

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 September 30, 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
(State or other jurisdiction of
incorporation or organization)

06-1594540
(I.R.S. Employer
Identification No.)

200 Crossing Boulevard, 8th Floor
Bridgewater, New Jersey
(Address of principal executive offices)

08807
(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	SNCR1	The Nasdaq Stock Market, LLC

As of November 7, 2024, there were 10,839,269 shares of common stock issued and outstanding.

SYNCHRONOSS TECHNOLOGIES, INC.
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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)

	September 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 25,228	\$ 24,572
Accounts receivable, net	19,263	23,477
Prepaid & other current assets	33,449	33,953
Total current assets	77,940	82,002
Non-current assets:		
Property and equipment, net	2,973	3,673
Operating lease right-of-use assets	9,596	14,791
Goodwill	184,815	183,908
Intangible assets, net	20,908	22,214
Other assets, non-current	3,466	3,749
Total non-current assets	221,758	228,335
Total assets	\$ 299,698	\$ 310,337
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 5,691	\$ 7,475
Accrued expenses	32,489	39,127
Deferred revenues, current	1,498	1,095
Debt, current	1,875	—
Total current liabilities	41,553	47,697
Long-term debt, net of debt issuance costs	184,527	136,215
Deferred tax liabilities	3,918	3,207
Leases, non-current	18,416	23,593
Other liabilities, non-current	3,481	1,691
Total liabilities	251,895	212,403
Commitments and contingencies:		
Series B Non-Convertible Perpetual Preferred stock, \$0.0001 par value; 0 and 150 shares authorized, 0 and 61 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	—	58,802
Redeemable non-controlling interest	12,500	12,500
Stockholders' equity:		
Common stock, \$0.0001 par value; 16,667 shares authorized, 10,839 and 10,314 issued and outstanding at September 30, 2024 and December 31, 2023, respectively	1	1
Additional paid-in capital	492,914	483,527
Accumulated other comprehensive loss	(24,728)	(25,732)
Accumulated deficit	(432,884)	(431,164)
Total stockholders' equity	35,303	26,632
Total liabilities and stockholders' equity	\$ 299,698	\$ 310,337

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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net revenues	\$ 42,964	\$ 39,790	\$ 129,387	\$ 122,794
Costs and expenses:				
Cost of revenues ¹	8,975	9,478	29,599	31,926
Research and development	10,333	9,304	32,560	35,322
Selling, general and administrative	13,755	20,285	39,800	53,507
Restructuring charges	—	28	267	391
Depreciation and amortization	4,386	4,482	12,773	12,478
Total costs and expenses	<u>37,449</u>	<u>43,577</u>	<u>114,999</u>	<u>133,624</u>
Income (loss) from operations	5,515	(3,787)	14,388	(10,830)
Interest income	165	149	556	370
Interest expense	(5,526)	(3,482)	(12,529)	(10,397)
Other (expense) income, net	(5,241)	4,456	(210)	1,213
(Loss) income from continuing operations, before taxes	(5,087)	(2,664)	2,205	(19,644)
Provision for income taxes	(628)	(23)	(3,939)	(850)
Net loss from continuing operations	(5,715)	(2,687)	(1,734)	(20,494)
Discontinued operations (Note 4):				
Income from discontinued operations, before taxes	—	851	—	224
Provision for income taxes	—	(843)	—	(1,858)
Net income (loss) from discontinued operations	—	8	—	(1,634)
Net loss	(5,715)	(2,679)	(1,734)	(22,128)
Net income (loss) attributable to redeemable non-controlling interests	14	(18)	14	10
Preferred stock dividend and gain on repurchase of preferred stock	—	(2,474)	(1,562)	(7,423)
Net loss attributable to Synchronoss	<u>\$ (5,701)</u>	<u>\$ (5,171)</u>	<u>\$ (3,282)</u>	<u>\$ (29,541)</u>
Earnings (loss) per share:				
Basic:				
Net loss from continuing operations	\$ (0.56)	\$ (0.53)	\$ (0.33)	\$ (2.87)
Net loss from discontinued operations	—	—	—	(0.17)
Basic	<u>\$ (0.56)</u>	<u>\$ (0.53)</u>	<u>\$ (0.33)</u>	<u>\$ (3.04)</u>
Diluted:				
Net loss from continuing operations	\$ (0.56)	\$ (0.53)	\$ (0.33)	\$ (2.87)
Net loss from discontinued operations	—	—	—	(0.17)
Diluted	<u>\$ (0.56)</u>	<u>\$ (0.53)</u>	<u>\$ (0.33)</u>	<u>\$ (3.04)</u>
Weighted-average common shares outstanding:				
Basic	<u>10,095</u>	<u>9,809</u>	<u>9,994</u>	<u>9,716</u>
Diluted	<u>10,095</u>	<u>9,809</u>	<u>9,994</u>	<u>9,716</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)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Net loss:	\$ (5,715)	\$ (2,679)	\$ (1,734)	\$ (22,128)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	9,279	(8,069)	1,004	(3,328)
Total other comprehensive income (loss)	9,279	(8,069)	1,004	(3,328)
Comprehensive income (loss)	3,564	(10,748)	(730)	(25,456)
Comprehensive income (loss) attributable to redeemable non-controlling interests	14	(18)	14	10
Comprehensive income (loss) attributable to Synchronoss	<u>\$ 3,578</u>	<u>\$ (10,766)</u>	<u>\$ (716)</u>	<u>\$ (25,446)</u>

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended September 30, 2024					
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated deficit	Total Stockholders' Equity
	Shares	Par Value				
Balance at June 30, 2024	10,815	\$ 1	\$ 491,808	\$ (34,007)	\$ (427,183)	\$ 30,619
Stock-based compensation	—	—	884	—	—	884
Issuance of restricted stock	2	—	—	—	—	—
Issuance of common stock on exercise of options	22	—	236	—	—	236
Net loss	—	—	—	—	(5,715)	(5,715)
Non-controlling interest	—	—	(14)	—	14	—
Total other comprehensive income	—	—	—	9,279	—	9,279
Balance at September 30, 2024	10,839	\$ 1	\$ 492,914	\$ (24,728)	\$ (432,884)	\$ 35,303

	Three Months Ended September 30, 2023					
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated deficit	Total Stockholders' Equity
	Shares	Par Value				
Balance at June 30, 2023	10,433	\$ 1	\$ 486,587	\$ (39,390)	\$ (396,050)	\$ 51,148
Stock-based compensation	—	—	1,349	—	—	1,349
Issuance of restricted stock	(6)	—	—	—	—	—
Preferred stock dividend	—	—	(2,474)	—	—	(2,474)
Shares withheld for taxes in connection with issuance of restricted stock	(14)	—	(117)	—	—	(117)
Net loss	—	—	—	—	(2,679)	(2,679)
Non-controlling interest	—	—	18	—	(18)	—
Total other comprehensive loss	—	—	—	(8,069)	—	(8,069)
Balance at September 30, 2023	10,413	\$ 1	\$ 485,363	\$ (47,459)	\$ (398,747)	\$ 39,158

See accompanying notes to condensed consolidated financial statements.

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

	Nine Months Ended September 30, 2024						
	Common Stock			Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated deficit	Total Stockholders' Equity
	Shares	Par Value					
Balance at December 31, 2023	10,314	\$ 1	\$ 483,527	\$ (25,732)	\$ (431,164)	\$ 26,632	
Stock-based compensation	—	—	2,866	—	—	2,866	
Issuance of restricted stock	503	—	—	—	—	—	
Preferred stock dividend	—	—	(4,258)	—	—	(4,258)	
Issuance of common stock on exercise of options	22	—	236	—	—	236	
Shares withheld for taxes in connection with issuance of restricted stock	—	—	(1)	—	—	(1)	
Net loss	—	—	—	—	(1,734)	(1,734)	
Non-controlling interest	—	—	(14)	—	14	—	
Total other comprehensive income	—	—	—	1,004	—	1,004	
Gain on Series B Preferred stock repurchase	—	—	2,696	—	—	2,696	
Gain on Senior Notes repurchase	—	—	7,862	—	—	7,862	
Balance at September 30, 2024	10,839	\$ 1	\$ 492,914	\$ (24,728)	\$ (432,884)	\$ 35,303	

	Nine Months Ended September 30, 2023						
	Common Stock			Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated deficit	Total Stockholders' Equity
	Shares	Par Value					
Balance at December 31, 2022	10,137	\$ 1	\$ 488,856	\$ (44,131)	\$ (376,629)	\$ 68,097	
Stock-based compensation	—	—	4,189	—	—	4,189	
Issuance of restricted stock	306	—	—	—	—	—	
Preferred stock dividend	—	—	(7,423)	—	—	(7,423)	
Shares withheld for taxes in connection with issuance of restricted stock	(30)	—	(249)	—	—	(249)	
Net loss	—	—	—	—	(22,128)	(22,128)	
Non-controlling interest	—	—	(10)	—	10	—	
Total other comprehensive loss	—	—	—	(3,328)	—	(3,328)	
Balance at September 30, 2023	10,413	\$ 1	\$ 485,363	\$ (47,459)	\$ (398,747)	\$ 39,158	

See accompanying notes to condensed consolidated financial statements.

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

	Nine Months Ended September 30,	
	2024	2023
Operating activities:		
Net loss from continuing operations	\$ (1,734)	\$ (20,494)
Net loss from discontinued operations	—	(1,634)
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Depreciation and amortization	12,773	21,997
Amortization of debt issuance costs	1,491	1,136
Loss on disposals of fixed assets	73	25
Gain on disposals of intangible assets	(278)	—
Amortization of debt discount	79	72
Sublease receivable impairment	806	—
Deferred income taxes	710	76
Stock-based compensation	5,376	4,605
Impairment of STI Loan and iQmetrix receivable	—	6,317
Operating lease impairment, net	2,163	2,075
Other, net	257	(1,941)
Changes in operating assets and liabilities:		
Accounts receivable, net	3,386	14,717
Prepaid expenses and other current assets	(1,098)	(1,240)
Accounts payable	(1,527)	(1,337)
Accrued expenses	(6,717)	(7,420)
Other assets	290	(102)
Deferred revenues	407	5,427
Other liabilities	(1,252)	(3,043)
Net cash provided by operating activities	\$ 15,205	\$ 19,236

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

	Nine Months Ended September 30,	
	2024	2023
Investing activities:		
Purchases of fixed assets	\$ (1,038)	\$ (1,229)
Additions to capitalized software	(9,864)	(14,660)
Proceeds from the sale of intangibles	278	—
Proceeds from the divestiture, net	1,515	—
Net cash used in investing activities	(9,109)	(15,889)
Financing activities:		
Share-based compensation-related proceeds, net of taxes paid on withholding shares	236	—
Taxes paid on withholding shares	(1)	(249)
Debt issuance costs related to Term Loan	(6,792)	—
Proceeds from issuance of Term Loan	75,000	—
Repurchase of Senior Notes and related costs	(11,524)	—
Repayment of Term Loan	(469)	—
Drawdown on A/R Facility	9,000	6,000
Repayment of A/R Facility	(9,000)	(6,000)
Series B Preferred dividend paid in the form of cash	(4,258)	(7,247)
Repurchase of Series B Preferred stock	(57,576)	—
Net cash used in financing activities	(5,384)	(7,496)
Effect of exchange rate changes on cash	(56)	(198)
Net increase (decrease) in cash and cash equivalents	656	(4,347)
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	25,228	14,088
Ending cash and cash equivalents of discontinued operations	—	3,486
Ending cash and cash equivalents	\$ 25,228	\$ 17,574

See accompanying notes to condensed consolidated financial statements.

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 income (loss) from discontinued operations, before taxes in the Consolidated Statements of Operations for prior periods presented. There were no assets and liabilities related to discontinued operations as of September 30, 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 and nine months ended September 30, 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 nine months ended September 30, 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 Earnings Per Share ("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.

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 StandardsStandards 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 Planned date of adoption: January 1, 2025	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 the changes and does not anticipate any material impact on the Company's consolidated financial position or results of operations upon adoption.
Update 2023-09 - Income Taxes (Topic 740) - Improvements to Income Tax Disclosures Planned date of adoption: January 1, 2025	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 the changes and does not anticipate any material impact on the Company's consolidated financial position or results of operations upon adoption.
Update 2023-07 - Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures Planned date of adoption: December 31, 2024	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 the changes and does not anticipate any material impact on the Company's consolidated financial position or results of operations upon adoption.

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 September 30, 2024				Three Months Ended September 30, 2023			
	Cloud	NetworkX	Messaging ²	Total	Cloud	NetworkX ¹	Messaging ²	Total
Geography:								
Americas	\$ 40,200	\$ —	\$ —	\$ 40,200	\$ 36,714	\$ (39)	\$ 102	\$ 36,777
APAC	1,076	—	—	1,076	1,328	—	—	1,328
EMEA	1,688	—	—	1,688	1,685	—	—	1,685
Total	\$ 42,964	\$ —	\$ —	\$ 42,964	\$ 39,727	\$ (39)	\$ 102	\$ 39,790

Service Line:								
Professional Services	\$ 3,369	\$ —	\$ —	\$ 3,369	\$ 4,248	\$ —	\$ (51)	\$ 4,197
Transaction Services	—	—	—	—	—	—	—	—
Subscription Services	39,595	—	—	39,595	35,479	(39)	153	35,593
License	—	—	—	—	—	—	—	—
Total	\$ 42,964	\$ —	\$ —	\$ 42,964	\$ 39,727	\$ (39)	\$ 102	\$ 39,790

	Nine Months Ended September 30, 2024				Nine Months Ended September 30, 2023			
	Cloud	NetworkX	Messaging ²	Total	Cloud	NetworkX ¹	Messaging ²	Total
Geography:								
Americas	\$ 120,031	\$ —	\$ 124	\$ 120,155	\$ 111,674	\$ 779	\$ 773	\$ 113,226
APAC	4,229	—	—	4,229	4,122	—	—	4,122
EMEA	5,003	—	—	5,003	5,446	—	—	5,446
Total	\$ 129,263	\$ —	\$ 124	\$ 129,387	\$ 121,242	\$ 779	\$ 773	\$ 122,794

Service Line:								
Professional Services	\$ 11,231	\$ —	\$ —	\$ 11,231	\$ 13,278	\$ —	\$ (102)	\$ 13,176
Transaction Services	—	—	—	—	185	—	—	185
Subscription Services	118,032	—	26	118,058	107,375	779	875	109,029
License	—	—	98	98	404	—	—	404
Total	\$ 129,263	\$ —	\$ 124	\$ 129,387	\$ 121,242	\$ 779	\$ 773	\$ 122,794

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.

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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 Accounts receivable, net in its Consolidated Balance Sheets 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 \$0.1 million and \$1.2 million as of September 30, 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, current on the accompanying Consolidated Balance Sheets 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.

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	(129,618)
Amounts billed but not initially recognized as revenue	130,021
Balance at September 30, 2024	\$ 1,498

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 September 30, 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:

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- 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 September 30, 2024, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was \$181.2 million, of which approximately 72.7% 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 “Lumine 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 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, Razersight Software Solutions Ireland Limited, Spatial Software Solutions Ireland Limited, Razersight 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 was subject to set-off rights in certain circumstances and certain adjustments, was payable as follows: (i) \$31,300,000 (as adjusted) was paid in cash to the Company on the Lumine Closing Date, (ii) an additional \$7,200,000 was deposited by Buyer into an escrow account on the Lumine Closing Date (which amount remained in escrow until reconciliation of a net tangible asset adjustment), with any amounts in such escrow account released from escrow to either Buyer or the Company, based on whether such reconciliation indicated a deficit or a surplus in net tangible assets relative to a negotiated target amount, following such reconciliation process, which took in excess of 150 days following the Lumine Closing Date for the initial portion of the net tangible asset reconciliation and 300 days or more following the Lumine 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) could have 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 were resolved by the Company within 9 months following the Lumine 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 have 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 dividends.

