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ANNUAL REPORT



“

2024 was a year of focus and momentum. We advanced our platform, unlocked new value with AI, and positioned Synchronoss to lead in the next wave of cloud innovation.

”

Jeff Miller
President and CEO, Synchronoss

Fellow Shareholders,

2024 was a year of milestones for Synchronoss, marking our first full year as a dedicated cloud solutions provider. As a more agile organization, our global team remained relentlessly committed to enhanced operational efficiency and transformative progress across the business.

We strengthened our financial foundation, achieving full year revenue of \$173.6 million, representing growth of 5.7% year-over-year and adjusted EBITDA of \$50.4, a year-over-year increase of 61%.¹

Expanding the capabilities of our cloud solutions, we integrated advanced technology and harnessed Artificial Intelligence to transform how users interact with and preserve their digital memories. Utilizing generative AI, we intelligently tagged, secured and usability, empowering users to manage and personalize their digital memories with confidence. By integrating these cutting-edge innovations, we enhanced the user experience and created new opportunities for our telecom partners—reducing churn, increasing engagement, and unlocking new revenue streams.

Our platform's evolution fueled expansion, enabling Synchronoss to strengthen existing partnerships and grow our subscriber base by 6% year-over-year, surpassing 11 million total subscribers. These advancements reinforced our recurring revenue base and further solidified the critical role our cloud solutions played in our partners' digital ecosystems.

Our ability to grow and innovate was driven by the people behind our technology. Their dedication and expertise propelled Synchronoss' commitment to delivering cutting-edge solutions that empower our customers. Our talented and forward-thinking team developed technologies that many of the world's largest telecom operators rely on to safeguard subscribers' digital lives—protecting photos, videos, files, and other irreplaceable memories while enabling digital transformation at scale.

Looking ahead, we remain focused on expanding subscriber adoption and engagement, increasing our customer base, and tapping into new avenues for growth. As data consumption accelerates, the need for secure, seamless, and scalable digital storage continues to rise, creating significant potential for cloud expansion. Our 2025 strategy centers on strengthening our position as a global cloud solutions provider. With a relentless commitment to innovation, we are poised to expand the impact of cloud technology and create lasting value for our customers, partners, and shareholders.

The year ahead holds immense promise, and we look forward to igniting new opportunities.

Sincerely,

Jeff

¹ 2024 Adjusted EBITDA of \$50.4M is calculated as follows: Net income of \$4.6 million; plus: Stock-based compensation \$6.4 million, Restructuring, transition and cease-use lease expense \$4.9 million, Sublease receivable impairment \$0.8 million, Depreciation and amortization \$17.1 million, Interest expense \$18.0 million and Provision for income taxes \$7.6 million; less: Change in contingent consideration (\$0.1) million, Litigation expense (\$0.4) million, Interest income (\$0.8) million, Other expense (\$9.3) million and Preferred stock dividend, net of gain on repurchase of preferred stock (\$1.6) million.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2024

Or

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

For the transition period from to

Commission file number 001-40574

SYNCHRONOSS TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

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

(Address of principal executive offices)

06-1594540

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

08807

(Zip Code)

(866) 620-3940

(Registrant's telephone number, including area code)

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

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

The aggregate market value of the common stock held by non-affiliates of the Registrant as of June 30, 2024, the last business day of the Registrant's last completed second quarter, based upon the closing price of the common stock as reported by The Nasdaq Stock Market on such date was approximately \$61.9 million. Shares of common stock held by each executive officer, director and stockholders known by the Registrant to own 10% or more of the outstanding stock based on public filings and other information known to the Registrant have been excluded since such persons may be deemed affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of March 7, 2025, a total of 11,490,918 shares of the Registrant's common stock were outstanding.

The exhibit index as required by Item 601(a) of Regulation S-K is included in Item 15 of Part IV of this report on Form 10-K.

DOCUMENTS INCORPORATED BY REFERENCE

Information required by Part III (Items 10, 11, 12, 13 and 14) is incorporated by reference to portions of the Registrant's definitive Proxy Statement for its 2025 Annual Meeting of Stockholders (the "Proxy Statement"), which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2024. Except as expressly incorporated by reference, the Proxy Statement shall not be deemed to be a part of this report on Form 10-K.

SYNCHRONOSS TECHNOLOGIES, INC.
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PART I

FORWARD LOOKING STATEMENTS

The words “Synchronoss,” “we,” “our,” “ours,” “us” and the “Company,” refer to Synchronoss Technologies, Inc. and its consolidated subsidiaries. All statements in this Annual Report on Form 10-K for the fiscal year ended December 31, 2024 that are not historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding Synchronoss’ “expectations,” “beliefs,” “hopes,” “intentions,” “anticipates,” “seeks,” “strategies,” “plans,” “targets,” “estimations,” “outlook” or the like. Such statements are based on management’s current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Past performance is not necessarily indicative of future results. Synchronoss cautions investors that there can be no assurance that actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors. We encourage you to read Management’s Discussion and Analysis of our Financial Condition and Results of Operations and our Consolidated Financial Statements contained in this Form 10-K. We also encourage you to read Item 1A of Part I of this Form 10-K, entitled Risk Factors, which contains a more complete discussion of the risks and uncertainties associated with our business. In addition to the risks described in Item 1A of this Form 10-K, other unknown or unpredictable factors also could affect our results. Therefore, the information in this Form 10-K should be read together with other reports and documents that we file with the Securities and Exchange Commission from time to time, including on Form 10-Q and Form 8-K, which may supplement, modify, supersede or update those risk factors. Synchronoss expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Synchronoss’ expectations with regard thereto or any change in events, conditions, or circumstances on which any such statements are based.

This Form 10-K includes industry and market data that we obtained from periodic industry publications, third-party studies and surveys, filings of public companies in our industry and internal company surveys. These sources include government and industry sources. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable. Although we believe the industry and market data incorporated into this Form 10-K to be reliable, this information could prove to be inaccurate. Industry and market data could be wrong because of the method by which sources obtained their data and because information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. In addition, we do not know all of the assumptions regarding general economic conditions or growth that were used in preparing the forecasts from the sources relied upon or cited herein.

ITEM 1. *BUSINESS*

Overview

Synchronoss Personal Cloud™ is a powerful software solution that helps global network operators and mobile insurance providers drive revenue, increase engagement, and enhance digital security. Our platform enables customers to connect, engage, and monetize subscribers by offering a trusted, seamless way to sync, organize, and protect their digital content. With Artificial Intelligence (“AI”) powered features that enrich user experiences, we help operators create new revenue streams, lower innovation costs, and strengthen customer loyalty, all while ensuring secure and effortless content management.

Who We Serve

At Synchronoss we focus on delivering carrier-grade solutions to three markets globally: communications service providers/multi-service operators (such as cable and mobile network operators), mobile insurance providers and retailers. We enable our customers to monetize value-added services, drive growth, and boost retention through differentiated experiences.

Communications service providers, multi-service operators and mobile insurance providers market white label implementations of our Synchronoss Personal Cloud™ products and solutions to their subscribers around the world. Our customers market and re-sell the services powered by our technology to their subscribers as part of stand-alone subscriptions or value-added bundles. They also use our Personal Cloud to enhance their service offerings to subscribers who purchase and lease mobile devices and network connectivity by providing an easy solution for storing and syncing user generated content (e.g., videos, photos, documents, contacts, music, etc.).

Our customers include global service providers such as AT&T, Verizon, and Softbank. These customers utilize our solutions to service both consumer and enterprise customers.

How We Go to Market

We market our solutions through multiple channels such as our corporate website, direct sales teams across key regions (North America, Europe, Middle East and Africa (“EMEA”) and Asia-Pacific (“APAC”)), and industry partnerships.

Sales

We sell our solutions, products, and services through a direct sales force, with strategic partners, and in collaboration with our customers to resell services to their end customers and subscribers. Our sales professionals have deep expertise in our products, along with a strong understanding of market trends and customer needs.

Marketing

The Synchronoss marketing team uses a cloud-focused approach to drive customer acquisition and growth through strategic, targeted campaigns. Our mission is centered on developing compelling product-specific messaging that addresses end user needs and comprehensive brand narratives through an array of channels, including digital marketing, sales support, social media, and public relations. These strategic efforts are crucial in generating business-to-business (B2B) sales leads, enhancing the visibility of our cloud solutions, and reinforcing our brand presence across the telecom, insurance, and retail sectors in the North America, EMEA, and APAC regions.

We also support our partners’ direct-to-consumer (D2C) marketing to drive subscriber growth and adoption. Through our integrated go-to-market and awareness campaigns, orchestrated with an omnichannel approach, we ensure that consumers are engaged at every pivotal point in the purchase lifecycle. This includes interactions during online checkout, retail engagements, customer support, the initial setup of products, and via in-app notifications for devices pre-installed with our cloud application. These initiatives are a clear demonstration of our dedication to delivering not only a secure and user-centric cloud experience, but also to empowering service providers and consumers alike with a platform that champions data integrity and propels user engagement.

What We Deliver - Synchronoss Personal Cloud™ Platform

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.

Designed for smartphones, tablets, and desktops across all operating systems, our platform ensures a seamless, cross-device experience.

Divestiture of the Messaging and NetworkX Businesses

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 allowed the Company to solely focus on providing cloud-centric solutions. In connection with the sale transaction, the Company determined its Messaging and NetworkX Businesses qualified for discontinued operations accounting treatment in accordance with ASC 205-20. Accordingly, the operating results of, and costs to separate the Messaging and NetworkX businesses are reported in Net loss from discontinued operations, net of taxes on the Consolidated Statements of Operations for all periods presented. The Notes to the Consolidated 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 Part II, Item 8 of this Form 10-K.

What We Deliver - Our Services

Synchronoss offers professional services including consulting, installation and deployment, configuration, customization, systems integration, and support to ensure our customers’ successful deployment and utilization of our products and solutions.

Product Development

At Synchronoss 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. To this effect, Synchronoss has invested in and implemented AI technology to introduce several new features in the Personal Cloud product. These features include advanced editing of photos using AI models and auto-curating subscriber content using several AI models to generate engaging collections to be shared with users as memories.

Intellectual Property

We rely principally on a combination of trademark, copyright and patent laws in the United States and other jurisdictions in which we do business, as well as confidentiality procedures and contractual provisions, which protect our proprietary information, technologies and strategies. We also cultivate a culture which encourages creativity and innovation amongst our employees by maintaining a patent award program and hosting events such as an annual Innovation Jam and periodic “hackathons.” We believe this facilitates the development of new features, functionality, and products, which are essential to establishing our solutions as the leading solutions in the industry. We enter into proprietary information and invention agreements with all of our employees and consultants during the onboarding process and non-disclosure agreements with all third parties.

As of December 31, 2024, we had 37 patents issued and 13 patents pending in the United States, and we had 67 patents issued and 3 pending internationally. We hold and/or are pursuing patents in the United States, Germany, the United Kingdom, France, Ireland and Spain and we may seek additional jurisdictions to the extent we determine such coverage is appropriate and cost efficient. Our issued patents cover all aspects of our business including cloud and security.

Demand Drivers for Our Business

With faster/higher speeds, lower latency, more capacity, enhanced security and better reliability, 5G capabilities will enable new use cases, applications and business models that were not possible before. Consumer demand for these features alone will shape how operators offer 5G services and operators in turn have the opportunity to monetize and earn differentiated revenue streams. According to Market Research Future, Mobile Value-Added-Services (“VAS”) are set to hit \$309.1 billion by 2025. The transition to 5G provides an opportunity to strengthen operators’ position in the consumer market and function as a service enabler by bundling VAS into premium offers. Service providers should also become service creators by developing new, immersive products under their own brand. In either case (branded and partner services) powering digital bundles and simplifying onboarding, consumption, billing, and authentication of VAS will drive higher adoption of premium 5G service plans and ARPU.

Beyond being a buzz word or strategy, 5G is the next wave in communication service providers’ technological future. In 2024, we saw the continued adoption of 5G use cases and operators began to reap returns carriers were reliant on when making their investment in 5G technology. In 2027, it is projected¹ that North America will have the highest 5G penetration at 90 percent. 5G adoption among mid-tier smart phones also continued to abound as new devices and capabilities were introduced by mobile phone manufacturers in 2023.

More devices will lead to more vulnerabilities around privacy, data, and hardware protection. Consumers have made it clear; they want to understand and feel confident about how their data is being used. Service providers have proven themselves true stewards of consumer data protection and privacy, and therefore differentiated as the market continues to develop. As the provider of both the mobile network and fixed wireless connectivity, service providers are uniquely positioned to become the trusted end-to-end solution of total protection services for subscribers both at home and on the go. The consumer demand around personal cloud data protection, hardware insurance, home and network security will allow service providers to capitalize on their trusted relationship with consumers.

We believe our white label Personal Cloud platform helps service providers accelerate the adoption of 5G service and total protection plans. Our next generation Personal Cloud gives operators a new way to create, deliver, engage, and monetize more personalized experiences and offers for their subscribers. When operators have millions of active users leveraging cloud, it becomes a channel for cross selling security services, insurance, merchandise, and other carrier services, leading to a significant increase in ARPU. As a result, we are fostering new partnerships, building exciting new capabilities, and now enabling subscribers to protect the connected devices. Giving subscribers the ability to protect hardware investments with insurance

plans, protect their families from cyber threats with network-based security services, and their personal content - with cloud, will differentiate the value proposition of 5G service plans and deliver significant brand value for our customers.

Personal Cloud and its data protection value proposition fits nicely into the device protection and insurance offering. Insurance providers bundle personal cloud with the device protection to offer total device protection. Cable Multiple System Operators (“MSO”) and broadband service providers have a unique opportunity to offer personal cloud as an ‘all home’ data protection offering, which increases ARPU and provides the much-needed access to the home service provider market beyond being a connectivity and content provider. In addition, service providers also can include personal cloud into a security bundle where consumers get data protection combined with other features like anti-virus, password protection, Virtual Private Network (“VPN”) and more.

Additionally, the personal cloud market is expected to grow at 18.5% compound annual growth rate (CAGR)² during the forecast period (2023-2028), reflecting continued need and interest by consumers for a solution to protect and save their digital content across the globe. Market research conducted in the first quarter of 2024 further affirmed the opportunity finding 1) nearly a third of users who have not yet adopted a personal cloud solution in North America intend to adopt cloud in the next 3 years; 2) nearly 15% expected growth in secondary cloud adoption; and 3) keen opportunity to win over Over-the-Top (“OTT”) cloud users willing to switch for price, storage and privacy.

¹ Ericsson June 2022 Mobility Report.

² Markets to Market January 2024 Personal Cloud Report.

Competition

Competition across our markets is incredibly diverse, dynamic, and nuanced in an increasingly interconnected landscape of rapidly changing technologies, evolving industry standards, new product introductions, and converging spaces and services.

We face the following categories of competitors in Personal Cloud:

- OTT Service & Platform Providers - Apple, Google, Dropbox, Box, Microsoft and Amazon all provide personal cloud services closely integrated to their respective technology or service platforms. However, Synchronoss differentiates from these OTT Service and Platform Providers by offering operator-grade white label solutions.
- White Label Platform Providers - The field of platform-independent, white label personal cloud providers has consolidated in recent years with Funambol and others competing for operator distribution deals. However, these providers target second and third tier regional operators with low-risk, revenue share business models and do not generally pose a real threat to Tier 1 world-wide operators.

To compete against global platform providers, we offer a collection of products that help to keep subscribers, systems, networks, and content in sync to enable a better, more engaging experience. Our white label products enable subscribers to connect with one another, the networks they rely on, the brands they love and the services they need. We believe we compete favorably through our differentiated product capabilities, vast reach across global markets, and our 20+ years of experience building carrier grade solutions that are proven to scale.

Compliance and Certifications

We obtain third-party reviews of our controls relating to security. Our Synchronoss white label Personal Cloud has been certified to be compliant with the Service Organization Controls (“SOC”) 2 type II audit that tests the design and operating effectiveness of controls over time. An independent auditor tests these controls annually and addresses the environmental and physical safeguards for production data centers, legal controls, change management, and logical security among other areas. Additionally, our operations in Bangalore are certified under ISO27000, ensuring best practices for information security management.

Human Capital

At Synchronoss, we recognize that our growth and success are driven by our talented employees and experienced management team. Our mission is to foster an environment that makes Synchronoss a great place to work, where employees

feel valued, empowered, and inspired to excel. By investing in our people and nurturing a team-oriented culture, we believe that we have established a sustainable competitive advantage that helps to fuel our long-term success.

As of December 31, 2024 we employed 802 full-time employees and 47 contingent workers across India, North America, Europe, and Asia Pacific regions.

Our purpose-driven culture emphasizes employee well-being, inclusivity, and open communication, enabling us to attract and retain top talent worldwide. To support our employees' evolving needs, we implemented a flexible work policy, allowing the majority of our workforce to choose remote work arrangements. We are committed to continuous learning and development, offering robust programs that support personal and professional growth at all levels of the organization. Employees are encouraged to share their insights and feedback through multiple channels, including company-wide town hall meetings and engagement surveys, fostering a culture of transparency and collaboration. We have also taken significant strides to enhance employee engagement and inclusivity, fostering a more connected and collaborative workplace. We have introduced formal training programs, strengthened internal communications, and updated corporate language to reflect inclusivity and align with industry best practices.

In addition, we have prioritized initiatives that increase access to leadership and reduce silos across the organization. We regularly host leadership roundtables, town hall meetings, and cross-departmental forums to encourage open dialogue and collaboration, which allow employees at all levels to have the opportunity to engage directly with senior leaders. Recognizing the value of in-person connections, we have also increased on-site employee social events, fostering camaraderie and teamwork in a more informal setting. These efforts not only strengthen employee relationships, but also reinforce our inclusive and team-oriented culture.

Further demonstrating our commitment to making a positive impact, we continued the Sync Cares program, launched in 2022, to connect employees and leadership with opportunities to give back to their communities. In 2024, hundreds of our employees dedicated 566 hours to supporting 11 organizations globally through our Sync Cares program, showcasing our collective dedication to social responsibility and community engagement.

Our total rewards philosophy prioritizes competitive compensation and comprehensive benefits. We conduct an annual compensation review and pay equity analysis with the goal of ensuring fairness and alignment with market standards. This process is integrated with our performance management cycle, which includes regular feedback discussions to support career development and align individual contributions with our organizational goals.

Through these initiatives, Synchronoss continues to build a workplace where employees feel empowered, engaged, and motivated to drive innovation and deliver results.

Corporate Information

We were incorporated in Delaware in 2000. Our principal offices are located at 200 Crossing Boulevard, Bridgewater, New Jersey. We completed our initial public offering in 2006. Our common stock is listed on the NASDAQ Global Select Market under the symbol "SNCR" and our Senior Notes as listed on the NASDAQ Global Select Market under the symbol "SNCR.L."

Available Information

Our website is located at www.synchronoss.com and our investor relations website is located at <https://synchronosstechnologiesinc.gcs-web.com/>. We have used, and intend to continue to use, our investor relations website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. The following filings are available through our investor relations website after we file them with the Securities and Exchange Commission ("SEC"): Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, current reports on Form 8-K, and our Proxy Statement for our annual meeting of stockholders. These filings are also available for download free of charge on our investor relations website. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov. The contents of these websites are not incorporated into this filing. Further, the Company's references to the URLs for these websites are intended to be inactive textual references only.

Synchronoss, Synchronoss Personal CloudTM and other trademarks of Synchronoss appearing in this Form 10-K are the property of Synchronoss. Other trademarks or service marks that may appear in this Annual Report are the property of their respective holders. Solely for convenience, the trademarks and trade names in this Annual Report are sometimes referred to

without the ®, ™ and SM symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto.

ITEM 1A. RISK FACTORS

An investment in our securities involves a high degree of risk. The following are certain risk factors that could affect our business, financial results, and results of operations. You should carefully consider the following risk factors in connection with evaluating the forward-looking statements contained in this Form 10-K because these factors could cause the actual results and conditions to differ materially from those projected in forward-looking statements. The risks that we have highlighted here are not the only ones that we face. If any of the risks actually occur, our business, financial condition or results of operation could be negatively affected. In that case, the trading price of our securities could decline, and our investors may lose part or all of their investment.

Risk Factors Summary

Our business operations are subject to numerous risks and uncertainties, including those outside of our control, that could cause our actual results to be harmed, including risks regarding the following:

Operation Risks

- Our business may not generate sufficient cash flows from operations or future borrowings may not be available in amounts sufficient to enable us to fund liquidity needs or capital expenditures.
- Our revenue, earnings and profitability are affected by the length of our sales cycle, and a longer sales cycle could adversely affect our results of operations and financial condition.
- We traditionally have had substantial customer concentration, with a limited number of customers accounting for a substantial portion of our revenue.
- We may be able to incur substantially more debt, which could have important consequences for investors.
- We may not generate sufficient cash to enable us to service our debt.
- We must recruit and retain our key management and other key personnel and our failure to recruit and retain qualified employees could have a negative impact on our business.
- Our products are complex and may contain defects that are detected only after deployment.
- Failure to maintain the confidentiality, integrity and availability of our systems, software and solutions could seriously damage our reputation and affect our ability to retain customers and attract new business.
- The quality of our support and services offerings is important to our customers and if we fail to meet our service level obligations under our service level agreements or otherwise fail to offer quality support and services, we would be subject to penalties and could lose customers.
- Our reliance on third-party providers for communications software, services, hardware and infrastructure exposes us to a variety of risks we cannot control.
- Fluctuations in foreign currency exchange rates could result in foreign currency transaction gains or losses, which could affect our operating results and the period-over-period comparability of our operating results.
- Downgrades in our credit ratings may increase our future borrowing costs, limit our ability to raise capital, cause our stock price to decline, any of which could have a material adverse impact on our business.
- Our insurance policies, including general liability, errors and omissions and cyber insurance, may not totally protect us.

Risks Related to our Business and Industry

- The financial and operating difficulties in the telecommunications sector may negatively affect our customers and our business.
- We recently announced our new strategy to focus on our cloud-centric solutions. There can be no guarantee that this strategy will be successful or that we will experience consistent and sustainable profitability in the future as a result of our new strategy.
- The success of our business depends on the continued growth in demand for connected devices and the continued availability of high-speed access to the Internet.
- Our business depends substantially on customers renewing and expanding their subscriptions for our services. Any decline in our customer renewal and expansions would harm our operating results.
- The markets in which we market and sell our products and services are highly competitive, and if we do not adapt to rapid technological change, our ability to sustain or grow revenue could be adversely affected.

- Consolidation in the telecommunications, media, technology industry and other industries that we serve can reduce the number of actual and potential customers and adversely affect our business.

Legal, Regulatory and Compliance Risks

- Government regulation of the Internet and e-commerce and of the international exchange of certain information is subject to possible unfavorable changes, and our failure to comply could harm our business and operating results.
- We collect, process, store, disclose and use personal information and other data, and our perceived failure to protect this information and data could damage our reputation and harm our business and operating results.

Risks Related to our Term Loan, Senior Notes and Common Stock

- 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.
- 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.
- Our stock price may continue to experience significant fluctuations and could subject us to litigation.
- 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.
- Delaware law and provisions in our restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer or proxy contest difficult, therefore depressing the trading price of our common stock.
- Our current or future debt securities or preferred equity securities, which would be senior to our common stock, may adversely affect the market price of our common stock.
- The Senior Notes are unsecured and therefore are effectively subordinated to any secured indebtedness that we currently have or that we may incur in the future.
- The Senior Notes are structurally subordinated to the indebtedness and other liabilities of our subsidiaries.
- The indenture under which the Senior Notes were issued contains limited protection for holders of the Senior Notes.
- A 1% U.S. federal excise tax may be imposed upon us in connection with redemptions or repurchases of our equity.

Operation Risks

Our business may not generate sufficient cash flows from operations, or future borrowings which may not be available to us, in amounts sufficient to enable us to fund our liquidity needs and capital expenditure requirements necessary to expand our operations and invest in new products which could reduce our ability to compete and could harm our business.

We cannot guarantee that we will be able to generate sufficient revenue or obtain enough capital to fund our capital expenditures, service our debt and execute on our business strategy. We may be more vulnerable to adverse economic conditions than our competitors and thus less able to withstand competitive pressures. We intend to continue to make substantial investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new products and enhancements to our platforms or acquire complementary businesses and technologies. The maturity date of our Senior Notes is June 30, 2026, and if we fail to refinance, redeem or repay in full our Senior Notes prior to March 31, 2026, then the maturity date of our Term Loan will be March 31, 2026. Accordingly, we may need to engage in equity or debt financings to secure additional funds. Additionally, we have a limited availability of authorized and unissued common stock, which may make it more difficult to raise funds through equity financings without approval of the stockholders of an amendment to our Certificate of Incorporation to increase the number of shares of common stock that we are authorized to issue. If we raise additional capital, our stockholders may experience significant dilution of their ownership interests, and the per share value of our common stock could decline. In addition, the terms of any future issued equity securities could entitle the holders of those equity securities to rights, preferences and privileges superior to those of holders of our securities. Furthermore, if we engage in additional debt financings, the holders of debt might have priority over the holders of our securities, and we may be required to accept terms that restrict our ability to incur additional indebtedness, including restrictive covenants relating to our capital raising activities and other financial and operational matters, including restricting our ability to pay dividends or make certain other restricted payment, sell assets, make certain investments and grant liens, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. We may also be required to take other actions that would otherwise be in the interests of the debt holders and force us to maintain specified liquidity or other ratios, including limitations to our total leverage ratio, any of which could harm our business, results of operations, and financial condition. If we need additional capital and cannot raise it on acceptable terms, we may not be able to, among other things:

- develop or enhance our products and platforms,
- acquire complementary technologies, products or businesses,
- expand operations in the United States or internationally, or
- respond to competitive pressures or unanticipated working capital requirements.

If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited which may also require us to delay, scale back or eliminate some or all of our activities, which could have a material adverse effect on our business, results of operations and financial condition.

Our revenue, earnings and profitability are affected by the length of our sales cycle, and a longer sales cycle could adversely affect our results of operations and financial condition.

Our business is directly affected by the length of our sales cycles. Our customers' businesses are relatively complex and their purchase of the types of products and services that we offer generally involve a significant financial commitment, with attendant delays, frequently associated with large financial commitments and procurement procedures within a large organization. In addition, as we continue to further expand our presence in the global market, and the size and complexity of our sales opportunities continue to vary, we have seen an increase in the average length of time in our sales cycles. The purchase of the types of products and services that we offer typically requires coordination and agreement across many departments within a potential customer's organization. Delays associated with such timing factors could have a material adverse effect on our results of operations and financial condition. In periods of economic slowdown our typical sales cycle lengthens, which means that the average time between our initial contact with a prospective customer and the signing of a sales contract increases. The lengthening of our sales cycle has and could in the future adversely affect our results of operations or reduce growth in our revenue. In addition, the lengthening of our sales cycle contributes to an increased cost of sales, thereby reducing our profitability.

We may experience quarterly fluctuations in our operating results due to a number of factors which make our future results difficult to predict and could cause our operating results to fall below expectations or our guidance.

As a result of a variety of factors discussed in this report, many of which are out of our control, our operating results for a particular quarter are difficult to predict, especially in light of a challenging and inconsistent global macroeconomic environment and related market uncertainty. Our revenue may grow at a slower rate than in past periods or decline, as it has in the past, on a year-over-year basis. Our ability to meet financial expectations could also be adversely affected if the nonlinear sales pattern seen in some of our past quarters recurs in future periods. The timing of large engagements can also have a significant effect on our business and operating results from quarter to quarter. The timing of such engagements is difficult to predict, and the timing of revenue recognition from such engagements may affect period to period changes in revenue. Additionally, we may experience fluctuations in foreign currency exchange rates which could affect our operating results. As a result, our operating results could vary materially from quarter to quarter based on such engagements and their ultimate recognition as revenue. We base our operating expense and capital investment budgets on expected sales and revenue trends, and many of our expenses, such as office and equipment leases and personnel costs. These expenses and the impact of long-term commitments are relatively fixed in the short term and are expected to increase over time as we make investments in our business. A shortfall in revenue could lead to operating results being below expectations because we may not be able to quickly reduce these fixed expenses in response to short-term business changes. As a result, comparing our operating results on a period-to-period basis may not be meaningful. Our past results should not be relied on as an indication of our future performance. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. In addition, non-GAAP metrics we may disclose, such as Adjusted EBITDA, Adjusted Gross Profit, Adjusted Gross Margin, Non-GAAP net (loss) income attributable to Synchronoss, Non-GAAP net (loss) income per share, Free Cash Flow, Adjusted Free Cash Flow and any corresponding trends in such metrics should not be relied on as an indication that our GAAP results, such as net income (loss), will be similar or will follow the same trends. If our revenue or operating results fall below the expectations of investors or securities analysts or below any guidance we may provide to the market, the price of our common stock could decline substantially. Any of the above factors could have a material adverse impact on our operations and financial results.

We are subject to revenue recognition standards and because we recognize revenue for certain products and services ratably over the term of customer agreements upturns or downturns in the value of signed contracts will not be fully and immediately reflected in our operating results and any changes in the standards could impact our business.

We offer certain of our products and services primarily through fixed or variable commitment contracts and recognize revenue ratably over the related service period, which typically ranges from twelve to twenty-four months. As a result, some

portion of the revenue we report in each quarter is revenue from contracts entered into during prior periods. Consequently, a decline in signed contracts in any quarter will not be fully and immediately reflected in revenue for that quarter but may instead negatively affect our revenue in future quarters. In addition, we may be unable to adjust our cost structure to offset this reduced revenue. Similarly, revenue attributable to an increase in contracts signed in a particular quarter will not be fully and immediately recognized, as revenue from new or renewed contracts is recognized ratably over the applicable service period. Because we incur certain sales costs at the time of sale, we may not recognize revenues from some customers despite incurring considerable expense related to our sales processes. Timing differences of this nature could cause our margins and profitability to fluctuate significantly from quarter to quarter. As we introduce new services or products, revenue recognition could become increasingly complex and require additional analysis and judgment. Additionally, for new contracts with existing customers, we may negotiate and revise previously used terms and conditions of our contracts with these customers and channel partners, which may also cause us to revise our revenue recognition policies. As our arrangements with customers change, we may be required to defer a greater portion of revenue into future periods, which could materially and adversely affect our financial results.

Global economic, political and market conditions can adversely affect our results of operations, financial condition and business.

