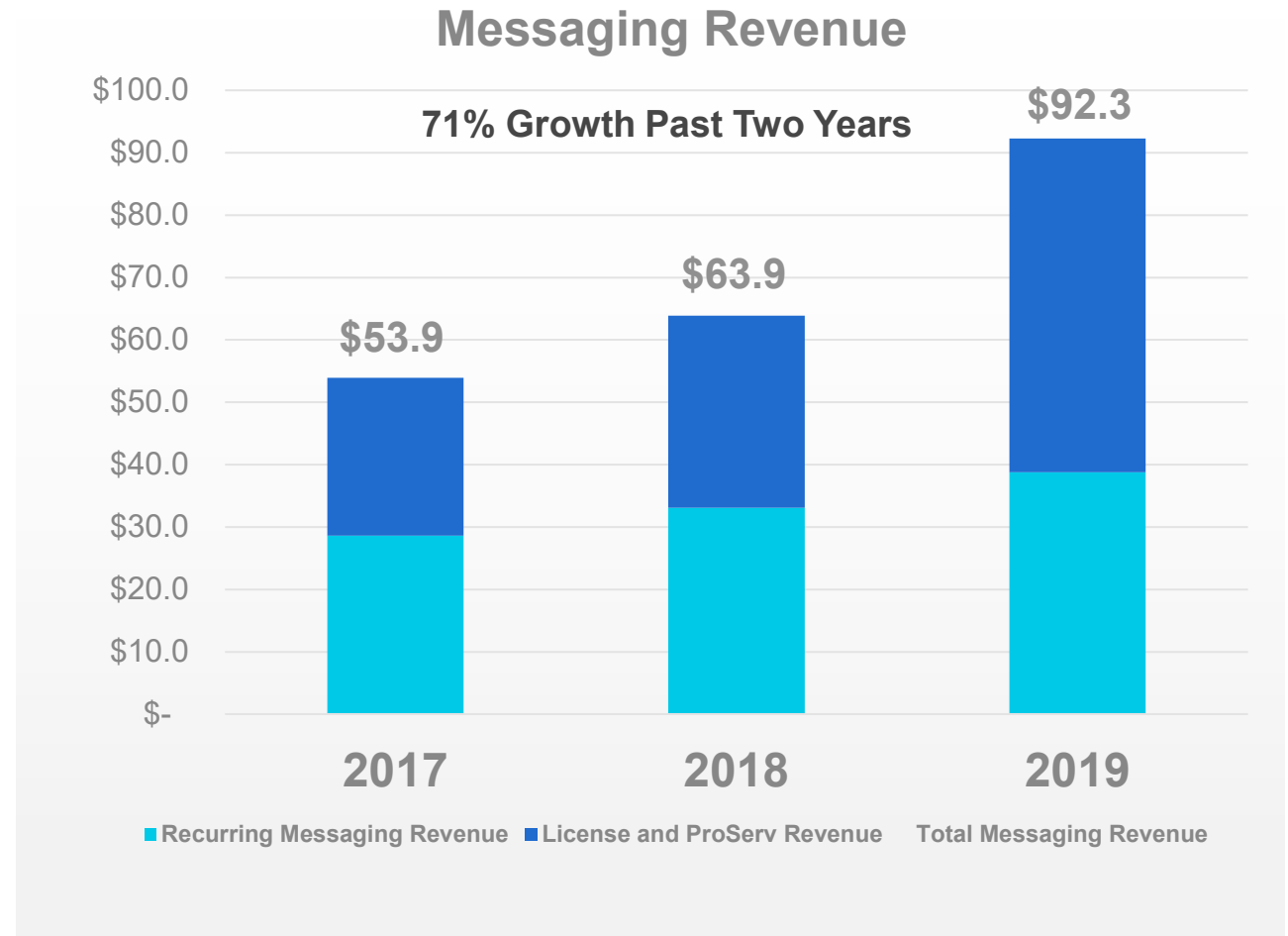
Consistent Cloud Revenue Growth

- Cloud subscribers have grown consistently over the past 2+ years
- Three new cloud customers launched in 2020 expected to drive continued revenue growth.
 - AT&T
 - TracFone
 - Assurant
- Four renewals of long-term cloud customers in the last 18-months
 - Verizon
 - British Telecom
 - Proximus
 - SFR
- Under ASC 606, Verizon cloud revenue is averaged over the life of the contract, which tends to obscure revenue growth
 - When Verizon cloud subscriber growth outpaces forecast, revenue is “trued up” to a new run rate – see Q3 2018
 - Q4 2018 included one-time professional services fee



