

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported): **June 28, 2024 (June 28, 2024)**

Synchronoss Technologies, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-40574
(Commission
File Number)

06-1594540
(IRS Employer
Identification No.)

200 Crossing Boulevard, 8th Floor
Bridgewater, New Jersey
(Address of Principal Executive Offices)

08807
(Zip Code)

Registrant's telephone number, including area code: **(866) 620-3940**

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

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

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

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

Emerging growth company

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.0001 par value	SNCR	The Nasdaq Stock Market, LLC
8.375% Senior Notes due 2026	SNCRL	The Nasdaq Stock Market, LLC

Item 1.01. Entry into a Material Definitive Agreement.

Credit Agreement

On June 28, 2024 (the “Effective Date”), Synchronoss Technologies, Inc. (“Synchronoss” or the “Company”) entered into a Credit Agreement (the “Credit Agreement”) with BGC Lender Rep LLC, as administrative agent, and the lenders party thereto. The Credit Agreement established a senior secured term loan facility of up to \$75.0 million (the “Term Loan”), all of which was funded on the Effective Date. The proceeds of the Term Loan will be used to (i) fund the Senior Note Repurchase (as defined below), (ii) to fund the Series B Repurchase (as defined below) and (iii) to pay transaction fees and expenses associated with the closing of the transactions contemplated by the Credit Agreement.

The Term Loan matures on June 28, 2028 (the “Maturity Date”); provided that if (i) Synchronoss’ 8.375% Senior Notes due 2026 (the “Senior Notes”) are not refinanced, redeemed or repaid in full prior to March 31, 2026, the Maturity Date shall be March 31, 2026 and (ii) in the event of a refinancing, redemption or repayment of the Senior Notes in full prior to March 31, 2026, the Maturity Date shall be the earlier of (A) June 28, 2028 and (B) the date that is twelve (12) months prior to the final stated maturity date for the indebtedness resulting from such refinancing, redemption or repayment of the Senior Notes in full.

The Term Loan bears interest at a rate per annum equal to the Adjusted Term SOFR (as defined in the Credit Agreement) for the applicable interest period, plus 5.50%, subject to a floor of 2.50%.

The Credit Agreement requires Synchronoss to repay the outstanding principal amounts of the Term Loan in an amount of \$468,750 on the last day of each fiscal quarter beginning on September 30, 2024 and ending on June 30, 2026. Starting on September 30, 2026, and on the last day of each fiscal quarter thereafter, such repayments of outstanding principal shall be \$1,875,000. The final principal repayment of the Term Loan shall be repaid on the Maturity Date in an amount equal to the aggregate principal amount of the Term Loan outstanding on such date. The Company may at any time voluntarily prepay the Term Loan, in whole or in part subject to a variable prepayment fee if such prepayment is made prior to the third anniversary of the Effective Date. The Company may be required to pay an exit fee of \$1,500,000 if, among other things, the Maturity Date is extended beyond March 31, 2026. The Credit Agreement also contains mandatory prepayment provisions that are customary for secured financings of this type from excess cash flow and with the proceeds of certain asset sales, tax refunds, equity sales or issuances, and debt issuances, each as more fully described in the Credit Agreement.

Synchronoss’ obligations under the Credit Agreement are secured by substantially all of the assets (other than existing real property) of Synchronoss. Other than an Irish Subsidiary (as defined in the Credit Agreement), none of Synchronoss’ direct or indirect foreign subsidiaries or immaterial subsidiaries has guaranteed the Credit Facility, but under certain circumstances, such subsidiaries may become guarantors. The Credit Facility contains customary covenants that limit Synchronoss’ ability and its restricted subsidiaries to, among other things, (i) incur additional indebtedness, (ii) pay dividends or make certain other restricted payments, (iii) sell assets, (iv) make certain investments, (v) grant liens and (vi) enter into transactions with affiliates. These covenants are subject to exceptions and qualifications set forth in the Credit Agreement. The financial covenants set forth in the Credit Agreement include (i) a maximum consolidated secured leverage ratio, which will be tested at the end of each of Synchronoss’ fiscal quarter and (ii) an average liquidity requirement for any calendar month. All borrowings under the Credit Facility are subject to the satisfaction of customary conditions, including the absence of a default and the accuracy of representations and warranties subject to certain exceptions.

The foregoing description of the Credit Facility and Term Loan does not purport to be complete and is qualified in its entirety by the full text of the Credit Agreement, a copy of which will be filed with the exhibits to Synchronoss’ Quarterly Report on Form 10-Q for the quarter ending June 30, 2024.