Our business is influenced by a range of factors that are beyond our control and that we have no comparative advantage in forecasting. These include but are not limited to general economic and business conditions, the overall demand for cloud-based products and services, general political developments and currency exchange rate fluctuations. Financial instability or a general decline in economic conditions in the U.S. and other countries caused by political instability and conflict and economic challenges caused by general health crises have led to market disruptions, including significant volatility in commodity prices, credit and capital market instability and supply chain interruptions, which have caused record inflation globally, have and may in the future exacerbate negative trends in consumer spending and may negatively impact the businesses of certain of our customers, which may cause a reduction in their use of our solutions or increase the likelihood of defaulting on their payment obligations, and therefore affect our operations. Increased inflation may result in increases in our operating costs (including our labor costs), reduced liquidity and limits on our ability to access credit or otherwise raise capital on acceptable terms, if at all. Existing free trade laws and regulations, such as the United States-Mexico-Canada Agreement, provide certain beneficial duties and tariffs for qualifying imports and exports, subject to compliance with the applicable classification and other requirements. Changes in laws or policies governing the terms of trade, and in particular increased trade restrictions, tariffs or taxes on imports from countries where we manufacture products, such as Canada, China and Mexico, could have a material adverse effect on our business and financial results. For example, in February 2025, the U.S. government imposed or threatened to impose new tariffs on imported products from Mexico, Canada and China. The impact of these tariffs is subject to a number of factors, including the effective date and duration of such tariffs, changes in the amount, scope and nature of the tariffs in the future, any retaliatory responses to such actions that the target countries may take and any mitigating actions that may become available. Despite recent trade negotiations between the U.S. and the Mexican, Canadian and Chinese governments, given the uncertainty regarding the scope and duration of any new tariffs, as well as the potential for additional tariffs or trade barriers by the U.S., Mexico, Canada, China or other countries, we can provide no assurance that any strategies we implement to mitigate the impact of such tariffs or other trade actions will be successful. In addition, the U.S. Federal Reserve has raised, and may again raise, interest rates in response to concerns about inflation, which, coupled with reduced government spending and volatility in financial markets, may have the effect of further increasing economic uncertainty and heightening these risks. Economic conditions, and uncertainty as to the general direction of the macroeconomic environment, are beyond our control and may make any necessary debt or equity financing more difficult, costly and dilutive. These conditions and uncertainty about future economic conditions may make it challenging for us to forecast our operating results, make business decisions and identify the risks that may affect our business, financial conditions and results of operations and may result in a more competitive environment, resulting in possible pricing pressures. While we believe we have adequate capital resources to meet current working capital and capital expenditure requirements, an economic downturn or significant increase in our expenses could require additional financing on less than attractive rates or on terms that are excessively dilutive to existing stockholders. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our stock price and could require us to delay or abandon clinical development plans. Our business could be affected by acts of war or other military actions, terrorism, natural disasters and the widespread outbreak of infectious diseases. Current world tensions could escalate, and this could have unpredictable consequences on the world economy and on our business.

Continued uncertainty about the associated economic consequences may have a long-term adverse effect on the economy, our sellers, customers, suppliers, and our business. For example, we are currently subletting some of our office space. Our work from home practices have caused us to need less office space than we are contractually committed to leasing and an economic downturn may prevent us from finding subtenants for such unused office space, causing us to pay for unused office space. Similarly, an economic downturn or changes to the market could affect our subtenants and may cause them to default on their subleases, resulting in the Company being responsible for lease payments for the subleased spaces. Rising tensions in the geopolitical climate, including effects of the ongoing conflict between Russia and Ukraine, and the conflict between Israel and Hamas and other militant groups in the Middle East and the possibility of a wider regional or global conflict, and global

sanctions imposed in response thereto, have created significant uncertainty in the global economy. These or any further political or governmental developments or health concerns in countries could result in social, economic and labor instability. If, as a result of such events, we experience a reduction in demand for our products, platforms or services, or the supply of products or components to our customers, our business, results of operations and financial condition may be materially and adversely affected.

We traditionally have had substantial customer concentration, with a limited number of customers accounting for a substantial portion of our revenues.

The Company's top five customers accounted for 97.6%, 96.6% and 94.6% of net revenues for the years ended December 31, 2024, 2023 and 2022, respectively. Contracts with these customers typically run for three to five years. Of these customers, Verizon accounted for more than 10% of the Company's revenues in 2024, 2023, and 2022; and AT&T accounted for more than 10% of the Company's revenues in 2024 and 2023. We expect this trend to continue in 2025, and in fact the Company and AT&T recently signed an extension of the AT&T Personal Cloud agreement extending the term to December 31, 2027. There are inherent risks whenever a large percentage of total revenues are concentrated with a limited number of customers. It is not possible for us to predict the future level of demand for our products and services that will be generated by these customers or the future demand for the products and services of these customers in the end-user marketplace. In addition, revenues from these larger customers may fluctuate from time to time based on the commencement and completion of projects, the timing of which may be affected by market conditions or other factors, some of which may be outside of our control. Further, some of our contracts with these larger customers permit them to terminate our services at any time (subject to notice and certain other provisions). If any of our major customers experience declining or delayed sales due to market, economic or competitive conditions, we could be pressured to reduce the prices we charge for our services or we could lose the customer. Any such development 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.

We may be able to incur substantially more debt, which could have important consequences to investors.

We may be able to incur substantial additional indebtedness in the future, subject to covenants contained in the Credit Agreement (defined below). The terms of the indenture governing the Senior Notes does not prohibit us from doing so. If we incur any additional indebtedness that ranks equally with the Senior Notes, the holders of that debt will be entitled to share ratably with holders of the Senior Notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization or dissolution. This may have the effect of reducing the amount of proceeds paid to investors.

Our level of indebtedness could have important consequences to investors, because:

- it could affect our ability to satisfy our financial obligations, including those relating to the Senior Notes and Term Loan;
- a substantial portion of our cash flows from operations would have to be dedicated to interest and principal payments and may not be available for operations, capital expenditures, expansion, acquisitions or general corporate or other purposes;
- it may impair our ability to obtain additional debt or equity financing in the future;
- it may limit our ability to refinance all or a portion of our indebtedness on or before maturity;
- it may limit our flexibility in planning for, or reacting to, changes in our business and industry; and
- it may make us more vulnerable to downturns in our business, our industry or the economy in general.

Incurrence of additional debt would also further reduce the cash available to invest in operations, as a result of increased debt service obligations. If new debt is added to our current debt levels, the related risks that we now face could intensify.

We may not generate sufficient cash to enable us to service our debt.

Our operations may not generate sufficient cash to enable us to service our debt. The maturity date of our Senior Notes is June 30, 2026, and if we fail to refinance, redeem or repay in full our Senior Notes prior to March 31, 2026, then the maturity date of our Term Loan will be March 31, 2026. If we fail to make a payment on the Senior Notes, we could be in default on the Senior Notes, and this default could cause us to be in default on the Term Loan or other indebtedness, to the extent outstanding. If we fail to generate sufficient cash flows to redeem or repay in full our Senior Notes prior to March 31, 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. Additionally, a default under any other indebtedness, if not waived, could result in acceleration of the debt outstanding under the related agreement and entitle the holders thereof to bring suit for the enforcement thereof or exercise other remedies provided thereunder. In addition, such default or acceleration may

result in an event of default and acceleration of other indebtedness of the Company, entitling the holders thereof to bring suit for the enforcement thereof or exercise other remedies provided thereunder. If a judgment is obtained by any such holders, such holders could seek to collect on such judgment from the assets of the Company. If that should occur, we may not be able to pay all such debt or to borrow sufficient funds to refinance it. Even if new financing were then available, it may not be on terms that are acceptable to us.

We may make investments in new products and services that may not be profitable.

We intend to continue to make investments to support our business growth, including expenditures to develop new services or enhance our existing services, enhance our operating infrastructure, market and sell our product offerings and acquire complementary businesses and technologies. These endeavors may involve significant risks and uncertainties and could lead to a misapplication of our resources. These new investments are inherently risky and may involve distracting management from current operations, create greater than expected liabilities and expenses, provide us with an inadequate return on capital, include other unidentified risks and, ultimately, may generally not be successful. Further, our ability to effectively integrate new services and investments into our business may affect our profitability. Significant delays in new releases or significant problems in creating new products or services could adversely affect our revenue and financial performance.

We must recruit and retain our key management and other key personnel and our failure to recruit and retain qualified employees could have a negative impact on our business.

We believe that our success depends in part on the continued contributions of our senior management and other key personnel to generate business and execute programs successfully. In addition, the relationships and reputation that these individuals have established and maintain with our customers and within the industries in which we operate contribute to our ability to maintain good relations with our customers and others within those industries. The loss of any members of senior management or other key personnel could materially impair our ability to identify and secure new contracts and otherwise effectively manage our business. In order to attract and retain executives and other key employees in a competitive marketplace, we must provide a competitive compensation package, including cash- and equity-based compensation. We have a limited availability of authorized and unissued common stock, which may make it more difficult to provide equity-based compensation without approval of the stockholders of an amendment to our Certificate of Incorporate to increase the number of shares of common stock that we are authorized to issue. If we do not obtain the stockholder approval needed to continue granting equity compensation in a competitive manner, our ability to attract, retain, and motivate executives and key employees could be weakened. Further, in the technology industry, there is substantial and continuous competition for highly skilled business, product development, technical and other personnel. We may be unable to attract or retain qualified personnel because their salaries and other compensation may increase to levels that we are unwilling or unable to provide. Competition for qualified personnel at times can be intense and as a result we may not be successful in attracting and retaining the personnel we require, which could have a material adverse effect on our ability to meet our commitments and new product delivery objectives. If we are unable to maintain or expand our direct sales capabilities, we may not be able to generate anticipated revenues. In addition, if we are unable to maintain or expand our product development capabilities, we may not be able to meet our product development goals. Further, we rely on the expertise and experience of our senior management team. Although we have employment agreements with our executive officers, none of them or any of our other management personnel is obligated to remain employed by us. The loss of services of any key management personnel could lower productive output, interrupt our strategic vision and make it more difficult to pursue our business goals successfully.

Our performance and growth depend on our ability to generate customer referrals and to develop referenceable customer relationships that will enhance our sales and marketing efforts. A failure to accomplish these objectives could materially harm our business.

In our business, we depend on end users of our solutions to generate customer referrals for our services. We also depend on members of the communications industry, financial institutions, legal service providers and other third parties who use our services to recommend them to a larger customer base than we can reach through our direct sales and internal marketing efforts. These referrals are an important source of new customers for our services and generally are made without expectation of compensation. We intend to continue to focus our marketing efforts on these referral partners in order to expand our reach and improve the efficiency of our sales efforts. We also recognize that having respected, well known, market-leading customers who have committed to deploy our solutions within their organizations will support our marketing and sales efforts, as these customers can act as references for us and our product offerings. Our ability to establish and maintain these customer relationships is important to our future profitability. The willingness of these types of customers to provide referrals or serve as anchor or reference customers depends on a number of factors, including the performance, ease of use, reliability, reputation and cost-effectiveness of our services as compared to those offered by our competitors, as well as the internal policies of these

customers. We may not be able to cultivate or maintain the relationships with customers that are necessary to develop those customer relationships into referenceable accounts.

The loss of any of our significant referral sources, including our anchor customers, or a decline in the number of referrals we receive or anchor customers that we generate could require us to devote substantially more resources to the sales and marketing of our services, which would increase our costs, potentially lead to a decline in our revenue, slow our growth and generally have a material adverse effect on our business, results of operations and financial condition. In addition, the revenue we generate from our referral and anchor relationships may vary from period to period.

Many of our current and planned products are highly complex and may contain defects or errors that are detected only after deployment in telecommunications networks. If that occurs, our reputation or market acceptance of our products and services may be harmed.

Our products are highly complex, and we cannot assure customers that our extensive product development, production and integration testing is, or will be, adequate to detect all defects, errors, failures and quality issues that could affect customer satisfaction or result in claims against us. Our products and services may contain undetected errors or scalability limitations at any point in their lives, but particularly when first introduced or as new versions are released. As a result, we might have to replace certain components and/or provide remediation in response to the discovery of defects in products that have been supplied to customers. The occurrence of any defects, errors, failures or quality issues could result in cancellation of orders, product returns, diversion of our resources, legal actions by customers or customers' end users and other losses to us or to our customers or end users. These occurrences could also result in the loss of or delay in market acceptance of our products, in the loss of sales, or in the need to create provisions, which would harm our business and adversely affect our revenues and profitability.

Failure to maintain the confidentiality, integrity and availability of our systems, software and solutions could seriously damage our reputation and affect our ability to retain customers and attract new business.

Maintaining the confidentiality, integrity and availability of our systems, software and solutions is an issue of critical importance for us and for our customers and users who rely on our systems to store and exchange large volumes of information, much of which is proprietary and confidential. There appears to be an increasing number of individuals, governments, groups and computer "hackers" developing and deploying a variety of destructive software programs (such as viruses, worms and other malicious software) that could attack our computer systems or solutions or attempt to infiltrate our systems. We make significant efforts to maintain the confidentiality, integrity and availability of our systems, solutions and source code. Despite significant efforts to create security barriers, it is virtually impossible for us to mitigate this risk entirely because techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not recognized until launched against a target. Like all software solutions, our software is vulnerable to these types of attacks. An attack of this type could disrupt the proper functioning of our software solutions, cause errors in the output of our customers' work, allow unauthorized access to sensitive, proprietary or confidential information of ours or our customers, and other destructive outcomes. If an actual or perceived breach of our security were to occur, our reputation could suffer, customers could stop buying our solutions and we could face lawsuits and potential liability, any of which could cause our financial performance to be negatively impacted. Though we maintain professional liability insurance that may be available to provide coverage if a cybersecurity incident were to occur, there can be no assurance that insurance coverage will be available or that available coverage will be sufficient to cover losses and claims related to any cybersecurity incidents we may experience.

There is also a danger of industrial espionage, cyber-attacks, misuse or theft of information or assets (including source code), or damage to assets by people who have gained unauthorized access to our facilities, systems or information, which could lead to the disclosure of portions of our source code or other confidential information, improper usage and distribution of our solutions without compensation, illegal or inappropriate usage of our systems and solutions, jeopardizing of the security of information stored in and transmitted through our computer systems, manipulation and destruction of data, defects in our software and downtime issues. The risk of security incidents is increasing as we experience an increase in electronic payments, e-commerce, and other online activity. Additionally, due to political uncertainty and military actions associated with the ongoing conflict between Russia and Ukraine and the conflict between Israel and Hamas and other militant groups in the Middle East, we and our service providers are vulnerable to heightened risks of security incidents and security and privacy breaches from or affiliated with nation-state actors, including attacks that could materially disrupt our systems, operations, supply chain, products, and services. While we do not currently have operations in areas experiencing rising political conflict and uncertainty, there is an increased likelihood that escalation of tensions could result in cyber-attacks or cybersecurity incidents that could either directly or indirectly impact our operations. As such, the risk of cybersecurity incidents is increasing, and we cannot provide assurances that our preventative efforts will be successful. Although we actively employ measures to combat unlicensed copying, access and use of our facilities, systems, software and intellectual property through a variety of

techniques, preventing unauthorized use or infringement of our rights is inherently difficult. The occurrence of an event of this nature could adversely affect our financial results or could result in significant claims against us for damages. Further, participating in either a lawsuit to protect against unauthorized access to, usage of or disclosure of any of our solutions or any portion of our source code or the prosecution of an individual in connection with a cybersecurity breach could be costly and time-consuming and could divert management's attention and adversely affect the market's perception of us and our solutions. A number of core processes, such as software development, sales and marketing, customer service and financial transactions, rely on our IT, infrastructure and applications. Defects or malfunctions in our IT infrastructure and applications could cause our service offerings not to perform as our customers expect, which could harm our reputation and business. In addition, malicious software, sabotage and other cybersecurity breaches of the types described above could cause an outage of our infrastructure, which could lead to a substantial denial of service and ultimately downtimes, recovery costs and customer claims, any of which could have a significant negative impact on our business, financial position, profitability and cash flows. Additionally, the development and implementation of AI technologies may further increase our exposure to or exacerbate the risks of cyber-attacks or other security incidents, particularly where such technologies are exploited by third parties to breach our or other parties' systems, including when such technologies are used to target our employees or impersonate members of senior management in order to gain unauthorized access to our systems.

The confidentiality, integrity and availability of our systems could also be jeopardized by a breach of our internal controls and policies by our employees, consultants or subcontractors having access to our systems. If our systems fail or are breached as a result of a third-party attack or an error, violation of internal controls or policies or a breach of contract by an employee, consultant or subcontractor that results in the unauthorized use or disclosure of proprietary or confidential information or customer data (including information about the existence and nature of the projects and transactions our customers are engaged in), we could lose business, suffer irreparable damage to our reputation and incur significant costs and expenses relating to the investigation and possible litigation of claims relating to such event. We could be liable for damages, penalties for violation of applicable laws or regulations and costs for remediation and efforts to prevent future occurrences, any of which liabilities could be significant. There can be no assurance that the limitations of liability in our contracts would be enforceable or adequate or would otherwise protect us from liabilities or damages with respect to any particular claim. Furthermore, litigation, regardless of its outcome, could result in a substantial cost to us and divert management's attention from our operations. Any significant claim against us or litigation involving us could have a material adverse effect on our business, financial condition and results of operations.

We have implemented a number of security measures designed to ensure the security of our information, IT resources and other assets. Nonetheless, unauthorized users could gain access to our systems through cyber-attacks and steal, use without authorization and sabotage our intellectual property and confidential data. Any security breach, misuse of our IT systems or theft of our or our customers' intellectual property or data could lead to customer losses, non-renewal of customer agreements, loss of production, recovery costs or litigation brought by customers or business partners, any of which could adversely impact our cash flows and reputation and could have an adverse impact on our disclosure controls and procedures.

Failures or interruptions of our systems and services could materially harm our revenues, impair our ability to conduct our operations and damage relationships with our customers.

Our success depends on our ability to provide reliable services to our customers and process a high volume of transactions in a timely and effective manner. Although we operate disaster recovery solutions and maintain backup systems, our network operations are susceptible to damage or interruption from human error, fire, flood, power loss, telecommunications failure, terrorist attacks, war or other military conflict, including escalation of ongoing political conflicts and similar events. A catastrophic event that results in the destruction or disruption of any of our data centers or our critical business or information technology systems could severely affect our ability to conduct normal business operations and, as a result, our business, operating results and financial condition could be adversely affected. In the past we have, and in the future we may experience failures or interruptions of our systems and services, or other problems in connection with our operations, as a result of, among other things:

- damage to, or failure of, our computer software or hardware or our connections and outsourced service arrangements with third parties;
- errors in the processing of data by our systems;
- computer viruses or software defects;
- physical or electronic break-ins, sabotage, intentional acts of vandalism and similar events;
- fire, cybersecurity attack, terrorist attack or other catastrophic event;
- increased capacity demands or changes in systems requirements of our customers; or
- errors by our employees or third-party service providers.

We rely on various systems and applications to support our internal operations, including our billing, financial reporting and customer contracting functions. The availability of these systems and applications is essential to us and delays, disruptions or performance problems may adversely impact our ability to accurately bill our customers, report financial information and conduct our business, or cause us to suffer reputational harm, delays in product development, lack of products provided to our customers, breaches of data security and loss of critical data. Any failure or interruption of our systems and services could also prevent us from fulfilling customer orders or maintaining certain service level requirements, particularly in respect of our software as a service (“SaaS”) and hosted offerings.

Additionally, we may choose to replace or implement changes to these systems, including substituting traditional systems with cloud-based solutions, which could be time-consuming and expensive, and which could result in delays in the ongoing operational processes these software solutions support. Further, our cloud-based solutions may experience disruptions and outages that are beyond our control as we rely on third-party vendors to support these solutions and assure their continued availability. In addition, our business interruption insurance may be insufficient to compensate us for losses or liabilities that may occur. Any interruptions in our systems or services could damage our reputation and substantially harm our business and results of operations.

The quality of our support and services offerings is important to our customers and if we fail to meet our service level obligations under our service level agreements or otherwise fail to offer quality support and services, we would be subject to penalties and could lose customers.

Our customers generally depend on our service organization to resolve issues relating to the use of our solutions. A high level of support is critical for the successful marketing and sale of our solutions. If we are unable to provide a level of support and service to meet or exceed the expectations of our customers, we could experience:

- loss of customers and market share;
- difficulty attracting or the inability to attract new customers, including in new geographic regions; and
- increased service and support costs, and a diversion of resources.

Any of the above results would likely have a material adverse impact on our business, revenue, results of operations, financial condition and reputation. In addition, we have service level agreements with many of our customers under which we guarantee specified levels of service availability. These arrangements involve the risk that we may not have adequately estimated the level of service we will in fact be able to provide. The importance of high-quality customer support will increase as we expand our business and pursue new enterprise customers. In the past we have failed to meet certain service level obligations under these agreements, and in the future, if we fail to meet our service level obligations under these agreements, we would be subject to penalties, which could result in higher than expected costs, decreased revenues and decreased operating margins. We could also lose customers.

Our reliance on third-party providers for communications software, services, hardware and infrastructure exposes us to a variety of risks we cannot control.

Our success depends on software, equipment, network connectivity and infrastructure hosting services supplied by, or leased from, our vendors and customers. In addition, we rely on third-party vendors to perform a substantial portion of our exception handling services. We may not be able to continue to purchase the necessary software, equipment and services from vendors on acceptable terms or at all. If we are unable to maintain current purchasing terms or ensure service availability with these vendors and customers, we may lose customers and experience an increase in costs in seeking alternative supplier services. Further, any changes in our third-party vendors could detract from management’s ability to focus on the ongoing operations of our business or could cause delays in the operations of our business. Our business also depends upon the capacity, reliability and security of the infrastructure owned and managed by third parties, including our vendors and customers that are used by our technology interoperability services, network services, number portability services, call processed services and enterprise solutions. We have no control over the operation, quality or maintenance of a significant portion of that infrastructure and whether those third parties will upgrade or improve their software, equipment and services to meet our and our customers’ evolving requirements. We depend on these companies to maintain the operational integrity of our services. If one or more of these companies is unable or unwilling to supply or expand its levels of services to us in the future, our operations could be severely interrupted. In addition, rapid changes in the communications industry have led to industry consolidation. This consolidation may cause the availability, pricing and quality of the services we use to vary and could lengthen the amount of time it takes to deliver the services that we use.

Any damage to, or failure or capacity limitations of, our systems and our related network could result in interruptions in our service that could cause us to lose revenue, issue credits or refunds or could cause our customers to terminate their

subscriptions for our services, in each case adversely affecting our renewal rates. Since our customers use our service for important aspects of their businesses, any errors, defects, disruptions in service or other performance problems could hurt our reputation and may damage our customers' businesses. As a result, we may lose revenue, issue credits or refunds, or customers could elect not to renew our services or delay or withhold payments to us. We could also lose future sales or customers may make claims against us, which could result in an increase in our provision for credit losses, an increase in collection cycles for accounts receivable or the expense or risk of litigation. Additionally, third-party software underlying our services can contain undetected errors or bugs. We may be forced to delay commercial release of our services until any discovered problems are corrected and, in some cases, may need to implement enhancements or modifications to correct errors that we do not detect until after deployment of our services. In addition, problems with the third-party software underlying our services could result in:

- damage to our reputation;
- loss of or customers or delayed revenue;
- warranty claims or litigation;
- loss of or delayed market acceptance of our services, or
- unexpected expenses and diversion of resources to remedy errors.

Interruptions or delays in our service due to problems with our third-party web hosting facilities or other third-party service providers could adversely affect our business.

We rely on third parties for the maintenance of certain of the equipment running our solutions and software at geographically dispersed hosting facilities with third parties. If we are unable to renew, extend or replace our agreements with any of our third-party hosting facilities, we may be unable to arrange for replacement services at a similar cost and in a timely manner, which could cause an interruption in our service. We do not control the operation of these third-party facilities, each of which may be subject to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures or similar events. These facilities may also be subject to break-ins, sabotage, intentional acts of vandalism or similar misconduct. Despite precautions taken at these facilities, the occurrence of a natural disaster, cessation of operations by our third-party web hosting provider or a third party's decision to close a facility without adequate notice or other unanticipated problems at any facility could result in lengthy interruptions in our service. In addition, the failure by these facilities to provide our required data communications capacity could result in interruptions in our service.

We may seek to acquire companies or technologies, form joint ventures make investments in other companies or technologies or make divestitures. Our acquisitions, divestitures and other strategic transactions may not produce anticipated results, which could disrupt our ongoing business, disrupt our management and employees, dilute our stockholders' ownership, increase our debt, and adversely affect our business, financial condition or results of operations.

We have made and expect to continue to make acquisitions, divestitures and other strategic transactions to strengthen our business and grow our Company. Such transactions present significant challenges and risks, as the market for acquisitions, divestitures and other strategic transactions is highly competitive, especially in light of industry consolidation, which may affect our ability to complete such transactions. However, we cannot be sure that any such transaction will ultimately enhance our products or strengthen our competitive position. If we are unsuccessful in completing such transactions or if such opportunities for expansion do not arise, our business, financial condition or results of operations could be materially adversely affected.

If such transactions are completed, the anticipated growth and other strategic objectives of such transactions may not be fully realized or may take longer to realize than expected, and a variety of factors may adversely affect any anticipated benefits from such transactions. Our acquisitions, divestitures and other strategic transactions face difficulties, including, but not limited to, the following:

- the process of integration being more expensive or requiring more resources than anticipated;
- a transaction changing the composition of our markets and product mix, and difficulty gaining the skills necessary for such markets or products;
- delays or difficulties continuing to implement our cloud-first strategy, including industry and financial analysts not understanding the changes to our business model, resulting in changes in financial estimates or failure to meet investor expectations;
- delays or difficulties consolidating corporate and administrative infrastructures and eliminating duplicative operations, including issues in integrating financial reporting, IT infrastructure, data and content management systems and product platforms, communications and other systems;

- delays or difficulties harmonizing corporate cultures, operating practices, management philosophies, employee development and compensation programs, internal controls, compliance programs and other policies, procedures and processes;
- assuming unintended liabilities;
- unexpected regulatory and operating difficulties and expenditures;
- failure to maintain employee morale or retain key personnel of the current or acquired business;
- failure to retain existing business and operational relationships;
- difficulty coordinating geographically separate organizations, including consolidating offices;
- the impact of divestitures on our revenue growth being larger than projected due to greater dis-synergies or adverse effects on our overall product offerings than expected;
- divestitures requiring continued financial involvement in the divested business through continuing equity ownership, guarantees, indemnities or other financial obligations;
- incurring impairment charges or other losses related to divestitures; and
- diversion of management's focus from other business operations.

Moreover, we may face regulatory challenges that impact our ability to conduct due diligence. There can be no assurance that future discoveries will not have a material adverse effect on our ability to realize the cost or revenue synergies or other benefits. The failure of acquisitions, divestitures and other strategic transactions to perform as expected could have a material adverse effect on our business, financial condition or results of operations. With any divestiture, there are risks that future operating results could be unfavorably impacted if targeted objectives, such as cost savings or earn-out payments or other contingent payments associated with the financial performance of the divested business, are not achieved or if other business disruptions occur as a result of the divestiture or activities related to the divestiture. Future acquisitions could also result in potentially dilutive issuances of equity securities, the incurrence of debt (which may reduce our cash available for operations and other uses), an increase in contingent liabilities or an increase in amortization expense related to identifiable assets acquired, each of which could materially harm our business, financial condition and results of operations.

We maintain our cash at financial institutions, often in balances that exceed federally-insured limits. Adverse developments affecting financial institutions, companies in the financial services industry or the financial services industry generally, such as actual events or concerns involving liquidity, defaults or non-performance, could adversely affect our operations and liquidity.

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems. Our cash in the U.S. is held in accounts at U.S. banking institutions that we believe are of high quality, and some of our cash is held in accounts outside the U.S. Cash held in depository accounts may exceed the \$250,000 Federal Deposit Insurance Corporation insurance limits, or similar governmental deposit insurance outside the U.S. If such banking institutions were to fail, we could lose all or a portion of those amounts held in excess of such insurance limits. Heightened concerns regarding the U.S. or international financial systems, including bank failures and bailouts, and their potential broader effects and potential systemic risk on the banking sector generally, may adversely affect our access to capital. Any decline in available funding or access to our cash and liquidity resources could, among other risks, limit our ability to meet our capital needs and fund future growth or fulfill our other obligations, or result in breaches of our financial and/or contractual obligations. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on our business, financial condition and results of operations.

Due to the global nature of our operations, political or economic changes or other factors in a specific country or region could harm our operating results and financial condition.

We conduct significant sales and customer support operations in countries around the world. As such, our growth depends in part on our increasing sales into emerging countries. We also depend on, and many of our customers depend on, non-U.S. operations of our contract manufacturers, component suppliers and distribution partners. We continue to assess the sustainability of any improvements in these countries and there can be no assurance that our investments in these countries will be successful. Our future results could be materially adversely affected by a variety of political, economic or other factors relating to our operations inside and outside the United States, including impacts from global central bank monetary policy; issues related to the political relationship between the United States and other countries that can affect the willingness of customers in those countries to purchase products from companies headquartered in the United States; business interruptions resulting from regional or larger scale conflicts or geopolitical actions; the impact of public health epidemics or emergencies, or concerns on our customer's component suppliers, and the challenging and inconsistent global macroeconomic environment, any

or all of which could have a material adverse effect on our operating results and financial condition, including, among others things:

- current or future supply chain interruptions;
- foreign currency exchange rates;
- political or social unrest or instability;
- economic instability or weakness, including inflation, or natural disasters in a specific country or region;
- environmental and trade protection measures and other legal and regulatory requirements, such as tariffs, some of which may affect our ability to import our products, to export our products from, or sell our products in various countries;
- political considerations that affect service provider and government spending patterns;
- health or similar issues and the responses thereto, such as a pandemic or epidemic;
- natural disasters, terrorism, war or other military conflict, including effects of the ongoing conflict between Russia and Ukraine, the conflict between Israel and Hamas and other militant groups in the Middle East and the possibility of a wider regional or global conflict, and global sanctions imposed in response thereto, telecommunication and electrical failures;
- difficulties in staffing and managing international operations; or
- adverse tax consequences, including imposition of withholding or other taxes on our global operations.

Concerns over economic recession, elevated interest rates, inflation, tariffs, supply chain delays and disruptions, priorities of the U.S. presidential administration and related changes in laws, regulations or policies, trade wars, unemployment, or prolonged government shutdown may contribute to increased volatility and diminished expectations for the economy and markets. Additionally, concern over geopolitical issues may also contribute to prolonged market volatility and instability. For example, the conflict between Russia and Ukraine or the conflict between Israel and Hamas and other militant groups in the Middle East could continue to lead to disruption, instability and volatility in global markets and industries. The U.S. government and governments in other jurisdictions have imposed severe economic sanctions and export controls against Russia and Russian interests, have removed Russia from the Society for Worldwide Interbank Financial Telecommunication system, and have threatened additional sanctions and controls. The impact of these measures, as well as potential responses to them by Russia, is unknown.

Fluctuations in foreign currency exchange rates could result in foreign currency transaction losses, which could affect our operating results and the period-over-period comparability of our operating results.