Messaging – A Growing Revenue Source

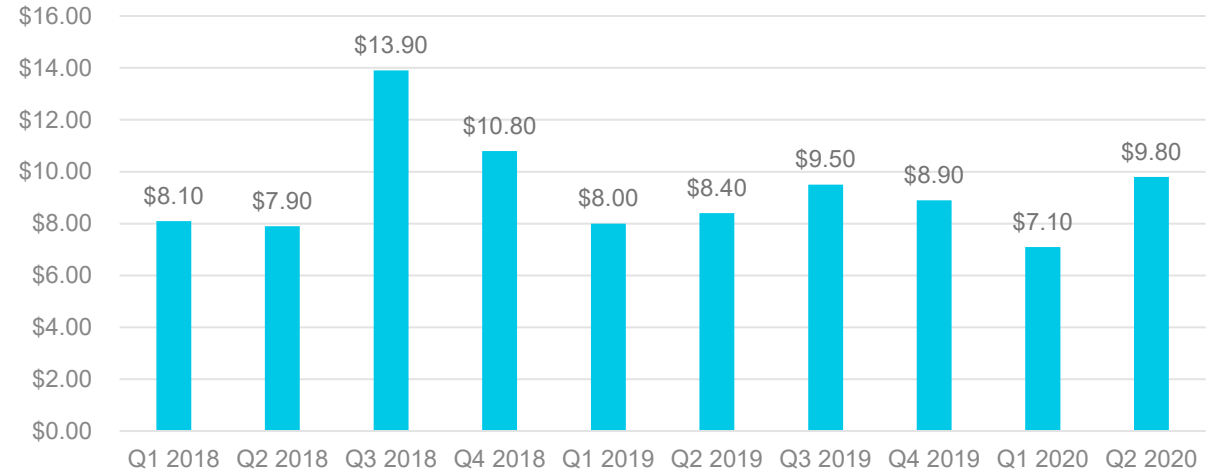
- Messaging Revenue up 71% over past two years
- Driven by growth from US and Japan Advanced Messaging contracts
- White-label email business provides strong recurring foundation
- Advanced Messaging is significant growth driver