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. 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 deferred consideration representing the estimated fair value of Purchase Price items ii, iii and iv

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referenced above, which were reflected in the Prepaid & other current assets line on the Consolidated Balance Sheets as of December 31, 2023. During the third quarter of 2024 final settlements were completed in accordance with the terms of the Purchase Agreement, resulting in the Company receiving \$1.5 million in cash which was reported under investing activities on the Consolidated Statements of Cash Flows.

The following tables set forth details of net income (loss) from discontinued operations for the three and nine months ended September 30, 2024 and 2023, respectively, related to Messaging and NetworkX Businesses sale.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net revenues	\$ —	\$ 15,858	\$ —	\$ 50,275
Costs and expenses:				
Cost of revenues ¹	—	8,419	—	28,134
Research and development	—	1,552	—	5,312
Selling, general and administrative	—	1,979	—	6,941
Restructuring charges	—	—	—	3
Depreciation and amortization	—	3,056	—	9,519
Total costs and expenses	—	15,006	—	49,909
Income from operations	—	852	—	366
Interest income	—	—	—	1
Other expense, net	—	(1)	—	(143)
Income from operations, before taxes	—	851	—	224
Provision for income taxes	—	(843)	—	(1,858)
Net income (loss)	\$ —	\$ 8	\$ —	\$ (1,634)

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

There were no assets and liabilities related to discontinued operations as of September 30, 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 nine months ended September 30, 2024 and 2023:

	Nine Months Ended September 30,	
	2024	2023
Operating activities:		
Depreciation and amortization	\$ —	\$ 9,519
Stock-based compensation	—	716
Investing activities:		
Additions to capitalized software	\$ —	\$ (4,077)

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 “iQmetrix Transaction”). The purchase price is payable as follows: (i) \$7.5 million on the iQmetrix closing date of the iQmetrix Transaction, (ii) \$0.5 million deposited into an

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escrow account on the iQmetrix Closing Date, (iii) \$1 million paid twelve (12) months from the iQmetrix 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 had fully reserved for the asset and related receivables recorded within the Selling, general and administrative expenses line item on the Consolidated Statements of Income, and is pursuing collection of the payment.

Note 5. Accounts Receivable Securitization Facility

On June 23, 2022 (the “A/R 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 A/R 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 A/R 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 A/R Closing Date, between the Company, as servicer, and Finacity Corporation, as administrator; and (iv) the Performance Guaranty (the “Performance Guaranty”) dated as of the A/R 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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For the nine months ended September 30, 2024 the Company drew \$9.0 million on the A/R Facility, and had repaid the balance in full as of September 30, 2024. For the nine months ended September 30, 2023 the Company drew \$6.0 million on the A/R Facility, and had repaid the balance in full as of September 30, 2023. The interest associated with the draw and repayment was not material for either period. The drawdown and subsequent repayment of the A/R Facility represent financing activities, as reported in the Consolidated Statements of Cash Flows. As of September 30, 2024 approximately \$3.1 million of the Company's receivables are held by SN Technologies. As of September 30, 2024 there were no outstanding borrowings against the A/R facility and \$3.1 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.
- 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 following is a summary of assets and liabilities, and their related classifications under the fair value hierarchy:

	September 30, 2024			
	Total	(Level 1)	(Level 2)	(Level 3)
Assets				
Money market accounts ¹	\$ 7,995	\$ 7,995	\$ —	\$ —
Total assets	\$ 7,995	\$ 7,995	\$ —	\$ —
Liabilities				
Performance-based cash units ^{2,3}	\$ 2,945	\$ —	\$ 2,945	\$ —
Total liabilities	\$ 2,945	\$ —	\$ 2,945	\$ —
December 31, 2023				
	Total	(Level 1)	(Level 2)	(Level 3)
Assets				
Money market accounts ¹	\$ 12,500	\$ 12,500	\$ —	\$ —
Total assets	\$ 12,500	\$ 12,500	\$ —	\$ —
Liabilities				
Performance-based cash units ^{2,3}	\$ 434	\$ —	\$ 434	\$ —
Total liabilities	\$ 434	\$ —	\$ 434	\$ —

¹ Included in Cash and cash equivalents on the Consolidated Balance Sheets.

² The short term portion is included in Accrued expenses and the long-term portion is included in Other liabilities, non-current on the Consolidated Balance Sheets.

³ For a discussion of performance-based cash units see Note 12. Stock Plans of the Notes to Condensed Consolidated Financial Statements in Item 1 of this Form 10-Q.

Refer to Note 9. Debt of the Notes to Condensed Consolidated Financial Statements in Item 1 of this Form 10-Q for presentation of Fair Value of Debt.

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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 three and nine months ended September 30, 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.

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:

	September 30, 2024	December 31, 2023
Operating lease assets:		
Non-current operating lease ROU assets	\$ 9,596	\$ 14,791
Finance lease assets:		
Equipment, net	899	1,094
Operating lease liabilities:		
Lease liabilities, current	5,953	5,838
Lease liabilities, non-current	18,024	23,037
Total operating lease liabilities	\$ 23,977	\$ 28,875
Finance lease liabilities:		
Lease liabilities, current	548	562
Lease liabilities, non-current	392	556
Total finance lease liabilities	\$ 940	\$ 1,118

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Finance leases:				
Interest expense	\$ 26	\$ 20	\$ 77	\$ 55
Depreciation expense	164	147	478	407
Total finance leases	\$ 190	\$ 167	\$ 555	\$ 462
Operating leases:				
Operating lease cost ¹	\$ 1,139	\$ 1,461	\$ 3,960	\$ 4,503
Other lease costs and income:				
Variable lease costs ¹	262	205	572	928
ROU assets impairments, net ^{1,2}	(115)	—	2,163	2,075
Sublease income ¹	(572)	(1,003)	(1,882)	(2,541)
Total operating leases	714	663	4,813	4,965
Total net lease cost	\$ 904	\$ 830	\$ 5,368	\$ 5,427

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 Consolidated Statements of Operations.

² Reflects impairments and remeasurements recorded for Bethlehem, Pennsylvania and Bangalore, India office locations in the current and prior periods, respectively.

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The following table provides the undiscounted amount of future cash flows included in our lease liabilities at September 30, 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 September 30, 2024:

	Operating Leases	Finance Leases
2024	\$ 1,901	\$ 168
2025	7,614	546
2026	7,621	280
2027	6,241	23
2028	4,278	—
Total future lease payments	27,655	1,017
Less: amount representing interest	(3,678)	(77)
Present value of future lease payments (lease liability)	<u>\$ 23,977</u>	<u>\$ 940</u>

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

	September 30, 2024	December 31, 2023
Weighted-average remaining lease term (years), weighted based on lease liability balances:		
Finance leases	1.83	2.19
Operating leases	3.72	4.40
Weighted-average discount rate (percentages), weighted based on the remaining balance of lease payments:		
Finance leases	9.8%	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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:				
Finance leases	\$ 186	\$ 170	\$ 534	\$ 456
Operating leases	1,924	1,979	5,848	5,985
Lease liabilities arising from obtaining right-of-use assets:				
Finance leases	\$ 178	\$ 223	\$ 283	\$ 581
Operating leases	—	—	—	—

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Note 9. Debt**2024 Term Loan**

On June 28, 2024 (the “Effective Date”), 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 were 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) the Company’s 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 Secured Overnight Financing Rate (“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 the Company 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 is required to pay an exit fee of \$1.5 million 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.

The Company made principal payments of \$0.5 million on the Term Loan for the three and nine months ending September 30, 2024 in line with the terms of the Credit Agreement.

The Company’s 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 the Company’s direct or indirect foreign subsidiaries or immaterial subsidiaries has guaranteed the loans under the Credit Agreement, but under certain circumstances, such subsidiaries may become guarantors. The Credit Agreement contains customary covenants that limit the Company’s 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 the Company’s fiscal quarter and (ii) an average liquidity requirement for any calendar month. All borrowings under the Credit Agreement 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. Upon the occurrence and continuance of an event of default, which, for example, could be triggered by a breach or violation of, or default under, certain material contracts of the Company, BGC Lender Rep may take either or both of the following actions: (i) terminate the commitments and (ii) declare all outstanding obligations immediately due and payable and take such other actions as set forth in the Credit Agreement.

The foregoing description of the Credit Agreement 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 is filed as Exhibit 10.1 to the Company’s Quarterly Report for the quarter ended June 30, 2024, which is on file with the SEC and available on the SEC’s website at www.sec.gov.

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The Company is in compliance with its debt covenants pertaining to the Term Loan as of September 30, 2024.

Repurchase of Senior Notes and Series B Preferred

The Company used \$66.5 million of the proceeds from the Term Loan and \$2.6 million non-interest-bearing deferred consideration, payable to B. Riley 180 calendar days following the Effective Date, for a total consideration of \$69.1 million (“the total consideration”) to repurchase 100% of its outstanding Series B Perpetual Non-Convertible Preferred Stock (the “Series B Preferred”) and 787,590 (14%) of its outstanding Senior Notes from B. Riley Principal Investments, LLC (“BRPI”), a related party.

The fair value of Series B Preferred stock of \$57.6 million was determined using a discounted cash flow model using level two inputs. The carrying value of Series B Preferred was \$58.2 million. The second quarter’s accrued dividend of \$2.1 million was forgiven at the time of the repurchase. The Series B Preferred repurchase gain of \$2.7 million was calculated as the fair value of consideration paid less the carrying value, less the second quarter’s accrued dividend forgiven. The \$2.7 million gain was accounted for as capital transaction and reflected as an adjustment to additional paid-in capital (“APIC”). While the transaction was not reflected in the income statement, the gain was reflected in the adjustment to net income from common shareholders for purposes of calculating EPS, for the nine months ended September 30, 2024.

The Company allocated \$57.6 million of the total consideration to the Series B Preferred based on the fair value and allocated the remaining consideration of \$11.5 million to the Senior Notes repurchase. The carrying value of Senior notes repurchased was \$19.1 million including \$0.6 million of unamortized debt issuance costs. The second quarter’s accrued interest of \$0.3 million was forgiven at the time of the repurchase. The Senior Note Repurchase gain of \$7.9 million was calculated as the remaining consideration paid of \$11.5 million less the carrying value, less the second quarter’s accrued interest forgiven. The Company accounted for the debt repurchase as a redemption with a related party. ASC 470-50-40-2 indicates that such an extinguishment transaction may be in essence a capital transaction. Therefore, the transaction was accounted for as a capital transaction and reflected as an adjustment to APIC, which resulted in a gain of \$7.9 million for the nine months ended September 30, 2024.

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.

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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 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.

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 "SNCR.L."

On June 28, 2024, Synchronoss repurchased 787,590 of its Senior Notes from BRPI, as described above.

The Company is in compliance with its debt covenants pertaining to the Senior Notes as of September 30, 2024.

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Carrying Value of Debt

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

	September 30, 2024	December 31, 2023
8.375% Senior Notes due 2026:		
Senior Notes	\$ 121,387	\$ 141,077
Unamortized discount and debt issuance cost ¹	(3,025)	(4,862)
Carrying value of Senior Notes	<u>118,362</u>	<u>136,215</u>
2024 Term Loan:		
Term Loan	74,531	—
Unamortized debt issuance cost ¹	(6,491)	—
Carrying value of Term Loan	<u>68,040</u>	<u>—</u>
Total carrying value of debt	<u><u>186,402</u></u>	<u><u>136,215</u></u>
Current portion of long-term debt	1,875	—
Long-term debt, net of current portion	\$ 184,527	\$ 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 Senior Notes was determined based on the closing trading price of the Senior Notes as of September 30, 2024 and is categorized accordingly as Level 2 in the fair value hierarchy. The fair value of the Term Loan was obtained using the Discounted Cash Flow valuation model (DCF) with observable inputs as of September 30, 2024 and is categorized accordingly as Level 2 in the fair value hierarchy.

	Balance at September 30, 2024				
	Carrying Amount	Fair Value			Total
		(Level 1)	(Level 2)	(Level 3)	
Total debt	\$ 186,402	\$ —	\$ 189,508	\$ —	\$ 189,508

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

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Interest Expense

The following table summarizes the Company's interest expense:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
2021 8.375% Senior Notes due 2026:				
Amortization of debt issuance costs	\$ 364	\$ 388	\$ 1,190	\$ 1,136
Interest on borrowings	2,541	2,954	8,449	8,862
Amortization of debt discount	27	25	79	72
2024 Term Loan:				
Amortization of debt issuance costs	293	—	301	—
Amortization of exit fee	64	—	66	—
Interest on borrowings	2,118	—	2,163	—
Other ¹	119	115	281	327
Total	<u>\$ 5,526</u>	<u>\$ 3,482</u>	<u>\$ 12,529</u>	<u>\$ 10,397</u>

¹ Includes interest on uncertain tax provisions.

Note 10. Accumulated Other Comprehensive (Loss) / Income

The changes in accumulated other comprehensive (loss) income during the nine months ended September 30, 2024 were as follows:

	Balance at December 31, 2023	Other comprehensive income	Tax effect	Balance at September 30, 2024
Foreign currency	\$ (22,212)	\$ 1,004	\$ —	\$ (21,208)
Unrealized loss on intercompany foreign currency transactions	(3,520)	—	—	(3,520)
Total	<u>\$ (25,732)</u>	<u>\$ 1,004</u>	<u>\$ —</u>	<u>\$ (24,728)</u>

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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-to-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 affect 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 went in effect simultaneously for all shares of Common Stock issued and outstanding, and affected all holders of the Company's Common Stock uniformly and did 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 September 30, 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.

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.

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.

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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. As of September 30, 2024, B. Riley Financial owned or beneficially owned 6.8% of the Company’s outstanding common stock.

Series B Non-Convertible Preferred

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”), for net proceeds of \$72.5 million (the “Series B Transaction”). The sale of the Series B Preferred 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 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 (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.

Repurchase of Series B Preferred

On June 28, 2024 the Company repurchased all outstanding shares of the Series B Preferred stock, as discussed in Note 9. Debt of the Notes to Condensed Consolidated Financial Statements in Item 1 of this Form 10-Q. On July 1, 2024 the Company filed a Certificate of Elimination to the Series B Certificate with the Secretary of State of the State of Delaware. As a result of the Series B Repurchase, no shares of the Series B Preferred remain outstanding and none are authorized for issuance as of September 30, 2024, and the authorized shares of Series B Preferred Stock were returned to the status of authorized but unissued shares of preferred stock of the Company, without designation as to series pursuant to the Certificate of Designations.

A summary of the Company’s Series B Perpetual Non-Convertible Preferred Stock balance at September 30, 2024 and changes during the nine months ended September 30, 2024, are presented below:

	Series B Preferred Stock	
	Shares	Amount
Balance at December 31, 2023 ¹	61	\$ 58,802
Excise tax on fair value of Series B Preferred stock at repurchase	—	(576)
Repurchase of Series B Preferred stock	(61)	(58,226)
Balance at September 30, 2024	—	\$ —

¹ Series B Preferred stock net principal balance of \$58.8 million is presented as gross principal balance of \$60.8 million net of \$2.0 million unamortized issuance costs.

The Company paid Series B Perpetual Preferred stock dividends of \$4.3 million in cash for the nine months ended September 30, 2024.

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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.

As of September 30, 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”).

At the annual meeting of stockholders the Company held on June 5, 2024, the Company’s stockholders approved the amendment and restatement of the Company’s 2015 Equity Incentive Plan to increase the maximum total number of shares of common stock issuable under the Plan by 1,053,000 shares.

As of September 30, 2024 the maximum number of shares of common stock authorized for issuance under the 2015 Plan and 2017 Plan was 5,741,576 shares and 229,635, respectively.

As of September 30, 2024, there were 1.1 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 grants restricted stock awards (“RSA”) and stock options that are subject to service conditions. The Company accounts for these awards under equity accounting. RSA are measured at the closing stock price at the date of grant and the fair value of stock options is calculated by using the Black-Scholes option pricing model. The expense for such awards is recognized straight line over the requisite service period.