We consider the U.S. dollar to be our functional currency. However, given our international operations we currently have, and expect to have in the future, revenue and expenses and related assets and liabilities denominated in foreign currencies. Foreign currency transaction exposure results primarily from transactions with customers or vendors denominated in currencies other than the functional currency of the entity in which we record the transaction. Even though the intercompany balances themselves may be eliminated during consolidation, the resulting foreign exchange gains or losses are still recognized on the Consolidated income statements as a part of Net income (loss). Furthermore, foreign currency transaction gains and losses related to intercompany loans that have been asserted by management to be of a long-term-investment nature are accounted for as translation adjustments in other comprehensive income on the Consolidated financial statements. Any fluctuation in the exchange rate of these foreign currencies may positively or negatively affect our business and operating results. We face exposure to movements in foreign currency exchange rates due to the fact that we have non-U.S. dollar denominated revenue worldwide. Furthermore, volatile market conditions arising from impacts from the conflict in Ukraine, the conflict between Israel and Hamas and other militant groups in the Middle East, and other macroeconomic conditions may result in significant fluctuations in exchange rates. Weakening of foreign currencies relative to the U.S. dollar adversely affects the U.S. dollar value of our foreign currency denominated revenue and positively affects the U.S. dollar value of our foreign currency denominated expenses. If foreign currencies were to weaken or strengthen relative to the U.S. dollar, we might elect to raise or lower our international pricing, which could potentially impact demand for our services. Alternatively, we might opt not to adjust our international pricing as a result of fluctuations in foreign currency exchange rates, which could potentially have a positive or negative impact on our results of operations and financial condition. Similarly, our financial performance may be impacted by fluctuations in currency exchange rates when it comes to our non-U.S. dollar denominated expenses. The third-party vendors and suppliers to whom we owe payments for non-U.S. dollar denominated expenses may or may not decide to adjust their pricing to reflect fluctuations in foreign currency exchange rates. If there continues to be volatility in foreign currency exchange rates, we will continue to experience fluctuations in our operating results due to revaluing our assets and liabilities that are not denominated in the functional currency of the entity that recorded the asset or liability, and the translation of our non-U.S. denominated revenue and expenses into U.S. dollars may affect the period-over-period comparability of our operating results. Since it is difficult for us to anticipate the impact of these fluctuations on our future results, in the event our

revenue or operating results fall below the expectations of investors or securities analysts, our stock price may be negatively affected.

Downgrades in our credit ratings may increase our future borrowing costs, limit our ability to raise capital, cause our stock price to decline or reduce analyst coverage, any of which could have a material adverse impact on our business.

Credit rating agencies review their ratings periodically and, therefore, the credit rating assigned to us by each of the rating agencies may be subject to revision at any time. Factors that can affect our credit ratings include changes in our operating performance, the economic environment, our financial position, conditions in and periods of disruption in any of our principal markets and changes in our business strategy. If weak financial market conditions or competitive dynamics cause any of these factors to deteriorate, we could see a reduction in our corporate credit rating. Since investors, analysts and financial institutions often rely on credit ratings to assess a company's creditworthiness and risk profile, make investment decisions and establish threshold requirements for investment guidelines, our ability to raise capital, our access to external financing, our stock price and analyst coverage of our stock could be negatively impacted by a downgrade to our credit rating.

Our insurance policies, including general liability, errors and omissions, directors' and officers' insurance and cyber insurance may not totally protect us.

We cannot assure that our existing general liability insurance coverage, coverage for errors and omissions, directors' and officers' insurance and cyber liability insurance will continue to be available on acceptable terms in sufficient amounts to cover one or more large claims, or that the insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceeds our available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Business and Industry

The financial and operating difficulties in the telecommunications sector may negatively affect our customers and our company.

The telecommunications sector has at times faced significant challenges resulting from significant changes in technology and consumer behavior, excess capacity, poor operating results and financing difficulties. The sector's financial status has also at times been uncertain and access to debt and equity capital has been seriously limited. The impact of these events on us could include slower collection on accounts receivable, higher bad debt expense, uncertainties due to possible customer bankruptcies, lower pricing on new customer contracts, lower revenues due to lower usage by the end customer and possible consolidation among our customers, which will put our customers and operating performance at risk. In addition, because we operate in the communications sector, we may also be negatively impacted by limited access to debt and equity capital.

We previously announced our new strategy to focus on our cloud-centric solutions. There can be no guarantee that this strategy will be successful or that we will experience consistent and sustainable profitability in the future as a result of our new strategy.

We decided to pivot our strategy to focus on our cloud-centric solutions moving forward. In connection with this change in strategy, we consummated a divestiture of our Messaging Solutions and Digital Solutions business units, which closed on October 31, 2023. We cannot guarantee that our strategy is the right one or that we will be effective in executing our strategy. Our strategy may not succeed for a number of reasons, including, but not limited to: general economic risks, risks associated with sales not materializing based on a change in circumstances, disruption to sales, increasing competitiveness in the cloud-based software markets, our ability to retain key personnel, the dynamic nature of the markets in which we operate, specific economic risks in different geographies and among different customer segments, changes in foreign currency exchange rates, uncertainty regarding increased business and renewals from existing customers, uncertainties around continued success in sales growth and market share gains, failure to convert sales pipeline into final sales, risks associated with successful implementation of multiple integrated software products and other product functionality risks, execution risks around new product development and introductions and innovation, product defects, unexpected costs, assumption of unknown liabilities and increased costs for any reason, potential litigation and disputes and the potential costs related thereto, distraction and damage to sales and reputation caused thereby, market acceptance of new products and services, the ability to attract and retain personnel, risks associated with management of growth, lengthy sales and implementation cycles, particularly in larger organizations, technological changes that make our products and services less competitive, risks associated with the adoption of, and demand for, our model in general and by specific customer segments, competition and pricing pressure.

If one or more of the foregoing risks were to materialize, our business, results of operations and ability to achieve sustained profitability could be adversely affected.

Though acceptance of cloud-based software has advanced in recent years, some businesses may still be hesitant to adopt these types of solutions. If the market for cloud-based software declines or develops more slowly than we expect, our business could be adversely affected.

Our cloud-based service strategy may not be successful. We enable our customers to offer their subscribers the ability to backup, restore and share content across multiple devices through a cloud-based environment. Some businesses may still be uncertain as to whether a cloud-based service like ours is appropriate for their business needs. The success of our offerings is dependent upon continued acceptance by and growth in subscribers of cloud-based services in general and there can be no guarantee of the adoption rate by these subscribers. Many organizations have invested substantial personnel and financial resources to integrate traditional enterprise software into their organizations and, therefore, may be reluctant or unwilling to migrate to a cloud-based model for storing, accessing, sharing and managing their content. Because we derive, and expect to continue to derive, a substantial portion of our revenue and cash flows from sales of our cloud-based solutions, our success will depend to a substantial extent on the widespread adoption of cloud computing for companies in general. Our cloud strategy will continue to evolve, and we may not be able to compete effectively, generate significant revenues or maintain profitability. While we believe our expertise, investments in infrastructure, and the breadth of our cloud-based services provides us with a strong foundation to compete, it is uncertain whether our strategies will attract the users or generate the revenue required to be successful. In addition to software development costs, we incur costs to build and maintain infrastructure to support cloud-based services. It is difficult to predict customer adoption rates and demand for our services, the future growth rate and size of the cloud computing market or the entry of competitive services. The expansion of a cloud-based enterprise software market depends on a number of factors, including the cost, performance and perceived value associated with cloud computing, as well as the ability of companies that provide cloud-based services to address security and privacy concerns. If we or other providers of cloud-based services experience security incidents, loss of customer data, disruptions in delivery or other problems, the market for cloud-based services as a whole, including our services, may be negatively affected. If there is a reduction in demand for cloud-based services caused by a lack of customer acceptance, technological challenges, weakening economic conditions, security or privacy concerns, competing technologies and products, decreases in corporate spending or otherwise, we could experience decreased revenue, which could harm our growth rates and adversely affect our business and operating results.

The success of our business depends on the continued growth in demand for connected devices and the continued availability of high-speed access to the Internet.

The future success of our business depends upon the continued growth in demand for connected devices and business transactions on the Internet, and on our customers having high-speed access to the Internet, as well as the continued maintenance and development of the Internet infrastructure. While we believe the market for connected devices will continue to grow for the foreseeable future, we cannot accurately predict the extent to which demand for connected devices will increase, if at all. If the demand for connected devices were to slow down or decline or the supply of connected devices to our customers is impacted for any reason, such as public health epidemics or concerns, our business and results of operations may be adversely affected. If for any reason the Internet does not remain a widespread communications medium and commercial platform, the demand for our services would be significantly reduced, which would harm our business, results of operations and financial condition. To the extent the Internet continues to experience increased numbers of users, frequency of use or bandwidth requirements, the Internet may become congested and be unable to support the demands placed on it, and its performance or reliability may decline. Any future Internet outages or delays could adversely affect our business, results of operation and financial condition.

The Internet has experienced, and is expected to continue to experience, significant user and traffic growth, which has, at times, caused user frustration with slow access and download times. If Internet activity grows faster than Internet infrastructure or if the Internet infrastructure is otherwise unable to support the demands placed on it, or if hosting capacity becomes scarce, the growth of our business and operating results may be adversely affected.

If we do not continue to maintain and enhance our operational, financial and other internal controls and systems to manage our growth and size, our business, results of operations and financial condition could be adversely affected.

Our historic and anticipated growth will continue to place significant demands on our management and other resources and will require us to continue to develop and improve our operational, financial and other internal controls. In particular, our growth will increase the challenges involved in:

- recruiting, training and retaining technical, finance, marketing and management personnel with the knowledge, skills and experience that our business model requires;
- maintaining high levels of customer satisfaction;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems;
- preserving our culture, values and entrepreneurial environment; and
- effectively managing our personnel and operations and effectively communicating to our personnel worldwide our core values, strategies and goals.

In addition, the increasing size and scope of our operations increases the possibility that a member of our personnel will engage in unlawful or fraudulent activity, breach our contractual obligations, or otherwise expose us to unacceptable business risks, despite our efforts to train our people and maintain internal controls to prevent such instances. If we do not continue to develop and implement the right processes and tools to manage our enterprise, our business, results of operations and financial condition could be adversely affected.

The SaaS pricing model is evolving and our failure to manage its evolution and demand could lead to lower than expected revenue and profit.

We derive a portion of our revenue growth from subscription offerings and specifically SaaS offerings. This business model depends heavily on achieving economies of scale due to the initial upfront investment, and the associated revenue is recognized on a ratable basis. Our customers typically have no contractual obligation to renew their subscriptions after completion of their then-current subscription term. We may be unable to predict future customer renewal rates accurately. Our renewal rates may decline or fluctuate as a result of a number of factors, including our customers' level of satisfaction with our offerings, our offerings' inability to integrate with new or changing technologies, the prices of our offerings, competing products, reductions in our customers' spending levels or general, industry-specific or local economic conditions. If we fail to achieve appropriate economies of scale or if we fail to manage or anticipate the evolution and demand of the SaaS pricing model, then our business and operating results could be adversely affected.

Because subscription revenue related to our SaaS offerings is typically recognized ratably over time, we expect to experience near-term revenue growth as more customers move to our SaaS subscriptions. If we do not achieve near term growth, we may not be able to adjust our cost structure in response to changes in subscription agreements in a period. Also, since revenue from SaaS subscriptions is recognized over the term of their subscriptions, it is difficult for us to rapidly increase revenue through additional sales in any period. We forecast our future revenue and operating results and provide financial projections based on a number of assumptions, including a forecasted rate of subscription bookings. In addition, our subscription based offerings may be invoiced over multiple reporting periods, which could subject us to additional collection and credit risks, particularly if a customer does not plan to renew these subscriptions. If any of our assumptions about our business model or the estimated subscriptions are incorrect, our revenue and operating results may be impacted and could vary materially from those we provide as guidance or from those anticipated by investors and analysts. If we are unable to manage our SaaS pricing model in light of the foregoing risks and uncertainties, our business, results of operations and financial condition would be negatively impacted.

Our business depends substantially on customers renewing and expanding their subscriptions for our services. Any decline in our customer renewals and expansions would harm our future operating results.

We enter into subscription agreements with certain of our customers that are generally three to five years. As a result, maintaining the renewal rate of those subscription agreements is critical to our future success. We cannot provide assurance that any of our customer agreements will be renewed, as our customers have no obligation to renew their subscriptions for our services after the expiration of the initial term of their agreements. The loss of any customers that individually or collectively account for a significant amount of our revenues would have a material adverse effect on our results of operations or financial condition. Additionally, our customer's consumers may become dissatisfied with their current service provider and may switch to another provider. In the event that there is substantial subscriber migration from our existing customers to service providers with which we do not have relationships, the fees that we receive on a per-subscriber basis, and the related revenue could decline. If our renewal rates are lower than anticipated or decline for any reason, if customers renew on terms less favorable to us, or if there's a substantial subscriber migration from our customers, our revenue may decrease, and our profitability and gross margin may be harmed, which would have a material adverse effect on our business, results of operations and financial condition.

If we fail to compete successfully with existing or new competitors, our business could be harmed.

If we fail to compete successfully with established or new competitors, it could have a material adverse effect on our results of operations and financial condition. The industries in which we operate are highly competitive and fragmented, and we expect competition to increase. We compete with independent providers of cloud solutions and services and with the in-house departments of our OEMs and communications services companies' customers. Rapid technological changes, such as advancements in software integration across multiple and incompatible systems, and economies of scale may make it more economical for CSPs, MSOs or OEMs to develop their own in-house processes and systems, which may render some of our products and services less valuable or, eventually, obsolete. Our competitors include firms that provide comprehensive SaaS solutions and managed services solutions, BYOD providers, systems integrators, clearinghouses and service bureaus. Many of our competitors have long operating histories, large customer bases, substantial financial, technical, sales, marketing and other resources and strong name recognition.

Current and potential competitors have established, and may establish in the future, cooperative relationships among themselves or with third parties to increase their ability to address the needs of our current or prospective customers. In addition, our competitors have acquired, and may continue to acquire in the future, companies that may enhance their market offerings. Accordingly, new competitors or alliances among competitors may emerge and rapidly acquire significant market share. As a result, our competitors may be able to adapt more quickly than us to new or emerging technologies and changes in customer requirements and may be able to devote greater resources to the promotion and sale of their products. These relationships and alliances may also result in transaction pricing pressure, which could result in large reductions in the selling prices of our products and services. Our competitors or our customers' in-house solutions may also provide services at a lower cost, significantly increasing pricing pressure on us. We may not be able to offset the effects of this potential pricing pressure. Our failure to adapt to changing market conditions, including potential pricing pressure, and to compete successfully with established or new competitors may have a material adverse effect on our results of operations and financial condition. In particular, a failure to offset competitive pressures brought about by competitors or in-house solutions developed by our customers could result in a substantial reduction in or the outright termination of our contracts with some of our customers, which would have a significant, negative and material impact on our business, results of operations and financial condition.

Additionally, there has been, and there continues to be, merger, acquisition and consolidation activity among our customers. Mergers, acquisitions or consolidations of companies in the communications industry or other industries that we serve, have reduced and may continue to reduce the number of our customers and potential customers for our solutions, resulting in a smaller market for our services, which could have a material adverse impact on our business and results of operations. In addition, it is possible that the larger institutions that result from mergers or consolidations could themselves perform some or all of the services that we currently provide or could provide in the future. Should one or more of our significant customers acquire, consolidate or enter into an alliance with an entity or decide to either use a different service provider or to manage its transactions internally, this could have a negative material impact on our business. Any such consolidations, alliances or decisions to manage transactions internally may cause us to lose customers or require us to reduce prices as a result of enhanced customer leverage, which would have a material adverse effect on our business. We may not be able to offset the effects of any price reductions. We may not be able to expand our customer base to make up any revenue declines if we lose customers or if our transaction volumes decline.

The markets in which we market and sell our products and services are highly competitive, and if we do not adapt to rapid technological change, we could lose customers or market share, which could adversely affect our ability to sustain or grow revenue.

The industries we serve are characterized by rapid technological change and frequent new service offerings and are highly competitive with respect to the need for innovation, including the use of artificial intelligence and machine learning. The industries also demand frequent and, at times, significant technology upgrades and changes. Significant technological upgrades and changes could make our technology and services obsolete, less marketable or less competitive.

We must adapt to these rapidly changing markets by continually improving the features, functionality, reliability and responsiveness of our products and services, and by developing new features, services and applications to meet changing customer needs and further address the markets we serve. Our ability to take advantage of opportunities in the markets we serve may require us to invest in development and incur other expenses well in advance of our ability to generate revenues from these offerings or services. We may not be able to timely adapt to these challenges or respond successfully or in a cost-effective way and we will not have the resources to invest in all existing and potential technologies. As a result, we expect to concentrate our resources on those technologies that we believe have or will achieve substantial customer acceptance and in which we will have appropriate technical expertise. However, existing products often have short product life cycles characterized by declining

prices over their lives. In addition, our choices for developing technologies may prove incorrect if customers do not adopt the products that we develop or if those technologies ultimately prove to be unviable. Our failure to successfully adapt would adversely affect our ability to compete and retain customers and/or market share and could adversely affect our ability to sustain or grow revenue. Our revenues and operating results will depend, to a significant extent, on our ability to maintain a product portfolio and service capability that is attractive to our current and future customers; to enhance our existing products; to continue to introduce new products successfully and on a timely basis; and to develop new or enhance existing tools for our services offerings. The development of new technologies remains a significant risk to us, due to the efforts that we still need to make to achieve technological feasibility, due to rapidly changing customer markets; and due to significant competitive threats. In addition, as we expand our service offerings, we may face competition from new and existing competitors. It is also possible that our customers could decide to create, invest in or collaborate in the creation of competitive products that might limit or reduce their need for our products, services and solutions. Further, we may experience delays in the development of one or more features of our offerings, which could materially reduce the potential benefits to us providing these services. In addition, our present or future service offerings may not satisfy the evolving needs of the industry in which we operate. If we are unable to anticipate or respond adequately to these evolving market needs, due to resource, technological or other constraints, our business and results of operations could be harmed. In addition, the arrival of new market entrants could reduce the demand for our services or cause us to reduce our pricing, resulting in a loss of revenue and adversely affecting our business, results of operations and financial condition. Also, the use of internal technologies, developed by our customers or their advisers, could reduce the demand for our services, result in pricing pressures or cause a reduction in our revenue. If we fail to manage these challenges adequately, our business, results of operations and financial condition could be adversely affected.

The success of our business depends on our ability to achieve or sustain market acceptance of our services and solutions at desired pricing levels.

Our competitors and customers may cause us to reduce the prices we charge for our services and solutions. Our current or future competitors may offer our customers services at reduced prices or bundling and pricing services in a manner that may make it difficult for us to compete. Customers with a significant volume of transactions may attempt to use this leverage in pricing negotiations with us. Also, if our prices are too high, current or potential customers may find it economically advantageous to handle certain functions internally instead of using our services. We may not be able to offset the effects of any price reductions by increasing the number of transactions we handle or the number of customers we serve, by generating higher revenue from enhanced services or by reducing our costs. If these or other sources of pricing pressure cause us to reduce the pricing of our service or solutions below desirable levels, our business and results of operations may be adversely affected.

We rely in part on strategic relationships with third parties to sell and deliver our solutions. If we are unable to successfully develop and maintain these relationships, our business may be harmed.

In addition to generating customer referrals through third-party users of our solutions, we intend to pursue relationships with other third parties such as technology and content providers and implementation and distribution partners. Our future growth will depend, at least in part, on our ability to enter into and maintain successful strategic relationships with these third parties. Identifying partners and negotiating and documenting relationships with them requires significant time and resources, as does integrating third-party content and technology. Some of our contracts with third parties may require us to meet certain minimum spend commitment obligations. These commitments could have an adverse effect on our operating results if we are not able to generate sufficient sales to satisfy the minimum commitments. Some of the third parties with whom we have strategic relationships have entered and may continue to enter into strategic relationships with our competitors. Further, these third parties may have multiple strategic relationships and may not regard us as significant for their businesses. As a result, they may choose to offer their services on terms that are unfavorable to us, terminate their respective relationships with us, pursue other partnerships or relationships, or attempt to develop or acquire services or solutions that compete with ours. Our relationships with strategic partners could also interfere with our ability to enter into desirable strategic relationships with other potential partners in the future. If we are unsuccessful in establishing or maintaining relationships with strategic partners on favorable economic terms, our ability to compete in the marketplace or to grow our revenue could be impaired, and our business, results of operations and financial condition would suffer. Even if we are successful, we cannot provide assurance that these relationships will result in increased revenue or customer usage of our solutions or that the economic terms of these relationships will not adversely affect our margins.

If we do not maintain the compatibility of our services with third-party applications that our customers use in their business processes or if we fail to adapt our services to changes in technology or the marketplace, demand for our services could decline.

Our solutions can be used alongside a wide range of other systems such as email and enterprise software systems used by our customers in their businesses. If we do not support the continued integration of our products and services with third-party

applications, including through the provision of application programming interfaces that enable data to be transferred readily between our services and third-party applications, demand for our services could decline and we could lose sales or experience declining renewal rates. We will also be required to make our products and services compatible with new or additional third-party applications that are introduced to the markets that we serve and, if we are not successful, we could experience reduced demand for our services. In addition, prospective customers, especially large enterprise customers, may require heavily customized features and functions unique to their business processes. If prospective customers require customized features or functions that we do not offer and that would be difficult for them to develop and integrate within our services, then the market for our products and services may be adversely affected.

We may not currently or in the future appropriately leverage advances in technology to achieve or sustain a competitive advantage in products, services, information and processes. Our customers and users regularly adopt new technologies and industry standards continue to evolve. The introduction of products or services and the emergence of new industry standards can render our existing services obsolete and unmarketable in short periods of time. We expect others to continue to develop and introduce new and enhance existing products and services that will compete with our services. Our future success will depend, in part, on our ability to enhance our current services and to develop and introduce new services that keep pace with technological developments, emerging industry standards and the needs of our customers. We cannot assure that we will be successful in cost-effectively developing, marketing and selling new services or service enhancements that meet these changing demands on a timely basis, that we will not experience difficulties that could delay or prevent the successful development, introduction and marketing of these services, or that our new service and service enhancements will adequately meet the demands of the marketplace and achieve market acceptance. We also cannot assure that the features that we believe will drive purchasing decisions will in fact be the features that our current or potential customers consider most significant.

Legal, Regulatory and Compliance Risks

Government regulation of the Internet and e-commerce and of the international exchange of certain information is subject to possible unfavorable changes, and our failure to comply with applicable regulations could harm our business and operating results.

As Internet commerce continues to evolve, increasing regulation by federal, state, local and foreign governments become more likely. For example, in recent years, numerous federal, state, local and foreign laws regarding privacy and the collection, processing, storage, sharing, disclosure, use or protection of personal information and other data have been enacted. The scope of these laws is expanding, they are subject to differing interpretations and may be costly to comply with and may be inconsistent between countries and jurisdictions or conflict with other rules. Further, laws and regulations applying to the solicitation, collection, processing or use of personal or consumer information could affect our customers' ability to use and share data, potentially reducing demand for our products and services. In addition, taxation of products and services provided over the Internet or other charges imposed by government agencies or by private organizations for accessing the Internet may also be imposed. Any regulation imposing greater fees for Internet use or restricting the exchange of information over the Internet could result in reduced growth or a decline in the use of the Internet and could diminish the viability of our Internet-based services, which could harm our business and operating results.

Failure to comply with laws and regulations applicable to our business could subject us to fines and penalties and could also cause us to lose customers or negatively impact our ability to contract with customers.

Our business is subject to regulation by various federal, state, local and foreign governmental agencies, including agencies responsible for monitoring and enforcing employment and labor laws, antitrust laws, workplace safety, product safety, environmental laws, consumer protection laws, anti-bribery laws, import/export controls, federal securities laws and tax laws and regulations. In certain jurisdictions, these regulatory requirements may be more stringent than in the United States. Noncompliance with applicable regulations or requirements could subject us to investigations, sanctions, mandatory product recalls, enforcement actions, disgorgement of profits, fines, damages and civil and criminal penalties or injunctions. If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, reputation, operating results and financial condition could be adversely affected. In addition, responding to any action will likely result in a significant diversion of management's attention and resources and an increase in third-party professional fees. Enforcement actions and sanctions could harm our business, operating results and financial condition.

These laws and regulations impose added costs on our business, and failure to comply with these or other applicable regulations and requirements, could lead to claims for damages from our channel partners, penalties or termination of contracts. Any such damages, penalties, disruptions or limitations in our ability to do business could have an adverse effect on our business and operating results.

Changes in laws, regulations or governmental policy applicable to our customers or potential customers may decrease the demand for our solutions or increase our costs.

The level of our customers' and potential customers' activity in the business processes our services are used to support is sensitive to many factors beyond our control, including governmental regulation and regulatory policies. Many of our customers and potential customers in the telecommunications and other industries are subject to substantial regulation and may be the subject of further regulation in the future. Accordingly, significant new laws or regulations or changes in, or repeals of, existing laws, regulations or governmental policy may change the way these customers do business and could cause the demand for and sales of our solutions to decrease. Any change in the scope of applicable regulations that either decreases the volume of transactions that our customers or potential customers enter into or otherwise negatively impacts their use of our solutions would have a material adverse effect on our revenues or gross margins, or both. Moreover, complying with increased or changed regulations could cause our operating expenses to increase as we may have to reconfigure our existing services or develop new services to adapt to new regulatory rules and policies, either of which would require additional expense and time. Additionally, the information provided by, or residing in, the software or services we provide to our customers could be deemed relevant to a regulatory investigation or other governmental or private legal proceeding involving our customers, which could result in requests for information from us that could be expensive and time consuming for us to address or harm our reputation since our customers rely on us to protect the confidentiality of their information. These types of changes could adversely affect our business, results of operations and financial condition.

Our expansion into additional international markets may be subject to uncertainties that could increase our costs to comply with regulatory requirements in foreign jurisdictions, disrupt our operations and require increased focus from our management.

Our growth strategy includes the growth of our operations in foreign jurisdictions. International operations are subject to numerous additional risks, including economic and political risks in foreign jurisdictions in which we operate or seek to operate, potential additional costs due to localization and other geographic specific costs, difficulty in enforcing contracts and collecting receivables through some foreign legal and financial systems, unexpected changes in legal and regulatory requirements, differing technology standards and pace of adoption, fluctuations in currency exchange rates, varying regional and geopolitical business conditions and demands. The difficulties associated with managing a large organization spread throughout various countries and potential tax issues, including restrictions on repatriating earnings and multiple changing and complex tax laws and regulations, and the differences in foreign laws and regulations, including foreign tax, data privacy requirements, tariffs, anti-competition, intellectual property, labor, trade and other laws. Additionally, compliance with international and U.S. laws and regulations that apply to our international operations may increase our cost of doing business in foreign jurisdictions. Violation of these laws and regulations could result in fines, criminal sanctions against us, our officers or our employees, or prohibitions on the conduct of our business. Sanctions imposed by the United States and other countries with respect to countries involved in conflict may impact our ability to offer services in the region, and additional sanctions or retaliatory measures could be imposed in the future. Further instability or tension in the geopolitical climate could also cause us to adjust our operating model, which would increase our costs of operations. As we continue to expand our business globally, our success will depend, in large part, on our ability to anticipate and effectively manage these and other risks associated with our international operations. However, any of these factors could adversely affect our international operations and, consequently, our operating results.

Failure to comply with anticorruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act of 1977, as amended ("FCPA"), and similar laws associated with our activities outside of the United States could subject us to penalties and other adverse consequences.

We are subject to the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, the United Kingdom Bribery Act of 2010 ("U.K. Bribery Act") and other anti-bribery and anti-money laundering laws in countries in which we conduct activities. We face significant risks if we fail to comply with the FCPA and other anticorruption laws that prohibit companies and their employees and third-party intermediaries from authorizing, offering or providing, directly or indirectly, improper payments or benefits to foreign government officials, political parties and private-sector recipients for the purpose of obtaining or retaining business, directing business to any person or securing any advantage. In many foreign countries, particularly in countries with developing economies, it may be a local custom that businesses engage in practices that are prohibited by the FCPA or other applicable laws and regulations. In addition, we use various third parties to sell our solutions and conduct our business abroad. We or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and we can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners and agents, even if we do not explicitly authorize such activities. We continue to update and implement our FCPA/anti-corruption compliance program and no assurance can be given that all of our employees and agents, as well as those companies to which

we outsource certain of our business operations, will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible.

Any violation of the FCPA, other applicable anticorruption laws and anti-money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions and, in the case of the FCPA, suspension or debarment from U.S. government contracts, which could have a material and adverse effect on our reputation, brand, business, operating results and prospects. In addition, responding to any enforcement action may result in a materially significant diversion of management's attention and resources and significant defense costs and other third-party professional fees.

If we are unable to protect our intellectual property rights, our competitive position could be harmed, or we could be required to incur significant expenses to enforce our rights.

Our success depends to a significant degree upon the protection of our software and other proprietary technology rights. We rely on trade secret, copyright and trademark laws and confidentiality agreements with employees and third parties, all of which offer only limited protection. Our competition may also independently develop technology equivalent to ours and our intellectual property rights may not be sufficient to prevent them from marketing and selling those products which incorporate such technology, which could have a material adverse effect on our ability to compete in the marketplace. We also regularly file patent applications to protect inventions arising from our research and development and have obtained a number of patents in the United States and other countries. There can be no assurance that our patent applications will be approved, that any issued patents will adequately protect our intellectual property, or that our patents will not be challenged by third parties. Also, much of our business and many of our solutions rely on key technologies developed or licensed by third or other parties and we may not be able to obtain or continue to obtain licenses and technologies from these third parties at all or on reasonable terms. The steps we have taken to protect our intellectual property may not prevent misappropriation of our proprietary rights or the reverse engineering of our solutions. Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights in other countries are uncertain and may afford little or no effective protection of our proprietary technology. Consequently, we may be unable to prevent our proprietary technology from being exploited abroad, which could require costly efforts to protect our technology. Policing the unauthorized use of our products, trademarks and other proprietary rights is expensive, difficult and, in some cases, impossible. Litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of the proprietary rights of others. This type of litigation could result in substantial costs and diversion of management resources, either of which could materially harm our business. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property.

We collect, process, store, disclose and use personal information and other data, and our actual or perceived failure to protect this information and data could damage our reputation and harm our business and operating results.

In the ordinary course of our business, we and our current or future third-party collaborators, service providers, contractors and consultants collect, process, store, disclose and use personal information (also referred to as "personal data" or "personally identifiable information" under certain data privacy laws) and other data provided by our customers and their end users.

We are, or may become subject to various federal, state, local and foreign laws, related regulations, and industry standards regarding privacy and the collection, processing, storage, sharing, disclosure, use or protection of personal information and other data. The scope of these laws has and continues to change, they are subject to differing interpretations from one jurisdiction to another, and they can be costly to comply with and may be inconsistent between countries and jurisdictions or conflict with other rules or our practices. Data privacy legislation, enforcement and policy activity are rapidly expanding around the world and creating a complex data privacy compliance environment that poses greater compliance risks and costs, as well as the potential for high profile negative publicity in the event of any data breach. As a result, our practices may not have complied in the past or may not comply now or in the future with all such laws, regulations, requirements or obligations. If we fail to comply or are deemed to have failed to comply with applicable laws, regulations, requirements or obligations such failure could result in government enforcement actions and create liability for us, which could include substantial civil and/or criminal penalties, as well as private litigation and/or adverse publicity that could negatively affect our operating results and business.