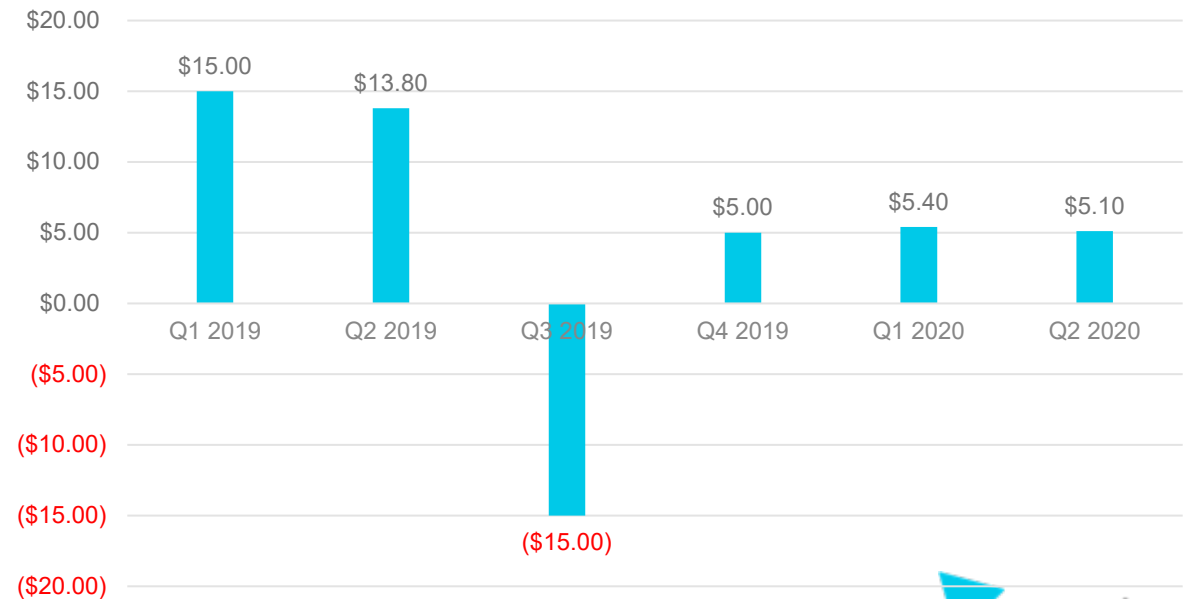
Digital

- Digital SaaS platforms provide a solid revenue foundation
 - DXP
 - Financial Analytics
 - iNOW
 - Spatial
- Legacy activation revenue negatively impacted by STI financial issues and slowing of smartphone adoption and upgrade cycles

Digital SaaS Revenue



Digital Activation Revenue



Sale of STI to APC Holdings



Unlocking supplier **value**.
Propelling corporate **growth**.

- APC Holdings, LLC (APCH) is a private investment and corporate development firm that specializes in bridging the gaps between the needs of Fortune 500 companies and the capabilities of their Minority Suppliers.
- As a result STI has secured Minority Business Enterprise Certification
- Transaction consummated in April 2020
- SNCR receives \$10 million, three-year note as part of the transaction
- Earn outs based on financial milestones total approximately \$6 million



Richard M. Powell
CO-FOUNDER & SR.MANAGING DIRECTOR
APC Holdings

Mr. Powell has experience in finance, management and e-business. He has worked on a variety of transactions including mergers & acquisitions through leveraged buyouts, Sponsor-backed Management Buyouts, Debt Financings, and Initial Public Offerings. He graduated with an AB in Economics from Harvard University. He previously worked at Bear Stearns and UBS Warburg.



Alex Parker
New CEO of STI
Former Senior Vice President, Delivery Excellence, AT&T

Mr. Parker previously worked at AT&T for 27-years, building a career with a broad range of leadership roles in P&L management in sales and services, supporting state and local government, wireline and wireless customer segments. Most recently, Mr. Parker leads a team of 5,000+ associates for delivery of wireline services for all AT&T business customers worldwide. He has a B.S. in Computer Science from the Georgia Institute of Technology, and a Masters in International Business from St. Louis University.

Cash and Liquidity

- Synchronoss anticipates ample liquidity throughout 2020
- Q1 and Q2 cost cutting actions will enhance EBITDA to Free Cash Flow conversion beginning in 2H 2020

Liquidity:	At 6/30/2020:
Cash and Equivalents	\$42.8 million
Citizens Bank Note (included in total)	\$10 million
Total Liquidity	\$42.8 million

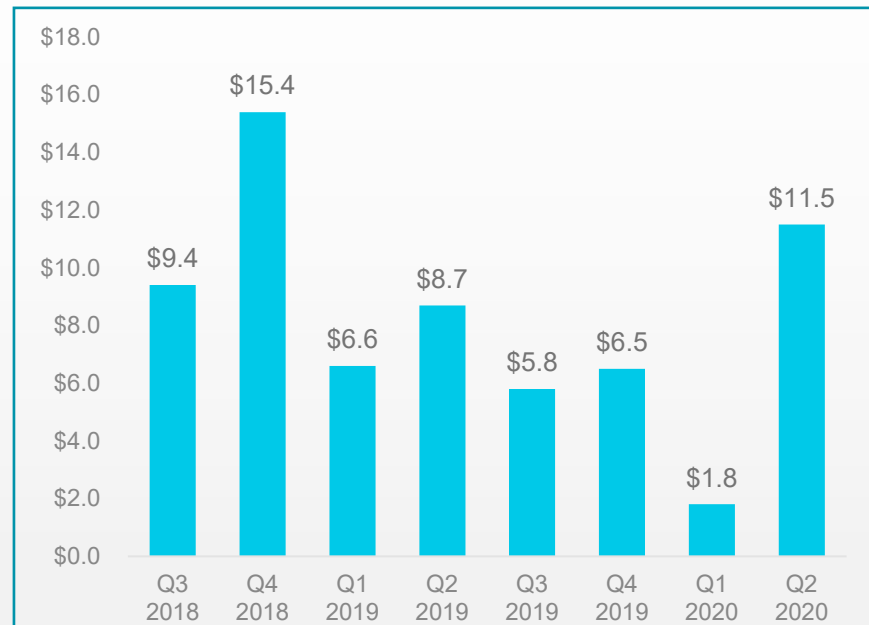
Impact of Verizon Renewal on 2020 EBITDA Guidance