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 ability to settle such awards in cash upon vesting. Performance-based cash units are measured at the closing stock price and at the fair value obtained using the Monte-Carlo simulation at the reporting period end date. The expense is recognized straight line over the requisite service period. The Company has reflected the short-term portion of PBCU liability in Accrued expenses, and the long-term portion in Other liabilities, non-current on the Consolidated Balance Sheets. As of December 31, 2023 the total liability for such awards was \$0.4 million with the entire amount recorded as a short-term. As of September 30, 2024, the total liability for such awards was \$2.9 million, of which \$2.0 million was short-term and \$0.9 million was long-term.

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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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cost of revenues	\$ 164	\$ 62	\$ 258	\$ 214
Research and development	832	320	1,415	1,176
Selling, general and administrative	2,025	656	3,703	2,499
Total stock-based compensation expense	<u>\$ 3,021</u>	<u>\$ 1,038</u>	<u>\$ 5,376</u>	<u>\$ 3,889</u>

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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Stock options	\$ 123	\$ 347	\$ 453	\$ 1,127
Restricted stock awards	761	791	1,950	2,411
Performance-based cash units	2,137	(100)	2,973	351
Total stock-based compensation before taxes	<u>\$ 3,021</u>	<u>\$ 1,038</u>	<u>\$ 5,376</u>	<u>\$ 3,889</u>
Tax benefit	<u>\$ 463</u>	<u>\$ 220</u>	<u>\$ 987</u>	<u>\$ 836</u>

Stock-based compensation expense related to stock options and restricted stock awards is recorded to APIC and reflected on the Statements of Stockholders' Equity, net of adjustments. PBCU expense is recorded to PBCU liability under Accrued expenses and Other liabilities, non-current on the Consolidated Balance Sheets due to the Company accounting for these awards as liability awards.

The total unamortized stock-based compensation cost related to unvested equity awards as of September 30, 2024 was \$5.0 million. The expense is expected to be recognized over a weighted-average period of approximately 2.0 years.

The total unamortized stock-based compensation cost related to unvested performance-based cash units as of September 30, 2024 was \$5.9 million. The expense is expected to be recognized over a weighted-average period of approximately 1.7 years.

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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 September 30, 2024 and changes during the nine months ended September 30, 2024, are presented below:

	Employee Termination Costs
Balance at December 31, 2023	\$ 2,388
Charges	267
Payments	(1,916)
Other adjustments	(7)
Balance at September 30, 2024	<u>\$ 732</u>

Note 14. Income Taxes

The Company recognized an income tax expense of approximately \$0.6 million for the three months ended September 30, 2024 and immaterial amount for the three months ended September 30, 2023. The Company recognized an income tax expense of approximately \$3.9 million and \$0.9 million during the nine months ended September 30, 2024 and 2023, respectively. The effective tax rate was approximately 178.6% for the nine months ended September 30, 2024, which was higher than the U.S. federal statutory rate primarily due to the impact of permanent adjustments, most notably Global Intangible Low-Taxed Income, partially offset by foreign tax rate differential. The Company's projection of U.S. 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 (4.3)% for the nine months ended September 30, 2023, which was lower than the U.S. federal statutory rate primarily due to pre-tax losses in jurisdictions where full valuation allowances have been recorded 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 positive and negative, that could affect the view of the future realization of deferred tax assets. As a result of this analysis, the Company continues to maintain a valuation allowance against the net deferred tax assets of the U.S. and most foreign jurisdictions as the realization of these assets is not more likely than not, given the uncertainty of future earnings in these jurisdictions.

Unrecognized tax benefits associated with uncertain tax positions were \$4.4 million at September 30, 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. It is reasonably possible that the balance of unrecognized tax benefits will decrease by approximately \$0.5 million 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 adverse effect on its results of operations. The Company has not accrued for any potential interest income related to the expected tax refund as of September 30, 2024.

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.

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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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Numerator - Basic:				
Net loss from continuing operations	\$ (5,715)	\$ (2,687)	\$ (1,734)	\$ (20,494)
Net income (loss) attributable to redeemable non-controlling interests	14	(18)	14	10
Preferred stock dividend and gain on repurchase of preferred stock	—	(2,474)	(1,562)	(7,423)
Net loss attributable to Synchronoss from continuing operations	(5,701)	(5,179)	(3,282)	(27,907)
Net income (loss) from discontinued operations	—	8	—	(1,634)
Net loss attributable to Synchronoss	<u>\$ (5,701)</u>	<u>\$ (5,171)</u>	<u>\$ (3,282)</u>	<u>\$ (29,541)</u>
Numerator - Diluted:				
Net loss attributable to Synchronoss from continuing operations	(5,701)	(5,179)	\$ (3,282)	\$ (27,907)
Net income (loss) from discontinued operations	—	8	—	(1,634)
Net loss attributable to Synchronoss	<u>\$ (5,701)</u>	<u>\$ (5,171)</u>	<u>\$ (3,282)</u>	<u>\$ (29,541)</u>
Denominator:				
Weighted average common shares outstanding — basic	10,095	9,809	9,994	9,716
Weighted average common shares outstanding — diluted	<u>\$ 10,095</u>	<u>\$ 9,809</u>	<u>\$ 9,994</u>	<u>\$ 9,716</u>
Earnings (loss) per share:				
Basic EPS:				
Net loss from continuing operations	\$ (0.56)	\$ (0.53)	\$ (0.33)	\$ (2.87)
Net loss from discontinued operations	—	—	—	(0.17)
Basic EPS	<u>\$ (0.56)</u>	<u>\$ (0.53)</u>	<u>\$ (0.33)</u>	<u>\$ (3.04)</u>
Diluted EPS:				
Net loss from continuing operations	\$ (0.56)	\$ (0.53)	\$ (0.33)	\$ (2.87)
Net loss from discontinued operations	—	—	—	(0.17)
Diluted EPS	<u>\$ (0.56)</u>	<u>\$ (0.53)</u>	<u>\$ (0.33)</u>	<u>\$ (3.04)</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 September 30, 2024 for each year subsequent to December 31, 2023 and thereafter, are as follows:

	Non-cancelable agreements
2024	\$ 5,010
2025	13,532
2026	1,715
2027	158
Total	<u>\$ 20,415</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. 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 (the "defendants"), alleging misconduct arising out of certain of the restated transactions that took place in 2015 and 2016 investigated by the SEC as set forth above. During the three months ended June 30, 2024, the Court entered final judgments in both of these civil actions pursuant to which the defendants agreed to pay civil penalties totaling an aggregate of \$145,000 and one defendant agreed to disgorge incentive compensation received during the period of the restated transactions in the amount of \$430,741. The Company has indemnified the defendants in these actions for certain costs and expenses, including reasonable attorney's fees, and as of September 30, 2024 the Company has accrued \$2.1 million relating to these actions.

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 \$1.2 million. On September

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

11, 2023, iQmetrix filed its “Answer Defenses and Counterclaims” against the Company, claiming the Company breached the 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 parties are currently engaged in discovery. 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 would be expected to 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 its 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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Foreign exchange gains (losses)	\$ (5,461)	\$ 4,455	\$ (440)	\$ 1,234
Income from sale of intangible assets ¹	278	—	278	—
Loss on disposal of fixed assets	(73)	(25)	(73)	(25)
Other ²	15	26	25	4
Total	\$ (5,241)	\$ 4,456	\$ (210)	\$ 1,213

¹ Represents gain on sale on the Company’s IP addresses and patents.

² Represents an aggregate of individually immaterial transactions.

The non-cash impact of the foreign exchange gains and losses on intercompany payables and receivables is reflected as an adjustment to reconcile the Net income to cash within the Other, net line item in the operating activities, as reported in the Consolidated Statements of Cash Flows.

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 97.9% and 97.4% of net revenues for the nine months ended September 30, 2024 and September 30, 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 September 30, 2024 compared to the three months ended September 30, 2023

The following table presents an overview of our results of operations for the three months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended September 30,		\$ Change
	2024	2023	2024 vs 2023
Net revenues	\$ 42,964	\$ 39,790	\$ 3,174
Cost of revenues ¹	8,975	9,478	(503)
Research and development	10,333	9,304	1,029
Selling, general and administrative	13,755	20,285	(6,530)
Restructuring charges	—	28	(28)
Depreciation and amortization	4,386	4,482	(96)
Total costs and expenses	37,449	43,577	(6,128)
Income (loss) from operations	5,515	(3,787)	9,302
Interest income	165	149	16
Interest expense	(5,526)	(3,482)	(2,044)
Other (expense) income, net	(5,241)	4,456	(9,697)
(Loss) income from continuing operations, before taxes	\$ (5,087)	\$ (2,664)	\$ (2,423)
Provision for income taxes	\$ (628)	\$ (23)	\$ (605)

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

Net revenues increased \$3.2 million to \$43.0 million for the three months ended September 30, 2024, compared to the same period in 2023. The overall increase in revenue was primarily due to continued cloud subscriber growth, partially offset by \$0.9 million higher professional services revenue in the prior year associated with the implementation and launch of SoftBank.

Cost of revenues decreased \$0.5 million to \$9.0 million for the three months ended September 30, 2024, compared to the same period in 2023. The 2024 decrease was primarily attributable to the reduced baseline employee costs due to restructuring measures taken in the fourth quarter of 2023, partially offset by higher performance-based compensation expense in the current period due to expected full-year metric attainment compared to the prior period performance.

Research and development expense increased \$1.0 million to \$10.3 million for the three months ended September 30, 2024, compared to the same period in 2023. The increase was primarily attributable to higher performance-based compensation expense in the current period due to expected full-year metric attainment compared to the prior period performance, partially offset by reduced baseline employee costs due to restructuring measures taken in the fourth quarter of 2023.

Selling, general and administrative expense decreased \$6.5 million to \$13.8 million for the three months ended September 30, 2024, compared to the same period in 2023. The 2024 decrease was mainly related to reduced baseline employee costs due to restructuring measures taken in the fourth quarter of 2023, \$2.1 million higher non-recurring professional fees incurred in the prior period and \$4.8 million impairment of the Note Receivable recorded in the third quarter of 2023. This was partially offset by a higher performance-based compensation expense in the current period due to expected full-year metric attainment compared to the prior period performance.

Restructuring charges were immaterial for the three months ended September 30, 2024 and immaterial for the three months ended September 30, 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 decreased immaterially for the three months ended September 30, 2024, compared to the same period in 2023.

Interest expense increased \$2.0 million for the three months ended September 30, 2024, compared to the same period in 2023. The increase is mainly due to \$2.1 million interest expense related to the new Term Loan the Company obtained at the end of the second quarter of 2024, which was used to retire the Series B Preferred stock, improving the Company's overall capital structure.

Other income (expense), net decreased \$9.7 million to expense of \$5.2 million for the three months ended September 30, 2024 from income of \$4.5 million during the same period in 2023 primarily due to the impact of foreign exchange losses on intercompany payables and receivables.

Income tax. The Company recognized an income tax expense of approximately \$0.6 million for the three months ended September 30, 2024 and immaterial amount for the three months ended September 30, 2023. The effective tax rate was approximately (12.3)% for the three months ended September 30, 2024, which was lower than the U.S. federal statutory rate primarily due to the impact of permanent adjustments including Global Intangible Low-Taxes Income and adjustments to valuation allowances associated with current year activity, partially offset by foreign tax rate differential. The Company's projection of U.S. 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 (0.9)% for the three months ended September 30, 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 and certain jurisdictions projecting current income tax expense.

Discussion of the Condensed Consolidated Statements of Operations

Nine months ended September 30, 2024 compared to the nine months ended September 30, 2023

The following table presents an overview of our results of operations for the nine months ended September 30, 2024 and 2023 (in thousands):

	Nine Months Ended September 30,		\$ Change
	2024	2023	2024 vs 2023
Net revenues	\$ 129,387	\$ 122,794	\$ 6,593
Cost of revenues ¹	29,599	31,926	(2,327)
Research and development	32,560	35,322	(2,762)
Selling, general and administrative	39,800	53,507	(13,707)
Restructuring charges	267	391	(124)
Depreciation and amortization	12,773	12,478	295
Total costs and expenses	114,999	133,624	(18,625)
Income (loss) from operations	14,388	(10,830)	25,218
Interest income	556	370	186
Interest expense	(12,529)	(10,397)	(2,132)
Other (expense) income, net	(210)	1,213	(1,423)
(Loss) income from continuing operations, before taxes	\$ 2,205	\$ (19,644)	\$ 21,849
Provision for income taxes	\$ (3,939)	\$ (850)	\$ (3,089)

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

Net revenues increased \$6.6 million to \$129.4 million for the nine months ended September 30, 2024, compared to the same period in 2023. The overall increase in revenue was primarily due to continued cloud subscriber growth, partially offset by \$2.0 million higher professional services revenue in the prior year associated with the implementation and launch of SoftBank.

Cost of revenues decreased \$2.3 million to \$29.6 million for the nine months ended September 30, 2024, compared to the same period in 2023. The 2024 decrease was primarily attributable to reduced baseline employee costs due to restructuring measures taken in the fourth quarter of 2023; partially offset by a higher performance-based compensation expense in the current period due to expected full-year metric attainment compared to the prior period performance.

Research and development expense decreased \$2.8 million to \$32.6 million for the nine months ended September 30, 2024, compared to the same period in 2023. The decrease was primarily attributable to reduced baseline employee costs due to restructuring measures taken in the fourth quarter of 2023; partially offset by a higher performance-based compensation expense in the current period due to expected full-year metric attainment compared to the prior period performance.

Selling, general and administrative expense decreased \$13.7 million to \$39.8 million for the nine months ended September 30, 2024, compared to the same period in 2023. The decrease was primarily attributable to reduced baseline employee costs due to restructuring measures taken in the fourth quarter of 2023, \$5.8 million higher non-recurring professional fees incurred in the prior period, and the \$4.8 million note receivable impairment recorded in the third quarter of 2023. This was partially offset by a higher performance-based compensation expense in the current period due to the expected full-year metric attainment compared to the prior period performance.

Restructuring charges were \$0.3 million and \$0.4 million for the nine months ended September 30, 2024 and 2023, respectively, which 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 \$0.3 million to \$12.8 million for the nine months ended September 30, 2024, compared to the same period in 2023. The 2024 increase was primarily attributable to increased amortization of capitalized software due to more amortizable assets placed in service in the current period.

Interest expense increased \$2.1 million for the nine months ended September 30, 2024, compared to the same period in 2023. The increase is mainly due to \$2.2 million interest expense related to the new Term Loan the Company obtained at the end of the second quarter of 2024, which was used to retire the Series B Preferred stock, improving the Company's overall capital structure.

Other income (expense), net decreased \$1.4 million to expense of \$0.2 million for the nine months ended September 30, 2024 from income of \$1.2 million during the same period in 2023. The 2024 decrease is primarily due to the impact of foreign exchange gains on intercompany payables and receivables.

Income tax. The Company recognized an income tax expense of approximately \$3.9 million and \$0.9 million during the nine months ended September 30, 2024 and 2023, respectively. The effective tax rate was approximately 178.6% for the nine months ended September 30, 2024, which was higher than the U.S. federal statutory rate primarily due to the impact of permanent adjustments, most notably Global Intangible Low-Taxed Income, partially offset by foreign tax rate differential. The Company's projection of U.S. 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 (4.3)% for the nine months ended September 30, 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 and certain jurisdictions projecting current income tax expense.

Liquidity and Capital Resources

On June 28, 2024, the Company entered into 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, all of which was funded on the Effective Date. The proceeds of the Term Loan were used to (i) fund the Senior Note Repurchase, (ii)

to fund the Series B Repurchase and (iii) to pay transaction fees and expenses associated with the closing of the transactions contemplated by the Credit Agreement, as discussed in Note 9. Debt of the Notes to Condensed Consolidated Financial Statements in Item 1 of this Form 10-Q.