In the United States, our collection, processing, storage, disclosure and use of personal information is subject to a variety of laws and regulations, including federal and state data privacy laws, data breach notification laws, and consumer protection laws. Many state legislatures have adopted or have proposed adopting legislation that regulates how businesses operate online, including measures relating to privacy, data security, data breaches and the handling of personal information, reflecting a trend toward more stringent privacy legislation in the United States. Additionally, the U.S. federal government is contemplating privacy legislation. These laws and regulations have and in the future may impose additional obligations such as additional

rights processes, new contractual requirements, opt outs for certain uses and disclosures of sensitive personal information and opt outs from sharing personal information for targeted advertising that could require us to modify our data collection or processing practices and policies and to incur substantial costs and expenses in an effort to comply and increase our potential exposure to regulatory enforcement and/or litigation.

A growing number of global jurisdictions are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our offerings, such as the European Union General Data Protection Regulations (Regulation (EU) 2016/679) (the EU GDPR) and to the United Kingdom General Data Protection Regulation and Data Protection Act 2018 (the UK GDPR) (the EU GDPR and UK GDPR referred to collectively as the GDPR) and applicable provincial and state laws and regulations, including of other applicable jurisdictions. The GDPR and similar legislation impose comprehensive compliance obligations regarding our processing of personal information, including a principle of accountability and the obligation to demonstrate compliance through policies, procedures, training, and audits, and regulate cross-border transfers of personal information unless specific conditions are met, such as a determination that a jurisdiction provides an "adequate" level of data protection or the existence of other "appropriate safeguards" that provide some assurances as to the treatment and protection of such data. As the enforcement landscape of these laws and regulations continues to develop, supervisory authorities issue further guidance on international data transfers, and governments work to reach agreements on additional transfer mechanisms, we may experience additional costs, complaints and/or regulatory investigations or fines; if we are no longer able to rely on a particular transfer mechanism or are otherwise unable to transfer personal information across borders, we may not be able to operate in certain jurisdictions; we may have to stop using certain tools and vendors and make other operational changes; we have had to and will have to implement revised standard contractual clauses for existing customer and vendor arrangements within required time frames; and/or it could otherwise affect the manner in which we provide our services, and could adversely affect our business operations and financial condition, including by reducing the demand for our services and limiting our opportunities for international growth. Failure to comply with such laws and regulations could result in penalties under each of these regimes independently in the respect of the same violation. In addition to fines, a violation of such regulations may result in regulatory investigations, reputational damage, orders to cease/change our data processing activities, enforcement notices, assessment notices (for compulsory audits) and/or civil claims (including class action lawsuits).

We are also subject to evolving privacy laws on cookies, tracking technologies and e-marketing. If regulators continue their trend of increasing enforcement of the strict approach to opt-in consent for all but essential use cases and given the complex and evolving nature of EU and UK privacy laws, this may lead to substantial costs, require significant systems changes, limit the effectiveness of our marketing activities, require that we divert the attention of our technology personnel, adversely affect our margins, subject us to additional liabilities and there can be no assurances that we will be successful in our compliance efforts.

Compromises to our privacy safeguards or disclosure of confidential information could impact our reputation.

Names, addresses, telephone numbers, credit card data and other personal identification information are collected, processed and stored in our systems. Our treatment of this kind of information is subject to contractual restrictions and federal, state and foreign data privacy laws and regulations. Some jurisdictions have enacted laws requiring companies to notify individuals and government regulators of security breaches involving certain types of personal information and our agreements with certain third parties and partners similarly require us to notify them in the event of certain security incidents. Additionally, some jurisdictions, as well as our contracts with certain merchants, require us to use industry-standard or reasonable measures to safeguard personal information or confidential information.

Advances in technology, the expertise of criminals, new discoveries in the field of cryptography, acts or omissions by our employees, contractors or service providers or other events or developments could result in a compromise or breach in the security of confidential or sensitive information. Our security measures and those of our service providers may be breached or compromised by individuals or groups of hackers, including sophisticated organizations and nation states, or compromised by personnel error or malfeasance. Techniques used to compromise or sabotage systems change frequently and generally are not recognized until launched against a target. As a result, we may be unable to anticipate these techniques or to implement adequate preventative measures. We and our service providers, therefore, may not be able to prevent third parties, including criminals, competitors or others, from breaking into or altering our systems, conducting denial-of-service attacks, attempting to gain access to our systems, information or monetary funds through phishing or social engineering campaigns, installing viruses or malicious software on our website or devices used by our employees or contractors, or carrying out other activity intended to disrupt our systems or gain access to confidential or sensitive information in our or our service providers' systems. Furthermore, such third parties may further engage in various other illegal activities using such information, including credit card fraud, which may cause additional harm to us, our users and our brand. Third parties may attempt to fraudulently induce

our or our service providers' employees to misdirect funds or to disclose information in order to gain access to personal information we maintain about our users or website users.

Any accidental unauthorized access to or disclosure, loss, disablement or encryption of, acquisition, use or misuse of or modification of confidential or sensitive information, processing or destruction of this information, or unavailability of information that we or our partners could experience or the perception that one has occurred or may occur, could expose us to regulatory actions, litigation, investigations, remediation obligations, damage to our reputation and brand, supplemental disclosure obligations, loss of customer, consumer and partner confidence in the security of our applications, destruction of information, indemnity obligations, impairment to our business and resulting fees, costs, expenses, loss of revenues and other potential liabilities. Moreover, there could be public announcements regarding any such incidents and any steps we take to respond to or remediate such incidents. Security incidents could disrupt operation of our products or result in unauthorized access to, unauthorized use or disclosure of, the inaccessibility of or loss of our or our partners' and users' sensitive and confidential information (including intellectual property and personal information). Consequences of these incidents can include damage to our reputation, early termination of our contracts, loss of business, litigation, regulatory investigations and other liabilities. Even a perceived security incident could damage the market perception of our business and adversely impact our results of operations and financial condition. Our efforts to detect, prevent and remediate known or potential security vulnerabilities may result in additional direct and indirect costs. Finally, if a high profile security breach occurs with respect to other similarly situated services, our users and potential users may lose trust in the security of such services generally, which could adversely impact our ability to retain existing users or attract new ones.

We devote financial and personnel resources to implement and maintain security measures. While we have security measures in place that are designed to protect against these risks, our security measures may be compromised as a result of intentional misconduct, including by computer hackers, employees, contractors or service providers, as well as software bugs, human error, technical malfunctions or other malfeasance. We may need to devote significant resources to protect against security breaches or to address problems caused by breaches, diverting resources from the growth and expansion of our business.

There is increased potential that unauthorized third parties may have access to sensitive company or customer information as a result of our employees working remotely. For instance, if our employees were to use a non-secure internet network, conduct their work in a non-secure environment or even fail to take appropriate precautions within their own home, there is a greater likelihood that an unauthorized person or entity could obtain access to ours or our clients' sensitive information.

Any or all of these issues could negatively affect our ability to attract new customers, cause existing customers to elect to terminate or not renew their subscriptions, result in reputational damage, cause us to pay remediation costs, or require us to compensate our customers or other users for certain losses or result in lawsuits, regulatory fines or other action or liabilities, which could adversely affect our business and operating results. These risks may increase as we continue to grow and collect, process, store and transmit increasingly large amounts of data.

Our use of "open source" software could negatively affect our ability to sell our services and subject us to possible litigation.

A portion of the technologies licensed by us incorporates "open source" software, and we may incorporate open source software in the future. Open source software is generally licensed by its authors or other third parties under open source licenses. If we fail to comply with these licenses, we may be subject to certain conditions, including requirements that we offer any of our services that incorporate the open source software at no cost. Additionally, we may be required to make publicly available any source code for modifications or derivative works we create based upon, incorporating or using the open source software and/or license those modifications or alterations on terms that are unfavorable to us. If an author or other third party that distributes open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from selling those of our services that contained the open source software and required to comply with the foregoing conditions, which could disrupt the distribution and sale of some of our services. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as

open source licensors generally do not provide technology support, maintenance, warranties or assurance of title or controls on the origin of the software.

We use artificial intelligence in our products and services which may result in operational challenges, legal liability, reputational harm, competitive risks and regulatory concerns that could adversely affect our business and results of operations.

We incorporate AI, including generative AI, into our products. These technologies are complex and rapidly evolving and building them requires significant investment in infrastructure and personnel with no assurance that we will realize the desired or anticipated benefits. Our competitors may more successfully incorporate AI into their products and achieve higher market acceptance of their AI solutions, which could impair our ability to compete effectively and adversely affect our results of operations may also encounter new risks, challenges, and unintended consequences as a result of our use of AI. For example, the issue of intellectual property ownership and license rights surrounding AI technologies has not been fully addressed by U.S. courts or federal or state laws and regulations, and the incorporation of AI technologies into our products and services could expose us to intellectual property claims or mandatory compliance with open source software or other license terms. Our use of AI may also lead to novel cybersecurity or privacy risks which may adversely affect our operations and reputation. The European Union's Artificial Intelligence Act, which would apply beyond the European Union's borders, came into force in August 2024, and various other governments have proposed or adopted policy and regulatory responses to oversee the use of AI. Compliance with regulations as well as social and ethical standards relating to AI may require significant research and development costs as well as management and employee attention. Any actual or perceived failure to comply with these laws, regulations or ethical standards could include severe penalties, reputational harm, and slow adoption of AI in our products and services. In addition, our business may be disrupted if any of the third-party AI services we use become unavailable due to extended outages or commercially unreasonable terms of service.

We continue to incur significant costs as a result of operating as a public company, and our management is required to devote substantial time to new and ongoing compliance initiatives.

We operate as a public company, and will continue to incur significant legal, accounting and other expenses as we comply with the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act" or "SOX"), the Dodd-Frank Wall Street Reform and Consumer Protection Act and other public company disclosure and corporate governance requirements, as well as any new rules that may subsequently be implemented by the Securities and Exchange Commission and/or Nasdaq, the exchange on which our common stock is listed. These rules impose various requirements on public companies, including requirements related to disclosures, corporate governance and internal controls. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting and financial compliance costs, make some activities more difficult, time consuming and costly and place significant strain on our personnel, systems and resources. Our management and other personnel will continue to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations increase our legal and financial compliance costs and make some activities more time-consuming and costlier. For example, we expect these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantial costs to maintain the same or similar coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

The Sarbanes-Oxley Act requires, among other things, that we assess the effectiveness of our internal control over financial reporting annually and the effectiveness of our disclosure controls and procedures quarterly. In particular, Section 404 of the Sarbanes-Oxley Act, or Section 404, requires us to perform system and process evaluation and testing of our internal controls over financial reporting to allow management to report on, and our independent registered public accounting firm potentially to attest to, the effectiveness of our internal controls over financial reporting. Our independent registered public accounting firm is required to undertake an assessment of our internal control over financial reporting. Our compliance with applicable provisions of Section 404 requires that we incur substantial accounting expense and expend significant management time on compliance-related issues as we implement additional corporate governance practices and comply with reporting requirements. Moreover, if we are not able to comply with the requirements of Section 404 applicable to us in a timely manner, or if we or our independent registered public accounting firm identifies deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock could decline and we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources.

Changes in, or interpretations of, tax rules and regulations, results of tax audits and other factors, including timing of tax refund receipt, could cause fluctuations in or adversely affect our effective tax rates and operating results.

Global tax developments applicable to multinational businesses may have a material impact to our business, cash flow from operating activities, or financial results. International organizations such as the Organization for Economic Cooperation and Development, have published Base Erosion and Profit Shifting action plans that, if adopted by countries where we do business, could increase our tax obligations in these countries. In addition, several countries have proposed or enacted Digital Services Taxes ("DST"), many of which would apply to revenues derived from digital services. We will continue to assess the ongoing impact of these current and pending changes to global tax legislation and the impact on our future financial statements upon the finalization of laws, regulations and additional guidance. In addition, as we continue to evaluate our corporate structure, any changes to the taxation of undistributed foreign earnings could also change our plans regarding reinvestment of such earnings. Due to the large scale of our U.S. and international business activities, many of these enacted and proposed changes to the taxation of our activities could increase our worldwide effective tax rate and have an adverse effect on our operating results, cash flow or financial condition.

Certain EU and other jurisdictions have introduced anti-hybrid provisions, which came into force in EU member states on January 1, 2020 (subject to relevant derogations). The scope of these rules is wide-reaching and can apply to disallow certain deductions for corporate tax purposes where hybrid entities exist within a company structure. These provisions may place additional burden on our management to assess the impact of the rules and potentially create additional tax costs. EU countries and other jurisdictions will continue to interpret or issue additional guidance on how provisions of the anti-hybrid will be applied, which, if applicable, may materially impact our financial statements and cash flow. Separately, as a result of the complexity of, and lack of clear precedent or authority with respect to, the application of various income tax laws to our corporate structure, tax authorities may challenge how we report our transactions, which may increase our costs and impact our operations.

We are subject to income taxes as well as non-income-based taxes, in both the U.S. and various foreign jurisdictions. Many judgments are required in determining our worldwide provision for income taxes and other tax liabilities, and we are under audit by various tax authorities, which often do not agree with positions taken by us on our income and non-income-based tax returns. We currently have significant income tax refunds that are receivable from the U.S. government based in part on provisions in the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). Any changes in, or interpretations of, tax rules and regulations or legislative changes to the CARES Act or significant delays in receiving our tax refund could adversely impact our financial position and results. Although we believe that our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our consolidated financial statements and may materially affect our financial results in the period or periods for which such determination is made. Unanticipated changes in our tax rates could affect our future results of operations. Our future effective tax rates could be unfavorably affected by changes in tax laws or the interpretation of tax laws or by changes in the valuation of our deferred tax assets and liabilities. In August 2022, the Inflation Reduction Act of 2022 (the "IRA") was signed into law. This law, among other things, provides for a corporate alternative minimum tax on adjusted financial statement income (effective for us beginning in fiscal 2024), and an excise tax on corporate stock repurchases (effective for our share repurchases after December 31, 2022), and we are continuing to evaluate the impact it may have on our financial position and results of operations. There are several proposed changes to U.S. and non-U.S. tax legislation and the ultimate enactment of any of them could have a negative impact on our effective tax rate. It is possible that future requirements, including the proposed implementation of International Financial Reporting Standards (IFRS) could change our current application of U.S. GAAP, resulting in a material adverse impact on our financial position or results of operations. In addition, we are subject to the continued examination of our income tax returns by the Internal Revenue Service (IRS), and other tax authorities. These examinations may challenge certain of our tax positions, such as the timing and amount of deductions and allocations of taxable income to various jurisdictions. We regularly assess the likelihood of outcomes resulting from these examinations, if any, to determine the adequacy of our provision for income taxes. We believe our estimates to be reasonable, but there can be no assurance that the final determination of any of these examinations will not have an adverse effect on our operating results and financial position.

Our employee retention and hiring may be adversely impacted by immigration restrictions and related factors.

Competition for skilled personnel is intense in our industry and any failure on our part to hire and retain appropriately skilled employees could harm our business. Our ability to hire and retain skilled employees is impacted, at least in part, by the fact that a portion of our professional workforce in the United States is comprised of foreign nationals who are not United States citizens. In order to be legally allowed to work for us, these individuals generally hold immigrant visas (which may or may not be tied to their employment with us) or green cards, the latter of which makes them permanent residents in the United States. The ability of these foreign nationals to remain and work in the United States is impacted by a variety of laws and regulations, as well as the processing procedures of various government agencies. Changes in applicable laws, regulations or

procedures could adversely affect our ability to hire or retain these skilled employees and could affect our costs of doing business and our ability to deliver services to our customers. In addition, if the laws, rules or procedures governing the ability of foreign nationals to work in the United States were to change or if the number of visas available for foreign nationals permitted to work in the United States were to be reduced, our business could be adversely affected, if, for example, we were unable to hire or no longer able to retain a skilled worker who is a foreign national. Employing foreign nationals may require significant time and expense and our foreign national employees may choose to leave after we have made this investment. While a foreign national who is working under an immigrant visa tied to his or her employment by us may be less likely to choose to leave our Company than a similarly situated employee who is a United States national or a green card holder (as leaving our employ could mean also having to leave the United States), this may not always be the case. Additionally, many of our foreign national employees hold green cards, which means that they have greater flexibility to leave our Company without facing the risk of also having to leave the United States.

Changes in accounting principles, or the interpretation thereof, could have a significant impact on our financial position and results of operation.

We prepare our Consolidated Financial Statements in accordance with GAAP. A change in these principles can have a significant impact on our reported results and may even retroactively affect previously reported transactions. The adoption of new or revised accounting principles may require that we make significant changes to our systems, processes and controls and could have a significant impact on our financial position and results of operations.

Risks Related to our Term Loan, Senior Notes and our Common Stock

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.

Our stock price may continue to experience significant fluctuations and could subject us to litigation.

Our stock price, like that of other technology companies, continues to fluctuate greatly. Our stock price, and demand for our stock, can be affected by many factors, such as unanticipated changes in management, quarterly increases or decreases in our earnings, speculation in the investment community about our financial condition or results of operations and changes in revenue or earnings estimates, announcement of new services, technological developments, alliances, or acquisitions by us. Additionally, the price of our common stock may continue to fluctuate greatly in the future due to factors that are non-company specific, such as the downturns or expected changes in the United States and/or international economies, acts of terror against the United States or other jurisdictions where we conduct business, war or other military conflict or due to a variety of company specific factors, including quarter to quarter variations in our operating results, shortfalls in revenue, gross margin or financial results or forecasts from levels projected by securities analysts and the other factors discussed in these risk factors. Concerns over economic recession, elevated interest rates and inflation, supply chain delays and disruptions, priorities of the U.S. presidential administration and related changes in laws regulations and policies, trade wars, tariffs, immigration, unemployment, or prolonged government shutdown may contribute to increased volatility and diminished expectations for the economy and markets. Additionally, concern over geopolitical issues may also contribute to prolonged market volatility and instability. The U.S. government and other governments in other jurisdictions have imposed severe economic sanctions and export controls against Russia and Russian interests, have removed Russia from the SWIFT system, and have threatened additional sanctions and controls. The impact of these measures, as well as potential responses to them by Russia, is unknown. In addition, if the market for technology stocks or the stock market in general experiences uneven investor confidence, the market price of our common stock could decline for reasons unrelated to our business, operating results or financial condition. Fluctuation in market price and demand for our common stock may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. Causes of volatility in the market price of our stock could subject us to securities class action litigation. We were previously, and may in the future be, the subject of lawsuits that could require us to incur substantial costs defending against those lawsuits and divert the time and attention of our management.

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 have incurred significant expenses, including audit, legal, consulting and other professional fees, and lender and noteholder consent fees, in connection with certain financial transactions that we effected in 2015 and 2016 and our disclosure of and accounting for such transactions. We were required to indemnify the defendants in these actions for certain costs and expenses, including reasonable attorney's fees. As of December 31, 2024, we had paid \$8,741,862 to date for costs incurred in these actions. Additionally, as of December 31, 2024, the Company has accrued \$266,012 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.

Other than payment of dividends on our previously outstanding preferred stock, we have never paid dividends on our capital stock and we do not anticipate paying any dividends in the foreseeable future. Consequently, any gains from an investment in our common stock will likely depend on whether the price of our common stock increases.

Other than the payment of dividends, either in-kind or in cash, on our previously outstanding preferred stock, we have not paid dividends on any of our classes of capital stock and we currently intend to retain our future earnings, if any, to fund the

development and growth of our business. In addition, the terms of our current credit agreement and any future indebtedness that we may incur could preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock will be a shareholder's sole source of gain for the foreseeable future. Consequently, in the foreseeable future, a shareholder will likely only experience a gain from an investment in our common stock if the price of our common stock increases.

Delaware law and provisions in our restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer or proxy contest difficult, therefore depressing the trading price of our common stock.

We are a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and bylaws and credit agreements may discourage, delay or prevent a change in our management or control over us that stockholders may consider favorable. Our amended and restated certificate of incorporation and bylaws:

- authorize the issuance of "blank check" preferred stock that could be issued by our board of directors to thwart a takeover attempt;
- prohibit cumulative voting in the election of directors, which would otherwise allow holders of less than a majority of the stock to elect some directors;
- establish a classified board of directors as a result of which successor to a director whose term has expired will be elected to serve from the time of election and qualification until the third annual meeting following election;
- require that directors only be removed from office for cause;
- provide that vacancies on the board of directors, including newly created directorships, may be filled only by a majority vote of directors then in office;
- limit who may call special meetings of stockholders;
- prohibit stockholder action by written consent, requiring all actions to be taken at a stockholder meeting; and
- establish advance notice requirements for nominating candidates for election to the board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings.

The affirmative vote of the holders of at least two-thirds of all of the then outstanding shares of our capital stock is generally necessary to amend or repeal the above provisions that are contained in our amended and restated certificate of incorporation. Also, absent approval of our board of directors, our amended and restated by-laws may only be amended or repealed by the affirmative vote of the holders of a majority of our shares of capital stock entitled to vote. In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law, which limits business combination transactions with stockholders of 15% or more of our outstanding voting stock that our board of directors has not approved. These provisions and other similar provisions make it more difficult for stockholders or potential acquirers to acquire us. These provisions may apply even if some stockholders may consider the transaction beneficial to them. As a result, these provisions could limit the price that investors are willing to pay in the future for shares of our common stock. These provisions might also discourage a potential acquisition proposal or tender offer, even if the acquisition proposal or tender offer is at a premium over the then current market price for our common stock.

Our current or future debt securities or preferred equity securities, which are and would be senior to our common stock, may adversely affect the market price of our common stock.

Our Senior Notes are senior to our common stock. In addition, in the future, we may attempt to increase our capital resources by offering debt or preferred equity securities, including medium term notes, senior or subordinated notes and classes of preferred stock. Debt securities or shares of preferred stock will generally be entitled to receive interest payments or distributions, both current and in connection with any liquidation or sale, prior to the holders of our common stock. We are not required to offer any such additional debt or preferred equity securities to existing common stockholders on a preemptive basis, and we may generally issue any such debt or preferred equity securities in the future without obtaining the consent of our common stockholders. As a result, any such future offerings of debt securities or preferred equity securities may adversely affect the market price of the common stock.

The Senior Notes are unsecured and therefore are effectively subordinated to any secured indebtedness that we currently have or that we may incur in the future.

The Senior Notes are not secured by any of our assets or any of the assets of our subsidiaries. As a result, the Senior Notes are effectively subordinated to any secured indebtedness that we or our subsidiaries have currently outstanding or may incur in the future (or any indebtedness that is initially unsecured to which we subsequently grant security) to the extent of the value of

the assets securing such indebtedness. The indenture governing the Senior Notes does not prohibit us or our subsidiaries from incurring additional secured (or unsecured) indebtedness in the future. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness and the secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness and may consequently receive payment from these assets before they may be used to pay other creditors, including the holders of the Senior Notes.

No event of default under the Senior Notes would result from a default or acceleration of, or suit, other exercise of remedies or collection proceeding by holders of, our other outstanding debt, if any. As a result, all or substantially all of our assets may be used to satisfy claims of holders of our other outstanding debt, if any, without the holders of the Senior Notes having any rights to such assets.

The Senior Notes are structurally subordinated to the indebtedness and other liabilities of our subsidiaries.

The Senior Notes are obligations exclusively of Synchronoss Technologies, Inc. and not of any of our subsidiaries. None of our subsidiaries is a guarantor of the Senior Notes, and the Senior Notes are not required to be guaranteed by any subsidiaries we may acquire or create in the future. Therefore, in any bankruptcy, liquidation or similar proceeding, all claims of creditors (including trade creditors) of our subsidiaries will have priority over our equity interests in such subsidiaries (and therefore the claims of our creditors, including holders of the Senior Notes) with respect to the assets of such subsidiaries. Even if we are recognized as a creditor of one or more of our subsidiaries, our claims would still be effectively subordinated to any security interests in the assets of any such subsidiary and to any indebtedness or other liabilities of any such subsidiary senior to our claims. Consequently, the Senior Notes are structurally subordinated to all indebtedness and other liabilities (including trade payables) of any of our subsidiaries and any subsidiaries that we may in the future acquire or establish as financing vehicles or otherwise. The indenture governing the Senior Notes does not prohibit us or our subsidiaries from incurring additional indebtedness in the future. In addition, future debt and security agreements entered into by our subsidiaries may contain various restrictions, including restrictions on payments by our subsidiaries to us and the transfer by our subsidiaries of assets pledged as collateral.

The indenture under which the Senior Notes were issued contains limited protection for holders of the Senior Notes.

The indenture under which the Senior Notes were issued offers limited protection to holders of the Senior Notes. The terms of the indenture and the Senior Notes does not restrict our or any of our subsidiaries' ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have an adverse impact on our investment in the Senior Notes. In particular, the terms of the indenture and the Senior Notes do not place any restrictions on our or our subsidiaries' ability to:

- issue debt securities or otherwise incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be equal in right of payment to the Senior Notes, (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in right of payment to the Senior Notes to the extent of the values of the assets securing such debt, (3) indebtedness of ours that is guaranteed by one or more of our subsidiaries and which therefore is structurally senior to the Senior Notes and (4) securities, indebtedness or obligations issued or incurred by our subsidiaries that would be senior to our equity interests in our subsidiaries and therefore rank structurally senior to the Senior Notes with respect to the assets of our subsidiaries;
- pay dividends on, or purchase or redeem or make any payments in respect of, capital stock or other securities subordinated in right of payment to the Senior Notes;
- sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets);
- enter into transactions with affiliates;
- create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions;
- make investments; or
- create restrictions on the payment of dividends or other amounts to us from our subsidiaries.

In addition, the indenture does not include any protection against certain events, such as a change of control, a leveraged recapitalization or "going private" transaction (which may result in a significant increase of our indebtedness levels), restructuring or similar transactions. Furthermore, the terms of the indenture and the Senior Notes will not protect holders of the Senior Notes in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow, or liquidity. Also, an event of default or acceleration under our other indebtedness would not necessarily result in an Event of Default under the Senior Notes.

Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the Senior Notes may have important consequences for you as a holder of the Senior Notes, including making it more difficult for us to satisfy our obligations with respect to the Senior Notes or negatively affecting the trading value of the Senior Notes.

Other debt we issue or incur in the future could contain more protections for its holders than the indenture and the Senior Notes, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for and trading levels and prices of the Senior Notes.

Elevated market interest rates could result in a decrease in the value of the Senior Notes.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market prices of the Senior Note. In general, as market interest rates rise, notes bearing interest at a fixed rate decline in value. We cannot predict the future level of market interest rates.

An active trading market for the Senior Notes may not develop, which could limit the market price of the Senior Notes or your ability to sell them.

The Senior Notes are listed on Nasdaq under the symbol “SNCRL”. We cannot provide any assurances that an active trading market will develop for the Senior Notes or that holders of our Senior Notes will be able to sell their Notes. If the Senior Notes are traded after their initial issuance, they may trade at a discount from their initial offering price depending on prevailing interest rates, the market for similar securities, our credit ratings, general economic conditions, our financial condition, performance and prospects and other factors. The underwriters of our Senior Note offering have advised us that they may make a market in the Senior Notes, but they are not obligated to do so. The underwriters may discontinue any market-making in the Senior Notes at any time at their sole discretion. Accordingly, we cannot assure you that a liquid trading market will develop for the Senior Notes, that holders of our Senior Notes will be able to sell their Senior Notes at a particular time or that the price the holders receive when they sell will be favorable. To the extent an active trading market does not develop, the liquidity and trading price for the Senior Notes may be harmed. Accordingly, holders of our Senior Notes may be required to bear the financial risk of an investment in the Senior Notes for an indefinite period of time.

In addition, there may be a limited number of buyers when a holder decides to sell their Senior Notes. This may affect the price, if any, offered for such notes or the holders’ ability to sell them when desired or at all.

The rating for the Senior Notes could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency.

We have obtained a rating for the Senior Notes. Ratings only reflect the views of the issuing rating agency or agencies and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. A rating is not a recommendation to purchase, sell or hold the Senior Notes. Ratings do not reflect market prices or suitability of a security for a particular investor and the rating of the Senior Notes may not reflect all risks related to us and our business, or the structure or market value of the Senior Notes. We may elect to issue other securities for which we may seek to obtain a rating in the future. If we issue other securities with a rating, such ratings, if they are lower than market expectations or are subsequently lowered or withdrawn, could adversely affect the market for or the market value of the Senior Notes.

A 1% U.S. federal excise tax may be imposed upon us in connection with the redemptions or repurchases of our equity.

In August 2022, the IRA was enacted, which, among other things, imposes a 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 that occur after December 31, 2022. 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.

We expect that each redemption or repurchase of our equity, such as our Series B Preferred Stock repurchases in November 2023 and June 2024 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. 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. We have accrued for potential exposure related to excise tax for the Series B Preferred Stock repurchases as of December 31, 2024.

Our acquisitions, divestitures and other strategic transactions may not produce anticipated results, which could have a material adverse effect on our business, financial condition or results of operations.

We have made and expect to continue to make acquisitions, divestitures and other strategic transactions to strengthen our business and grow our Company. Such transactions present significant challenges and risks, as the market for acquisitions, divestitures and other strategic transactions is highly competitive, especially in light of industry consolidation, which may affect our ability to complete such transactions.

If we are unsuccessful in completing such transactions or if such opportunities for expansion do not arise, our business, financial condition or results of operations could be materially adversely affected.

If such transactions are completed, the anticipated growth and other strategic objectives of such transactions may not be fully realized or may take longer to realize than expected, and a variety of factors may adversely affect any anticipated benefits from such transactions. Our acquisitions, divestitures and other strategic transactions face difficulties, including, but not limited to, the following:

- the process of integration being more expensive or requiring more resources than anticipated;
- a transaction changing the composition of our markets and product mix, and difficulty gaining the skills necessary for such markets or products;
- delays or difficulties continuing to implement our cloud-first strategy, including industry and financial analysts not understanding the changes to our business model, resulting in changes in financial estimates or failure to meet investor expectations;
- delays or difficulties consolidating corporate and administrative infrastructures and eliminating duplicative operations, including issues in integrating financial reporting, information technology infrastructure, data and content management systems and product platforms, communications and other systems;
- delays or difficulties harmonizing corporate cultures, operating practices, management philosophies, employee development and compensation programs, internal controls, compliance programs and other policies, procedures and processes;
- assuming unintended liabilities;
- unexpected regulatory and operating difficulties and expenditures;
- failure to maintain employee morale or retain key personnel of the current or acquired business;
- failure to retain existing business and operational relationships;
- difficulty coordinating geographically separate organizations, including consolidating offices;
- the impact of divestitures on our revenue growth being larger than projected due to greater dis-synergies or adverse effects on our overall product offerings than expected;
- divestitures requiring continued financial involvement in the divested business through continuing equity ownership, guarantees, indemnities or other financial obligations;
- incurring impairment charges or other losses related to divestitures; and
- diversion of management's focus from other business operations.

Moreover, we may face regulatory challenges that impact our ability to conduct due diligence. There can be no assurance that future discoveries will not have a material adverse effect on our ability to realize the cost or revenue synergies or other benefits. The failure of acquisitions, divestitures and other strategic transactions to perform as expected could have a material adverse effect on our business, financial condition or results of operations. With any divestiture, there are risks that future operating results could be unfavorably impacted if targeted objectives, such as cost savings or earn-out payments or other contingent payments associated with the financial performance of the divested business, are not achieved or if other business disruptions occur as a result of the divestiture or activities related to the divestiture.