Note Repurchase Agreement

On June 28, 2024, Synchronoss entered into a privately-negotiated Note Repurchase Agreement (the “Note Repurchase Agreement”) with BRF Investments, LLC and B. Riley Securities, Inc. pursuant to which Synchronoss repurchased an aggregate principal amount of \$19,689,750 of the Senior Notes, for an aggregate purchase price of \$16,500,011, representing an amount of cash equal to \$20.95 per \$25.00 principal amount of Senior Notes repurchased (the “Senior Note Repurchase”), consisting of 763,252 Senior Notes repurchased from BRF Investments, LLC and 24,338 Senior Notes repurchased from B. Riley Securities, Inc.

Synchronoss had previously issued \$141 million in aggregate principal amount of Senior Notes pursuant to an Indenture, dated as of June 30, 2021, between Synchronoss and The Bank of New York Mellon Trust Company, N.A., as trustee (the

“Trustee”), as supplemented by the First Supplemental Indenture, dated as of June 30, 2021. Following the closing of the Senior Note Repurchase, the repurchased Senior Notes will be cancelled by the Trustee, at the instruction of Synchronoss. After such closing, \$121.4 million in aggregate principal amount of Senior Notes remain outstanding.

The foregoing description of the Note Repurchase Agreement and the Senior Note Repurchase does not purport to be complete and is qualified in its entirety by the full text of the Note Repurchase Agreement, a copy of which will be filed with the exhibits to Synchronoss’ Quarterly Report on Form 10-Q for the quarter ending June 30, 2024.

Repurchase and Elimination of Series B Preferred Stock

On June 28, 2024, Synchronoss entered into a privately-negotiated Series B Repurchase Agreement (the “Series B Repurchase Agreement”) with BRF Investments, LLC, pursuant to which Synchronoss repurchased 60,826 shares of its Series B Perpetual Non-Convertible Preferred Stock (the “Series B Preferred”), for an aggregate purchase price of \$52.6 million (the “Series B Repurchase”). As a result of the Series B Repurchase, no shares of the Series B Preferred remain outstanding.

The foregoing description of the Series B Repurchase Agreement and Series B Repurchase does not purport to be complete and is qualified in its entirety by the full text of the Series B Repurchase Agreement, a copy of which will be filed with the exhibits to Synchronoss’ Quarterly Report on Form 10-Q for the quarter ending June 30, 2024.

Following completion of the Series B Repurchase and the retirement of all outstanding shares of Series B Preferred, Synchronoss expects to file a Certificate of Elimination for the Series B Preferred.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information disclosed in Item 1.01 above is incorporated herein by reference.

Item 3.03. Material Modification to Rights of Security Holders.

The information disclosed in Item 1.01 above is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On June 28, 2024, Synchronoss issued a press release announcing the Credit Agreement, the Senior Note Repurchase and the Series B Repurchase, a copy of which is attached as Exhibit 99.1 hereto and incorporated herein by reference. Information furnished under this Item 7.01, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as may be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>	<u>Filed Herewith</u>
99.1	Press Release of Synchronoss Technologies, Inc. dated June 28, 2024.	x

SIGNATURES

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

Date: June 28, 2024

Synchronoss Technologies, Inc.

/s/ Louis Ferraro

Name: **Louis Ferraro**
Title: **Chief Financial Officer**



Synchronoss Technologies Significantly Improves Capital Structure Through Discounted Retirement of Series B Preferred and Reduction in Senior Note Obligation

\$75.0 Million Financing Proceeds to be Used for Repurchase of All Outstanding Shares of Series B Preferred and Repurchase of Approximately \$19.7 Million of Senior Notes at a Discount to Face Value

Combined Transactions Expected to Result in a \$7.3 Million Improvement to Capital Structure Plus Approximately \$10.6 Million in Pre-Tax Cost Savings

BRIDGEWATER, NJ – June 28, 2024 – **Synchronoss Technologies, Inc. (“Synchronoss” or the “Company”)** (Nasdaq: SNCR), a global leader and innovator in personal Cloud platforms, today announced the retirement of its outstanding Series B Perpetual Non-Convertible Preferred Stock (the “Series B Preferred”) and \$19.7 million of its outstanding 8.375% Senior Notes due 2026 (“Senior Notes”) funded by a new \$75.0 million term loan with alternative credit manager **AS Birch Grove**. This financing is intended to serve as the first step in a larger strategic plan designed to significantly enhance the Company’s financial position, capital structure, cash generation capabilities, and operational flexibility.

Once complete, the Company expects these actions to reduce its total outstanding net debt, inclusive of its retired Series B Preferred, by approximately \$7.3 million in addition to creating nearly \$10.6 million in projected pre-tax cost savings over the life of the term loan.