As of September 30, 2024, our principal sources of liquidity were cash provided by operations. Our cash and cash equivalents balance was \$25.2 million at September 30, 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 September 30, 2024, our non-U.S. subsidiaries held approximately \$13.9 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):

	Nine Months Ended September 30,	
	2024	2023
Net cash provided by (used in):		
Operating activities	\$ 15,205	\$ 19,236
Investing activities	(9,109)	(15,889)
Financing activities	\$ (5,384)	\$ (7,496)

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 nine months ended September 30, 2024 was \$15.2 million as compared to \$19.2 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 third quarter of 2023.

Cash used in investing activities for the nine months ended September 30, 2024 was \$9.1 million as compared to \$15.9 million of cash used in investing activities during the same period in 2023. The cash used in investing activities during current and prior year primarily funded product development for our Cloud offering and associated labor costs, while last year's expenditures also included investments in Messaging and NetworkX products which were divested in the fourth quarter of

2023. In 2024, cash used in investing activities was offset by \$1.5 million of deferred consideration for the sale of Messaging and NetworkX Businesses received by the company in the third quarter of 2024.

Cash used in financing activities for the nine months ended September 30, 2024 was \$5.4 million as compared to \$7.5 million of cash used in financing activities during the same period in 2023. The cash used in financing activities in the current year was primarily related to the \$75.0 million funding of the Term Loan, offset by \$6.8 million issuance costs related to the 2024 Term Loan, \$57.6 million Series B Preferred Stock Repurchase, \$11.5 million Senior Notes Repurchase and \$4.3 million Series B Preferred dividend payments. Cash used in financing activities in the prior year was primarily related to \$7.2 million Series B Preferred dividend payments.

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 nine months ended September 30, 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, term loan, 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 September 30, 2024 (in thousands):

	Payments Due by Period			
	Total	2024	2025-2027	2028
Finance lease obligations	\$ 1,017	\$ 168	\$ 849	\$ —
Interest	46,412	4,528	37,320	4,564
Operating lease obligations	27,655	1,901	21,476	4,278
Purchase obligations ¹	20,415	5,010	15,405	—
Senior Notes Payable	121,387	—	121,387	—
Term Loan	74,531	469	14,062	60,000
Total	\$ 291,417	\$ 12,076	\$ 210,499	\$ 68,842

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 were \$4.4 million at September 30, 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. It is reasonably possible that the balance of unrecognized tax benefits will decrease by approximately \$0.5 million 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 nine months ended September 30, 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 September 30, 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 September 30, 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 September 30, 2024 would increase interest income by approximately \$0.3 million on an annual basis.

Borrowings pursuant to the Credit Agreement bear 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%, plus Term SOFR adjustment of 0.1%. As such, our net income is sensitive to movements in interest rates. If interest rates increase, our debt obligations pursuant to the Credit Agreement would increase even though the amount borrowed remained the same, and our net income would decrease. Such increases in interest rates could have a material adverse effect on our cash flow and financial condition. We do not hold any derivative instruments and do not engage in any hedging activities to mitigate interest rate risk.

Based on our outstanding borrowings pursuant to the Credit Agreement as of September 30, 2024 a hypothetical 100 basis point movement in interest rates would have affected interest expense on the debt by \$0.8 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 September 30, 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

Other than set forth below, 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.

We may not be able to generate sufficient cash flows to meet our Senior Notes obligations and may be forced to take other actions to satisfy our Senior Notes obligations, which may not be successful.

Our operations may not generate sufficient cash to enable us to service our Senior Notes, which mature on June 30, 2026. If we fail to generate sufficient cash flows to redeem or repay in full our Senior Notes prior to June 30, 2026, we may have to raise additional funds to pay such amounts on a timely basis. We cannot guarantee that any refinancing of the Senior Notes will be possible on a timely basis, on terms we find acceptable, or at all.

We may fail to refinance, redeem or repay in full our Senior Notes prior to March 31, 2026, and in that event the maturity date of our Term Loan will be March 31, 2026.

We entered into the Credit Agreement with BGC Lender Rep LLC, as administrative agent (“BGC”), and the lenders party thereto on June 28, 2024 (the “Credit Agreement”). 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 June 28, 2024. The Term Loan matures on June 28, 2028 (the “Maturity Date”); provided that if (i) 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.

If we fail to refinance, redeem or repay in full our Senior Notes prior to March 31, 2026, then the Maturity Date will be March 31, 2026, and we will be required to pay all amounts outstanding under the Term Loan sooner than they would otherwise be due, we may not have sufficient funds available to pay such amounts at that time, and we may not be able to raise additional funds to pay such amounts on a timely basis, on terms we find acceptable, or at all.

The terms of our Credit Agreement restrict our operating and financial flexibility, and any breach of the covenants in that agreement, if the lenders elected to accelerate the due date of the loan, could significantly harm our business and prospects and lead to the liquidation of our business.

The Credit Agreement contains certain operating covenants and restricts our operating and financial flexibility. Our obligations under the Credit Agreement are secured by substantially all of our assets (other than existing real property). The Credit Agreement contains customary covenants that limit our ability and our 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. We are currently in compliance with the Credit Agreement covenants, but we may fall out of compliance with these covenants. We may also enter into other debt agreements in the future which may contain similar or more restrictive terms.

Upon the occurrence and continuance of an event of default, which, for example, could be triggered by a breach or violation of, or default under, certain material contracts of the Company, BGC may take either or both of the following actions: (i) terminate the commitments and (ii) declare all outstanding obligations immediately due and payable and take such other actions as set forth in the Credit Agreement. Any declaration by BGC of an event of default could significantly harm our business and prospects and could cause the price of our common stock to decline significantly. Further, if we were liquidated, the lenders' right to repayment would be senior to the rights of our stockholders.

We have, and in the future may be, the target of stockholder derivative complaints or other securities related legal actions that could adversely affect our results of operations and our business.

We have, and in the future may be, the target of stockholder derivative complaints or other securities related legal actions. The existence of any litigation may have an adverse effect on our reputation with referral sources and our customers themselves, which could have an adverse effect on our results of operations and financial condition. The outcome and amount of resources needed to respond to, defend or resolve lawsuits is unpredictable and may remain unknown for long periods of time. Our exposure under these matters may also include our indemnification obligations, to the extent we have any, to current and former officers and directors and, in some cases former underwriters, against losses incurred in connection with these matters, including reimbursement of legal fees and other expenses. For instance, on June 7, 2022, the SEC filed a civil action against two former members of our management team (the "defendants"), alleging misconduct arising out of certain restated transactions that took place in 2015 and 2016 investigated by the SEC. We will be required to indemnify the defendants in these actions for certain costs and expenses, including reasonable attorney's fees. As of September 30, 2024, we had paid approximately \$7.3 million life to date for costs incurred in these actions. Additionally, as of September 30, 2024, the Company has accrued approximately \$2.1 million relating to these actions for certain costs and expenses, including reasonable attorney's fees to be paid in the future. Additional amounts may be subject to claims for indemnification for these actions and any future actions. Although we maintain insurance for claims of this nature, our insurance coverage does not apply in all circumstances and may be denied or insufficient to cover the costs related to the class action and stockholder derivative lawsuits. For instance, our insurance coverage was insufficient to cover our indemnification obligations to the defendants. Large indemnity payments, individually or in the aggregate, could have a material impact on our financial position. In addition, future lawsuits or legal claims involving us may increase our insurance premiums, deductibles or co-insurance requirements or otherwise make it more difficult for us to maintain or obtain adequate insurance coverage on acceptable terms, if at all. Moreover, adverse publicity associated with negative developments in any such legal proceedings could decrease customer demand for our services. As a result, future lawsuits involving us, or our officers or directors, could have a material adverse effect on our business, reputation, financial condition, results of operations, liquidity and the trading price of our common stock.

A 1% U.S. federal excise tax may be imposed upon us in connection with the redemptions or repurchases by us of our Series B Non-Convertible Perpetual Preferred Stock ("Series B Preferred Stock") or other redemptions or repurchases of our equity.

On August 16, 2022, President Biden signed into law the Inflation Reduction Act ("IRA"), which, among other things, imposes a new U.S. federal 1% excise tax on certain repurchases (including redemptions) of stock by publicly traded domestic corporations and certain domestic subsidiaries of publicly traded foreign corporations. This excise tax is imposed on the repurchasing corporation itself, not its stockholders from which shares are repurchased. Generally, the amount of the excise tax is 1% of the fair market value of the shares repurchased at the time of the repurchase. For the purposes of calculating the excise tax, the repurchasing corporation is permitted to net the fair market value of certain new stock issuances against the fair market value of the stock repurchases that occur in the same taxable year. On December 27, 2022, the U.S. Treasury Department issued a notice that provides interim guidance regarding the application of the 1% excise tax pending forthcoming proposed regulations. The IRA excise tax applies to repurchases and redemptions that occur after December 31, 2022.

We expect that each redemption or repurchase of our equity, such as Series B Preferred Stock repurchases, after December 31, 2022 will be subject to the 1% excise tax. Whether and to what extent we would be subject to the excise tax would depend on a number of factors, including (i) the fair market value of the redemptions and repurchase, (ii) the nature and amount of any equity issuances within the same taxable year and (iii) the regulations and other guidance issued by the U.S. Treasury Department and the IRS. For example, on November 3, 2023, we repurchased shares of our outstanding Series B Preferred Stock, pursuant to the Certificate of Designations of the Series B Preferred Stock, which, for the purposes of calculating the excise tax, were offset by the fair market value of new stock issuances in the same taxable year. Additionally, on June 28, 2024,

we repurchased all outstanding Series B Preferred Stock and following such repurchase filed a certificate of elimination of the Series B Preferred Stock with the Secretary of State of the State of Delaware. The 1% excise tax may increase our costs and impact our operations. This could have an adverse effect on our margins and financial position and would negatively affect our revenues and results of operations and/or trading price of our common stock. The company has accrued for potential exposure related to excise tax as of September 30, 2024.

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

During the period covered by this Quarterly Report on Form 10-Q, other than as set forth below, no director or officer of the Company “adopted” or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” as each term is defined in Item 408(a) of Regulation S-K.

On September 10, 2024, Laurie Harris, director and chairperson of the audit committee of the Company’s Board of Directors, adopted a trading arrangement for the sale of shares of the Company’s common stock (a “Rule 10b5-1 Trading Plan”) that is intended to satisfy the affirmative defense conditions of Securities Exchange Act Rule 10b5-1(c). Ms. Harris’ Rule 10b5-1 Trading Plan provides for the sale of up to 4,800 shares of the Company’s common stock pursuant to the terms of the plan. Ms. Harris’ Rule 10b5-1 Trading Plan expires on September 3, 2025, unless earlier terminated in accordance with the terms of the plan.

ITEM 6. EXHIBITS

Exhibit No.	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
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	
3.8	Certificate of Elimination of the Series B Perpetual Non-Convertible Preferred Stock.	8-K	001-40574	3.1	July 1, 2024	
10.1	Synchronoss Technologies, Inc. Amended and Restated 2015 Equity Incentive Plan.					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

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

November 12, 2024

SYNCHRONOSS TECHNOLOGIES, INC.
AMENDED AND RESTATED
2015 EQUITY INCENTIVE PLAN

ARTICLE 1. INTRODUCTION.

The Amended and Restated Plan was adopted by the Board on April 22, 2024, and will become effective immediately upon its approval by the Company's stockholders. The purpose of the Plan is to promote the long-term success of the Company and the creation of stockholder value by (a) encouraging Service Providers to focus on critical long-range objectives, (b) encouraging the attraction and retention of Service Providers with exceptional qualifications and (c) linking Service Providers directly to stockholder interests through increased stock ownership. The Plan seeks to achieve this purpose by providing for Awards in the form of Options (which may be ISOs or NSOs), SARs, Restricted Shares, Stock Units and Performance Cash Awards. Capitalized terms used in this Plan are defined in Article 14.

ARTICLE 2. ADMINISTRATION.

2.1 General. The Plan may be administered by the Board or one or more Committees. Each Committee shall comply with rules and regulations applicable to it, including under the rules of any exchange on which shares of the Company's common stock are traded, and shall have the authority and be responsible for such functions as have been assigned to it.

2.2 Section 162(m). To the extent an Award is intended to qualify as "performance-based compensation" within the meaning of Code Section 162(m), the Plan will be administered by a Committee of two or more "outside directors" within the meaning of Code Section 162(m).

2.3 Section 16. To the extent desirable to qualify transactions hereunder as exempt under Exchange Act Rule 16b-3, the transactions contemplated hereunder will be approved by the entire Board or a Committee of two or more "non-employee directors" within the meaning of Exchange Act Rule 16b-3.

2.4 Powers of Administrator. Subject to the terms of the Plan, and in the case of a Committee, subject to the specific duties delegated to the Committee, the Administrator shall have the authority to (a) select the Service Providers who are to receive Awards under the Plan, (b) determine the type, number, vesting requirements and other features and conditions of such Awards, (c) determine whether and to what extent any Performance Goals have been attained, (d) interpret the Plan and Awards granted under the Plan, (e) make, amend and rescind rules relating to the Plan and Awards granted under the Plan, including rules relating to sub-plans established for the purposes of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws, (f) impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by a Participant of any Common Shares issued pursuant to an Award, including restrictions under an insider trading policy and restrictions as to the use of a specified brokerage firm for such resales, and (g) make all other decisions relating to the operation of the Plan and Awards granted under the Plan.

2.5 Effect of Administrator's Decisions. The Administrator's decisions, determinations and interpretations shall be final and binding on all Participants and any other holders of Awards.

2.6 Governing Law. The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware (except its choice-of-law provisions).

ARTICLE 3. SHARES AVAILABLE FOR GRANTS.

3.1 Basic Limitation. Common Shares issued pursuant to the Plan may be authorized but unissued shares or treasury shares. The aggregate number of Common Shares issued under the Plan shall not exceed the sum of (a) 3,730,777 Common Shares, (b) the number of Common Shares reserved under the Predecessor Plan that are not issued or subject to outstanding awards under the Predecessor Plan on the Effective Date and (c) any Common Shares subject to outstanding options under the Predecessor Plan on the Effective Date that subsequently expire or lapse unexercised and Common Shares issued pursuant to awards granted under the Predecessor Plan that are outstanding on the Effective Date and that are subsequently forfeited to or repurchased by the Company at no greater than the original exercise or purchase price (if any) (provided that with respect to awards granted on or after May 10, 2010, under the Predecessor Plan, any Common Shares that again become available for issuance under the Plan under this Clause (c) shall be added back as (i) one share if such shares were subject to Options or SARs granted under the Predecessor Plan and (ii) 1.5 shares if such shares were subject to Awards other than an Option or SAR granted under the Predecessor Plan) and (d) the additional Common Shares described in Article 3.3; provided, however, that no more than 683,456 Common Shares, in the aggregate, shall be added to the Plan pursuant to clauses (b) and (c). The number of Common Shares that are subject to Stock Awards outstanding at any time under the Plan may not exceed the number of Common Shares that then remain available for issuance under the Plan. Subject to Section 3.3, the number of Common Shares that may be awarded under the Plan shall be reduced by: (a) one share for every Option and SAR granted under the Plan; and (b) 1.5 shares for every Award other than an Option or SAR granted under the Plan. The numerical limitations in this Article 3.1 shall be subject to adjustment pursuant to Article 9.