(\$ Millions)	Low	High
Original guidance	\$25.0	\$35.0
VZ 2H 2020 deferred revenue	(\$10.0)	(10.0)
Implied guidance	\$15.0	\$25.0
New guidance – Narrowed to top half of range	\$20.0	\$25.0

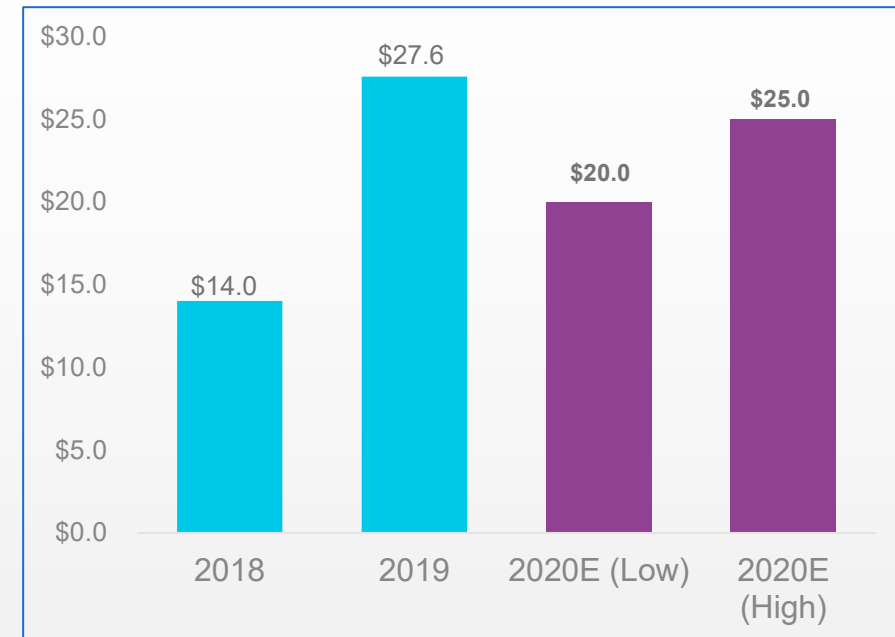
- Verizon renewal removed approximately \$10M of non-cash deferred revenue from 2H 2020
- Under 606 Accounting rules, this remaining \$10M of deferred revenue will amortize over the new contract term
- Implied Adjusted EBITDA guidance range is \$15M - \$25M
- However, we are also narrowing the range at the top half of the range to now expect \$20M - \$25M of Adjusted EBITDA for the full year.

Return to Double Digit Adjusted EBITDA in Q2 2020

Quarterly EBITDA Trend (\$mil)



Annual EBITDA Trend (\$mil)



- ✓ Year over year improvement in adjusted EBITDA demonstrates effectiveness of ongoing cost reduction efforts
- ✓ Expected 2020 EBITDA revised to \$20-\$25 million due to Verizon contract renewal and concurrent elimination of \$10 million of non-cash deferred revenue from 2H2020 forecast

Series A Convertible Participating Perpetual Preferred Stock

Holder:	Siris Capital
Original Issue Amount:	\$185 million
Dividend:	14.5% per annum, payable in kind or in cash at Company's sole discretion
Issue Date:	February 15, 2018
Maturity:	February 15, 2023 At maturity, company has the option to issue a senior unsecured note with principal equal to the Redemption Price and interest rate equal to the Dividend Rate with an additional term to maturity of one year
Prepayment:	SNCR has the option to prepay without penalty beginning August 15, 2020
Redemption Value:	\$243.1 million through August 15, 2020 (including prepayment penalty)