With the proceeds of the financing, Synchronoss intends to repurchase the remaining 60,826 shares of its outstanding Series B Preferred held by a subsidiary of B. Riley Financial, Inc. (Nasdaq: RILY) (“B. Riley”). The Company has agreed to repurchase the Series B Preferred for an aggregate purchase price of \$52.6 million (the “Series B Repurchase”). In addition to eliminating the \$60.8 million liquidation preference of the Series B Preferred, this Series B Repurchase also reduces cost of capital from 14% to SOFR+550 basis points per annum, resulting in annual pre-tax cost savings of over \$2.0 million.

Additionally, with the remaining proceeds from the term loan, Synchronoss intends to repurchase approximately \$19.7 million in principal of its 8.375% Senior Notes due 2026 (“Senior Notes”) from an affiliate of B. Riley for a total purchase price of \$16.5 million, to pay transaction fees and expenses associated with the financing, and for general corporate purposes.

Synchronoss believes that these measures collectively strengthen the capital structure of the Company and they are expected to be additive to the steps previously taken to position the Company to generate material free cash flows in 2024 and beyond.

Jeff Miller, CEO of Synchronoss Technologies Inc., stated, “Today’s announcement marks another major step in our ongoing evolution as we transform the business into a sustainably profitable and increasingly cash generative enterprise. Our ability to secure this financing from our new lending partner AS Birch Grove reflects the strong financial health of our Company and enables us to materially enhance our

balance sheet through our combined capital structure improvements. We are also grateful to B. Riley for their strategic support over the past three years as our largest shareholder, which has been integral to our transformation strategy, and we look forward to their continued support.”

Scott Cragg, Partner at AS Birch Grove, added, “We are excited to partner with Synchronoss and are impressed by the Company’s successful transformation into a pure-play global Cloud solutions provider. We are pleased to support the continued evolution of the Company’s industry-leading platform and execution of growth opportunities with both existing and future customers.”

TD Cowen acted as Exclusive Financial Advisor to Synchronoss. Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP served as legal counsel to Synchronoss. Cahill Gordon & Reindel LLP served as legal counsel to AS Birch Grove.

About AS Birch Grove

AS Birch Grove manages approximately \$8 billion in assets across Multi-Strategy Credit, CLOs and Private Credit strategies. The firm was formed in 2021 through the merger of American Securities credit business and Birch Grove Capital. Birch Grove’s private credit funds focus on providing solution capital to middle market companies in transition and maintain a flexible mandate with the ability to support a wide variety of capital structures to enable customized solutions for businesses. For more information, please visit www.asbirchgrove.com.

About Synchronoss

Synchronoss Technologies (Nasdaq: SNCR), a global leader in personal Cloud solutions, empowers service providers to establish secure and meaningful connections with their subscribers. Synchronoss’ SaaS Cloud platform simplifies onboarding processes and fosters subscriber engagement, resulting in enhanced revenue streams, reduced expenses, and faster time-to-market. Millions of subscribers trust Synchronoss to safeguard their most cherished memories and important digital content. Explore how Synchronoss’ Cloud-focused solutions redefine the way you connect with your digital world at www.synchronoss.com.

Forward-Looking Statements

This press release includes statements concerning Synchronoss and its future expectations, plans and prospects that constitute “forward-looking statements” within the meaning of federal securities law. These forward-looking statements reflect the Company’s current views with respect to, among other things, the closing of the repurchases of Series B Preferred and Senior Notes, the use of proceeds from the term loan, the costs savings and future benefits of the financing and repurchases and the Company’s financial performance. These statements are often, though not always made through the use of words or phrases such as “may,” “might,” “should,” “could,” “predict,” “will,” “seek,” “estimate,” “project,” “projection,” “annualized,” “strive,” “goal,” “target,” “outlook,” “aim,” “expect,” “plan,” “anticipate,” “intends,” “believes,” “potential” or “continue” or other similar expressions are intended to identify forward-looking statements. These forward-looking statements are not historical facts and are based on current expectations and projections about future events and financial trends that management believes may affect its business, financial condition and results of operations, any of which, by their nature, are uncertain and beyond Synchronoss’ control. Accordingly, any such forward looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although Synchronoss believes that the expectations reflected in these forward looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward looking statements. Except as otherwise indicated, 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 satisfaction of the customary closing conditions related to the repurchases of Series B Preferred and Senior Notes, 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 impact of legal proceedings involving the Company, including the litigation by the Securities and Exchange Commission (the "SEC") against certain former employees of the Company described in the Company's most recent SEC filings, 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, 2023, which is on file with the SEC and available on the SEC's website at www.sec.gov. Additional factors may be described in those sections of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, expected to be filed with the SEC in the third quarter of 2024. The Company does not undertake any obligation to update any forward-looking statements contained in this press release as a result of new information, future events or otherwise.

Media Relations Contact:

Domenick Cilea

Springboard

dcilea@springboardpr.com

Investor Relations Contact:

Tom Colton and Alec Wilson

Gateway Group, Inc.

SNCR@gateway-grp.com