Our employee retention and hiring may be adversely impacted by immigration restrictions and related factors.

Competition for skilled personnel is intense in our industry and any failure on our part to hire and retain appropriately skilled employees could harm our business. Our ability to hire and retain skilled employees is impacted, at least in part, by the fact that a portion of our professional workforce in the United States is comprised of foreign nationals who are not United States citizens. In order to be legally allowed to work for us, these individuals generally hold immigrant visas (which may or may not be tied to their employment with us) or green cards, the latter of which makes them permanent residents in the United States. The ability of these foreign nationals to remain and work in the United States is impacted by a variety of laws and regulations, as well as the processing procedures of various government agencies. Changes in applicable laws, regulations or procedures could adversely affect our ability to hire or retain these skilled employees and could affect our costs of doing

business and our ability to deliver services to our customers. In addition, if the laws, rules or procedures governing the ability of foreign nationals to work in the United States were to change or if the number of visas available for foreign nationals permitted to work in the United States were to be reduced, our business could be adversely affected, if, for example, we were unable to hire or no longer able to retain a skilled worker who is a foreign national. Employing foreign nationals may require significant time and expense and our foreign national employees may choose to leave after we have made this investment. While a foreign national who is working under an immigrant visa tied to his or her employment by us may be less likely to choose to leave our Company than a similarly situated employee who is a United States national or a green card holder (as leaving our employ could mean also having to leave the United States), this may not always be the case. Additionally, many of our foreign national employees hold green cards, which means that they have greater flexibility to leave our Company without facing the risk of also having to leave the United States.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

All companies utilizing technology are subject to threats of breaches of their cybersecurity programs. To mitigate the threat to our business and address regulatory requirements, we take a comprehensive approach to cybersecurity risk management and have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. We continue to make significant investments to augment the capabilities of our people, process, and technologies in order to address our cybersecurity risks. Our cybersecurity risks, and the controls designed to mitigate those risks, are integrated into our overall risk management governance within our Global Information Security (GIS) organization. Pursuant to our current policies an update on the operations of the cybersecurity program and the risks and trends in cybersecurity are reviewed, at a minimum, annually by our Board of Directors and periodically by the Audit Committee of our Board of Directors (Audit Committee).

Risk Management and Strategy

We have implemented a systematic approach to managing our cybersecurity risks and have adopted a comprehensive set of cybersecurity policies that include best practices based on recognized industry standards and guidelines. These policies provide guidance on roles and responsibilities of key stakeholders and promote awareness. These policies also cover cyber education and training as well as help us to align with applicable laws and regulations to meet our compliance requirements. The primary responsibility for assessing, monitoring and managing our cybersecurity risks rests with our Chief Information Security Officer (CISO) within our GIS organization, who reports to our Chief Technology Officer. The CISO is also responsible for managing the risk assessment and mitigation process. Our CISO has over 10 years of experience serving in various roles in risk management as well as enterprise and cybersecurity, including serving as the project lead and founder of the Open Worldwide Application Security Project (OWASP) flagship project Security Shepherd, a web and mobile application security training program, and leading IBM's ethical hacking team. He was also a principal security engineer at Axway prior to joining Synchronoss where he served as product security architect and a director of product security prior to accepting the role as our CISO. Our Chief Technology Officer has over 20 years of experience in the telecommunications industry, including serving as our Chief Architect and Senior Software Engineer, during which he oversaw our GIS program, including the governance, risk and compliance management related thereto. We also engage consultants, and other service providers, to help us implement our cybersecurity policies and procedures. These service providers assist us with monitoring security threats and vulnerabilities as well as responding to identified cybersecurity incidents, including prompt escalation and timely communication of major security incidents to senior business leadership and the Audit Committee.

As part of our cybersecurity policies, we conduct risk assessments designed to identify and prioritize potential cybersecurity threats, assess the likelihood and impact of those threats, and develop strategies for mitigating or managing cybersecurity risks. This involves assessing, evaluating and monitoring our vulnerabilities, as well as conducting impact analysis. Additionally, we provide ongoing cybersecurity awareness training to educate employees about the potential cybersecurity threats and how employees can identify potential threats and protect our data.

We have an Information Security Third Party Risk Management Policy, as well as a Vendor Code of Conduct, which contractually requires each third-party service provider accessing our or our customers' information systems to comply with our information security policies, as well as to meet a minimum set of information security and data privacy and protection standards in connection with their delivery of products and/or services to us. We also engage a third-party service provider to assess our third-party suppliers for potential risks and effectiveness of controls related to information security and data privacy protection that are relevant in the context of their delivery of services.

Governance

Our CISO and GIS team meets regularly with our information technology (IT) and cybersecurity service providers and internal teams, such as the Risk Advisory Board (RAB), about our Company's ongoing compliance and risk management. GIS also drives business continuity and crisis management by coordinating and communicating with all levels of the organization and seeks to ensure that trends and emerging issues that could impact the business are considered and communicated as appropriate. Pursuant to our current policies the GIS team also provides, at the minimum, annual briefings to our Board of Directors and periodic briefings to the Audit Committee regarding our cybersecurity risks and activities, including any recent cybersecurity incidents and related responses, cybersecurity systems testing, and activities of third parties, among other relevant topics. The RAB convenes periodically or as needed to review the cybersecurity risks in the business. The RAB consists of individuals from GIS as well as the Chief Technology Officer.

Cybersecurity Threat Disclosure

There can be no guarantee that our policies and procedures will be properly followed in every instance or that those policies and procedures will be effective. Although our "Risk Factors" in Item 1A include further detail about the material cybersecurity risks we face, we are not aware of any cybersecurity threats that have materially affected our business to date. We can provide no assurance that there will not be incidents in the future or that they will not materially affect us, including our business strategy, results of operations, or financial condition.

ITEM 2. PROPERTIES

We lease approximately 120,000 square feet of office space for our corporate headquarters in Bridgewater, New Jersey. We have other leases in certain countries including India, Ireland, and in various states in the United States including Pennsylvania. The lease terms for our locations expire in the years between 2025 and 2028. We believe that the facilities we now lease are sufficient to meet our needs through at least the next twelve months.

ITEM 3. 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 22. Legal Matters of the Notes to Consolidated Financial Statements in Part II, Item 8 of this Form 10-K.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

As of December 31, 2024, our common stock was traded and listed on The Nasdaq Global Select Market under the symbol "SNCR."

As of December 31, 2024, there were approximately 34 named holders of record of our common stock as according to our transfer agent. The actual number of stockholders is greater than this number of record holders, and includes stockholders who are beneficial owners, but whose shares are held in street name by banks, brokers and other nominees. On December 31, 2024, the last reported sale price of our common stock as reported on The Nasdaq Global Select Market was \$9.60 per share.

Dividend Policy

Common Stock

We have never declared or paid cash dividends on our common equity. We do not anticipate paying any cash dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our Board of Directors and will depend on our financial condition, results of operations, capital requirements, general business conditions and other factors that our Board of Directors may deem relevant.

Preferred Stock

Series B Non-Convertible Preferred Stock

On June 30, 2021, the Company closed a private placement of 75,000 shares of its Series B Perpetual Non-Convertible Preferred Stock, par value \$0.0001 per share, with an initial liquidation preference of \$1,000 per share (the "Series B Preferred Stock"), for net proceeds of \$72.5 million (the "Series B Transaction"). The sale of the Series B Preferred Stock was pursuant to the Series B Preferred Stock Purchase Agreement, dated as of June 24, 2021 (the "Series B Purchase Agreement"), between the Company and B. Riley Principal Investments, LLC ("BRPI"). In connection with the closing of the Series B Transaction, the Company (i) filed a Certificate of Designation with the State of Delaware setting forth the rights, preferences, privileges, qualifications, restrictions and limitations on the Series B Preferred (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

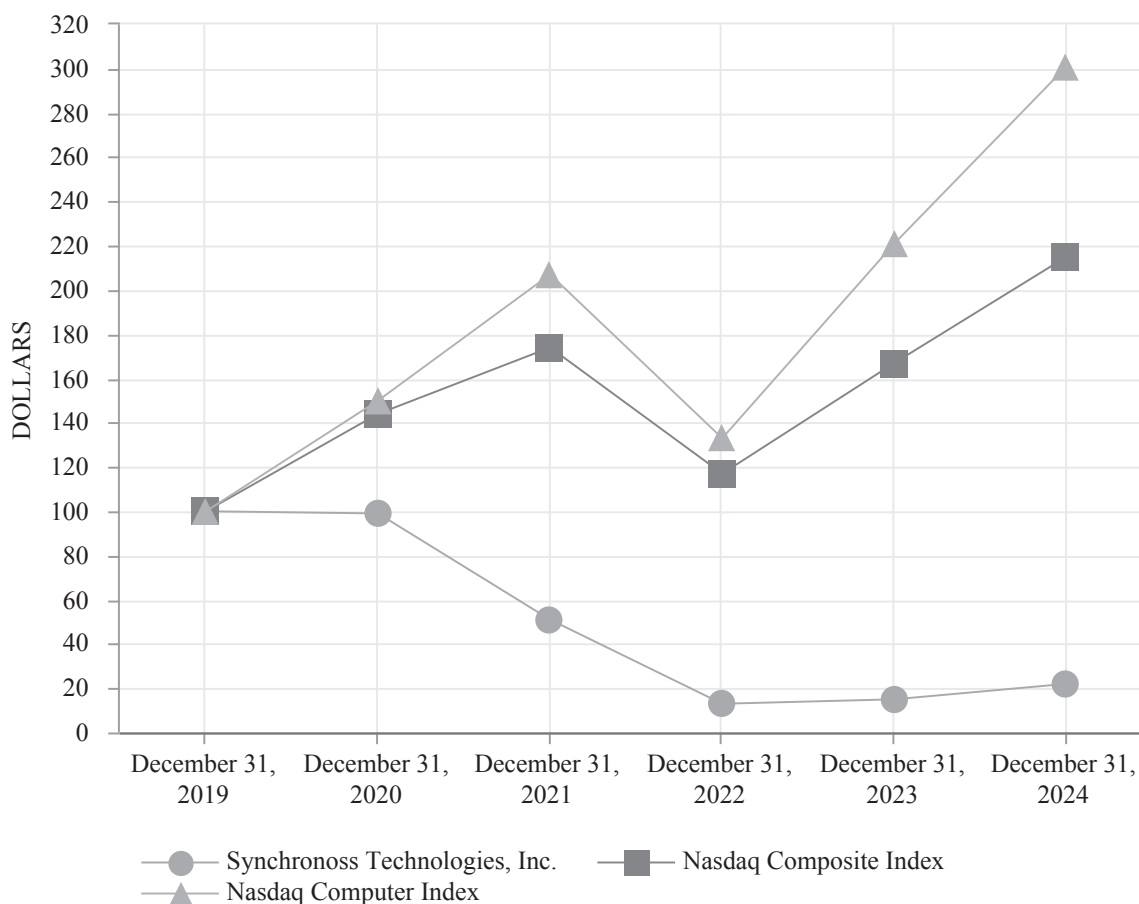
On June 28, 2024 the Company repurchased all outstanding shares of the Series B Preferred stock, as discussed in Note 13. Debt of the Notes to Consolidated Financial Statements in Item 8 of this Form 10-K. On July 1, 2024 the Company filed a Certificate of Elimination to the Series B Certificate with 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 December 31, 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.

Stock Performance Graph

The graph set forth below compares the cumulative total stockholder return on our common stock between December 31, 2019 and December 31, 2024, with the cumulative total return of (i) the Nasdaq Computer Index and (ii) the Nasdaq Composite Index, over the same period. This graph assumes the investment of \$100 on December 31, 2019 in our common stock, the Nasdaq Computer Index and the Nasdaq Composite Index, and assumes the reinvestment of dividends, if any. The graph assumes the initial value of our common stock on December 31, 2019 was the closing sales price of \$42.75 per share.

The comparisons shown in the graph below are based upon historical data. We caution that the stock price performance shown in the graph below is not necessarily indicative of, nor is it intended to forecast, the potential future performance of our common stock.

Information used in the graph was obtained from Nasdaq, a source believed to be reliable, but we are not responsible for any errors or omissions in such information.



	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
Synchronoss Technologies, Inc.	\$100	\$99	\$51	\$13	\$15	\$22
Nasdaq Composite Index	\$100	\$144	\$174	\$117	\$167	\$215
Nasdaq Computer Index	\$100	\$150	\$207	\$133	\$221	\$301

ITEM 6. [Reserved]

ITEM 7. 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 MD&A should be read in conjunction with the Financial Statements and Notes to the Consolidated Financial Statements. This section of this Form 10-K generally discusses 2024 and 2023 items and year-to-year comparisons between 2024 and 2023. Discussions of 2023 items and year-to-year comparisons between 2023 and 2022 are not included in this Form 10-K, and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Revenues

We generate most of our revenues on a subscription basis, which is derived from customer contracts with terms ranging from three to five years.

The future success of our business depends on the continued growth of B2B and Business-to-Business-to-Consumer driving customer transactions, and continued expansion of our platforms into the telecom ("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 97.6%, 96.6% and 94.6% of net revenues for the years ended December 31, 2024, 2023 and 2022, respectively. Contracts with these customers typically run for three to five years. Of these customers, Verizon accounted for more than 10% of the Company's revenues in 2024, 2023, and 2022; and AT&T accounted for more than 10% of the Company's 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 the costs incurred by and subscriber disruption for Verizon or AT&T to replace Synchronoss' solutions would be substantial.

Key Developments

Discontinued Operations

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 allowed the Company to solely focus on providing cloud-centric solutions. In connection with the sale transaction, the Company determined its Messaging and NetworkX Businesses qualified for discontinued operations accounting treatment in accordance with ASC 205-20. Accordingly, the operating results of, and costs to separate the Messaging and NetworkX businesses are reported in Net loss from discontinued operations, net of taxes on the Consolidated Statements of Operations for all periods presented. The Notes to the Consolidated 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 8 of this Form 10-K.

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 has 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.

Discussion of the Consolidated Statements of Operations

The following table presents an overview of our results of operations for the years ended December 31, 2024 and 2023 (in thousands).

	Year Ended December 31,		Change
	2024	2023	2024 vs 2023
Net revenues	\$ 173,594	\$ 164,196	\$ 9,398
Cost of revenues ¹	39,041	42,218	(3,177)
Research and development	42,819	46,565	(3,746)
Selling, general and administrative	51,688	65,216	(13,528)
Restructuring charges	1,273	4,013	(2,740)
Depreciation and amortization	17,091	16,830	261
Total costs and expenses	151,912	174,842	(22,930)
Income (loss) from operations	21,682	(10,646)	32,328
Interest income	810	426	384
Interest expense	(18,003)	(13,963)	(4,040)
Other income (expense), net	9,278	(5,128)	14,406
Income (loss) from continuing operations, before taxes	13,767	(29,311)	43,078
Provision for income taxes	(7,613)	(4,743)	(2,870)
Net income (loss) from continuing operations	\$ 6,154	\$ (34,054)	\$ 40,208

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

Net revenues increased \$9.4 million to \$173.6 million for the year ended December 31, 2024, compared to the same period in 2023. The overall increase in revenue was primarily due to continued cloud subscriber growth, which was partially offset by \$3.5 million higher professional services revenue in the prior year associated with our top customers and the implementation and launch of SoftBank.

Cost of revenues decreased \$3.2 million to \$39.0 million for the year ended December 31, 2024, compared to the same period in 2023. The 2024 decrease was primarily attributable to lower hosting and telecom expense in the current period and reduced baseline employee costs due to restructuring measures taken in the fourth quarter of 2023. This was partially offset by a higher bonus and performance-based compensation expense in the current period due to full-year metric attainment compared to the prior period performance.

Research and development expense decreased \$3.7 million to \$42.8 million for the year ended December 31, 2024, compared to the same period in 2023. The decrease was primarily attributable to reduced third party contractor expense and lower baseline employee costs due to restructuring measures taken in the fourth quarter of 2023, which was partially offset by a higher bonus and performance-based compensation expense in the current period due to full-year metric attainment compared to the prior period performance.

Selling, general and administrative expense decreased \$13.5 million to \$51.7 million for the year ended December 31, 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, a \$5.8 million decrease in professional fees in the current year, a \$1.5 million reserve related to iQmetrix in 2023, and \$4.8 million note receivable impairment recorded in the third quarter of 2023. This was partially offset by higher bonus and performance-based compensation expenses in the current period due to full-year metric attainment compared to the prior period performance.

Restructuring charges decreased \$2.7 million to \$1.3 million for the year ended December 31, 2024, compared to the same period in 2023. The restructuring charges 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 \$17.1 million for the year ended December 31, 2024, compared to the same period in 2023. The increase was primarily attributable to increased amortization of capitalized software due to more amortizable assets placed in service in the current period as we continue to invest in our cloud technology.

Interest income increased \$0.4 million to \$0.8 million for the year ended December 31, 2024, compared to the same period in 2023. Interest income increased as a result of higher interest rates on India's Unitized Time Deposits (UTDs) and an extended holding period in the current year.

Interest expense increased \$4.0 million to \$18.0 million for the year ended December 31, 2024, compared to the same period in 2023. The increase is mainly due to \$4.1 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 increased \$14.4 million to income of \$9.3 million for the year ended December 31, 2024 from expense of \$5.1 million in 2023. The 2024 increase is primarily due to the impact of foreign exchange gains on intercompany payables and receivables.

Income tax. The Company recognized approximately \$7.6 million and \$4.7 million in related income tax expense during the years ended December 31, 2024 and 2023, respectively. The effective tax rate was approximately 55.3% for the year ended December 31, 2024, which was higher than the U.S. federal statutory rate primarily due to the impact of Global Intangible Low-Taxed Income, an increase in the deferred tax liability associated with changes in management's indefinite reinvestment assertion under APB 23 in one foreign jurisdiction, changes to tax attributes associated with the open IRS audit, amended returns, and legal entity liquidations, and the tax impact of equity compensation shortfalls and cancellations and current period financing transactions. This increase was partially offset by changes in the valuation allowance for loss jurisdictions where full valuation allowances have been recorded, foreign rate differential and GAAP to statutory adjustments. The Company's effective tax rate was approximately (16.2)% for the year ended December 31, 2023, which was lower than the U.S. federal statutory rate primarily due to the impact of Global Intangible Low-Taxed Income, attributable to income in foreign jurisdictions and the impact of the U.S. capitalization of research expenses, and the impact of recognizing a deferred tax liability associated with changes in management's indefinite reinvestment assertion under APB 23 for one foreign jurisdiction. This decrease was partially offset by loss jurisdictions where full valuation allowances have been recorded, foreign rate differential and GAAP to statutory adjustments.

Liquidity and Capital Resources

Our principal sources of liquidity have been cash provided by operations. At December 31, 2024 the Company had an aggregate of \$33.4 million cash and cash equivalents and generated operating cash flows of \$28.3 million for the year ended December 31, 2024. At December 31, 2024, our non-U.S. subsidiaries held approximately \$18.3 million of cash and cash equivalents that are available for use by our operations around the world. The Company believes it has sufficient cash and cash equivalents and will generate sufficient liquidity from operations to meet its obligations for at least the next 12 months.

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 date of filing of this Annual Report on Form 10-K. However, as the current geopolitical tensions unfold, we will continue to assess any impact on our operations and our liquidity needs. 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," some of which are outside of our control.

As further described below and in Note 13. Debt, the maturity date of our Senior Notes is June 30, 2026. Under the provisions of the Term Loan, if we are unable to refinance, redeem or repay in full our Senior Notes prior to March 31, 2026, the maturity date of our Term Loan accelerates to March 31, 2026 (the "Springing Maturity Date"). Management intends to refinance the Senior Notes and/or Term Loan prior to either instrument becoming due within the next twelve months. The inability to obtain adequate financing could have a material adverse effect on our business, results of operations and financial condition, and could raise questions about our ability to continue as a going concern. Accordingly, management's quarterly liquidity assessments after March 31, 2025 (one year prior to the Springing Maturity Date) may need to consider the potential

accelerated maturity of the Term Loan as it could become due within 12 months at that time if the Senior Notes have not been refinanced, redeemed or repaid in full by March 31, 2026.

2024 Term Loan

On June 28, 2024 (the “Effective Date”), the Company entered into a Credit Agreement with BGC Lender Rep LLC and other lenders, establishing a \$75.0 million senior secured term loan (the “Term Loan”), fully funded on the Effective Date. The proceeds were used to (i) fund the repurchase of certain Senior Notes, (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”), unless the Company’s 8.375% Senior Notes due 2026 are not refinanced by March 31, 2026 or repaid, in which case maturity accelerates to that date. If refinanced, the Maturity Date will be the earlier of June 28, 2028, or 12 months before the new debt’s maturity.

The loan accrues interest at Adjusted SOFR plus 5.50%, subject to a floor of 2.50%. Quarterly principal payments begin at \$0.5 million on September 30, 2024, increasing to \$1.9 million after June 30, 2026. The remaining balance is due at maturity. Voluntary prepayment is allowed, subject to fees if made before the third anniversary. An exit fee of \$1.5 million applies if maturity extends beyond March 31, 2026. Mandatory prepayments apply from excess cash flow, asset sales, tax refunds, and new debt or equity issuance.

The Company made principal payments of \$0.9 million on the Term Loan for the year ended December 31, 2024 in line with the terms of the Credit Agreement. The Company is in compliance with its debt covenants pertaining to the Term Loan as of December 31, 2024.

Refer to Note 13. Debt of the Notes to Consolidated Financial Statements in Item 8 of this Form 10-K for further details on the 2024 Term Loan.

2021 Senior Notes

On June 30, 2021, the Company closed its underwritten public offering of 8.375% senior notes due 2026 at a par value of \$25.00 per note (the “Senior Notes”). The offering was conducted 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.

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. 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 \$16.1 million aggregate principal amount of Senior Notes under 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 immediately upon issuance. The Senior Notes and initial Senior Notes are listed and trade on The Nasdaq Global Market under the symbol “SNCRL.”

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, payable quarterly. The Senior Notes will mature on June 30, 2026, unless redeemed prior to maturity. The Company is in compliance with its debt covenants as of December 31, 2024.

For further details, see Note 13. Debt of the Notes to Consolidated Financial Statements in Item 8 of this Form 10-K.

Series B Non-Convertible Preferred Stock

On June 30, 2021, the Company closed a private placement of 75,000 shares of its Series B Perpetual Non-Convertible Preferred Stock, par value \$0.0001 per share, with an initial liquidation preference of \$1,000 per share (the “Series B Preferred Stock”), for net proceeds of \$72.8 million (the “Series B Transaction”). The sale of the Series B Preferred Stock was pursuant to the Series B Preferred Stock Purchase Agreement, dated as of June 24, 2021 (the “Series B Purchase Agreement”), between the Company and B. Riley Principal Investments, LLC (“BRPI”).

Repurchase of Senior Notes and Series B Preferred

On June 28, 2024 the Company used \$66.5 million of the proceeds from the Term Loan and \$2.6 million non-interest-bearing deferred consideration, which was paid to BRPI in December of 2024, 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 BRPI, a related party.

For further details on the repurchase of Senior Notes and Series B Preferred stock, see Note 13. Debt of the Notes to Consolidated Financial Statements in Item 8 of this Form 10-K.

Discussion of Cash Flows

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

	Year Ended December 31,		Change
	2024	2023	2024 vs 2023
Net cash provided by (used in):			
Operating activities	\$ 28,280	\$ 18,829	\$ 9,451
Investing activities	\$ (13,130)	\$ 3,800	\$ (16,930)
Financing activities	\$ (5,853)	\$ (19,979)	\$ 14,126

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 flows from operating activities for the year ended December 31, 2024 was \$28.3 million provided by operating activities, as compared to \$18.8 million of cash provided by operating activities for the same period in 2023. The cash provided by operating activities for fiscal 2024 and 2023 is mainly driven by continued growth in cloud subscribers, reduced operating costs, and improved margins as the business focuses on Cloud.

Cash flows from investing activities for the year ended December 31, 2024 was \$13.1 million used in investing activities, as compared to \$3.8 million of cash provided by investing activities during the same period in 2023. Cash used in investing activities of \$13.0 million in 2024 and \$18.6 million in 2023 primarily funded product development for our Cloud offering and associated labor costs. Last year's expenditures also included investments in Messaging and NetworkX products, which were divested in the fourth quarter of 2023. This was partially offset by the \$23.7 million of proceeds from the divestiture of the Messaging and NetworkX businesses. In 2024, cash used in investing activities was offset by \$1.5 million of deferred consideration from the sale of Messaging and NetworkX Businesses received by the company in the third quarter of 2024.

Cash flows from financing activities for the year ended December 31, 2024 was \$5.9 million of cash used by financing activities, as compared to \$20.0 million of cash used for 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 \$0.9 million Term Loan principal repayment, \$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 \$9.8 million Series B Preferred dividend payments and \$9.9 million Series B Preferred stock redemption.

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 2024, 2023 and 2022. We cannot assure you, however, that we will not be affected by general inflation in the future.

Contractual Obligations

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

	Payments Due by Period				
	Total	2025	2026-2027	2028	Thereafter
Finance lease obligations	\$ 1,287	\$ 763	\$ 524	\$ —	\$ —
Interest	40,587	17,550	18,707	4,330	—
Operating lease obligations	25,527	7,531	13,724	4,272	—
Purchase obligations ¹	22,911	19,618	3,293	—	—
Senior Notes Payable	121,387	—	121,387	—	—
Term Loan	74,063	1,875	12,188	60,000	—
Total	<u>\$ 285,762</u>	<u>\$ 47,337</u>	<u>\$ 169,823</u>	<u>\$ 68,602</u>	<u>\$ —</u>

¹ Amounts represent obligations associated with colocation agreements and other customer delivery related purchase obligations.

Uncertain Tax Positions

Unrecognized tax benefits associated with uncertain tax positions are \$4.4 million at December 31, 2024. We are not able to reasonably estimate when we would make any cash payments required to settle these liabilities, but we do not believe that the ultimate settlement of our obligations will materially affect our liquidity. The Company anticipates that \$3.8 million of its currently unrecognized tax benefits, primarily related to research and development credits and other U.S. tax positions, may be recognized by the end of 2025 as a result of a lapse of the statute of limitations.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these 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. We have discussed the selection and development of the critical accounting policies with the Audit Committee, and the Audit Committee has reviewed our related disclosures in this Form 10-K. Although we believe that our judgments and estimates are appropriate, correct and reasonable under the circumstances, actual results may differ 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 I, “Item 1A. Risk Factors” in this Form 10-K for certain matters bearing risks on our future results of operations.

We believe the following to be our critical accounting policies because they are important to the portrayal of our consolidated financial condition and results of operations and they require critical management judgments and estimates about matters that are uncertain.

Significant accounting policies that we employ are presented in Note 2. Summary of Significant Accounting Policies of the Notes to Consolidated Financial Statements in Part II, Item 8 of this Form 10-K. There were no significant changes in our critical accounting policies and estimates discussed in our Form 10-K during the year ended December 31, 2024.

Revenue Recognition

The Company generates revenue from the delivery of a range of products, solutions and services for operators, enterprises, OEMs and technology providers. We offer services principally on a Subscription basis or in the form of Professional Services or Software Licenses. Revenues are recognized when control of the promised goods or services are transferred to the Company's customers, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company generates all of its revenue from contracts with customers. Revenues are presented net of discounts, which are volume level driven.

Subscription revenues consist of revenues derived from the processing of transactions through the Company's service platforms, providing enterprise portal management services on a subscription basis, and maintenance agreements on software licenses. The Company generates revenue from Subscription services by charging monthly active user fees, software as a service ("SaaS") fees, hosting and storage fees, and fees for the related maintenance support for those services. In most cases, the subscription arrangement is a single performance obligation comprised of a series of distinct services that are substantially the same and that have the same pattern of transfer (i.e., distinct days of service). The Company applies the variable consideration allocation exception when the terms of variable payment relate specifically to efforts to satisfy the performance obligation or the transfer of service based on usage within the corresponding period, under Topic 606 Section 10-25-14(b) – in such situations the revenue booked and the revenue billed for any month are the same. When the Company does not allocate variable consideration to distinct periods of service or apply the variable consideration allocation exception, the total estimated transaction price is recognized ratably over the term of the contract, where the level of service provided to the customer does not vary significantly from one period to another.

Some of the Company's contracts guarantee minimum volume transactions from the customer. In these instances, if the customer's total estimated transaction volume for the period is expected to be less than the contractual amount, the Company records revenues at the minimum guaranteed amount on a straight-line basis over the period covered by the minimum. Setup fees for service arrangements are deferred until set up activities are completed and recognized on a straight-line basis over remaining expected customer relationship period.

In accordance with Topic 606 Section 10-50-20, any credits due to customers, which are generally performance driven and based upon system availability or response times to incidents, are determined and accounted for in the period in which the services are provided.

The Company recognizes revenues from support and maintenance performance obligations over the service delivery period.

The Company's software licenses typically provide for a perpetual or term right to use the Company's software. The Company has concluded that in most cases the software license is distinct as the customer can benefit from the software on its own. Software revenue is typically recognized when the software is delivered to the customer. Contracts that include software customization or specified upgrades may result in the combination of the customization services with the software license as one performance obligation. The Company does not have a history of returns, or refunds of its software licenses, however, in limited instances, the Company may constrain consideration to high-risk customers, until collection is resolved.

The Company's professional services include software development and customization. The contracts generally include project deliverables specified by each customer. The performance obligations in the agreements are generally combined into one deliverable and generally result in the transfer of control over time. The underlying deliverable is owned and controlled by the customer and does not create an asset with an alternative use to us. The Company recognizes revenue on fixed fee contracts on the proportion of labor hours expended to the total hours expected to complete the contract performance obligation, or ratably to the extent the level of effort to satisfy the performance obligation is materially consistent each period.

Most of the Company's contracts with customers contain multiple performance obligations which generally include a term SaaS agreement sold along with professional services. In other instances contracts will include a perpetual software license with support and maintenance and sometimes a hosting agreement sold along with professional services. For these contracts, the Company accounts for individual goods and services separately if they are distinct performance obligations. This often requires significant judgment based upon knowledge of the products, the solution provided and the structure of the sales contract. In SaaS agreements, the Company provides a service to the customer which combines the software functionality, maintenance and hosting into a single performance obligation when the customer doesn't have the ability to take possession of the underlying software license. The Company may also sell the same three goods and services in a contract, but there may be three performance obligations, where the customer has the right to take possession of the software license without significant penalty.

The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. The Company estimates standalone selling prices of software based on observable inputs of past transactions to similarly situated customers. When such observable data is not available for certain software licenses because there is a limited number of transactions or prices are highly variable, the Company will estimate the standalone selling price using the residual approach. Standalone selling prices of services are typically determined based on observable transactions when these services are sold on a standalone basis to similarly situated customers or estimated using a cost-plus margin approach.

Estimating the transaction price of variable consideration including the variable quantity subscription or transaction contracts in a multiple performance obligation arrangement requires judgment. The Company generally estimates this variable consideration at the most likely amount to which the Company expects to be entitled and in certain cases based on the expected value. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The Company's estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the Company's anticipated performance and all information (historical, current and forecasted) that is reasonably available to us. The Company reviews and updates these estimates on a quarterly basis.