Synchronoss has a Focused Agenda for Profitable Growth in 2020 and Beyond



We are participating in large markets with growth potential



We have existing relationships to leverage across our portfolio



We are penetrating new vertical markets through direct and partner channels



We are participating in recurring revenue business models that scale with time

Now, More than Ever, Our Platforms are Vital to Helping our Customers Grow New Revenue, Lower Costs and Provide their Customers with Essential Services



2020

APPENDIX

Reconciliation of GAAP to non-GAAP Financial Measures – Adjusted EBITDA (\$000s, unaudited)

	Three Months Ended				Jun 30, 2020	Six Months Ended	
	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020		Jun 30, 2020	Jun 30, 2019
Net (loss) income attributable to Synchronoss	\$ (25,030)	\$ (69,432)	\$ (14,678)	\$ (12,275)	\$ (10,148)	\$ (22,423)	\$ (52,617)
Add / (Less):							
Stock-based compensation expense	5,474	6,000	5,222	5,169	4,987	10,156	11,028
Acquisition costs	(42)	—	—	—	—	—	(230)
Restructuring, transition, and cease-use lease expense	474	6,215	17	1,696	7,003	8,699	1,214
Cumulative adjustment to STI receivable	—	26,044	—	—	—	—	—
Litigation, remediation and refiling costs	782	4	1,320	824	733	1,557	1,502
Depreciation and amortization	20,269	18,508	18,116	11,356	10,284	21,640	40,412
Interest income	(299)	(228)	(542)	(58)	(1,509)	(1,567)	(488)
Interest Expense	463	203	104	245	84	329	1,048
Gain on Extinguishment of debt	(430)	(5)	—	—	—	—	(817)
Other (Income) expense, net	24	422	(7,372)	(1,692)	(1,367)	(3,059)	(439)
Equity method investment loss	376	—	—	—	—	—	1,619
Provision (benefit) for income taxes	(1,844)	9,849	(4,439)	(12,432)	(7,972)	(20,404)	(3,235)
Net (loss) income attributable to noncontrolling interests	593	25	194	17	165	182	906
Preferred dividend	7,859	8,194	8,544	8,908	9,289	18,197	15,396
Adjusted EBITDA (non-GAAP)	<u>\$ 8,669</u>	<u>\$ 5,799</u>	<u>\$ 6,486</u>	<u>\$ 1,758</u>	<u>\$ 11,549</u>	<u>\$ 13,307</u>	<u>\$ 15,299</u>

Reconciliation of GAAP to non-GAAP Financial Measures (\$000s, unaudited)

	Three Months Ended Jun 30,		Six Months Ended Jun 30,	
	2020	2019	2020	2019
Non-GAAP financial measures and reconciliation:				
GAAP Revenue	\$ 76,535	\$ 77,846	\$ 153,657	\$ 165,951
Less: Cost of revenues	29,480	33,403	64,951	72,356
Gross Profit	47,055	44,443	88,706	93,595
Add / (Less):				
Stock-based compensation expense	641	657	1,394	1,343
Restructuring, transition, and cease-use lease expense	243	—	283	—
Adjusted Gross Profit	\$ 47,939	\$ 45,100	\$ 90,383	\$ 94,938
Adjusted Gross Margin	62.6 %	57.9 %	58.8 %	57.2 %
GAAP Net loss attributable to Synchronoss				
	\$ (10,148)	\$ (25,030)	\$ (22,423)	\$ (52,617)
Add / (Less):				
Stock-based compensation expense	4,987	5,474	10,156	11,028
Acquisition costs	—	(42)	—	(230)
Restructuring, transition, and cease-use lease expense	7,003	474	8,699	1,214
Amortization expense	4,062	7,123	8,696	13,252
Litigation, remediation and refiling costs	733	782	1,557	1,502
Non-GAAP Expenses attributable to Non-Controlling Interest	—	(39)	—	(76)
Non-GAAP Net Income (loss) from continuing operations attributable to Synchronoss	\$ 6,637	\$ (11,258)	\$ 6,686	\$ (25,927)
Diluted Non-GAAP Net Income (loss) from continuing operations per share				
	\$ 0.16	\$ (0.28)	\$ 0.16	\$ (0.64)
Weighted shares outstanding - Diluted	41,697	40,810	41,482	40,566