3.2 Intentionally Omitted.

3.3 Shares Returned to Reserve. To the extent that Options, SARs or Stock Units are forfeited or expire for any other reason before being exercised or settled in full, the Common Shares subject to such Options, SARs or Stock Units shall again become available for issuance under the Plan. If Restricted Shares or Common Shares issued upon the exercise of Options are reacquired by the Company pursuant to a forfeiture provision or repurchase right at no greater than their original exercise or purchase price (if any), then such Common Shares shall again become available for issuance under the Plan. Further, to the extent that an Award is settled in cash rather than Common Shares, the cash settlement shall not reduce the number of Shares available for issuance under the Plan. Any Common Shares that again become available for Awards under this Section 3.3 shall be added back as (i) one share if such shares were subject to Options or SARs granted under the Plan and (ii) 1.5 shares if such shares were subject to Awards other than an Option or SAR granted under the Plan

Notwithstanding the foregoing, the following Common Shares shall not again become available for issuance under this Article 3.3: (i) Common Shares subject to an Award not delivered to a Participant because the Award is exercised through a reduction of shares subject to the Award (i.e., "net exercised"), (ii) if a SAR is settled in Common Shares, the number of shares subject to the SAR that are not delivered to the Participant upon such settlement, (iii) Common Shares subject to an Award not delivered to a Participant because such Common Shares are withheld to satisfy tax withholding obligations related to the Award or are applied to pay the Exercise Price of an Option or SAR; (iv) Common Shares tendered by a Participant (either through actual delivery or attestation) to pay the Exercise Price of an Option or SAR; or (v) Common Shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of an Option.

3.4 Awards Not Reducing Share Reserve in Article 3.1. To the extent permitted under applicable stock exchange listing standards, any dividend equivalents paid or credited under the Plan with respect to Stock Units shall not be applied against the number of Common Shares that may be issued under the Plan, whether or not such dividend equivalents are converted into Stock Units. In addition, Common Shares subject to Substitute Awards granted by the Company shall not reduce the number of Common Shares that may be issued under Article 3.1, nor shall shares subject to Substitute Awards again be available for Awards under the Plan in the event of any forfeiture, expiration or cash settlement of such Substitute Awards.

3.5 Code Section 162(m) and 422 Limits. Subject to adjustment in accordance with Article 9:

(a) The maximum aggregate number of Common Shares subject to Options and SARs that may be granted under this Plan during any fiscal year to any one Participant shall not exceed 500,000, except that the Company may grant to a new Employee in the fiscal year in which his or her Service as an Employee first commences Options and/or SARs that cover (in the aggregate) up to an additional 150,000 Common Shares;

(b) The maximum aggregate number of Common Shares subject to Restricted Share awards and Stock Units that may be granted under this Plan during any fiscal year to any one Participant shall not exceed 500,000, except that the Company may grant to a new Employee in the fiscal year in which his or her Service as an Employee first commences Restricted Shares and/or Stock Units that cover (in the aggregate) up to an additional 150,000 Common Shares;

(c) The maximum aggregate number of Common Shares subject to Awards granted to an Outside Director during any fiscal year of the Company shall not exceed 20,000 shares;

(d) No Participant shall be paid more than \$5,000,000 in cash in any fiscal year pursuant to Performance Cash Awards granted under the Plan; and

(e) No more than 1,000,000 Common Shares may be issued under the Plan upon the exercise of ISOs.

ARTICLE 4. ELIGIBILITY.

4.1 Incentive Stock Options. Only Employees who are common-law employees of the Company, a Parent or a Subsidiary shall be eligible for the grant of ISOs. In addition, an Employee who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company or any of its Parents or Subsidiaries shall not be eligible for the grant of an ISO unless the additional requirements set forth in Code Section 422(c)(5) are satisfied.

4.2 Other Awards. Awards other than ISOs may only be granted to Service Providers.

ARTICLE 5. OPTIONS.

5.1 Stock Option Agreement. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The Stock Option Agreement shall specify whether the Option is intended to be an ISO or an NSO. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

5.2 Number of Shares. Each Stock Option Agreement shall specify the number of Common Shares subject to the Option, which number shall adjust in accordance with Article 9.

5.3 Exercise Price. Each Stock Option Agreement shall specify the Exercise Price, which shall be such price as is determined by the Administrator in its discretion; *provided however*, that unless an Option is intended to comply with Code Section 409A (and not, for the avoidance of doubt, be exempt from Code Section 409A) the Exercise Price of any Option granted to a Participant subject to taxation in the United States shall be not be less than 100% of the Fair Market Value of a Common Share on the date of grant; *provided further* that the preceding clause shall not apply to an Option that is a Substitute Award granted in a manner that would satisfy the requirements of Code Section 409A and, if applicable, Code Section 424(a).

5.4 Exercisability and Term. Each Stock Option Agreement shall specify the date or event when all or any installment of the Option is to become vested and/or exercisable; provided that with respect to 95% of the shares available for issuance under the Plan on April 4, 2019, the Option shall not become exercisable prior to the Optionee completing at least one year of Service following the grant of such Option. Notwithstanding the foregoing, a Stock Option Agreement may provide for accelerated exercisability in the event of the Optionee's death or disability. The Stock Option Agreement shall also specify the term of the Option; provided that, except to the extent necessary to comply with applicable foreign law, the term of an Option shall in no event exceed 7 years from the date of grant.

5.5 Death of Optionee. After an Optionee's death, any vested and exercisable Options held by such Optionee may be exercised by his or her beneficiary or beneficiaries. Each Optionee may designate one or more beneficiaries for this purpose by filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Optionee's death. If no beneficiary was designated or if no designated beneficiary survives the Optionee, then any vested and exercisable Options held by the Optionee may be exercised by his or her estate.

5.6 Modification or Assumption of Options. Within the limitations of the Plan, the Administrator may modify, extend or assume outstanding options or may accept the cancellation of outstanding options (whether granted by the Company or by another issuer) in return for the grant of new Options for the same or a different number of shares and at the same or a different exercise price or in return for the grant of a different type of Award. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair his or her rights or obligations under such Option. Notwithstanding anything in this Plan to the contrary, and except for the adjustment provided in Article 9, neither the Committee nor any other person may (a) decrease the exercise price of any outstanding Option after the date of grant, (b) cancel or allow an Optionee to surrender an outstanding Option to the Company in exchange for cash or as consideration for the grant of a new Option with a lower exercise price or the grant of another Award the effect of which is to reduce the exercise price of any outstanding Option, or (c) take any other action with respect to an Option that would be treated as a repricing under the rules and regulations of the Nasdaq Stock Market (or such other principal U.S. national securities exchange on which the Common Shares are traded).

5.7 Buyout Provisions. Except to the extent prohibited by Article 5.6, the Administrator may at any time (a) offer to buy out for a payment in cash or cash equivalents an Option previously granted or (b) authorize an Optionee to elect to cash out an Option previously granted, in either case at such time and based upon such terms and conditions as the Administrator shall establish.

5.8 Payment for Option Shares. The entire Exercise Price of Common Shares issued upon exercise of Options shall be payable in cash or cash equivalents at the time when such Common Shares are purchased. In addition, the Administrator may, in its sole discretion and to the extent permitted by applicable law, accept payment of all or a portion of the Exercise Price through any one or a combination of the following forms or methods:

- (a) Subject to any conditions or limitations established by the Administrator, by surrendering, or attesting to the ownership of, Common Shares that are already owned by the Optionee with a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Common Shares as to which such Option will be exercised;
- (b) By delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or part of the Common Shares being purchased under the Plan and to deliver all or part of the sales proceeds to the Company;
- (c) Subject to such conditions and requirements as the Administrator may impose from time to time, through a net exercise procedure; or
- (d) Through any other form or method consistent with applicable laws, regulations and rules.

ARTICLE 6. STOCK APPRECIATION RIGHTS.

6.1 SAR Agreement. Each grant of a SAR under the Plan shall be evidenced by a SAR Agreement between the Optionee and the Company. Such SAR shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various SAR Agreements entered into under the Plan need not be identical.

6.2 Number of Shares. Each SAR Agreement shall specify the number of Common Shares to which the SAR pertains, which number shall adjust in accordance with Article 9.

6.3 Exercise Price. Each SAR Agreement shall specify the Exercise Price, which shall in no event be less than 100% of the Fair Market Value of a Common Share on the date of grant. The preceding sentence shall not apply to a SAR that is a Substitute Award granted in a manner that would satisfy the requirements of Code Section 409A.

6.4 Exercisability and Term. Each SAR Agreement shall specify the date when all or any installment of the SAR is to become vested and exercisable; provided that with respect to 95% of the shares available for issuance under the Plan on April 4, 2019, the SAR shall not become exercisable prior to the Optionee completing at least one year of Service following the grant of such SAR. Notwithstanding the foregoing, a SAR Agreement may provide for accelerated exercisability in the event of the Optionee's death or disability. The SAR Agreement shall also specify the term of the SAR; provided that except to the extent necessary to comply with applicable foreign law, the term of a SAR shall not exceed 7 years from the date of grant.

6.5 Exercise of SARs. Upon exercise of a SAR, the Optionee (or any person having the right to exercise the SAR after his or her death) shall receive from the Company (a) Common Shares, (b) cash or (c) a combination of Common Shares and cash, as the Administrator shall determine. The amount of cash and/or the Fair Market Value of Common Shares received upon exercise of SARs shall, in the aggregate, not exceed the amount by which the Fair Market Value (on the date of surrender) of the Common Shares subject to the SARs exceeds the Exercise Price. If, on the date when a SAR expires, the Exercise Price is less than the Fair Market Value on such date but any portion of such SAR has not been exercised or surrendered, then such SAR shall automatically be deemed to be exercised as of such date with respect to such portion. A SAR Agreement may also provide for an automatic exercise of the SAR on an earlier date.

6.6 Death of Optionee. After an Optionee's death, any vested and exercisable SARs held by such Optionee may be exercised by his or her beneficiary or beneficiaries. Each Optionee may designate one or more beneficiaries for this purpose by filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Optionee's death. If no beneficiary was designated or if no designated beneficiary survives the Optionee, then any vested and exercisable SARs held by the Optionee at the time of his or her death may be exercised by his or her estate.

6.7 Modification or Assumption of SARs. Within the limitations of the Plan, the Administrator may modify, extend or assume outstanding SARs or may accept the cancellation of outstanding SARs (whether granted by the Company or by another issuer) in return for the grant of new SARs for the same or a different number of shares and at the same or a different exercise price or in return for the grant of a different type of Award. The foregoing notwithstanding, no modification of a SAR shall, without the consent of the Optionee, impair his or her rights or obligations under such SAR. Notwithstanding anything in this Plan to the contrary, and except for the adjustment provided in Article 9, neither the Committee nor any other person may: (a) decrease the exercise price of any outstanding SAR after the date of grant, (b) cancel or allow an Optionee to surrender an outstanding SAR to the Company in exchange for cash or as consideration for the grant of a new SAR with a lower exercise price or the grant of another Award the effect of which is to reduce the exercise price of any outstanding SAR, or (c) take any other action with respect to a SAR that would be treated as a repricing under the rules and regulations of the Nasdaq Stock Market (or such other principal U.S. national securities exchange on which the Common Shares are traded).

ARTICLE 7. RESTRICTED SHARES.

7.1 Restricted Stock Agreement. Each grant of Restricted Shares under the Plan shall be evidenced by a Restricted Stock Agreement between the recipient and the Company. Such Restricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Restricted Stock Agreements entered into under the Plan need not be identical.

7.2 Payment for Awards. Restricted Shares may be sold or awarded under the Plan for such consideration as the Administrator may determine, including (without limitation) cash, cash equivalents, property, cancellation of other equity awards, full-recourse promissory notes, past services and future services, and such other methods of payment as are permitted by applicable law.

7.3 Vesting Conditions. Each Award of Restricted Shares shall be subject to vesting and/or other conditions as the Administrator may determine; provided that, the Restricted Shares will not vest prior to the holder completing at least one year of Service following the grant of such Award. Notwithstanding the foregoing, a Restricted Stock Agreement may provide for accelerated exercisability in the event of the holder's death or disability. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Restricted Stock Agreement. Such conditions, at the Administrator's discretion, may include one or more Performance Goals.

7.4 Voting and Dividend Rights. The holders of Restricted Shares awarded under the Plan shall have the same voting, dividend and other rights as the Company's other stockholders, unless the Administrator otherwise provides. A Restricted Stock Agreement, however, shall require that any cash dividends paid on Restricted Shares (a) be accumulated and paid when such Restricted Shares vest, or (b) be invested in additional Restricted Shares. Such additional Restricted Shares shall be subject to the same conditions and restrictions as the shares subject to the Stock Award with respect to which the dividends were paid. If any dividends or other distributions are paid in Common Shares, such Common Shares shall be subject to the same restrictions on transferability, vesting conditions and forfeitability as the Restricted Shares with respect to which they were paid.

ARTICLE 8. STOCK UNITS.

8.1 Stock Unit Agreement. Each grant of Stock Units under the Plan shall be evidenced by a Stock Unit Agreement between the recipient and the Company. Such Stock Units shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Stock Unit Agreements entered into under the Plan need not be identical.

8.2 Payment for Awards. To the extent that an Award is granted in the form of Stock Units, no cash consideration shall be required of the Award recipients.

8.3 Vesting Conditions. Each Award of Stock Units shall be subject to vesting, as determined by the Administrator. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Unit Agreement; provided that no portion of the Award shall vest earlier than the first anniversary of the date on which the Award is granted. Notwithstanding the foregoing, a Stock Unit Agreement may provide for accelerated exercisability in the event of the holder's death or disability. Such conditions, at the Administrator's discretion, may include one or more Performance Goals.

8.4 Voting and Dividend Rights. The holders of Stock Units shall have no voting rights. Prior to settlement or forfeiture, Stock Units awarded under the Plan may, at the Administrator's discretion, provide for a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash dividends paid on one Common Share while the Stock Unit is outstanding. Dividend equivalents shall be converted into additional Stock Units. Settlement of dividend equivalents may be made in the form of cash, in the form of Common Shares, or in a combination of both. If any dividend equivalents are paid with respect to Stock Units, then such dividend equivalents shall be subject to the same conditions, vesting schedule and restrictions as the Stock Units to which they attach.

8.5 Form and Time of Settlement of Stock Units. Settlement of vested Stock Units may be made in the form of (a) cash, (b) Common Shares or (c) any combination of both, as determined by the Administrator. The actual number of Stock Units eligible for settlement may be larger or smaller than the number included in the original Award, based on predetermined performance factors, including Performance Goals. Methods of converting Stock Units into cash may include (without limitation) a method based on the average Fair Market Value of Common Shares over a series of trading days. Vested Stock Units shall be settled in such manner and at such time(s) as specified in the Stock Unit Agreement. Until an Award of Stock Units is settled, the number of such Stock Units shall be subject to adjustment pursuant to Article 9.

8.6 Death of Recipient. Any Stock Units that become payable after the recipient's death shall be distributed to the recipient's beneficiary or beneficiaries. Each recipient of Stock Units under the Plan may designate one or more beneficiaries for this purpose by filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Award recipient's death. If no beneficiary was designated or if no designated beneficiary survives the Award recipient, then any Stock Units that become payable after the recipient's death shall be distributed to the recipient's estate.

8.7 Modification or Assumption of Stock Units. Within the limitations of the Plan, the Administrator may modify or assume outstanding stock units or may accept the cancellation of outstanding stock units (whether granted by the Company or by another issuer) in return for the grant of new Stock Units for the same or a different number of shares or in return for the grant of a different type of Award. The foregoing notwithstanding, no modification of a Stock Unit shall, without the consent of the Participant, impair his or her rights or obligations under such Stock Unit.

8.8 Creditors' Rights. A holder of Stock Units shall have no rights other than those of a general creditor of the Company. Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Stock Unit Agreement.

ARTICLE 9. ADJUSTMENTS; DISSOLUTIONS AND LIQUIDATIONS; CORPORATE TRANSACTIONS.

9.1 Adjustments. In the event of a subdivision of the outstanding Common Shares, a declaration of a dividend payable in Common Shares, a combination or consolidation of the outstanding Common Shares (by reclassification or otherwise) into a lesser number of Common Shares or any other increase or decrease in the number of issued Common Shares effected without receipt of consideration by the Company, proportionate adjustments shall automatically be made to the following:

- (a) The number and kind of shares available for issuance under Article 3, including the numerical share limits in Articles 3.1 and 3.5;
- (b) The number and kind of shares covered by each outstanding Option, SAR and Stock Unit; or
- (c) The Exercise Price applicable to each outstanding Option and SAR, and the repurchase price, if any, applicable to Restricted Shares.