Income Taxes

Since we conduct operations on a global basis, our effective tax rate has and will depend upon the geographic distribution of our pre-tax earnings among locations with varying tax rates. We account for the effects of income taxes that result from our activities during the current and preceding years. Under this method, deferred income tax liabilities and assets are based on the difference between the financial statement carrying amounts and the tax basis of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse or be utilized. The realization of deferred tax assets is contingent upon the generation of future taxable income. A valuation allowance is recorded if it is "more likely than not" that a portion or all of a deferred tax asset will not be realized.

In evaluating our ability to recover our deferred tax assets within the jurisdiction from which they arise, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax-planning strategies, and results of recent operations. In projecting future taxable income, we begin with historical results and incorporate assumptions including the amount of future state, federal and foreign pretax operating income, the reversal of temporary differences, and the implementation of feasible and prudent tax-planning strategies. These assumptions require judgment about the forecasts of future taxable income and are consistent with the plans and estimates we are using to manage the underlying businesses.

We recognize a tax benefit from an uncertain tax position only if it is more likely than not to be sustained upon examination based on the technical merits of the position. The amount of the accrual for which an exposure exists is measured by determining the amount that has a greater than 50 percent likelihood of being realized upon the settlement of the position. Components of the reserve are classified as current or a long-term liability on the Consolidated Balance Sheets based on when we expect each of the items to be settled. We record interest and penalties accrued in relation to uncertain tax benefits as a component of interest expense.

While we believe we have identified all reasonably identifiable exposures and that the reserve we have established for identifiable exposures is appropriate under the circumstances, it is possible that additional exposures exist and that exposures may be settled at amounts different than the amounts reserved. It is also possible that changes in facts and circumstances could cause us to either materially increase or reduce the carrying amount of our tax reserves. In general, tax returns for the year 2020 and thereafter are subject to future examination by tax authorities.

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 future years related to 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.

Goodwill

Goodwill is our largest intangible asset. At December 31, 2024, our goodwill balance was \$179.4 million, representing approximately 61% of total assets. Goodwill represents the excess of the purchase price over the fair value of net assets

acquired, including other definite-life intangible assets. Our policy is to perform an impairment test of goodwill at least annually, and more frequently if events or circumstances occurred that would indicate a reduced fair value in our reporting unit could exist. Typically, we perform a qualitative assessment in the fourth quarter of the fiscal year to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying value. As part of this qualitative assessment, we may perform a quantitative analysis where necessary in substantiating our qualitative assessment.

During our qualitative assessment we make significant estimates, assumptions, and judgments, around the financial performance of the Company, changes in our share price, and forecasts of earnings, working capital requirements, and cash flows. We consider the reporting unit's historical results and operating trends as well as any strategic difference from our historical results when determining these assumptions.

If we determine that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, including goodwill, or depending on the amount of time that has passed since our last quantitative assessment, we perform a quantitative goodwill impairment test. Fair value estimates used in the quantitative impairment test are calculated using a combination of the income and market approaches.

For the income approach, we use projections, which require the use of significant estimates and assumptions specific to the reporting unit as well as those based on general economic conditions. Factors specific to the reporting unit include revenue and cost growth, profit margins, terminal value growth rates, capital expenditures projections, assumed tax rates, discount rates and other assumptions deemed reasonable by management.

For the market approach, we use judgment in identifying the relevant comparable-company market multiples. If sufficient comparable data is not present, the market approach will not be employed. The discount rate for the reporting unit is influenced by general market conditions as well as factors specific to the reporting unit.

Factors influencing the revenue growth rates include the nature of the services the reporting unit provides for its clients, the maturity of the reporting unit and any known concentrated customer contract renewals. We believe that the estimates and assumptions we made are reasonable, but they are susceptible to change from period to period. Actual results of operations, cash flows and other factors will likely differ from the estimates used in our valuation, and it is possible that differences and changes could be material.

A deterioration in profitability, adverse market conditions, significant client losses, changes in spending levels of our existing clients or a different economic outlook than currently estimated by management could have a significant impact on the estimated fair value of our reporting units and could result in an impairment charge in the future.

The fair value measurement associated with the quantitative goodwill impairment test is based on significant inputs that are not observable in the market and thus represents a Level 3 measurement. Significant changes in the underlying assumptions used to value goodwill could significantly increase or decrease the fair value estimates used for impairment assessments.

If the carrying amount exceeds the reporting unit's fair value, we recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. We recognize any impairment loss in operating income.

2024 Goodwill Impairment Analysis

For our 2024 impairment tests, the Company identified one reporting unit, Core. The Company performed a qualitative impairment assessment as of October 1, 2024, which indicated that it was more likely than not that the fair value of the reporting unit exceeded its carrying value.

Capitalized Software Development Costs

Software development costs are accounted for in accordance with either ASC 985-20, "Software - Costs of Software to be Sold, Leased or Marketed," or ASC 350-40, "Internal-Use Software." Costs associated with the planning and designing phase of software development are classified as research and development costs and are expensed as incurred. The amounts capitalized include external direct costs of services used in developing internal-use software and employee compensation and related expenses of personnel directly associated with the development activities. Once technological feasibility has been determined, a portion of the costs incurred in development, including coding, testing and quality assurance, are capitalized until available for general release to clients.

Amortization is calculated on a solution-by-solution basis and is recognized over the estimated economic life of the software, typically ranging two to three years. Amortization begins when the software is substantially completed for its intended use. Costs incurred during the preliminary and post-implementation stages are expensed as incurred. The amounts capitalized include external direct costs of services used in developing internal-use software, employee compensation and related expenses of personnel directly associated with the development activities. Software development costs are evaluated for recoverability whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Unrecoverable costs are reviewed annually and recognized in the period they become unrecoverable, as needed, and are recorded in the Consolidated Statements of Operations as depreciation and amortization expense.

Recently Issued Accounting Standards

For a discussion of recently issued accounting standards see Note 2. Summary of Significant Accounting Policies of the Notes to Consolidated Financial Statements in Part II, Item 8 of this Form 10-K.

Off-Balance Sheet Arrangements

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

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

Market Risk

The following discussion about market risk 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 December 31, 2024 and December 31, 2023 were invested in liquid money market accounts and certificates of deposit. All market-risk sensitive instruments were entered into for non-trading purposes.

Foreign Currency Exchange Risk

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

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

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

Interest Rate Risk

We are exposed to the risk of interest rate fluctuations on the interest income earned on our cash and cash equivalents. A hypothetical 100 basis point movement in interest rates applicable to our cash and cash equivalents outstanding at December 31, 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%. 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 December 31, 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 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND NOTES**

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Synchronoss Technologies, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Synchronoss Technologies, Inc. (the Company) as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive (loss) income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 11, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Revenue Recognition - Identifying Performance Obligations

Description of the Matter

As described in Note 2 of the consolidated financial statements, the Company's revenue contracts with customers frequently contain multiple performance obligations and judgment is required to determine which performance obligations are distinct and accounted for separately. Auditing the Company's revenue contracts with customers required judgment to assess management's identification of performance obligations.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls related to the Company's process to identify performance obligations. For example, we tested controls over management's review of revenue contracts with customers and the identification of distinct performance obligations.

Our audit procedures also included, among others, reading a sample of revenue contracts with customers and the Company's accounting policies, and evaluating management's identification of distinct performance obligations based upon the contractual terms within each contract.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2001.

Iselin, New Jersey

March 11, 2025

SYNCHRONOSS TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	December 31,	
	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 33,375	\$ 24,572
Accounts receivable, net	18,129	23,477
Prepaid & other current assets	29,878	33,953
Total current assets	81,382	82,002
Non-current assets:		
Property and equipment, net	3,154	3,673
Operating lease right-of-use assets	8,445	14,791
Goodwill	179,408	183,908
Intangible assets, net	19,117	22,214
Other assets, non-current	2,319	3,749
Total non-current assets	212,443	228,335
Total assets	<u>\$ 293,825</u>	<u>\$ 310,337</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 7,067	\$ 7,475
Accrued expenses	30,519	39,127
Deferred revenues, current	837	1,095
Debt, current	1,875	—
Total current liabilities	40,298	47,697
Long-term debt, net of debt issuance costs	184,840	136,215
Deferred tax liabilities	4,903	3,207
Leases, non-current	16,776	23,593
Other liabilities, non-current	4,733	1,691
Total liabilities	251,550	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 December 31, 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 and 16,667 shares authorized, 11,075 and 10,314 shares issued and outstanding at December 31, 2024 and December 31, 2023, respectively	1	1
Additional paid-in capital	495,906	483,527
Accumulated other comprehensive loss	(41,137)	(25,732)
Accumulated deficit	(424,995)	(431,164)
Total stockholders' equity	29,775	26,632
Total liabilities and stockholders' equity	<u>\$ 293,825</u>	<u>\$ 310,337</u>

See accompanying notes to consolidated financial statements.

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

	Year Ended December 31,		
	2024	2023	2022
Net revenues	\$ 173,594	\$ 164,196	\$ 173,756
Costs and expenses:			
Cost of revenues ¹	39,041	42,218	46,500
Research and development	42,819	46,565	49,598
Selling, general and administrative	51,688	65,216	61,153
Restructuring charges	1,273	4,013	1,443
Depreciation and amortization	17,091	16,830	14,756
Total costs and expenses	151,912	174,842	173,450
Income (loss) from operations	21,682	(10,646)	306
Interest income	810	426	453
Interest expense	(18,003)	(13,963)	(13,639)
Gain on sale of DXP	—	—	2,549
Other income (expense), net	9,278	(5,128)	3,553
Income (loss) from continuing operations, before taxes	13,767	(29,311)	(6,778)
(Provision) benefit for income taxes	(7,613)	(4,743)	59
Net income (loss) from continuing operations	6,154	(34,054)	(6,719)
Discontinued operations (Note 4):			
(Loss) income from discontinued operations, before taxes	—	(2,200)	921
Loss on divestiture	—	(16,382)	—
Provision for income taxes	—	(1,935)	(1,918)
Net loss from discontinued operations	—	(20,517)	(997)
Net income (loss)	6,154	(54,571)	(7,716)
Net income (loss) attributable to redeemable non-controlling interests	15	36	(200)
Preferred stock dividend, net of gain on repurchase of preferred stock	(1,562)	(10,007)	(9,552)
Net income (loss) attributable to Synchronoss	<u>\$ 4,607</u>	<u>\$ (64,542)</u>	<u>\$ (17,468)</u>
Earnings (loss) per share:			
Basic:			
Net income (loss) from continuing operations	\$ 0.46	\$ (4.52)	\$ (1.71)
Net loss from discontinued operations	—	(2.10)	(0.10)
Basic	<u>\$ 0.46</u>	<u>\$ (6.62)</u>	<u>\$ (1.81)</u>
Diluted:			
Net income (loss) from continuing operations	\$ 0.43	\$ (4.52)	\$ (1.71)
Net loss from discontinued operations	—	(2.10)	(0.10)
Diluted	<u>\$ 0.43</u>	<u>\$ (6.62)</u>	<u>\$ (1.81)</u>
Weighted average common shares outstanding:			
Basic	10,023	9,745	9,626
Diluted	10,668	9,745	9,626

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

See accompanying notes to consolidated financial statements.

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

	Year Ended December 31,		
	2024	2023	2022
Net income (loss):	\$ 6,154	\$ (54,571)	\$ (7,716)
Other comprehensive (loss) income, net of tax:			
Foreign currency translation adjustments	(15,405)	18,399	(11,261)
Net income on inter-company foreign currency transactions	—	—	115
Total other comprehensive (loss) income	(15,405)	18,399	(11,146)
Comprehensive loss	(9,251)	(36,172)	(18,862)
Comprehensive income (loss) attributable to redeemable non-controlling interests	15	36	(200)
Comprehensive loss attributable to Synchronoss	<u>\$ (9,236)</u>	<u>\$ (36,136)</u>	<u>\$ (19,062)</u>

See accompanying notes to consolidated financial statements.

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

	Common Stock		Additional	Accumulated Other		Total
	Shares	Amount	Paid-In Capital	Comprehensive Income (Loss)	Accumulated Deficit	Stockholders' Equity
Balance at December 31, 2021	9,855	\$ 1	\$ 492,520	\$ (32,985)	\$ (368,713)	\$ 90,823
Stock-based compensation	—	—	5,771	—	—	5,771
Issuance of restricted stock	290	—	—	—	—	—
Preferred stock dividends accrued	—	—	(9,409)	—	—	(9,409)
Amortization of preferred stock issuance costs	—	—	(143)	—	—	(143)
Shares withheld for taxes in connection with issuance of restricted stock	(8)	—	(83)	—	—	(83)
Net loss	—	—	—	—	(7,716)	(7,716)
Non-controlling interest	—	—	200	—	(200)	—
Total other comprehensive loss	—	—	—	(11,146)	—	(11,146)
Balance at December 31, 2022	<u>10,137</u>	<u>\$ 1</u>	<u>\$ 488,856</u>	<u>\$ (44,131)</u>	<u>\$ (376,629)</u>	<u>\$ 68,097</u>
	Common Stock		Additional	Accumulated Other		Total
	Shares	Amount	Paid-In Capital	Comprehensive Income (Loss)	Accumulated Deficit	Stockholders' Equity
Balance at December 31, 2022	10,137	\$ 1	\$ 488,856	\$ (44,131)	\$ (376,629)	\$ 68,097
Stock-based compensation	—	—	4,963	—	—	4,963
Issuance of restricted stock	207	—	—	—	—	—
Preferred stock dividend	—	—	(9,679)	—	—	(9,679)
Amortization of preferred stock issuance costs	—	—	(328)	—	—	(328)
Shares withheld for taxes in connection with issuance of restricted stock	(30)	—	(249)	—	—	(249)
Net loss	—	—	—	—	(54,571)	(54,571)
Non-controlling interest	—	—	(36)	—	36	—
Total other comprehensive income	—	—	—	18,399	—	18,399
Balance at December 31, 2023	<u>10,314</u>	<u>\$ 1</u>	<u>\$ 483,527</u>	<u>\$ (25,732)</u>	<u>\$ (431,164)</u>	<u>\$ 26,632</u>
	Common Stock		Additional	Accumulated Other		Total
	Shares	Amount	Paid-In Capital	Comprehensive Income (Loss)	Accumulated Deficit	Stockholders' Equity
Balance at December 31, 2023	10,314	\$ 1	\$ 483,527	\$ (25,732)	\$ (431,164)	\$ 26,632
Stock-based compensation	—	—	5,859	—	—	5,859
Issuance of restricted stock	739	—	—	—	—	—
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 income	—	—	—	—	6,154	6,154
Non-controlling interest	—	—	(15)	—	15	—
Total other comprehensive loss	—	—	—	(15,405)	—	(15,405)
Gain on Series B Preferred stock redemption	—	—	2,696	—	—	2,696
Gain on Senior Notes repurchase	—	—	7,862	—	—	7,862
Balance at December 31, 2024	<u>11,075</u>	<u>\$ 1</u>	<u>\$ 495,906</u>	<u>\$ (41,137)</u>	<u>\$ (424,995)</u>	<u>\$ 29,775</u>

See accompanying notes to consolidated financial statements.

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

	Year Ended December 31,		
	2024	2023	2022
Operating activities:			
Net income (loss) from continuing operations	\$ 6,154	\$ (34,054)	\$ (6,719)
Net loss from discontinued operations	—	(20,517)	(997)
Adjustments to reconcile net income (loss) to net cash from operating activities:			
Depreciation and amortization	17,091	27,347	31,753
Amortization of debt issuance costs	2,245	1,534	1,391
Gain on sale of DXP	—	—	(2,549)
Loss on divestiture	—	16,382	—
Sublease receivable impairment	806	—	—
Deferred income taxes	2,253	2,741	(164)
Stock-based compensation	6,372	5,153	5,461
Contingent consideration obligation	—	1,483	3,638
Impairment of STI Loan and iQmetrix receivable	—	4,834	—
Operating lease impairment, net	2,534	1,918	175
Other, net	(10,518)	4,847	214
Changes in operating assets and liabilities:			
Accounts receivable, net	4,384	14,237	14
Prepaid expenses and other current assets	2,402	(473)	6,954
Accounts payable	28	(5,353)	3,024
Accrued expenses	(6,291)	(5,208)	(8,430)
Other assets	1,371	361	—
Deferred revenues	(208)	6,384	(8,312)
Other liabilities	(343)	(2,787)	(8,094)
Net cash provided by operating activities	28,280	18,829	17,359
Investing activities:			
Purchases of fixed assets	(1,896)	(1,302)	(1,408)
Additions to capitalized software	(13,027)	(18,572)	(19,758)
Proceeds from the sale of intangibles	278	—	—
Proceeds from the divestiture, net	1,515	23,674	—
Proceeds from the sale of DXP	—	—	8,000
Net cash (used in) provided by investing activities	\$ (13,130)	\$ 3,800	\$ (13,166)

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

	Year Ended December 31,		
	2024	2023	2022
Financing activities:			
Share-based compensation-related proceeds, net of taxes paid on withholding shares	236	(8)	—
Taxes paid on withholding shares	(1)	(249)	(83)
Debt issuance costs related to long-term debt	(6,792)	—	—
Proceeds from issuance of Term Loan	75,000	—	—
Retirement of Senior Notes and related costs	(11,524)	—	—
Repayment of Term Loan	(938)	—	—
Drawdown on A/R Facility	9,000	12,000	—
Repayment of A/R Facility	(9,000)	(12,000)	—
Series B Preferred dividend paid in the form of cash	(4,258)	(9,848)	(6,455)
Redemption of Series B Preferred stock	(57,576)	(9,874)	(6,738)
Net cash used in financing activities	(5,853)	(19,979)	(13,276)
Effect of exchange rate changes on cash	(494)	1	(500)
Net increase (decrease) in cash and cash equivalents	\$ 8,803	\$ 2,651	\$ (9,583)
Beginning cash and cash equivalents of continuing operations	24,572	18,310	29,336
Beginning cash and cash equivalents of discontinued operations	—	3,611	2,168
Beginning cash and cash equivalents	24,572	21,921	31,504
Ending cash and cash equivalents of continuing operations	33,375	24,572	18,310
Ending cash and cash equivalents of discontinued operations	—	—	3,611
Ending cash and cash equivalents	\$ 33,375	\$ 24,572	\$ 21,921
Supplemental disclosures of cash flow information:			
Cash paid for income taxes	\$ 4,947	\$ 3,399	\$ 4,562
Cash refund for income taxes	\$ 767	\$ 991	\$ 5,206
Cash paid for interest	\$ 15,130	\$ 11,894	\$ 11,822
Supplemental disclosures of non-cash investing and financing activities:			
Gain on Series B Preferred stock redemption	\$ 2,696	\$ —	\$ —
Gain on Senior Notes repurchase	\$ 7,862	\$ —	\$ —
Amortization of Series B Preferred stock issuance costs and paid in kind dividends	\$ —	\$ 328	\$ 2,581

See accompanying notes to consolidated financial statements.

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(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™ 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.

Designed for smartphones, tablets, and desktops across all operating systems, our platform ensures a seamless, cross-device experience.

Note 2. Summary of Significant Accounting Policies

Discontinued Operations

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 allowed the Company to solely focus on providing cloud-centric solutions. In connection with the sale transaction, the Company determined its Messaging and NetworkX Businesses qualified for discontinued operations accounting treatment in accordance with ASC 205-20. Accordingly, the operating results of, and costs to separate the Messaging and NetworkX businesses are reported in Net loss from discontinued operations, net of taxes on the Consolidated Statements of Operations for all periods presented. The Notes to the Consolidated 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 8 of this Form 10-K.

Basis of Presentation and Consolidation

The 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 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. 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 for the year ended December 31, 2023 and 2022, which are presented for the whole company. For supplemental cash flow disclosures, see Note 4. Divestitures and Discontinued Operations of the Notes to Consolidated Financial Statements in Item 8 of this Form 10-K.

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 on the Consolidated Balance Sheets, and retroactively adjusted the computations of basic and diluted EPS on the Consolidated Statements of Operations for the year ended December 31, 2022. For additional information, see Note 15. Capital Structure of the Notes to Consolidated Financial Statements in Item 8 of this Form 10-K.

SYNCHRONOSS TECHNOLOGIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Risks and Uncertainties

There continue to be uncertainties regarding the current geopolitical tensions. The Company is closely monitoring the impact of the geopolitical environment on all aspects of its business, including how it will impact its customers, employees, suppliers, vendors, business partners and distribution channels. While the geopolitical environment did not materially affect the Company's financial results and business operations for the year ended December 31, 2024, the Company is unable to predict the impact these factors will have on its financial position and operating results due to numerous uncertainties. The Company will continue to assess the evolving impact of geopolitical tensions and will make adjustments to its operations as necessary.

Recently Issued Accounting Standards

Standards recently adopted

Standard	Description	Effect on the financial statements
Update 2023-07 - Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures	The amendments in this Update improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this Update requires that a public entity that has a single reportable segment provide all the disclosures required by the amendments in this Update and all existing segment disclosures in Topic 280.	The Company evaluated these changes and noted that the adoption of this standard did not have a material impact on the Company's consolidated financial position or results of operations. Refer to Note 24. Segment Information for enhanced disclosures about significant segment expenses.

Date of adoption:
December 31, 2024

SYNCHRONOSS TECHNOLOGIES, INC.
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Standards issued not yet adopted

Standard	Description	Effect on the financial statements
Update 2024-03 - Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses Planned date of adoption: January 1, 2027	Requires a public business entity to disclose, on an annual basis and interim basis, disaggregated information about certain income statement line items in a tabular format in the notes to the financial statements. The guidance does not change what is presented on the face of the income statement.	The Company continues to evaluate these changes and does not anticipate any material impact on the Company's consolidated financial position or results of operations upon adoption.
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 these 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 these changes and does not anticipate any material impact on the Company's consolidated financial position or results of operations upon adoption.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Revenue Recognition

Revenues are recognized when control of the promised goods or services are transferred to the Company's customers, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company generates all of its revenue from contracts with customers. Revenues are presented net of discounts, which are volume level driven.

Subscription revenues consist of revenues derived from the processing of transactions through the Company's service platforms, providing enterprise portal management services on a subscription basis, and maintenance agreements on software licenses. The Company generates revenue from Subscription services by charging monthly active user fees, software as a service (“SaaS”) fees, hosting and storage fees, and fees for the related maintenance support for those services. In most cases, the subscription arrangement is a single performance obligation comprised of a series of distinct services that are substantially the same and that have the same pattern of transfer (i.e., distinct days of service). The Company applies the variable consideration allocation exception when the terms of variable payment relate specifically to efforts to satisfy the performance

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obligation or the transfer of service based on usage within the corresponding period, under Topic 606 Section 10-25-14(b) – in such situations the revenue booked and the revenue billed for any month are the same. When the Company does not allocate variable consideration to distinct periods of service or apply the variable consideration allocation exception, the total estimated transaction price is recognized ratably over the term of the contract, where the level of service provided to the customer does not vary significantly from one period to another.

Some of the Company's contracts guarantee minimum volume transactions from the customer. In these instances, if the customer's total estimated transaction volume for the period is expected to be less than the contractual amount, the Company records revenues at the minimum guaranteed amount on a straight-line basis over the period covered by the minimum. Setup fees for service arrangements are deferred until set up activities are completed and recognized on a straight-line basis over remaining expected customer relationship period.

In accordance with Topic 606 Section 10-50-20, any credits due to customers, which are generally performance driven and based upon system availability or response times to incidents, are determined and accounted for in the period in which the services are provided.

The Company recognizes revenues from support and maintenance performance obligations over the service delivery period.

The Company's software licenses typically provide for a perpetual or term right to use the Company's software. The Company has concluded that in most cases the software license is distinct as the customer can benefit from the software on its own. Software revenue is typically recognized when the software is delivered to the customer. Contracts that include software customization or specified upgrades may result in the combination of the customization services with the software license as one performance obligation. The Company does not have a history of returns, or refunds of its software licenses, however, in limited instances, the Company may constrain consideration to high-risk customers, until collection is resolved.

The Company's professional services include software development and customization. The contracts generally include project deliverables specified by each customer. The performance obligations in the agreements are generally combined into one deliverable and generally result in the transfer of control over time. The underlying deliverable is owned and controlled by the customer and does not create an asset with an alternative use to us. The Company recognizes revenue on fixed fee contracts on the proportion of labor hours expended to the total hours expected to complete the contract performance obligation, or ratably to the extent the level of effort to satisfy the performance obligation is materially consistent each period.

Most of the Company's contracts with customers contain multiple performance obligations which generally include a term SaaS agreement sold along with professional services. In other instances contracts will include a perpetual software license with support and maintenance and sometimes a hosting agreement sold along with professional services. For these contracts, the Company accounts for individual goods and services separately if they are distinct performance obligations. This often requires significant judgment based upon knowledge of the products, the solution provided and the structure of the sales contract. In SaaS agreements, the Company provides a service to the customer which combines the software functionality, maintenance and hosting into a single performance obligation when the customer doesn't have the ability to take possession of the underlying software license. The Company may also sell the same three goods and services in a contract, but there may be three performance obligations, where the customer has the right to take possession of the software license without significant penalty.

The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. The Company estimates standalone selling prices of software based on observable inputs of past transactions to similarly situated customers. When such observable data is not available for certain software licenses because there is a limited number of transactions or prices are highly variable, the Company will estimate the standalone selling price using the residual approach. Standalone selling prices of services are typically determined based on observable transactions when these services are sold on a standalone basis to similarly situated customers or estimated using a cost-plus margin approach.

Estimating the transaction price of variable consideration including the variable quantity subscription or transaction contracts in a multiple performance obligation arrangement requires judgment. The Company generally estimates this variable consideration at the most likely amount to which the Company expects to be entitled and in certain cases based on the expected value. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of

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cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The Company's estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the Company's anticipated performance and all information (historical, current and forecasted) that is reasonably available to us. The Company reviews and updates these estimates on a quarterly basis.

The Company's typical performance obligations include the following:

Performance Obligation	When Performance Obligation is Typically Satisfied	How Standalone Selling Price is Typically Estimated
Software License		
Software License	Upon shipment or made available for download (point in time)	Observable transactions or residual approach when prices are highly variable or uncertain
Software License with significant customization	Over the performance of the customization and installation of the software (over time)	Residual approach
Hosting Services	As hosting services are provided (over time)	Estimated using a cost-plus margin approach
Professional Services		
Consulting	As work is performed (over time)	Observable transactions
Customization	SaaS: Over the remaining term of the SaaS agreement	Observable transactions
	License: Over the performance of the customization and installation of the software (over time)	
Subscription Services		
Customer Support	Ratably over the course of the support contract (over time)	Observable transactions
SaaS	Over the course of the SaaS service once the system is available for use (over time)	Estimated using a cost-plus margin approach

The payments for the Company's performance obligations are typically due within 90 days of services being provided for Software License, Professional Services, and Subscription Services.

Deferred Revenue

Deferred revenues represent billings to customers for services in advance of the performance of services, with revenues recognized as the services are rendered.

Service Level Standards

Pursuant to certain contracts, the Company is subject to service level standards and to corresponding penalties for failure to meet those standards. All performance-related penalties are reflected as a corresponding reduction of the Company's revenues. These penalties, if applicable, are recorded in the month incurred and were insignificant for the years ended December 31, 2024, 2023 and 2022, respectively.

Cost of Revenues

Cost of revenues includes all direct materials, direct labor and those indirect costs related to revenues such as indirect labor, materials and supplies and facilities cost, exclusive of depreciation and amortization expense.

Research and Development

Software development costs are accounted for in accordance with either ASC 985-20, "Software - Costs of Software to be Sold, Leased or Marketed," or ASC 350-40, "Internal-Use Software." Costs associated with the planning and designing phase of software development are classified as research and development costs and are expensed as incurred. The amounts capitalized include external direct costs of services used in developing internal-use software, and employee compensation and related expenses of personnel directly associated with the development activities. Once technological feasibility has been determined, a portion of the costs incurred in development, including coding, testing and quality assurance, are capitalized until available for general release to clients.

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Amortization is calculated on a solution-by-solution basis and is recognized over the estimated economic life of the software, typically ranging two to three years. Amortization begins when the software is substantially completed for its intended use. Costs incurred during the preliminary and post-implementation stages are expensed as incurred. The amounts capitalized include external direct costs of services used in developing internal-use software, employee compensation and related expenses of personnel directly associated with the development activities. Software development costs are evaluated for recoverability whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Unrecoverable costs are reviewed annually and recognized in the period they become unrecoverable, as needed, and are recorded on the Consolidated Statements of Operations as depreciation and amortization expense.

The unamortized software development costs and amortization expense were as follows:

	Year ended December 31,		
	2024	2023	2022
Unamortized software development costs	\$ 17,324	\$ 19,327	\$ 18,374
Software development amortization expense	\$ 14,120	\$ 13,633	\$ 10,265

The Company recognized no impairment charges to its capitalized software intangible assets for the years ended December 31, 2024, 2023 and 2022, respectively.

Concentration of Credit Risk

The Company's financial instruments that are exposed to concentration of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents at several major financial institutions. The Company believes that concentration of credit risk with respect to accounts receivable is limited because of the creditworthiness of its major customers.

The Company's top five customers accounted for 97.6%, 96.6% and 94.6% of net revenues for the years ended December 31, 2024, 2023 and 2022, respectively. Contracts with these customers typically run for three to five years. Of these customers, Verizon accounted for more than 10% of the Company's revenues in 2024, 2023, and 2022, and AT&T accounted for more than 10% of the Company's revenues in 2024 and 2023.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less at the date of acquisition to be cash equivalents.

Accounts Receivable

Accounts receivable include amounts billed to customers, claims, and unbilled revenue, which consists of amounts recognized as sales but not yet billed. Substantially all amounts of unbilled receivables are expected to be billed and collected in the subsequent year. The Company had unbilled receivable balances of nil and \$0.7 million as of December 31, 2024 and 2023, respectively.

Allowance for Credit Losses

The Company is exposed to credit losses primarily through sales of products and services. The Company's expected loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions, and a review of the current status of customers' trade accounts receivables. Customers are pooled based on sharing specific risk factors, including geographic location. Due to the short-term nature of such receivables, the estimated accounts receivable that may not be collected is based on aging of the accounts receivable balances.

Customers are assessed for credit worthiness upfront through a credit review, which includes assessment based on our analysis of their financial statements when a credit rating is not available. The Company evaluates contract terms and

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conditions, country and political risk, and may require prepayment to mitigate risk of loss. Specific allowance amounts are established to record the appropriate provision for customers that have a higher probability of default. The Company monitors changes to the receivables balance on a timely basis, and balances are written off as they are determined to be uncollectible after all collection efforts have been exhausted. Estimates of potential credit losses are used to determine the allowance; they are based on an assessment of anticipated payment and all other historical, current and future information that is reasonably available.

Fair Value of Financial Instruments and Liabilities

The Company includes disclosures of fair value information about financial instruments and liabilities, whether or not recognized on the Consolidated Balance Sheets, for which it is practical to estimate that value. Due to their short-term nature, the carrying amounts reported in the financial statements approximate the fair value for cash and cash equivalents, marketable securities, accounts receivable and accounts payable.

Property and Equipment

Property and equipment and leasehold improvements are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 5 years, or the lesser of the related initial term of the lease or useful life for leasehold improvements. Amortization of property and equipment recorded under a capital lease is included with depreciation expense. Expenditures for routine maintenance and repairs are charged against operations, while major replacements, improvements and additions are capitalized.

Noncontrolling Interests and Mandatorily Redeemable Financial Instruments

Noncontrolling interests ("NCI") are evaluated by the Company and are shown as either a liability, temporary equity (shown between liabilities and equity) or as permanent equity depending on the nature of the redeemable features at amounts based on formulas specific to each entity. Generally, mandatorily redeemable NCIs are classified as liabilities and non-mandatorily redeemable NCIs are classified outside of stockholders' equity on the Consolidated Balance Sheets as temporary equity under the caption Redeemable noncontrolling interests, and are measured at their redemption values at the end of each period. If the redemption value is greater than the carrying value, an adjustment is recorded in retained earnings to record the NCI at its redemption value. Redeemable NCIs that are mandatorily redeemable are classified as a liability on the Consolidated Balance Sheets under either other current liabilities or other long-term liabilities, depending on the remaining duration until settlement, and are measured at the amount of cash that would be paid if settlement occurred at the balance sheet date with any change from the prior period recognized as interest expense.

If the noncontrolling interest is not currently redeemable yet probable of becoming redeemable, the Company is required to either (1) accrete changes in the redemption value over the period from the date of issuance to the earliest redemption date of the instrument using an appropriate methodology, usually the interest method, or (2) recognize changes in the redemption value immediately as they occur and adjust the carrying value of the security to equal the redemption value at the end of each reporting period. The Company has elected to recognize changes in the redemption value immediately as they occur and adjust the carrying value of the noncontrolling interest to the greater of the estimated redemption value, which approximates fair value, at the end of each reporting period or the initial carrying amount.

Net income attributable to NCIs reflects the portion of the net income (loss) of consolidated entities applicable to the NCI stockholders in the accompanying Consolidated Statements of Operations. The net income attributable to NCI is classified on the Consolidated Statements of Operations as part of consolidated net income and deducted from total consolidated net income to arrive at the net income attributable to the Company.

Investments in Affiliates and Other Entities

In the normal course of business, Synchronoss enters into various types of investment arrangements, each having unique terms and conditions. These investments may include equity interests held by Synchronoss in business entities, including general or limited partnerships, contractual ventures, or other forms of equity participation. Synchronoss determines whether such investments involve a variable interest entity ("VIE") based on the characteristics of the subject entity. If the entity is

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determined to be a VIE, then management determines if Synchronoss is the primary beneficiary of the entity and whether or not consolidation of the VIE is required. The primary beneficiary consolidating the VIE must normally have both (i) the power to direct the activities of a VIE that most significantly affect the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE, in either case that could potentially be significant to the VIE. When Synchronoss is deemed to be the primary beneficiary, the VIE is consolidated and the other party's equity interest in the VIE is accounted for as a noncontrolling interest.

The Company generally accounts for investments it makes in VIEs in which it has determined that it does not have a controlling financial interest but has significant influence over and holds at least a 20% ownership interest using the equity method. Any such investment not meeting the parameters to be accounted under the equity method would be accounted for using the cost method unless the investment had a readily determinable fair value, at which it would then be reported.

If an entity fails to meet the characteristics of a VIE, the Company then evaluates such entity under the voting model. Under the voting model, the Company consolidates the entity if they determine that they, directly or indirectly, have greater than 50% of the voting shares, and determine that other equity holders do not have substantive participating rights.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired, including other definite-lived intangible assets. Goodwill is tested for impairment annually on the first day of the fourth quarter or when an interim triggering event has occurred indicating potential impairment. The Company has concluded that it has one operating segment and one reporting unit. The Company tests for goodwill impairment on its reporting unit.

The Company can opt to perform a qualitative assessment to test a reporting unit's goodwill for impairment or the Company can directly perform the quantitative impairment test. If the Company determines that the fair value of a reporting unit is more likely than not to be less than its carrying amount, a quantitative impairment test is performed.

During the Company's qualitative assessment, the Company makes assumptions and judgments around the financial performance of the Company, changes in share price, and forecasts of earnings, working capital requirements and cash flows. The Company considers its reporting unit's historical results and operating trends when determining these assumptions.

Fair value estimates used in the quantitative impairment test are calculated using a combination of the income and market approaches. The income approach is based on the present value of future cash flows of each reporting unit, while the market approach is based on certain multiples of selected guideline public companies or selected guideline transactions. The approaches incorporate a number of market participant assumptions including future growth rates, discount rates, income tax rates and market activity in assessing fair value and are reporting unit specific. If the carrying amount exceeds the reporting unit's fair value, the Company recognizes an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. The Company also considers the market capitalization of the Company when evaluating goodwill for impairment.

The fair value measurement associated with the quantitative goodwill impairment test is based on significant inputs that are not observable in the market and thus represents a Level 3 measurement. Significant changes in the underlying assumptions used to value goodwill could significantly increase or decrease the fair value estimates used for impairment assessments.

If the fair value of the reporting unit is less than its carrying amount, goodwill is impaired and the excess of the reporting unit's carrying value over the fair value is recognized as an impairment loss.

In the current year the Company performed a qualitative assessment and determined the carrying value of the reporting unit was not more likely than not in excess of the fair value.

Impairment of Long-Lived Assets

A review of long-lived assets for impairment is performed when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If an indication of impairment is present, the Company compares the

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estimated undiscounted future cash flows to be generated by the asset to the asset's carrying amount. If the undiscounted future cash flows are less than the carrying amount of the asset, the Company records an impairment loss equal to the amount by which the asset's carrying amount exceeds its fair value. The fair value is determined based on valuation techniques such as a comparison to fair values of similar assets or using a discounted cash flow analysis.

This fair value measurement is based on significant inputs that are not observable in the market and thus represents a Level 3 measurement. Significant changes in the underlying assumptions used to value long lived assets could significantly increase or decrease the fair value estimates used for impairment assessments.

Long lived assets that do not have indefinite lives are amortized/depreciated over their useful lives and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The Company reevaluates the useful life determinations each year to determine whether events and circumstances warrant a revision to the remaining useful lives.

Leases

Whenever the Company enters into a new arrangement it must determine whether the arrangement contains a lease at the inception date. This determination generally depends on whether the arrangement conveys to the Company the right to control the use of an explicitly or implicitly identified fixed asset for a period of time in exchange for consideration. Control of an underlying asset is conveyed to the Company if the Company obtains the rights to direct the use of and to obtain substantially all of the economic benefits from using the underlying asset.

If a lease exists, the Company must then determine the separate lease and non-lease components of the arrangement. Each right to use an underlying asset conveyed by a lease arrangement should generally be considered a separate lease component if it both: (i) can benefit the Company without depending on other resources not readily available to the Company and (ii) does not significantly affect and is not significantly affected by other rights of use conveyed by the lease. Aspects of a lease arrangement that transfer other goods or services to the Company but do not meet the definition of lease components are considered non-lease components. The consideration owed by the Company pursuant to a lease arrangement is generally allocated to each lease and non-lease component for accounting purposes. However, the Company has elected to not separate lease and non-lease components. Each lease component is accounted for separately from other lease components, but together with the associated non-lease components.

For each lease, the Company must then determine:

- The lease term - The lease term is the period of the lease not cancellable by the Company, together with periods covered by: (i) renewal options the Company is reasonably certain to exercise or that are controlled by the lessor and (ii) termination options the Company is reasonably certain not to exercise.
- The present value of lease payments is calculated based on:
 - Lease payments - Lease payments include certain fixed and variable payments, less lease incentives, together with amounts probable of being owed by the Company under residual value guarantees and, if reasonably certain of being paid, the cost of certain renewal options and early termination penalties set forth in the lease arrangement. Lease payments exclude consideration that is: (i) not related to the transfer of goods and services to the Company and (ii) allocated to the non-lease components in a lease arrangement, except for the classes of assets where the Company has elected to not separate lease and non-lease components.
 - Discount rate - The discount rate must be determined based on information available to the Company upon the commencement of a lease. Lessees are required to use the rate implicit in the lease whenever such rate is readily available; however, as the implicit rate in the Company's leases is generally not readily determinable, the Company generally uses the hypothetical incremental borrowing rate it would have to pay to borrow an amount equal to the lease payments, on a collateralized basis, over a timeframe similar to the lease term.

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- Lease classification - In making the determination of whether a lease is an operating lease or a finance lease, the Company considers the lease term in relation to the economic life of the leased asset, the present value of lease payments in relation to the fair value of the leased asset and certain other factors, including the lessee's and lessor's rights, obligations and economic incentives over the term of the lease.

Generally, upon the commencement of a lease, the Company will record a lease liability and a right-of-use ("ROU") asset. However, the Company has elected, for certain classes of underlying assets with initial lease terms of twelve months or less (known as short-term leases), to not recognize a lease liability or ROU asset. Lease liabilities are initially recorded at lease commencement as the present value of future lease payments. ROU assets are initially recorded at lease commencement as the initial amount of the lease liability, together with the following, if applicable: (i) initial direct costs and (ii) lease payments made, net of lease incentives received, prior to lease commencement.

Over the lease term, the Company generally increases its lease liabilities using the effective interest method and decreases its lease liabilities for lease payments made. The Company generally amortizes its ROU assets over the shorter of the estimated useful life or the lease term and assesses its ROU assets for impairment, similar to other long-lived assets.

For finance leases, amortization expense and interest expense are recognized separately on the Consolidated Statements of Operations, with amortization expense generally recorded on a straight-line basis and interest expense recorded using the effective interest method. For operating leases, a single lease cost is generally recognized on the Consolidated Statements of Operations on a straight-line basis over the lease term. Lease costs for short-term leases not recognized on the Consolidated Balance Sheets are recognized on the Consolidated Statements of Operations and are expensed as incurred. Variable lease costs not initially included in the lease liability and ROU asset impairment charges are expensed as incurred.

Income Taxes

Since we conduct operations on a global basis, our effective tax rate has and will depend upon the geographic distribution of our pre-tax earnings among locations with varying tax rates. We account for the effects of income taxes that result from our activities during the current and preceding years. Under this method, deferred income tax liabilities and assets are based on the difference between the financial statement carrying amounts and the tax basis of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse or be utilized. The realization of deferred tax assets is contingent upon the generation of future taxable income. A valuation allowance is recorded if it is "more likely than not" that a portion or all of a deferred tax asset will not be realized.

In evaluating our ability to recover our deferred tax assets within the jurisdiction from which they arise, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax-planning strategies, and results of recent operations. In projecting future taxable income, we begin with historical results and incorporate assumptions including the amount of future state, federal and foreign pretax operating income, the reversal of temporary differences, and the implementation of feasible and prudent tax-planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates we are using to manage the underlying businesses.

We recognize a tax benefit from an uncertain tax position only if it is more likely than not to be sustained upon examination based on the technical merits of the position. The amount of the accrual for which an exposure exists is measured by determining the amount that has a greater than 50 percent likelihood of being realized upon the settlement of the position. Components of the reserve are classified as current or a long-term liability on the Consolidated Balance Sheets based on when we expect each of the items to be settled. We record interest and penalties accrued in relation to uncertain tax benefits as a component of interest expense.

While we believe we have identified all reasonably identifiable exposures and that the reserve we have established for identifiable exposures is appropriate under the circumstances, it is possible that additional exposures exist and that exposures may be settled at amounts different than the amounts reserved. It is also possible that changes in facts and circumstances could cause us to either materially increase or reduce the carrying amount of our tax reserves. In general, tax returns for the year 2020 and thereafter are subject to future examination by tax authorities.

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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 future years related to 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.

Foreign Currency Exchange

The functional currency of non-U.S. entities is translated into U.S. dollars for balance sheet accounts using the month end rates in effect as of the balance sheet date and average exchange rate for revenue and expense accounts for each respective period. Fluctuations in foreign currency transaction gains and losses are mainly related to intercompany payables and receivables. The translation adjustments are deferred as a separate component of stockholders' equity within Accumulated other comprehensive income.

Gains or losses resulting from transactions denominated in foreign currencies are included in Other income or expense, on the Consolidated Statements of Operations and were as follows:

	Year Ended December 31,		
	2024	2023	2022
Foreign exchange gain (loss)	\$ 8,894	\$ (5,131)	\$ 2,835

Comprehensive (Loss) Income

Reporting on comprehensive income requires components of other comprehensive income, including unrealized gains or losses on available-for-sale securities, to be included as part of total comprehensive income. Comprehensive income is comprised of net income, translation adjustments and unrealized gains and losses on available-for-sale securities. The components of comprehensive income are included in the Consolidated Statements of Comprehensive (Loss) Income.

Basic and Diluted Net Income Attributable to Common Stockholders per Common Share

Basic EPS is computed based upon the weighted average number of common shares outstanding for the year, excluding amounts associated with restricted shares.

Diluted EPS is computed based upon the weighted average number of common shares outstanding for the year plus the potential 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 potential dilutive effect of common stock includes stock options, convertible debt and unvested restricted stock. The dilutive effects of stock options and restricted stock awards are based on the treasury stock method. The dilutive effect of the assumed conversion of convertible debt is determined using the if-converted method. The after-tax effect of interest expense related to the convertible securities is added back to net income, and the convertible debt is assumed to have been converted into common shares at the beginning of the period.

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.

Stock-Based Compensation

As of December 31, 2024, the Company maintains two stock-based compensation plans.

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The Company utilizes the Black-Scholes pricing model to determine the fair value of stock options on the grant dates. Restricted stock awards are measured based on the fair market values of the underlying stock on the grant dates. The Company recognizes stock-based compensation over the requisite service period with an offsetting credit to Additional paid-in capital.

For the Company's performance-based restricted stock awards and units, the Company estimates the number of shares the recipient is to receive by applying a probability of achieving the performance goals. The actual number of shares the recipient receives is determined at the end of the performance period based on the results achieved versus goals based on the performance targets, such as revenues and earnings before interest, tax, depreciation and amortization ("EBITDA") after certain adjustments, and Total Shareholder Return ("TSR"). The compensation cost is recognized using the straight-line method over the requisite service period for each vesting tranche. The Company utilizes the Monte Carlo simulation pricing model to determine the fair value of performance-based market awards on the grant dates. Performance-based cash units that are accounted for as liability awards are measured at the closing stock price at the reporting period end date and are recognized on a straight-line basis over the requisite service period. The expense for the period will increase or decrease based on updated fair values of these awards as well as the percentage achievement of the performance metrics at each reporting date. Performance-based cash units that are accounted for as equity awards are measured at the closing stock price at the grant date and are recognized on a straight-line basis over the requisite service period. The expense for the period will increase or decrease based on the percentage achievement of the performance metrics at each reporting date.

Use of a valuation model requires management to make certain assumptions with respect to selected model inputs. Expected volatility was calculated based on historical information of the Company's stock. The average expected life was determined using historical stock option exercise activity. The risk-free interest rate is based on U.S. Treasury zero-coupon issues with a remaining term equal to the expected life assumed at the grant date. The Company has never declared or paid cash dividends on the common equity and does not anticipate paying any cash dividends on the common equity in the foreseeable future. Forfeitures are accounted for as they occur.

Segment and Geographic Information

The Company's chief operating decision-maker is the Chief Executive Officer. The Company operates and offers various products in North America, Europe and Asia-Pacific with the majority of the Company's revenue and assets in the U.S. The Company assessed its current structure and operations and determined it has one operating segment and a single reportable segment as the business is managed and assessed by the chief operating decision-maker based on the consolidated results of the organization.

Revenues by geography are based on the billing addresses of the Company's customers. The following tables set forth revenue and property and equipment, net by geographic area:

	Year Ended December 31,		
	2024	2023	2022
Revenue:			
Domestic	\$ 160,552	\$ 151,882	\$ 164,255
Foreign	13,042	12,314	9,501
Total revenue	<u>\$ 173,594</u>	<u>\$ 164,196</u>	<u>\$ 173,756</u>
	Year Ended December 31,		
	2024	2023	
Property and equipment, net:			
Domestic	\$ 2,525	\$ 2,570	
Foreign	629	1,103	
Total property and equipment, net	<u>\$ 3,154</u>	<u>\$ 3,673</u>	

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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 North America, Europe, the Middle East and Africa ("EMEA"), and Asia Pacific ("APAC"). The majority of the Company's revenue is from the TMT sector.

	Year Ended December 31, 2024			
	Cloud	NetworkX ¹	Messaging ²	Total
Geography:				
North America	\$ 160,428	\$ —	\$ 124	\$ 160,552
APAC	5,316	—	—	5,316
EMEA	7,726	—	—	7,726
Total	<u>\$ 173,470</u>	<u>\$ —</u>	<u>\$ 124</u>	<u>\$ 173,594</u>
Service Line:				
Professional Services	\$ 14,483	\$ —	\$ —	\$ 14,483
Transaction Services	—	—	—	—
Subscription Services	158,247	—	26	158,273
License	740	—	98	838
Total	<u>\$ 173,470</u>	<u>\$ —</u>	<u>\$ 124</u>	<u>\$ 173,594</u>

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	Year Ended December 31, 2023			
	Cloud	NetworkX ¹	Messaging ²	Total
Geography:				
North America	\$ 149,901	\$ 790	\$ 1,191	\$ 151,882
APAC	5,078	—	—	5,078
EMEA	7,236	—	—	7,236
Total	<u>\$ 162,215</u>	<u>\$ 790</u>	<u>\$ 1,191</u>	<u>\$ 164,196</u>

Service Line:				
Professional Services	\$ 18,004	\$ —	\$ (68)	\$ 17,936
Transaction Services	185	—	—	185
Subscription Services	143,430	790	1,259	145,479
License	596	—	—	596
Total	<u>\$ 162,215</u>	<u>\$ 790</u>	<u>\$ 1,191</u>	<u>\$ 164,196</u>

	Year Ended December 31, 2022			
	Cloud	NetworkX ¹	Messaging ²	Total
Geography:				
North America	\$ 155,296	\$ 5,748	\$ 3,211	\$ 164,255
APAC	1,470	(28)	—	1,442
EMEA	6,565	1,494	—	8,059
Total	<u>\$ 163,331</u>	<u>\$ 7,214</u>	<u>\$ 3,211</u>	<u>\$ 173,756</u>

Service Line:				
Professional Services	\$ 14,278	\$ 1,838	\$ 894	\$ 17,010
Transaction Services	858	31	—	889
Subscription Services	148,195	5,097	2,022	155,314
License	—	248	295	543
Total	<u>\$ 163,331</u>	<u>\$ 7,214</u>	<u>\$ 3,211</u>	<u>\$ 173,756</u>

¹ Includes revenue associated with DXP and Activation contracts divested in the prior period, as well as residual NetworkX contracts not included in the Asset Purchase Agreement with Lumine Group recognized in the current and prior periods.

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

Trade Accounts Receivable and Contract balances

The Company classifies its right to consideration in exchange for deliverables as either a receivable or a contract asset. A receivable is a right to consideration that is unconditional (i.e., only the passage of time is required before payment is due). For example, the Company recognizes a receivable for revenues related to its time and materials and transaction or volume-based contracts. The Company presents such receivables in Trade accounts receivable, net on the 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.

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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. The Company presents such contract assets in Other current assets and Other noncurrent assets on the Consolidated Balance Sheets. The contract asset balance was \$0.6 million and \$1.2 million at December 31, 2024 and 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 Consolidated Balance Sheets and are realized with the associated revenue recognized under the contract. Nearly all of the Company's contract liabilities balance are 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	(173,105)
Amounts billed but not initially recognized as revenue	172,847
Balance at December 31, 2024	<u>\$ 837</u>

¹ Comprised of Deferred Revenue. \$1.1 million of revenue recognized in the period was included in the contract liability balance at the beginning of the period.

Revenues recognized during the year ended December 31, 2024 for performance obligations satisfied or partially satisfied in previous periods were immaterial.

Contract acquisition costs

In connection with the adoption of Topic 606 and the related cost accounting guidance under Accounting Standards Codification ("ASC") 340, the Company is required to capitalize certain contract acquisition costs consisting primarily of commissions and bonuses paid when contracts are signed. For contracts that have a duration of less than one year, the Company follows a Topic 606 practical expedient and expenses these costs over the estimated customer life, because it does not pay commissions upon renewals that are commensurate with the initial contract. During the years ended December 31, 2024, 2023 and 2022 the amounts of amortization were not material and there were no impairments in relation to costs capitalized.

Contract Fulfillment Costs

Under ASC 340-40, the Company evaluates whether or not it should capitalize the costs of fulfilling a contract. Such costs would be capitalized when they are not within the scope of other standards and: (1) are directly related to a contract; (2) generate or enhance resources that will be used to satisfy performance obligations; and (3) are expected to be recovered. As of December 31, 2024 and 2023, the Company had nil and \$0.2 million of capitalized contract fulfillment costs, respectively.

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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 December 31, 2024. The Company has elected not to disclose transaction price allocated to remaining performance obligations for:

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

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

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

As of December 31, 2024, the aggregate amount of transaction price allocated to remaining performance obligations, other than those meeting the exclusion criteria above, was \$165.7 million, of which approximately 80.0% is expected to be recognized as revenues within 2 years, and the remainder thereafter.

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

Note 4. Divestitures and Discontinued Operations

Discontinued Operations

Messaging and NetworkX Businesses Sale

On October 31, 2023 (the "Closing Date"), Synchronoss Technologies, Inc. and certain of its affiliated entities (such entities, together with the Company, the "Company Group") entered into an Asset Purchase Agreement (the "Agreement") with 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 Closing Date, (ii) an additional \$7,200,000 was deposited by Buyer into an escrow account on the Closing Date (which amount will remain in escrow until reconciliation of a net tangible asset adjustment), with any amounts in such escrow account to be released from escrow to either Buyer or the Company, based on whether such reconciliation indicates a deficit or a surplus in net tangible assets relative to a negotiated target amount, following such reconciliation process, which 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 Closing Date for reconciliation of certain specified assets to be completed,

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(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 Closing Date, and (iv) an additional amount of up to \$3,000,000 in cash (which amount was not deposited into an escrow account) could 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 dividend.

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. 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 on the Consolidated Statements of Operations for the year ended December 31, 2023. 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 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 from discontinued operations for the years ended December 31, 2024, 2023 and 2022, related to Messaging and NetworkX Businesses sale.

	Year Ended December 31,		
	2024	2023	2022
Net revenues	\$ —	\$ 55,409	\$ 78,872
Costs and expenses:			
Cost of revenues ¹	—	29,979	45,202
Research and development	—	5,967	6,022
Selling, general and administrative	—	11,061	9,173
Restructuring charges	—	3	462
Depreciation and amortization	—	10,518	16,997
Total costs and expenses	—	57,528	77,856
(Loss) income from operations	—	(2,119)	1,016
Interest income	—	8	12
Interest expense	—	—	(1)
Other expense, net	—	(89)	(106)
(Loss) income from operations, before taxes	—	(2,200)	921
Loss on divestiture	—	(16,382)	—
Provision for income taxes	—	(1,935)	(1,918)
Net loss	\$ —	\$ (20,517)	\$ (997)

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

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There were no assets and liabilities related to discontinued operations as of December 31, 2024 and 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 years ended December 31, 2024, 2023 and 2022:

	Year Ended December 31,		
	2024	2023	2022
Operating activities:			
Depreciation and amortization	\$ —	\$ 10,517	\$ 16,997
Stock-based compensation	—	763	997
Loss on divestiture	—	16,382	—
Investing activities:			
Additions to capitalized software	—	(4,497)	(5,809)
Proceeds from divestiture ¹	\$ 1,515	\$ 23,674	\$ —

¹ In 2023 the Company received \$31.3 million in cash proceeds from the sale of the 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. In addition to the cash received in 2023, total consideration for the sale also included \$1.5 million of deferred consideration received in 2024.

Divestitures

Digital Experience Platform and Activation Solutions Sale

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

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

On December 30, 2024, Synchronoss entered into a written Settlement and Mutual Release Agreement with Chrysalis Software Inc., (“Chrysalis”) (formerly, iQmetrix Global Ltd.), according to which Chrysalis shall pay to Synchronoss the total of \$0.5 million in five equal quarterly installments with the last payment scheduled to be received before December 31, 2025. The Company received the first installment payment of \$0.1 million on December 31, 2024 recorded within the Selling, general and administrative expenses line item on the Consolidated Statements of Operations.

Note 5. Accounts Receivable Securitization Facility

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

The A/R Facility transaction includes (i) Receivables Purchase Agreements (the “Receivables Purchase Agreements”) dated as of the Closing Date, among the Company, as initial servicer, SN Technologies, LLC, a wholly owned special purpose subsidiary of the Company (“SN Technologies”), as seller, Norddeutsche Landesbank Girozentrale, as administrative agent (the “Administrative Agent”), and the purchasers party thereto, the group agents party thereto and the originators party thereto; (ii)

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Purchase and Sale Agreements (the “Purchase and Sale Agreements”) dated as of the Closing Date, between the Company Group, as originators (the “Originators”), and SN Technologies, as purchaser; (iii) the Administration Agreement (the “Administration Agreement”) dated as of the Closing Date, between the Company, as servicer, and Finacity Corporation, as administrator; and (iv) the Performance Guaranty (the “Performance Guaranty”) dated as of the Closing Date made by the Company in favor of the Administrative Agent.

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

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

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

The Company drew \$9.0 million on the A/R Facility in 2024, and had repaid the balance in full as of December 31, 2024. The Company drew \$12.0 million on the A/R Facility in 2023, and had repaid the balance in full as of December 31, 2023. The interest associated with the draw and repayment was not material for both periods. The draw down and subsequent repayment of the A/R Facility represent financing activity, as reported in the Consolidated Statements of Cash Flows. As of December 31, 2024 approximately \$2.3 million of the Company’s receivables are held by SN Technologies. As of December 31, 2024 there were no outstanding borrowings against the A/R facility and \$1.4 million was available for the Company to draw under the A/R Facility.

Note 6. Allowance for Credit Losses

The Accounts receivable balance on the Company’s Consolidated Balance Sheets as of December 31, 2024 was \$18.1 million, net of \$1.8 million of allowances. For the year ended December 31, 2024 changes in the allowance of \$1.7 million were related primarily related to certain sublease payments not received as of December 31, 2024.

The following table provides a roll-forward of the allowance for credit losses that is deducted from the amortized cost basis of trade accounts receivable to present the net amount expected to be collected for the years ended December 31, 2024, 2023, and 2022:

	Beginning Balance		Additions		Reductions		Ending Balance
Allowance for credit losses:							
2024	\$ 108	\$	1,765	\$	(48)	\$	1,825
2023	\$ 51	\$	61	\$	(4)	\$	108
2022	\$ 89	\$	86	\$	(124)	\$	51

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Note 7. Fair Value Measurements

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

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

The following is a summary of assets, liabilities and their related classifications under the fair value hierarchy:

December 31, 2024					
	Total	(Level 1)	(Level 2)	(Level 3)	
Assets					
Money market accounts ¹	\$ 9,552	\$ 9,552	\$ —	\$ —	
Total assets	\$ 9,552	\$ 9,552	\$ —	\$ —	
Liabilities					
Performance-based cash units ^{2,3}	\$ 948	\$ —	\$ 948	\$ —	
Total liabilities	\$ 948	\$ —	\$ 948	\$ —	

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 16. Stock Plans of the Notes to Consolidated Financial Statements in Item 8 of this Form 10-K.

Refer to Note 13. Debt of the Notes to Consolidated Financial Statements in Item 8 of this Form 10-K for presentation of Fair Value of Debt.

Note 8. 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

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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. The Company continued to pursue collection of the Note.

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 still required equal to the carrying value of the note. Given the full allowance for credit losses had been recorded against the Note in 2023, the modification of the terms of the Note had no net impact on the consolidated financial statements for the year ended December 31, 2024.

Note 9. Property and Equipment

Property and equipment consist of the following:

	December 31,	
	2024	2023
Computer hardware	\$ 25,758	\$ 27,000
Computer software	17,254	17,021
Furniture and fixtures	2,214	2,434
Finance lease assets	2,300	2,085
Leasehold improvements	11,039	12,246
Property and equipment, gross	58,565	60,786
Less: Accumulated depreciation	(55,411)	(57,113)
Property and equipment, net	<u>\$ 3,154</u>	<u>\$ 3,673</u>

Depreciation expense was approximately \$1.9 million, \$2.2 million and \$2.9 million for the year ended December 31, 2024, 2023, and 2022, respectively. Amortization of property and equipment recorded under capital leases are included in depreciation expense.

Note 10. Goodwill and Intangibles

Goodwill

The Company records goodwill which represents the excess of the purchase price over the fair value of assets acquired, including other definite-lived intangible assets. Goodwill is reviewed annually for impairment or upon the occurrence of events or changes in circumstances that would more likely than not reduce the fair value of the reporting unit below its carrying amount.

The Company recognized no impairment charges to its goodwill for the years ended December 31, 2024, 2023, and 2022, respectively.

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The following table shows the adjustments to goodwill during 2024 and 2023:

	Goodwill
Balance at December 31, 2022 ¹	\$ 182,259
Translation adjustments	1,649
Balance at December 31, 2023	\$ 183,908
Translation adjustments	(4,500)
Balance at December 31, 2024	<u>\$ 179,408</u>

¹ In connection with the sale of the Messaging and NetworkX businesses, the Company allocated goodwill in the amount of \$28.6 million to these businesses based upon relative fair value. Such amount is excluded from the balance in the table above and is included in discontinued operations. For additional information, see Note 4. Divestitures and Discontinued Operations of the Notes to Consolidated Financial Statements in Part II, Item 8 of this Form 10-K.

Other Intangible Assets

The Company's intangible assets with definite lives consist primarily of technology, capitalized software, trade names, and customer lists and relationships. These intangible assets are being amortized using the straight-line method over the estimated useful lives of the assets. Amortization expense related to intangible assets for the years ended December 31, 2024, 2023 and 2022 was \$15.2 million, \$14.6 million, and \$11.9 million, respectively.

The Company includes impairment charges to its intangible assets within depreciation and amortization on the Consolidated Statements of Operations. The Company recognized no impairment charges to its intangible assets for the years ended December 31, 2024, 2023 and 2022 respectively.

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The Company's intangible assets consist of the following:

December 31, 2024			
	Cost	Accumulated Amortization	Net
Technology	\$ 50,479	\$ (50,479)	\$ —
Customer lists and relationships	64,950	(63,283)	1,667
Capitalized software and patents	78,006	(60,556)	17,450
Trade name	1,863	(1,863)	—
Total	\$ 195,298	\$ (176,181)	\$ 19,117

December 31, 2023			
	Cost	Accumulated Amortization	Net
Technology	\$ 52,545	\$ (52,545)	\$ —
Customer lists and relationships	67,129	(64,387)	2,742
Capitalized software and patents	67,687	(48,215)	19,472
Trade name	1,878	(1,878)	—
Total	\$ 189,239	\$ (167,025)	\$ 22,214

Estimated future amortization expense of its intangible assets for the next five years is as follows:

Year ending December 31,	
2025	\$ 11,253
2026	3,951
2027	145
2028	17
2029	16
Thereafter	42
Total future amortization	15,424
Capitalized software costs in the development stage ¹	3,693
Total	\$ 19,117

¹ Amounts represent capitalized software costs that are currently in the development stage. Amortization of these costs will begin once the software projects are complete and ready for their intended use.