In the event of a declaration of an extraordinary dividend payable in a form other than Common Shares in an amount that has a material effect on the price of Common Shares, a recapitalization, a spin-off or a similar occurrence, the Administrator may make such adjustments as it, in its sole discretion, deems appropriate to the foregoing. Any adjustment in the number of shares subject to an Award under this Article 9.1 shall be rounded down to the nearest whole share, although the Administrator in its sole discretion may make a cash payment in lieu of a fractional share. Except as provided in this Article 9, a Participant shall have no rights by reason of any issuance by the Company of stock of any class or securities convertible into stock of any class, any subdivision or consolidation of shares of stock of any class, the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class.

9.2 Dissolution or Liquidation. To the extent not previously exercised or settled, Options, SARs and Stock Units shall terminate immediately prior to the dissolution or liquidation of the Company.

9.3 Corporate Transactions. In the event that the Company is a party to a merger, consolidation, or a Change in Control (other than one described in Article 14.6(d)), all Common Shares acquired under the Plan and all Awards outstanding on the effective date of the transaction shall be treated in the manner described in the definitive transaction agreement (or, in the event the transaction does not entail a definitive agreement to which the Company is party, in the manner determined by the Administrator (in accordance with this Article 9.3), with such determination having final and binding effect on all parties), which agreement or determination need not treat all Awards (or portions thereof) in an identical manner. The treatment specified in the transaction agreement or by the Administrator shall include one or more of the following with respect to each outstanding Award:

- (a) The continuation of such outstanding Award by the Company (if the Company is the surviving entity);
- (b) The assumption of such outstanding Award by the surviving entity or its parent, provided that the assumption of an Option or a SAR shall comply with applicable tax requirements;
- (c) The substitution by the surviving entity or its parent of an equivalent award for such outstanding Award (including, but not limited to, an award to acquire the same consideration paid to the holders of Common Shares in the transaction), provided that the substitution of an Option or a SAR shall comply with applicable tax requirements;
- (d) If outstanding Awards, Options and SARs are not assumed, or equivalent awards are not substituted, by the surviving entity or its parent, then full exercisability and full vesting (with respect to performance vested Awards, Options or SARs, assuming the achievement of the maximum performance targets thereunder) of the Common Shares subject to such Awards, Options and SARs, followed by the cancellation of such Awards, Options and SARs. The full exercisability of such Awards, Options and SARs and full vesting of such Common Shares maybe contingent on the closing of such transaction. The Optionees shall be able to exercise such Options and SARs during a period of not less than five full business days preceding the closing date of such transaction, unless (i) a shorter period is required to permit a timely closing of such merger, consolidation or Change in Control and (ii) such shorter period still offers the Optionees a reasonable opportunity to exercise such Options and SARs. Any exercise of such Options and SARs during such period maybe contingent on the closing of such transaction;
- (e) The cancellation of such Award and a payment to the Participant with respect to each share subject to the Award equal to the excess of (A) the value, as determined by the Administrator in its absolute discretion, of the property (including cash) received by the holder of a Common Share as a result of the transaction, over (if applicable) (B) the per-share Exercise Price of such Award (such excess, if any, the “**Spread**”). Such payment may be made in installments and may be deferred until the date or dates when such Award would have become exercisable or the Common Shares subject to such Award would have vested. Such payment may be subject to vesting based on the Participant’s continuing Service, provided that the vesting schedule shall not be less favorable to the Participant than the schedule under which such Award would have become exercisable or such Common Shares subject to such Award would have vested. Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving entity or its parent having a value equal to the Spread. In addition, any escrow, holdback, earn-out or similar provisions in the transaction agreement may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Common Shares, but only to the extent the application of such provisions does not adversely affect the status of the Award as exempt from Code Section 409A. If the Spread applicable to an Award (whether or not vested) is zero or a negative number, then the Award may be cancelled without making a payment to the Participant. In the event that a Stock Unit or other Award is subject to Code Section 409A, the payment described in this clause (e) shall be made on the settlement date specified in the applicable Stock Unit Agreement, provided that settlement may be accelerated in accordance with Treasury Regulation Section 1.409A-3(j)(4). For purposes of this Subsection (e), the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security; or
- (f) The assignment of any reacquisition or repurchase rights held by the Company in respect of an Award of Restricted Shares to the surviving entity or its parent, with corresponding proportionate adjustments made to the price per share to be paid upon exercise of any such reacquisition or repurchase rights.

For avoidance of doubt, the Administrator shall have the discretion to provide for the acceleration of vesting upon the occurrence of a Change in Control in the event of an involuntary termination prior to or

following the Change in Control, whether or not the Award is to be assumed or replaced in the transaction, or in connection with a termination of the Participant's Service following a transaction.

Any action taken under this Article 9.3 shall either preserve an Award's status as exempt from Code Section 409A or comply with Code Section 409A.

ARTICLE 10. OTHER AWARDS.

10.1 Performance Cash Awards. A Performance Cash Award is a cash award that may be granted subject to the attainment of specified Performance Goals during a Performance Period. A Performance Cash Award may also require the completion of a specified period of continuous Service. The length of the Performance Period, the Performance Goals to be attained during the Performance Period, and the degree to which the Performance Goals have been attained shall be determined conclusively by the Administrator. Each Performance Cash Award shall be set forth in a written agreement or in a resolution duly adopted by the Administrator which shall contain provisions determined by the Administrator and not inconsistent with the Plan. The terms of various Performance Cash Awards need not be identical.

10.2 Other Awards. Subject in all events to the limitations under Article 3 above as to the number of Common Shares available for issuance this Plan, the Company may grant other forms of equity-based awards not specifically described herein and may grant awards under other plans or programs where such awards are settled in the form of Common Shares issued under this Plan; provided that such other equity-based award will not vest prior to the holder completing at least one year of Service following the grant of such award. Notwithstanding the foregoing, an award agreement may provide for accelerated exercisability in the event of the holder's death or disability. Such Common Shares shall be treated for all purposes under the Plan like Common Shares issued in settlement of Stock Units and shall, when issued, reduce the number of Common Shares available under Article 3.

ARTICLE 11. LIMITATION ON RIGHTS.

11.1 Retention Rights. Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain a Service Provider. The Company and its Parents, Subsidiaries and Affiliates reserve the right to terminate the Service of any Service Provider at any time, with or without cause, subject to applicable laws, the Company's certificate of incorporation and by-laws and a written employment agreement (if any).

11.2 Stockholders' Rights. Except as set forth in Article 7.4 or 8.4 above, a Participant shall have no dividend rights, voting rights or other rights as a stockholder with respect to any Common Shares covered by his or her Award prior to the time when a stock certificate for such Common Shares is issued or, if applicable, the time when he or she becomes entitled to receive such Common Shares by filing any required notice of exercise and paying any required Exercise Price. No adjustment shall be made for cash dividends or other rights for which the record date is prior to such time, except as expressly provided in the Plan. For the avoidance of doubt, no dividends or dividend equivalents will be paid or credited to an unexercised Option or SAR.

11.3 Regulatory Requirements. Any other provision of the Plan notwithstanding, the obligation of the Company to issue Common Shares under the Plan shall be subject to all applicable laws, rules and regulations and such approval by any regulatory body as may be required. The Company reserves the right to restrict, in whole or in part, the delivery of Common Shares pursuant to any Award prior to the satisfaction of all legal requirements relating to the issuance of such Common Shares, to their registration, qualification or listing or to an exemption from registration, qualification or listing. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed necessary by the Company's counsel to be necessary to the lawful issuance and sale of any Common Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Common Shares as to which such requisite authority will not have been obtained.

11.4 Transferability of Awards. The Administrator may, in its sole discretion, permit transfer of an Award in a manner consistent with applicable law. Unless otherwise determined by the Administrator, Awards shall be transferable by a Participant only by (a) beneficiary designation, (b) a will or (c) the laws of descent and distribution; provided that, in any event, an ISO may only be transferred by will or by the laws of descent and distribution and may be exercised during the lifetime of the Optionee only by the Optionee or by the Optionee's guardian or legal representative. In no event may an Award be transferred for any consideration including (without limitation) in exchange for cash or securities.

11.5 Other Conditions and Restrictions on Common Shares. Any Common Shares issued under the Plan shall be subject to such forfeiture conditions, rights of repurchase, rights of first refusal, other transfer restrictions and such other terms and conditions as the Administrator may determine. Such conditions and restrictions shall be set forth in the applicable Award Agreement and shall apply in addition to any restrictions that may apply to holders of Common Shares generally. In addition, Common Shares issued under the Plan shall be subject to such conditions and restrictions imposed either by applicable law or by Company policy, as adopted from time to time, designed to ensure compliance with applicable law or laws with which the Company determines in its sole discretion to comply including in order to maintain any statutory, regulatory or tax advantage.

ARTICLE 12. TAXES.

12.1 General. It is a condition to each Award under the Plan that a Participant or his or her successor shall make arrangements satisfactory to the Company for the satisfaction of any federal, state, local or foreign withholding tax obligations that arise in connection with any Award granted under the Plan. The Company shall not be required to issue any Common Shares or make any cash payment under the Plan unless such obligations are satisfied.

12.2 Share Withholding. To the extent that applicable law subjects a Participant to tax withholding obligations, the Administrator may permit such Participant to satisfy all or part of such obligations by having the Company withhold all or a portion of any Common Shares that otherwise would be issued to him or her or by surrendering all or a portion of any Common Shares that he or she previously acquired. Such Common Shares shall be valued on the date when they are withheld or surrendered. Any payment of taxes by assigning Common Shares to the Company may be subject to restrictions including any restrictions required by SEC, accounting or other rules.

12.3 Section 162(m) Matters. The Administrator, in its sole discretion, may determine whether an Award is intended to qualify as "performance-based compensation" within the meaning of Code Section 162(m). The Administrator may grant Awards that are based on Performance Goals but that are not intended to qualify as performance-based compensation. With respect to any Award that is intended to qualify as performance-based compensation, the Administrator shall designate the Performance Goal(s) applicable to, and the formula for calculating the amount payable under, an Award within 90 days following commencement of the applicable Performance Period (or such earlier time as may be required under Code Section 162(m)), and in any event at a time when achievement of the applicable Performance Goal(s) remains substantially uncertain. Prior to the payment of any Award that is intended to constitute performance-based compensation, the Administrator shall certify in writing whether and the extent to which the Performance Goal(s) were achieved for such Performance Period. The Administrator shall have the right to reduce or eliminate (but not to increase) the amount payable under an Award that is intended to constitute performance-based compensation.

12.4 Section 409A Matters. Except as otherwise expressly set forth in an Award Agreement, it is intended that Awards granted under the Plan either be exempt from, or comply with, the requirements of Code Section 409A. To the extent an Award is subject to Code Section 409A (a "409A Award"), the terms of the Plan, the Award and any written agreement governing the Award shall be interpreted to comply with the requirements of Code Section 409A so that the Award is not subject to additional tax or interest under Code

Section 409A, unless the Administrator expressly provides otherwise. A 409A Award shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order for it to comply with the requirements of Code Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" to an individual who is considered a "specified employee" (as each term is defined under Code Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the Participant's separation from service or (ii) the Participant's death, but only to the extent such delay is necessary to prevent such payment from being subject to Code Section 409A(a)(1).

12.5 Limitation on Liability. Neither the Company nor any person serving as Administrator shall have any liability to a Participant in the event an Award held by the Participant fails to achieve its intended characterization under applicable tax law.

ARTICLE 13. FUTURE OF THE PLAN.

13.1 Term of the Plan. The Plan, as set forth herein, shall become effective on the date of its adoption by the Board, subject to approval of the Company's stockholders under Article 13.3 below. The Plan shall terminate automatically 10 years after the later of (a) the date when the Board adopted the Plan or (b) the date when the Board approved the most recent increase in the number of Common Shares reserved under Article 3 that was also approved by the Company's stockholders. The Plan shall serve as the successor to the Predecessor Plan, and no further Awards may be made under the Predecessor Plan after the Effective Date.

13.2 Amendment or Termination. The Board may, at any time and for any reason, amend or terminate the Plan. No Awards shall be granted under the Plan after the termination thereof. The termination of the Plan, or any amendment thereof, shall not affect any Award previously granted under the Plan.

13.3 Stockholder Approval. To the extent required by applicable law, the Plan will be subject to the approval of the Company's stockholders within 12 months of its adoption date. An amendment of the Plan shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations or rules; provided, however, that an amendment to Article 3.1, the last sentence of Article 5.6 or Article 6.7 is subject to approval of the Company's stockholders.

ARTICLE 14. DEFINITIONS.

14.1 "Administrator" means the Board or any Committee administering the Plan in accordance with Article 2.

14.2 "Affiliate" means any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own not less than 50% of such entity.

14.3 "Award" means any award granted under the Plan, including as an Option, a SAR, a Restricted Share, a Stock Unit or a Performance Cash Award.

14.4 "Award Agreement" means a Stock Option Agreement, an SAR Agreement, a Restricted Stock Agreement, a Stock Unit Agreement or such other agreement evidencing an Award granted under the Plan.

14.5 "Board" means the Company's Board of Directors, as constituted from time to time, and where the context so requires, reference to the "Board" may refer to a Committee to whom the Board has delegated authority to administer any aspect of this Plan.

14.6 "Change in Control" means:

(a) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total voting power represented by the Company's then-outstanding voting securities;

(b) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(c) The consummation of a merger or consolidation of the Company with or into any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation; or

(d) Individuals who are members of the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the members of the Board over a period of 12 months; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes of this Plan, be considered as a member of the Incumbent Board.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company’s incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately before such transaction. In addition, if a Change in Control constitutes a payment event with respect to any Award which provides for a deferral of compensation and is subject to Code Section 409A, then notwithstanding anything to the contrary in the Plan or applicable Award Agreement the transaction with respect to such Award must also constitute a “change in control event” as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Code Section 409A.

14.7 “Code” means the Internal Revenue Code of 1986, as amended.

14.8 “Committee” means a committee of one or more members of the Board, or of other individuals satisfying applicable laws, appointed by the Board to administer the Plan.

14.9 “Common Share” means one share of the common stock of the Company.

14.10 “Company” means Synchronoss Technologies, Inc., a Delaware corporation.

14.11 “Consultant” means a consultant or adviser who provides *bona fide* services to the Company, a Parent, a Subsidiary or an Affiliate as an independent contractor and who qualifies as a consultant or advisor under Instruction A.1.(a)(1) of Form S-8 under the Securities Act.

14.12 “Effective Date” means the date on which the Company’s stockholders approve the Plan.

14.13 “Employee” means a common-law employee of the Company, a Parent, a Subsidiary or an Affiliate.

14.14 “Exchange Act” means the Securities Exchange Act of 1934, as amended.

14.15 “Exercise Price,” in the case of an Option, means the amount for which one Common Share may be purchased upon exercise of such Option, as specified in the applicable Stock Option Agreement. “Exercise Price,” in the case of a SAR, means an amount, as specified in the applicable SAR Agreement, which is subtracted from the Fair Market Value of one Common Share in determining the amount payable upon exercise of such SAR.

14.16 “Fair Market Value” means the closing price of a Common Share on any established stock exchange or a national market system on the applicable date or, if the applicable date is not a trading day, on the last trading day prior to the applicable date, as reported in a source that the Administrator deems reliable. If Common Shares are not traded on an established stock exchange or a national market system, the Fair Market Value shall be determined by the Administrator in good faith on such basis as it deems appropriate. The Administrator’s determination shall be conclusive and binding on all persons.

14.17 “IPO Date” means the effective date of the registration statement filed by the Company with the Securities and Exchange Commission for its initial offering of Common Stock to the public.

14.18 “ISO” means an incentive stock option described in Code Section 422(b).

14.19 “NSO” means a stock option not described in Code Sections 422 or 423.

14.20 “Option” means an ISO or NSO granted under the Plan and entitling the holder to purchase Common Shares.

14.21 “Optionee” means an individual or estate holding an Option or SAR.

14.22 “Outside Director” means a member of the Board who is not an Employee.

14.23 "Parent" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

14.24 "Participant" means an individual or estate holding an Award.

14.25 "Performance Cash Award" means an award of cash granted under Article 10.1 of the Plan.

14.26 "Performance Goal" means a goal established by the Administrator for the applicable Performance Period based on one or more of the performance criteria set forth in **Appendix A**. Depending on the performance criteria used, a Performance Goal may be expressed in terms of overall Company performance or the performance of a business unit, division, Subsidiary, Affiliate or an individual. A Performance Goal may be measured either in absolute terms or relative to the performance of one or more comparable companies or one or more relevant indices. The Administrator may adjust the results under any performance criterion to exclude any of the following events that occurs during a Performance Period: (a) asset write-downs, (b) litigation, claims, judgments or settlements, (c) the effect of changes in tax laws, accounting principles or other laws or provisions affecting reported results, (d) accruals for reorganization and restructuring programs, (e) extraordinary, unusual or non-recurring items, (f) exchange rate effects for non-U.S. dollar denominated net sales and operating earnings, or (g) statutory adjustments to corporate tax rates; provided, however, that if an Award is intended to qualify as "performance-based compensation" within the meaning of Code Section 162(m), such adjustment(s) shall only be made to the extent consistent with Code Section 162(m).

14.27 "Performance Period" means a period of time selected by the Administrator over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to a Performance Cash Award or an Award of Restricted Shares or Stock Units that vests based on the achievement of Performance Goals. Performance Periods may be of varying and overlapping duration, at the discretion of the Administrator.

14.28 "Plan" means this Synchronoss Technologies, Inc. 2015 Equity Incentive Plan, as amended from time to time.

14.29 "Predecessor Plan" means the Company's 2006 Equity Incentive Plan, as amended.

14.30 "Restricted Share" means a Common Share awarded under the Plan.

14.31 "Restricted Stock Agreement" means the agreement between the Company and the recipient of a Restricted Share that contains the terms, conditions and restrictions pertaining to such Restricted Share.

14.32 "SAR" means a stock appreciation right granted under the Plan.

14.33 "SAR Agreement" means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her SAR.

14.34 "Securities Act" means the Securities Act of 1933, as amended.

14.35 "Service" means service as an Employee, Outside Director or Consultant.

14.36 "Service Provider" means any individual who is an Employee, Outside Director or Consultant.

14.37 "Stock Award" means any award of an Option, a SAR, a Restricted Share or a Stock Unit under the Plan.

14.38 "Stock Option Agreement" means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her Option.

14.39 "Stock Unit" means a bookkeeping entry representing the equivalent of one Common Share, as awarded under the Plan.

14.40 "Stock Unit Agreement" means the agreement between the Company and the recipient of a Stock Unit that contains the terms, conditions and restrictions pertaining to such Stock Unit.

14.41 "Subsidiary" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date

14.42 “Substitute Awards” means Awards or Common Shares issued by the Company in assumption of, or substitution or exchange for, Awards previously granted, or the right or obligation to make future awards, in each case by a corporation acquired by the Company or any Affiliate or with which the Company or any Affiliate combines to the extent permitted by NASDAQ Marketplace Rule 5635 or any successor thereto.

APPENDIX A

PERFORMANCE CRITERIA

The Administrator may establish Performance Goals derived from one or more of the following criteria, measured in accordance with GAAP or otherwise, when it makes Awards of Restricted Shares or Stock Units that vest entirely or in part on the basis of performance or when it makes Performance Cash Awards.

• Earnings (before or after taxes)	• Working capital
• Earnings per share	• Expense or cost reduction
• Earnings before interest, taxes and depreciation (as amount or % of revenue)	• Sales or revenue (in the aggregate or in specific growth areas)
• Earnings before interest, taxes, depreciation & amortization (as amount or % of revenue)	• Economic value added (or an equivalent metric)
• Total stockholder return and/or value	• Market share
• Return on equity or average stockholders' equity	• Cash flow or cash balance
• Return on assets, investment or capital employed	• Operating cash flow
• Operating income	• Cash flow per share
• Gross margin	• Share price
• Operating margin	• Debt reduction
• Net operating income	• Customer satisfaction
• Net operating income after tax	• Stockholders' equity
• Operating profits	• Net profits
• Profit returns and margins	• Contract awards or backlog
• Return on operating revenue	• Revenue excluding total advertising cost

To the extent that an Award is not intended to comply with Code Section 162(m), other measures of performance selected by the Administrator.

Exhibit 1

Synchronoss Technologies, Inc.
2015 Equity Incentive Plan Restricted Stock Award
Agreement

Payment for Shares No payment is required for the shares that you are receiving, except for satisfying any withholding taxes that may be due as a result of the grant of this award or the vesting or transfer of the shares.

Vesting The shares will vest in installments, as shown in the Notice of Restricted Stock Award. No additional shares will vest after your service as an employee, consultant or outside director of the Company or a parent or subsidiary of the Company (“Service”) has terminated for any reason.

Shares Restricted Unvested shares will be considered “**Restricted Shares**.” You may not sell, transfer, pledge or otherwise dispose of any Restricted Shares without the written consent of the Company, except as provided in the next sentence. You may transfer Restricted Shares to your spouse, children or grandchildren or to a trust established by you for the benefit of yourself or your spouse, children or grandchildren. However, a transferee of Restricted Shares must agree in writing on a form prescribed by the Company to be bound by all provisions of this Agreement.

Forfeiture If your Service terminates for any reason, then your Restricted Shares will be forfeited to the extent that they have not vested as of the termination of your Service. This means that any Restricted Shares that have not vested under this Agreement will immediately revert to the Company. You receive no payment for Restricted Shares that are forfeited.

The Company determines when your Service terminates for this purpose.

Change in Control In the event a Change of Control (i) occurs in 2023, the target number of RSAs scheduled to vest in year one shall vest immediately and the target number of RSAs scheduled to vest in year two and year three shall, at buyer's discretion, either (1) vest immediately; (2) be converted to an equivalent value of buyer's stock or (3) be converted to an equivalent cash value which shall be paid half on the second anniversary of the grant date and half on the third anniversary of the grant date, subject to your continued employment by the Company or buyer. . In the event a Change of Control occurs in 2024, the target number of RSAs scheduled to vest in year one and year two shall vest immediately and the target number of RSAs scheduled to vest in year three shall, at buyer's discretion, either (1) vest immediately; (2) be converted to an equivalent value of buyer's stock or (3) be converted to an equivalent cash value which shall be paid on the third anniversary of the grant date, subject to your continued employment by the Company or buyer. In the event a Change in Control occurs in 2025, the target number of RSAs scheduled to vest in year three shall vest immediately. In the event an individual with a Tier One or Key Executive Agreement is terminated within 120 days prior to or 24 months subsequent to a Change in Control, all RSAs shall vest within thirty (30) days of the closing date or upon termination of the employee.

Leaves of Absence and Part-Time Work For purposes of this grant, your Service does not terminate when you go on a military leave, a sick leave or another *bona fide* leave of absence, if the leave was approved by the Company in writing and if continued crediting of Service is required by applicable law, the Company's written leave of absence policy (as in effect for similarly situated employees) or the terms of your leave. But your Service terminates when the approved leave ends, unless you immediately return to active work. If you go on a leave of absence, then the vesting dates specified above may be adjusted in accordance with the Company's written leave of absence policy (as in effect for similarly situated employees) or the terms of your leave. If you commence working on a part-time basis, then the vesting dates specified above may be adjusted in accordance with the Company's written part-time work policy (as in effect for similarly situated employees) or the terms of an agreement between you and the Company pertaining to your part-time schedule.

Voting Rights You may vote your shares even before they vest.

Stock Certificates The Company will hold your Restricted Shares for you. After shares have vested, a stock certificate for those shares will be released to a broker for your account. The Company will select the broker at its discretion.

Withholding Taxes You will be required to pay all withholding taxes that become due as a result of this grant or the vesting of the shares. You may direct the Company to deduct the withholding taxes from any cash compensation payable to you, or you may pay the withholding taxes to the Company in cash.

Restrictions on Resale You agree not to sell any shares at a time when applicable laws or the Company's Securities Trading Policy prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.

No Retention Rights Your grant or this Agreement does not give you the right to be employed or retained by the Company or a subsidiary of the Company in any capacity. The Company and its subsidiaries reserve the right to terminate your Service at any time, with or without cause.

Adjustments In the event of a stock split, a stock dividend or a similar change in Company stock, the number of Restricted Shares that remain subject to forfeiture will be adjusted accordingly.

Applicable Law This Agreement will be interpreted and enforced under the laws of the State of Delaware (without regard to their choice-of-law provisions).

Plan and Other Agreements The text of the Plan is incorporated in this Agreement by reference. The Plan, this Agreement and the Notice of Restricted Stock Award constitute the entire understanding between you and the Company regarding this grant. Any prior agreements, commitments or negotiations concerning this grant are superseded. This Agreement may be amended only by another written agreement between the parties

Exhibit 2

Synchronoss Technologies, Inc.
2015 EQUITY INCENTIVE PLAN STOCK OPTION Award
AGREEMENT

Tax Treatment This option is intended to be an incentive stock option under section 422 of the Internal Revenue Code or a non-statutory stock option, as provided in the Notice of Stock Option Grant.

Vesting This option becomes exercisable in installments, as shown in the Notice of Stock Option Grant.

This option will in no event become exercisable for additional shares after your Service has terminated for any reason. For purposes of this Agreement, “**Service**” means your service as an Employee, Outside Director or Consultant.

Term This option expires in any event at the close of business at Company headquarters on the Expiration Date shown in the Notice of Stock Option Grant, which is not later than the day before the 7th anniversary of the Date of Grant. (It will expire earlier if your Service terminates, as described below.)

Regular Termination If your Service terminates for any reason except death or total and permanent disability, then this option will expire at the close of business at Company headquarters on the date three months after your termination date. The Company determines when your Service terminates for this purpose.

Death If you die before your Service terminates, then this option will expire at the close of business at Company headquarters on the date 12 months after the date of death.

Disability If your Service terminates because of your total and permanent disability, then this option will expire at the close of business at Company headquarters on the date 12 months after your termination date.

For all purposes under this Agreement, “total and permanent disability” means that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than one year.

Leaves of Absence and Part-Time Work For purposes of this grant, your Service does not terminate when you go on a military leave, a sick leave or another *bona fide* leave of absence, if the leave was approved by the Company in writing and if continued crediting of Service is required by applicable law, the Company's written leave of absence policy (as in effect for similarly situated employees) or the terms of your leave. But your Service terminates when the approved leave ends, unless you immediately return to active work. If you go on a leave of absence, then the vesting dates specified above may be adjusted in accordance with the Company's written leave of absence policy (as in effect for similarly situated employees) or the terms of your leave. If you commence working on a part-time basis, then the vesting dates specified above may be adjusted in accordance with the Company's written part-time work policy (as in effect for similarly situated employees) or the terms of an agreement between you and the Company pertaining to your part-time schedule.

Restrictions on Exercise The Company will not permit you to exercise this option if the issuance of shares at that time would violate any law or regulation.

Disability If your Service terminates because of your total and permanent disability, then this option will expire at the close of business at Company headquarters on the date 12 months after your termination date.

For all purposes under this Agreement, "total and permanent disability" means that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than one year.

Notice of Exercise When you wish to exercise this option, you must notify the Company by filing the proper "Notice of Exercise" form at the address given on the form. Your notice must specify how many shares you wish to purchase. Your notice must also specify how your shares should be registered. The notice will be effective when the Company receives it.

If someone else wants to exercise this option after your death, that person must prove to the Company's satisfaction that he or she is entitled to do so.

Form of Payment When you submit your notice of exercise, you must include payment of the option exercise price for the shares that you are purchasing. To the extent permitted by applicable law, payment may be made in one (or a combination of two or more) of the following forms:

- Your personal check, a cashier's check or a money order.
- Certificates for shares of Company stock that you own, along with any forms needed to effect a transfer of those shares to the Company. The value of the shares, determined as of the effective date of the option exercise, will be applied to the option exercise price. Instead of surrendering shares of Company stock, you may attest to the ownership of those shares on a form provided by the Company and have the same number of shares subtracted from the option shares issued to you. However, you may not surrender, or attest to the ownership of, shares of Company stock in payment of the exercise price if your action would cause the Company to recognize compensation expense (or additional compensation expense) with respect to this option for financial reporting purposes.
- To the extent that the option shares are registered and with the Company's consent, you may be permitted to give irrevocable directions to a securities broker approved by the Company to sell all or part of your option shares and to deliver to the Company from the sale proceeds an amount sufficient to pay the option exercise price and any withholding taxes. (The balance of the sale proceeds, if any, will be delivered to you.) The directions must be given by signing a special "Notice of Exercise" form provided by the Company.

Withholding Taxes and Stock Withholding You will not be allowed to exercise this option unless you make arrangements acceptable to the Company to pay any withholding taxes that may be due as a result of the option exercise. With the Company's consent, these arrangements may include withholding shares of Company stock that otherwise would be issued to you when you exercise this option. The value of these shares, determined as of the effective date of the option exercise, will be applied to the withholding taxes.

Restrictions on Resale You agree not to sell any option shares at a time when applicable laws, Company policies or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.

Transfer of Option Prior to your death, only you may exercise this option. You cannot transfer or assign this option. For instance, you may not sell this option or use it as security for a loan. If you attempt to do any of these things, this option will immediately become invalid. You may, however, dispose of this option in your will or a beneficiary designation.

Regardless of any marital property settlement agreement, the Company is not obligated to honor a notice of exercise from your former spouse, nor is the Company obligated to recognize your former spouse's interest in your option in any other way.

Retention Rights Your option or this Agreement does not give you the right to be retained by the Company or a subsidiary of the Company in any capacity. The Company and its subsidiaries reserve the right to terminate your Service at any time, with or without cause.

Stockholder Rights You, or your estate or heirs, have no rights as a stockholder of the Company until you have exercised this option by giving the required notice to the Company and paying the exercise price. No adjustments are made for dividends or other rights if the applicable record date occurs before you exercise this option, except as described in the Plan.

Adjustments In the event of a stock split, a stock dividend or a similar change in Company stock, the number of shares covered by this option and the exercise price per share may be adjusted pursuant to the Plan.

Applicable Law This Agreement will be interpreted and enforced under the laws of the State of Delaware (without regard to their choice-of-law provisions).

Plan and Other Agreements This The text of the Plan is incorporated in this Agreement by reference. The Plan, this Agreement and the Notice of Restricted Stock Award constitute the entire understanding between you and the Company regarding this grant. Any prior agreements, commitments or negotiations concerning this grant are superseded. This Agreement may be amended only by another written agreement between the parties

Exhibit 3

**SYNCHRONOSS TECHNOLOGIES, INC.
2024-2026 Performance-Based Cash Units Agreement**

This Performance-Based Cash Unit Agreement is made as of the Agreement Date between Synchronoss Technologies, Inc., a Delaware corporation (the “Company”), and the Participant.

Agreement Date

Date:	(Date)
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II. Participant Information

Participant:	(Name)
Participant Address:	c/o Synchronoss Technologies, Inc. 200 Crossing Blvd. Bridgewater, NJ 08807

III. Grant Information

A. 2024-2026 Performance-Based Cash Units

Total target performance-based cash units “PBCUs” = **(Shares Awarded)**

Year	Minimum	Target	Stretch
2024	50% of Target	(Total shares/3)	200% of Target
2025	50% of Target	(Total shares/3)	200% of Target
2026	50% of Target	(Total shares/3)	200% of Target

B. Performance Year 2024, 2025, and 2026 Targets

The number above represents the target, minimum and maximum number of PBCUs granted. The actual number of PBCUs to be earned shall be calculated each year on or about March 15 of the following year (i.e., March 15, 2025, based on 2024 financial performance), based on the performance against the following parameters:

Plan Year 2024	Metric Weighting	Minimum (50%)	Target (100%)	Maximum (200%)
Revenue (\$M)	1/3rd	\$164.40	\$175	\$190
EBITDA (\$M)	1/3rd	\$37	\$47	\$57
TSR	1/3rd	35% percentile	50% percentile	75% percentile

Plan Year 2025	Metric Weighting	Minimum (50%)	Target (100%)	Maximum (200%)
Revenue (\$M)	1/3rd	TBD	2025 Plan TBD	TBD
EBITDA (\$M)	1/3rd	TBD	2025 Plan TBD	TBD
TSR (%)	1/3rd	35% percentile	50% percentile	75% percentile

Plan Year 2026	Metric Weighting	Minimum (50%)	Target (100%)	Maximum (200%)
Revenue (\$M)	1/3rd	TBD	2026 Plan TBD	TBD
EBITDA (\$M)	1/3rd	TBD	2026 Plan TBD	TBD
TSR (%)	1/3rd	35% percentile	50% percentile	75% percentile

In the event that the Company acquires any businesses during 2024-2026 or has extraordinary capital expenditure or other expenses, the Company's Compensation Committee will determine whether the above performance metrics should be adjusted to take into account these events.

TSR is defined as Total Shareholder Return against all companies in the S&P Software & Services. Compensation Committee reserves the right for discretion on TSR payout particularly in the case of negative stock performance.

In calculating EBIDTA, the Company adds back the fair value of stock-based compensation expense, deferred revenue, acquisition-related costs, restructuring charges, changes in the contingent consideration obligation, deferred compensation expense related to earn outs and amortization of intangibles associated with acquisitions.

C. Financial Performance Period

January 1 to December 31 each year

D. Change of Control

In the event a Change of Control occurs in 2024, PBCUs for 2024, 2025 and 2026 shall be deemed to be earned at target. If the Change of Control occurs in 2025, the individual shall receive the actual number of PBCUs earned for 2024 based on 2024 performance, and PBCUs for 2025 and 2026 shall be deemed to be earned at target. If the Change of Control occurs in 2026, the individual shall receive the actual number of PBCUs earned in 2024 and 2025 based on 2024 and 2025 performances, respectfully, and PBCUs for 2026 shall be deemed to be earned at target.

The value of the 2024 PBCUs shall vest immediately and be paid out within thirty (30) days following the closing of the Change of Control. The target value of the 2025 and 2026 PBCUs shall, at the option of the acquiror, (i) vest immediately and be paid out within thirty (30) days following the closing of the Change of Control; (ii) vest and be paid out in accordance with the original Vesting Provision, subject to the individual's continued service to the acquiror through each applicable payment date; or (iii) convert to an equivalent value of shares in the acquiror. In the event an individual with a Tier One or Key Executive Agreement is terminated within 120 days prior

to or 24 months subsequent to a Change of Control, all PBCUs are converted to cash and paid at the later of thirty (30) days following the closing of the Change of Control or upon termination of the individual.

E. Vesting Period

In the absence of change in control, 100% of the PBCUs vest on the date the Compensation Committee meets to approve the actual number of units earned, which date shall be after the

financial results for 2026 are approved by the Board (after the Company's year-end earnings call, which is expected to be on or about March 15, 2027). The value of the performance-based cash units shall be determined by taking the total number of units earned during the performance period and multiplying them by the closing stock price on the Vesting Date.

F. Conversion to Equity

Prior to granting the actual number of PBCUs after the 2026 financial performance is determined, the Compensation Committee may issue shares of the Company's common stock (under the Company's Amended 2015 Equity Incentive Plan) in lieu of cash in the amount equal to the quotient of (i) the value of the PBCUs to be earned by the individual as determined above based on the financial performance of the Company in 2024, 2025 and 2026 divided by (ii) the closing price of the Company's common stock on the date the Compensation Committee meets to approve the actual grants as provided above. Notwithstanding anything to the contrary, the Compensation Committee shall have sole discretion to determine the value of PBCUs to be distributed in cash or the value to be distributed in shares of the Company's common stock or any combination of the two.

This Agreement includes this cover page and the following Exhibits, which are expressly incorporated by reference in their entirety herein:

Exhibit A – General Terms and Conditions

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Agreement Date.

SYNCHRONOSS TECHNOLOGIES, INC.

PARTICIPANT

/s/

Jeff Miller
President & CEO

(Employee)

Exhibit A – General Terms and Conditions

For valuable consideration, receipt of which is acknowledged, the parties hereto agree as follows:

1. Grant of Performance-Based Cash Units.

(a) Grant. In consideration of services rendered to the Company by the Participant, the Company has granted to the Participant, subject to the terms and conditions set forth in this Agreement, a performance-based award of cash units, representing a target award of performance-based cash units equal to the Target Number shown on the cover page of this Agreement, and the opportunity to earn up to 200% of the Target Number upon over-performance of the financial parameters.

(b) Performance-Based Cash Units. Upon the confirmation by the Company's Board of Directors of the Company's achievement of the performance objectives for 2025 set forth on the cover page of this Agreement and approval of the Compensation Committee of the number of performance-based cash units to be granted (such date, the "Issue Date"), the Company will, based on the discretion of the Compensation Committee, either (i) pay cash equal to the value of the performance-based cash units to be granted, (ii) issue and register or cause to be registered in Participant's name, the number of shares of the Company's common stock (under the Company's Amended 2015 Equity Incentive Plan) equal to the quotient of (a) the value of the performance-based cash units to be granted to the individual as determined above divided by (b) the closing price of the Company's common stock on the date the Compensation Committee meets to approve the actual grants as provided above under the Amended 2015 Equity Incentive Plan, in either certificated or uncertificated form (the "Restricted Shares") or (iii) a mixture of (i) and (ii). The Compensation Committee or Board shall make such confirmation no later than March 15, 2027

(c) Vesting. The performance-based cash units or the Restricted Shares, as the case may be, shall vest in accordance with the vesting provision (the "Vesting Provision") set forth on the cover page to this Agreement. Any fractional share resulting from the application of the percentages in the Vesting Provision shall be rounded to the nearest whole number of shares.

(d) Employment Termination. If the Participant's employment with the Company terminates prior to the applicable vesting date for any reason other than after a Change of Control (as provided in the Company's Amended 2015 Equity Incentive Plan), then all performance-based cash units shall be automatically forfeited to the Company as of such employment termination. For purposes of this Agreement, employment with the Company shall include employment with a parent or subsidiary of the Company, or any successor to the Company.

2. Withholding Taxes. In the event Restricted Shares are issued, you agree to authorize the Company to sell the number of Restricted Shares deliverable to the Participant, such number of Shares as have a Fair Market Value (as defined in the Plan) equal to the Company's federal, state, and local or other income and employment tax withholding obligations with respect to the income recognized by the Participant as a result of such vesting or issuance (based on minimum statutory withholding rates for all tax purposes, including payroll and social security taxes, that are applicable to such income). In the event cash is issued, the Company shall withhold appropriate tax based on the Company's federal, state, and local or other income and employment tax withholding obligations with respect to the income recognized by the Participant as a result of such vesting.

I. **Provisions of the Plans.** This Agreement is subject to the provisions of the Amended 2015 Equity Incentive Plan. The Participant acknowledges receipt of the Amended 2015 Plan, along with the Prospectus relating to the 2015 Plan.

II. **Miscellaneous.**

I. **No Rights to Employment.** The Participant acknowledges and agrees that the grant of this restricted stock award and its vesting pursuant to Section 1 do not constitute an express or implied promise of continued employment for the vesting period, or for any period.

II. **Entire Agreement.** This Agreement and the Plan constitute the entire agreement between the parties, and supersede all prior agreements and understandings, relating to the subject matter of this Agreement; provided that any separate employment or severance agreement between the Company and the Participant that includes terms relating to the acceleration of vesting of equity awards shall not be superseded by this Agreement.

III. **Governing Law.** This Agreement shall be construed, interpreted and enforced in accordance with the internal laws of the State of New Jersey, without regard to any applicable conflict of law principles.

IV. **Interpretation.** The interpretation and construction of any terms or conditions of the Plan or this Agreement by the Compensation Committee shall be final and conclusive.

Exhibit 4

**SYNCHRONOSS TECHNOLOGIES, INC.
2024-2026 Performance-Based Cash Awards Agreement**

This Performance-Based Cash Award Agreement is made as of the Agreement Date between Synchronoss Technologies, Inc., a Delaware corporation (the “Company”), and the Participant.

Agreement Date

Date:	(Date)
-------	--------

(b) Participant Information

Participant:	(Name)
Participant Address:	c/o Synchronoss Technologies, Inc. 200 Crossing Blvd. Bridgewater, NJ 08807

(c) Grant Information

I. 2024-2026 Performance-Based Cash Award

Total target performance-based cash Award “PBCC” = (Shares Awarded)

Year	Minimum	Target	Stretch
2024	50% of Target	(Total shares/3)	200% of Target
2025	50% of Target	(Total shares/3)	200% of Target
2026	50% of Target	(Total shares/3)	200% of Target

II. Performance Year 2024, 2025, and 2026 Targets

The table above sets forth the target, minimum and maximum amount of the PBCC Award. The actual amount of PBCC to be earned shall be calculated each year on or about March 15 of the following year (i.e., March 15, 2025, based on 2024 financial performance), based on the performance against the following parameters:

Plan Year 2024	Metric Weighting	Minimum (50%)	Target (100%)	Maximum (200%)
Revenue (\$M)	1/3rd	\$164.40	\$175	\$190
EBITDA (\$M)	1/3rd	\$37	\$47	\$57
TSR	1/3rd	35% percentile	50% percentile	75% percentile

Plan Year 2025	Metric Weighting	Minimum (50%)	Target (100%)	Maximum (200%)
Revenue (\$M)	1/3rd	TBD	2025 Plan TBD	TBD
EBITDA (\$M)	1/3rd	TBD	2025 Plan TBD	TBD
TSR (%)	1/3rd	35% percentile	50% percentile	75% percentile

Plan Year 2026	Metric Weighting	Minimum (50%)	Target (100%)	Maximum (200%)
Revenue (\$M)	1/3rd	TBD	2026 Plan TBD	TBD
EBITDA (\$M)	1/3rd	TBD	2026 Plan TBD	TBD
TSR (%)	1/3rd	35% percentile	50% percentile	75% percentile

In the event that the Company acquires any businesses during 2024-2026 or has extraordinary capital expenditure or other expenses, the Company's Compensation Committee will determine whether the above performance metrics should be adjusted to take into account these events.

TSR is defined as Total Shareholder Return against all companies in the S&P Software & Services. The Compensation Committee reserves the right for discretion on TSR payout particularly in the case of negative stock performance.

In calculating EBIDTA, the Company adds back the fair value of stock-based compensation expense, deferred revenue, acquisition-related costs, restructuring charges, changes in the contingent consideration obligation, deferred compensation expense related to earn outs and amortization of intangibles associated with acquisitions.

III. Financial Performance Period

January 1 to December 31 each year

IV. Change of Control

In the event a Change of Control occurs in 2024, PBCCs for 2024, 2025 and 2026 shall be deemed to be earned at target. If the Change of Control occurs in 2025, the individual shall receive the actual number of PBCCs earned for 2024 based on 2024 performance, and PBCCs for 2025 and 2026 shall be deemed to be earned at target. If the Change of Control occurs in 2026, the individual shall receive the actual number of PBCCs earned in 2024 and 2025 based on 2024 and 2025 performances, respectfully, and PBCCs for 2026 shall be deemed to be earned at target.

The value of the 2024 PBCCs shall vest immediately and be paid out within thirty (30) days following the closing of the Change of Control. The target value of the 2025 and 2026 PBCCs shall, at the option of the acquiror, (i) vest immediately and be paid out within thirty (30) days following the closing of the Change of Control; (ii) vest and be paid out in accordance with the original Vesting Provision, subject to the individual's continued service to the acquiror through each applicable payment date; or (iii) convert to an equivalent value of shares in the acquiror. In the event an individual with a Tier One or Key Executive Agreement is terminated within 120 days prior to or 24 months subsequent to a Change of Control, all PBCCs are converted to cash and paid at the later of thirty (30) days following the closing of the Change of Control or upon termination of the individual.

V. Vesting Period

In the absence of Change of Control, 100% of the PBCC Award shall vest on the date the Compensation Committee meets to approve the actual amount of PBCC earned, which date shall be after the financial results for 2026 are approved by the Board (after the Company's year-end earnings call, which is expected to be on or about March 15, 2027). The value of the PBCC

Award shall be determined by taking the total amount of the target Award value multiplied by the attainment % for that period.

This Agreement includes this cover page and the following Exhibits, which are expressly incorporated by reference in their entirety herein:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Agreement Date.

SYNCHRONOSS
TECHNOLOGIES, INC.

PARTICIPANT

/s/

Jeff Miller
President & CEO

(Employee)

Exhibit A – General Terms and Conditions

For valuable consideration, receipt of which is acknowledged, the parties hereto agree as follows:

1. Grant of Performance-Based Cash Award.

(a) Grant. In consideration of services rendered to the Company by the Participant, the Company has granted to the Participant, subject to the terms and conditions set forth in this Agreement, a performance-based award of cash, representing a target award of performance-based cash equal to the Target Amount shown on the cover page of this Agreement, and the opportunity to earn up to 200% of the Target Number upon over-performance of the financial parameters.

(b) Performance-Based Cash Award. Upon the confirmation by the Company's Board of Directors of the Company's achievement of the performance objectives for 2026 set forth on the cover page of this Agreement and approval of the Compensation Committee of the amount of performance-based cash award to be granted (such date, the "Issue Date"), the Company will pay cash equal to the value of the performance-based cash Award approved by the Compensation Committee based on the percentage achievement toward the financial metrics established by the Board,

(c) Vesting. The performance-based cash award shall vest in accordance with the vesting provision (the "Vesting Provision") set forth on the cover page to this Agreement. Any fractional cash resulting from the application of the percentages in the Vesting Provision shall be rounded to the nearest whole number.

(d) Employment Termination. If the Participant's employment with the Company terminates prior to the applicable vesting date for any reason other than after a Change of Control, then all performance-based cash awards shall be automatically forfeited as of such employment termination. For purposes of this Agreement, employment with the Company shall include employment with a parent or subsidiary of the Company, or any successor to the Company.

2. Withholding Taxes. In the event cash is issued, the Company shall withhold appropriate tax based on the Company's federal, state, and local or other income and employment tax withholding obligations with respect to the income recognized by the Participant as a result of such vesting.

3. Miscellaneous.

(a) No Rights to Employment. The Participant acknowledges and agrees that the grant of this performance-based cash award and its vesting pursuant to Section 1 do not constitute an express or implied promise of continued employment for the vesting period, or for any period.

(b) Entire Agreement. This Agreement and the Plan constitute the entire agreement between the parties, and supersede all prior agreements and

understandings, relating to the subject matter of this Agreement; provided that any separate employment or severance agreement between the Company and the Participant that includes terms relating to the acceleration of vesting of equity awards shall not be superseded by this Agreement.

(c) Governing Law. This Agreement shall be construed, interpreted and enforced in accordance with the internal laws of the State of New Jersey, without regard to any applicable conflict of law principles.

(d) Interpretation. The interpretation and construction of any terms or conditions of the Plan or this Agreement by the Compensation Committee shall be final and conclusive.

**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 September 30, 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: November 12, 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 September 30, 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: November 12, 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 September 30, 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: November 12, 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 September 30, 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: November 12, 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.