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Note 11. Accrued Expenses

The Company's accrued expenses consist of the following:

	December 31,	
	2024	2023
Accrued compensation and benefits	\$ 14,314	\$ 17,439
Accrued operating lease liabilities	6,010	5,838
Accrued professional service fees	2,047	4,587
Accrued income taxes payable	2,028	338
Accrued interest	1,716	1,969
Accrued other	1,578	2,074
Accrued telecommunications and hosting	1,117	3,101
Accrued sales and use tax	987	1,090
Accrued finance lease liabilities	722	562
Accrued Series B preferred stock dividend	—	2,129
Total	\$ 30,519	\$ 39,127

Note 12. 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 ROU assets and lease liabilities:

	December 31,	
	2024	2023
Operating lease assets:		
Non-current operating lease ROU assets	\$ 8,445	\$ 14,791
Finance lease assets:		
Equipment, net	1,137	1,094
Operating lease liabilities:		
Lease liabilities, current ¹	6,010	5,838
Lease liabilities, non-current	16,320	23,037
Total operating lease liabilities	<u>\$ 22,330</u>	<u>\$ 28,875</u>
Finance lease liabilities:		
Lease liabilities, current ¹	722	562
Lease liabilities, non-current	456	556
Total finance lease liabilities	<u>\$ 1,178</u>	<u>\$ 1,118</u>

¹ Amounts are included in Accrued expenses on the Consolidated Balance Sheets.

The following table provides a roll-forward of the operating lease ROU assets:

	ROU Assets
Balance at December 31, 2022	\$ 20,106
ROU assets amortization	(3,473)
ROU assets impairment	(1,918)
Foreign exchange	76
Balance at December 31, 2023	\$ 14,791
ROU assets amortization	(3,007)
ROU assets impairment and remeasurements, net	(3,166)
Foreign exchange	(173)
Balance at December 31, 2024	<u>\$ 8,445</u>

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The following table provides a roll-forward of the operating lease liabilities:

	Operating Lease Liabilities
Balance at December 31, 2022	\$ 33,931
Interest accretion	2,490
Cash payments	(7,717)
Foreign exchange and Other	171
Balance at December 31, 2023	\$ 28,875
Interest accretion	2,011
Cash payments	(7,663)
Remeasurements ¹	(632)
Foreign exchange and Other	(261)
Balance at December 31, 2024	\$ 22,330

¹ Reflects remeasurement recorded for Bangalore, India office location.

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

	Year Ended December 31,		
	2024	2023	2022
Finance leases:			
Interest expense	\$ 107	\$ 77	\$ 59
Depreciation expense	662	562	378
Total finance leases	769	639	437
Operating leases:			
Operating lease costs ¹	5,056	5,961	6,485
Other lease costs and income:			
Variable lease costs ¹	798	1,131	1,141
Operating lease impairments (remeasurements), net ^{1,2}	2,534	1,918	(274)
Sublease income ¹	(2,427)	(3,555)	(2,767)
Total operating leases	5,961	5,455	4,585
Total net lease cost	\$ 6,730	\$ 6,094	\$ 5,022

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 on 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 the Company's lease liabilities at December 31, 2024 for each of the five years subsequent to December 31, 2024 and thereafter, as well as a reconciliation of such undiscounted cash flows to the Company's lease liabilities at December 31, 2024:

	Operating Leases	Finance Leases
2025	\$ 7,531	\$ 763
2026	7,539	501
2027	6,185	23
2028	4,272	—
2029	—	—
Thereafter	—	—
Total future lease payments	25,527	1,287
Less: amount representing interest	(3,197)	(109)
Present value of future lease payments (lease liability)	<u>\$ 22,330</u>	<u>\$ 1,178</u>

The following table provides the weighted average remaining lease term and weighted average discount rates for the Company's leases:

	Year Ended December 31,		
	2024	2023	2022
Weighted average remaining lease term (years), weighted based on lease liability balances:			
Finance leases	2.0	2.2	2.2
Operating leases	3.7	4.4	5.4
Weighted average discount rate (percentages), weighted based on the remaining balance of lease payments:			
Finance leases	10.0 %	9.3 %	7.4 %
Operating leases	8.0 %	8.0 %	8.0 %

The following table provides certain cash flow and supplemental noncash information related to the Company's lease liabilities:

	Year Ended December 31,		
	2024	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:			
Finance leases	\$ 926	\$ 641	\$ 424
Operating leases	\$ 7,663	\$ 7,717	\$ 7,876
Lease liabilities arising from obtaining right-of-use assets:			
Finance leases	\$ 710	\$ 787	\$ 387
Operating leases	\$ —	\$ —	\$ —

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Note 13. 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 applicable margin of 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 \$0.9 million of principal payments on the Term Loan for the year ended December 31, 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 December 31, 2024.

Repurchase of Senior Notes and Series B Preferred

On June 28, 2024 the Company used \$66.5 million of the proceeds from the Term Loan and \$2.6 million non-interest-bearing deferred consideration, paid to B. Riley in December of 2024, 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 2021 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 year ended December 31, 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 year ended December 31, 2024.

2021 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

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Notes is payable quarterly in arrears on January 31, April 30, July 31 and October 31 of each year, commencing on July 31, 2021. The Senior Notes will mature on June 30, 2026, unless redeemed prior to maturity.

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

The 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 December 31, 2024.

The maturity date of our Senior Notes is June 30, 2026. Under the provisions of the Term Loan, if we are unable to refinance, redeem or repay in full our Senior Notes prior to March 31, 2026, the maturity date of our Term Loan accelerates to March 31, 2026 (the "Springing Maturity Date"). Management intends to refinance the Senior Notes and/or Term Loan prior to either instrument becoming due within the next twelve months. The inability to obtain adequate financing could have a material adverse effect on our business, results of operations and financial condition, and could raise questions about our ability to continue as a going concern. Accordingly, management's quarterly liquidity assessments after March 31, 2025 (one year prior to the Springing Maturity Date) may need to consider the potential accelerated maturity of the Term Loan as it could become due within 12 months at that time if the Senior Notes have not been refinanced, redeemed or repaid in full by March 31, 2026.

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Carrying Value of Debt

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

	Balance at December 31,	
	2024	2023
2021 Senior Notes:		
Senior Notes	\$ 121,387	\$ 141,077
Unamortized discount and debt issuance cost ¹	(2,625)	(4,862)
Carrying value of Senior Notes	118,762	136,215
2024 Term Loan:		
Term Loan	74,063	—
Unamortized debt issuance cost ¹	(6,110)	—
Carrying value of Term Loan	67,953	—
Total carrying value of debt	186,715	136,215
Current portion of long-term debt	1,875	—
Long-term debt, net of current portion	\$ 184,840	\$ 136,215

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

Fair Value of Debt

The fair value of the 2021 Senior Notes was determined based on the closing trading price of the Senior Notes as of December 31, 2024 and is categorized accordingly as Level 2 in the fair value hierarchy. The fair value of the 2024 Term Loan was obtained using the Discounted Cash Flow (DCF) valuation model with observable inputs as of December 31, 2024 and is categorized accordingly as Level 2 in the fair value hierarchy.

	Balance at December 31, 2024				
	Carrying Amount	Fair Value			
		(Level 1)	(Level 2)	(Level 3)	Total
Total debt	\$ 186,715	\$ —	\$ 193,275	\$ —	\$ 193,275

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

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Interest expense

The following table summarizes the Company's interest expense:

	Year Ended December 31,		
	2024	2023	2022
2021 Senior Notes:			
Amortization of debt issuance costs	\$ 1,563	\$ 1,534	\$ 1,391
Interest on borrowings	10,991	11,816	11,815
Amortization of debt discount	107	97	88
2024 Term Loan:			
Amortization of debt issuance costs	682	—	—
Amortization of exit fee	151	—	—
Interest on borrowings	4,105	—	—
Other ¹	404	516	345
Total	<u>\$ 18,003</u>	<u>\$ 13,963</u>	<u>\$ 13,639</u>

¹ Includes interest on uncertain tax provisions.

Note 14. Accumulated Other Comprehensive (Loss) / Income

The changes in accumulated other comprehensive (loss) income during the years ended December 31, 2024, 2023, and 2022 were as follows:

	Balance at December 31, 2023	Other Comprehensive Income (Loss)	Tax Effect	Balance at December 31, 2024
Foreign currency	\$ (22,212)	\$ (15,405)	\$ —	\$ (37,617)
Unrealized loss on intercompany foreign currency transactions	(3,520)	—	—	(3,520)
Total	<u>\$ (25,732)</u>	<u>\$ (15,405)</u>	<u>\$ —</u>	<u>\$ (41,137)</u>

	Balance at December 31, 2022	Other Comprehensive Income (Loss)	Tax Effect	Balance at December 31, 2023
Foreign currency	\$ (40,611)	\$ 18,399	\$ —	\$ (22,212)
Unrealized loss on intercompany foreign currency transactions	(3,520)	—	—	(3,520)
Total	<u>\$ (44,131)</u>	<u>\$ 18,399</u>	<u>\$ —</u>	<u>\$ (25,732)</u>

	Balance at December 31, 2021	Other Comprehensive Income (Loss)	Tax Effect	Balance at December 31, 2022
Foreign currency	\$ (29,350)	\$ (11,261)	\$ —	\$ (40,611)
Unrealized (loss) income on intercompany foreign currency transactions	(3,635)	191	(76)	(3,520)
Total	<u>\$ (32,985)</u>	<u>\$ (11,070)</u>	<u>\$ (76)</u>	<u>\$ (44,131)</u>

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Note 15. Capital Structure

Reverse Stock Split

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

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

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

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

As of December 31, 2024, the Company's authorized capital stock was 26,666,667 shares of stock with a par value of \$0.0001, of which 16,666,667 shares were designated as common stock and 10,000,000 shares were designated as preferred stock.

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 common stock dividends have ever been declared or paid by the Company.

Treasury Stock

The Company's Treasury Stock balance is nil as of December 31, 2024.

Preferred Stock

The Board of Directors 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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Series B Non-Convertible Preferred Stock

On June 30, 2021, the Company closed a private placement of 75,000 shares of its Series B Perpetual Non-Convertible Preferred Stock, par value \$0.0001 per share, with an initial liquidation preference of \$1,000 per share (the “Series B Preferred Stock”), for net proceeds of \$72.8 million (the “Series B Transaction”). The sale of the Series B Preferred Stock was pursuant to the Series B Preferred Stock Purchase Agreement, dated as of June 24, 2021 (the “Series B Purchase Agreement”), between the Company and B. Riley Principal Investments, LLC (“BRPI”). In connection with the closing of the Series B Transaction, the Company (i) filed a Certificate of Designation with the State of Delaware setting forth the rights, preferences, privileges, qualifications, restrictions and limitations on the Series B Preferred Stock (the “Series B Certificate”) and (ii) entered into an Investor Rights Agreement with B. Riley Financial, Inc. (“B. Riley Financial”) and BRPI setting forth certain governance and registration rights of B. Riley Financial with respect to the Company.

Repurchase of Series B Preferred Stock

On June 28, 2024 the Company repurchased all outstanding shares of the Series B Preferred stock, as discussed in Note 13. Debt. 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 December 31, 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 Preferred stock balance at December 31, 2024 and changes during the year ended December 31, 2024 and 2023, are presented below:

	Series B Preferred Stock	
	Shares	Amount
Balance at December 31, 2022 ¹	71	\$ 68,348
Amortization of preferred stock issuance costs	—	328
Redemption of Series B preferred shares	(10)	(9,874)
Balance at December 31, 2023 ¹	61	\$ 58,802
Excise tax on fair value of Series B preferred stock at redemption	—	(576)
Redemption of Series B preferred shares	(61)	(58,226)
Balance at December 31, 2024	—	\$ —

¹ Series B preferred stock principal balance is presented net of unamortized issuance costs.

The Company paid Series B Perpetual Non-Convertible Preferred Stock dividend of \$4.3 million in cash for the year ended December 31, 2024.

Note 16. Stock Plans

In March 2015, the Company adopted the 2015 Equity Incentive Plan (the “2015 Plan”). The 2015 Plan replaces the Company’s prior 2000 Equity Incentive Plan and the 2006 Equity Incentive Plan. Beginning March 2015, all awards were granted under the 2015 Plan. In addition, any awards that were previously granted under any prior Plans that terminate without issuance of shares, shall be eligible for issuance under the 2015 Plan.

Under the 2015 Plan, the Company may grant to its employees, outside directors, and consultants awards in the form of non-qualified stock options, shares of restricted stock, stock units, or stock appreciation rights and performance shares. The Company’s Board of Directors administers the Plan and is responsible for determining the individuals to be granted options or shares, the number of options or shares each individual will receive, the price per share and the exercise period of each option. 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

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common stock issuable under the Plan by 1,053,000 shares. The maximum number of shares of common stock authorized for issuance under the 2015 Plan is 5,741,575 shares as of December 31, 2024.

On December 15, 2017, the Compensation Committee adopted the 2017 New Hire Equity Incentive Plan ("2017 Plan"), which is intended to be exempt from the stockholder approval requirements under the "inducement grant exception" provided by the Inducement Rule. The Committee authorized the issuance of stock grants to new hires, with the purpose of promoting the long-term success of the Company and the creation of stockholder value by (a) providing for the attraction and retention of new employees with exceptional qualifications, (b) encouraging new employees to focus on critical long-range objectives, and (c) linking new employees directly to stockholder interests through increased stock ownership. As required by the Inducement Rule, the Company issues a press release promptly upon issuing shares to new employees pursuant to the 2017 Plan. The maximum number of shares of common stock authorized for issuance under the 2017 Plan is 229,635 shares as of December 31, 2024.

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

Stock Options

Stock options granted under the Company's Plans generally vest one-third of the shares on the first, second and third anniversary of the grant date subject to optionee's continuous service.

Other than as set forth in Note 15. Capital Structure, there were no significant changes to the Company's Stock Option Plans during the year ended December 31, 2024.

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

	Year Ended December 31,		
	2024	2023	2022
Expected stock price volatility	78.8 %	74.5 %	74.1 %
Risk-free interest rate	4.2 %	4.3 %	3.1 %
Expected life of options (in years)	4.06	4.30	4.15
Expected dividend yield	0.0 %	0.0 %	0.0 %
Weighted average fair value of the options	\$ 5.69	\$ 3.95	\$ 6.39

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

Stock Options	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2023	649	\$ 30.44		
Options Granted	6	8.94		
Options Exercised	(22)	10.79		
Options Cancelled	(171)	40.89		
Outstanding at December 31, 2024	462	\$ 28.27	3.39	\$ 20
Vested and exercisable at December 31, 2024	382	\$ 31.94	3.12	\$ 6

The total intrinsic value of stock options exercised during the year ended December 31, 2024 and 2023 was \$0.06 million and nil, respectively. The total intrinsic value of stock options exercisable as of December 31, 2024 and 2023 was nil and nil, respectively.

Restricted Stock Awards

Restricted stock awards (“Restricted Stock”) granted under the Company’s Plans generally vest one-third of the applicable shares on the first, second, and third anniversary of the grant date, subject to continuous service provided.

Other than as set forth in Note 15. Capital Structure, there were no significant changes to the Company’s restricted stock award (“Restricted Stock”) and performance stock plan during the year ended December 31, 2024.

A summary of the Company’s unvested restricted stock at December 31, 2024 and changes during the year ended December 31, 2024 are presented below:

Restricted Stock Awards	Number of Awards	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2023	491	\$ 10.88
Granted	521	8.01
Granted adjustment ¹	38	12.24
Vested	(268)	11.82
Forfeited	(66)	10.22
Unvested at December 31, 2024	716	\$ 8.54

¹ Represents performance-based cash units grants that vested and were paid out in form of shares of stock during the period.

Restricted stock awards are granted subject to service conditions. Restricted stock are measured at the closing stock price at the date of grant and expense is recognized on a straight-line basis over the requisite service period.

Performance-Based Cash Units

Performance-based cash units (“PBCU”) are performance-based awards granted under Company’s Long Term Incentive (“LTI”) Plans. PBCU generally vest at the end of a three-year period based on service and achievement of certain performance

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objectives determined by the Company's Board of Directors. The PBCU can be settled in cash or in equity as determined by the Compensation Committee, subject to the availability of shares for issuance.

Performance-based cash units that are accounted for as equity awards are measured at the closing stock price at the grant date and are recognized on a straight-line basis over the requisite service period. The expense for the period will increase or decrease based on the percentage achievement of the performance metrics at each reporting date. The expense for these awards is recorded in APIC on the Consolidated Balance Sheets.

Performance-based cash units that are accounted for as liability awards are measured at the closing stock price at the reporting period end date and are recognized straight-line over the requisite service period. The expense for the period will increase or decrease based on updated fair values of these awards as well as the percentage achievement of the performance metrics at each reporting date. These awards are reflected in Accrued expenses on the Consolidated Balance Sheets.

The Company has three active LTI Plans: 2022-2024 LTI Plan, 2023-2025 LTI Plan and 2024-2026 LTI Plan as of December 31, 2024.

As of December 31, 2024, the Company's PBCU granted to employees under the 2022-2024 LTI Plan have been accounted for as equity awards, due to the Company's intent and the ability to settle such awards in shares of stock upon vesting during the first quarter of 2025.

As of December 31, 2024, the Company's PBCU granted to employees under the 2023-2025 LTI Plan and 2024-2026 LTI Plan have been accounted for as liability awards, due to the Company's intent and the ability to settle such awards in cash upon vesting and expected lack of shares available for issuance. As of December 31, 2024, the liability for such awards is approximately \$0.9 million.

A summary of the Company's unvested performance-based cash units at December 31, 2024 and changes during the year ended December 31, 2024, is presented below:

Performance-Based Cash Units	Number of Awards	Period end Fair Value
Outstanding at December 31, 2023	507	\$ 6.21
Granted	206	
Granted adjustment ¹	(37)	
Vested and distributed ²	(38)	
Forfeited	(36)	
Outstanding at December 31, 2024	602	\$ 9.88

¹ Includes changes in the unvested units due to performance adjustments.

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

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Stock-Based Compensation Expense

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

	Year Ended December 31,		
	2024	2023	2022
Cost of revenues	\$ 325	\$ 109	\$ 249
Research and development	1,669	1,291	1,472
Selling, general and administrative	4,378	2,990	2,743
Total stock-based compensation expense	<u>\$ 6,372</u>	<u>\$ 4,390</u>	<u>\$ 4,464</u>

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

	Year Ended December 31,		
	2024	2023	2022
Stock options	\$ 568	\$ 1,334	\$ 1,981
Restricted stock awards	2,681	2,930	2,500
Performance-based cash units	3,123	126	(17)
Total stock-based compensation before taxes	<u>\$ 6,372</u>	<u>\$ 4,390</u>	<u>\$ 4,464</u>
Tax benefit	<u>\$ 1,218</u>	<u>\$ 958</u>	<u>\$ 938</u>

The total stock-based compensation cost related to unvested equity awards as of December 31, 2024 was approximately \$4.1 million. The expense is expected to be recognized over a weighted average period of approximately 1.9 years.

The total stock-based compensation cost related to unvested performance-based cash units as of December 31, 2024 was approximately \$2.9 million. The expense is expected to be recognized over a weighted average period of approximately 1.8 years.

Note 17. 401(k) Plan

The Company has a 401(k) plan (the "401(k) Plan") covering all eligible employees. The 401(k) Plan allows for a discretionary employer match. The Company incurred and expensed \$1.3 million, \$1.6 million, and \$1.5 million for the years ended December 31, 2024, 2023 and 2022, respectively, in 401(k) Plan match contributions.

Note 18. 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 December 31, 2024 and changes during the year ended December 31, 2024 are presented below:

	Balance at December 31, 2023	Charges	Payments	Other Adjustments	Balance at December 31, 2024
Employment termination costs	\$ 2,388	\$ 1,273	\$ (2,949)	\$ —	\$ 712

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Employee termination costs are reported in Restructuring charges on the Consolidated Statements of Operations. The entire balance related to employee termination costs of \$0.7 million is short-term and is included in Accrued expenses under Current liabilities on the Consolidated Balance Sheets as of December 31, 2024.

Note 19. Income Taxes

The components of Income (loss) from continuing operations, before taxes are as follows:

	Year Ended December 31,		
	2024	2023	2022
Domestic	\$ (41,981)	\$ (48,967)	\$ (34,752)
Foreign	55,748	19,656	27,974
Total	<u>\$ 13,767</u>	<u>\$ (29,311)</u>	<u>\$ (6,778)</u>

The components of income tax (expense) benefit from continuing operations are as follows:

	Year Ended December 31,		
	2024	2023	2022
Current:			
Federal	\$ (1,632)	\$ (1,114)	\$ (1,159)
State	(82)	(67)	(62)
Foreign	(3,646)	(821)	1,139
Deferred:			
Federal	(739)	(2,747)	(26)
State	(3)	3	157
Foreign	(1,511)	3	10
Income tax (provision) benefit	<u>\$ (7,613)</u>	<u>\$ (4,743)</u>	<u>\$ 59</u>

The Company recognized approximately \$7.6 million and \$4.7 million in related income tax expense during the years ended December 31, 2024 and 2023, respectively. The effective tax rate was approximately 55.3% for the year ended December 31, 2024, which was higher than the U.S. federal statutory rate primarily due to the impact of Global Intangible Low-Taxed Income, an increase in the deferred tax liability associated with changes in management's indefinite reinvestment assertion under APB 23 in one foreign jurisdiction, changes to tax attributes associated with the open IRS audit, amended returns, and legal entity liquidations, and the tax impact of equity compensation shortfalls and cancellations and current period financing transactions. This increase was partially offset by changes in the valuation allowance for loss jurisdictions where full valuation allowances have been recorded, foreign rate differential and GAAP to statutory adjustments. The Company's effective tax rate was approximately (16.2)% for the year ended December 31, 2023, which was lower than the U.S. federal statutory rate primarily due to the impact of Global Intangible Low-Taxed Income, attributable to income in foreign jurisdictions and the impact of the U.S. capitalization of research expenses, and the impact of recognizing a deferred tax liability associated with changes in management's indefinite reinvestment assertion under APB 23 for one foreign jurisdiction. This decrease was partially offset by changes in the valuation allowance for loss jurisdictions where full valuation allowances have been recorded, foreign rate differential and GAAP to statutory adjustments.

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Reconciliations of the statutory tax rates and the effective tax rates from continuing operations for the years ended December 31, 2024, 2023 and 2022 are as follows:

	Year Ended December 31,		
	2024	2023	2022
Statutory rate	21.0 %	21.0 %	21.0 %
State taxes, net of federal benefit	0.5 %	(0.2)%	0.8 %
Effect of rates different than statutory	(24.8)%	4.2 %	30.2 %
Stock based compensation	4.7 %	(1.9)%	(14.5)%
Foreign basis differences	(17.4)%	5.0 %	16.1 %
Other permanent adjustments	0.9 %	(3.3)%	(3.3)%
Executive Compensation Limitations	1.9 %	— %	— %
Financing Transactions	4.5 %	— %	— %
Withholding tax	0.8 %	(2.8)%	— %
Tax Credits	— %	0.6 %	1.6 %
Change in valuation allowance	(24.5)%	4.8 %	89.2 %
Uncertain tax positions	— %	0.1 %	(2.3)%
Other	0.2 %	— %	0.5 %
Divestiture of assets	— %	— %	(17.6)%
Global intangible low-taxed income	61.4 %	(20.5)%	(131.3)%
Deferred tax adjustments	3.7 %	(1.1)%	2.2 %
Entity Liquidation	5.3 %	— %	— %
Return to provision	2.6 %	(1.2)%	8.3 %
ABP 23 liability	7.3 %	(20.9)%	— %
Amended returns and refund claims	7.2 %	— %	— %
Effective tax rate	<u>55.3 %</u>	<u>(16.2)%</u>	<u>0.9 %</u>

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Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31,	
	2024	2023
Deferred tax assets:		
Accrued liabilities	\$ 543	\$ 486
Bad debts reserve	1,458	3,163
Deferred compensation	4,342	4,150
Federal net operating loss carry forwards	2,716	4,271
State net operating loss carry forwards	9,439	8,641
Foreign net operating loss carry forwards	943	4,999
Lease obligations	4,631	5,706
Capital loss carry forwards	6,768	7,633
Intangible assets	534	1,470
Basis difference	6,315	6,372
Credits	1,292	3,331
Fixed assets	591	639
Interest limitation	3,125	1,088
Capitalization of research expenses	25,717	21,805
Other	11	33
Total deferred tax assets	\$ 68,425	\$ 73,787
Deferred tax liabilities:		
Unrepatriated Earnings	\$ (6,694)	\$ (6,604)
Basis difference	(1,925)	(2,078)
Depreciation and amortization	(444)	(666)
Prepays	(290)	(323)
Lease assets	(1,419)	(2,524)
Unrealized Foreign Exchange Gain	(1,269)	—
Other	(4)	(734)
Total deferred tax liabilities	(12,046)	(12,929)
Less: valuation allowance	(61,282)	(64,065)
Net deferred income tax (liabilities) assets	\$ (4,903)	\$ (3,207)

As of December 31, 2024, the Company has federal and state income tax net operating loss ("NOL") carryforwards of \$12.9 million and \$160.1 million, respectively, including NOL carryforwards which will expire at various dates from 2026 through 2043, and NOL carryforwards which do not expire. The Company also has foreign NOL carryforwards in various jurisdictions of \$4.1 million that have various carryforward periods. Such NOL carryforwards expire as follows:

Year	NOL Carryforward
2026	258
2027-2043	173,348
Indefinite	3,502
Total	\$ 177,108

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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As of December 31, 2024, the Company has state income tax credit carryforwards of \$1.1 million, a portion of which will expire in 2032 and a portion of which do not expire.

In evaluating the Company's ability to recover its deferred tax assets within the jurisdiction from which they arise, the Company considers all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax-planning strategies, and results of recent operations. In projecting future taxable income, the Company begins with historical results and incorporates assumptions including the amount of future state, federal and foreign pretax operating income, the reversal of temporary differences, and the implementation of feasible and prudent tax-planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates the Company is using to manage the underlying businesses.

The foreign NOL carryforwards in the income tax returns filed included unrecognized tax benefits taken in prior years. The NOLs for which a deferred tax asset is recognized for financial statement purposes in accordance with ASC 740 are presented net of these unrecognized tax benefits.

The Company continues to evaluate the ability to realize all of its net deferred tax assets at each reporting date and records a benefit for deferred tax assets to the extent it has deferred tax liabilities that provide a source of income to benefit the deferred tax asset. As a result of this analysis, the Company recorded a valuation allowance against the net deferred tax assets of certain foreign jurisdictions as the realization of these assets is not more likely than not, given uncertainty of future earnings in these jurisdictions. The valuation allowance decreased by \$2.8 million during the year ended December 31, 2024 and increased by \$1.0 million during the year ended December 31, 2023, respectively. The decrease in tax year ended December 31, 2024 is primarily related to a decrease in deferred tax assets including capital loss carryforward, federal and foreign net operating loss carryforwards and federal credit carryforwards. This decrease was partially offset by an increase in deferred tax assets primarily associated with changes in interest expense limitation and capitalization of research expenditures. The increase in tax year ended December 31, 2023 primarily related to an increase in deferred tax assets including capital loss carryforward, interest expense limitation and capitalization of research expenditures, net of utilization of tax credit and net operating loss carryforwards. This increase was partially offset by an increase in deferred tax liabilities primarily associated with changes in management's indefinite reinvestment assertion under APB 23 for one foreign jurisdiction.

The Company's accounting policy is to record the tax impacts of Global Intangible Low-Taxed Income as a period cost. The Company's current accounting policy related to stranded tax effects in accumulated other comprehensive income is to review and reclassify on an item-by-item basis.

The Company is subject to taxation in the United States and various states and foreign jurisdictions. As of December 31, 2024, the Company's tax years for 2020 through 2023 are subject to examination by the tax authorities. With few exceptions, as of December 31, 2024, the Company is no longer subject to U.S. federal, state, local, or foreign examinations by tax authorities for years before 2020. Additionally, to the extent we utilize our NOL carryforwards in the future, the tax years in which the attribute was generated may still be adjusted upon examination by the tax authorities in the future period when the attribute is utilized.

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 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 financial position or results of operations. Due to the ongoing audit, U.S. federal tax returns for years 2013 – 2020 remain subject to future examination by the tax authorities. The Company has not accrued for any potential interest income related to the expected tax refund as of December 31, 2024.

The Company received 4.3 million in federal tax refunds in the second quarter of 2022. There is no change to the Company's position on the remaining tax refunds.

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 future periods related to 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.

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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.

On October 8, 2021, the Organization for Economic Co-operation and Development (“OECD”) released a statement on the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, which agreed to a two-pillar solution to address tax challenges of the digital economy. On December 20, 2021, the OECD released Pillar Two model rules defining a 15% global minimum tax rate for large multinational corporations (the “Pillar Two Framework”). The OECD continues to release additional guidance and countries are implementing legislation with widespread adoption of the Pillar Two Framework as of the end of 2024. The Company is not currently subject to these rules but is continuing to evaluate the Pillar Two Framework and its potential impact on future periods.

On August 16, 2022, the Inflation Reduction Act of 2022 (“IRA”) was signed into law. This legislation includes significant changes relating to tax, climate change, energy and health care. Among other provisions, the IRA introduces a book minimum tax assessed on financial statement income of certain large corporations and an excise tax on share repurchases. These provisions do not have a material impact on our results of operations or financial position.

The Company also continues to monitor any new tax legislation that would result in a material impact on its financial statements, in particular as a result of the new U.S. presidential administration and U.S. Congress.

A reconciliation of the amounts of unrecognized tax benefits excluding interest, are as follows:

	Unrecognized Tax Benefits
Balance at December 31, 2021	\$ 4,514
Decrease related to lapse of Statute of Limitations	(1,043)
Increase for tax positions of current period	966
Balance at December 31, 2022	4,437
Decrease related to lapse of Statute of Limitations	(64)
Balance at December 31, 2023	4,373
Decrease related to lapse of Statute of Limitations	—
Balance at December 31, 2024	<u>\$ 4,373</u>

Included in the balance of unrecognized tax benefits associated with uncertain tax positions as of the years ended December 31, 2024 and 2023, are \$4.4 million and \$3.8 million, respectively, of tax benefits that, if recognized, would affect the effective tax rate.

The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. The liability for unrecognized tax benefits excludes accrued interest of \$1.0 million, \$0.7 million and \$0.4 million, for the years ended December 31, 2024, 2023 and 2022, respectively. The Company anticipates that \$3.8 million of its currently unrecognized tax benefits, primarily related to research and development credits and other U.S. tax positions, may be recognized by the end of 2025 as a result of a lapse of the statute of limitations.

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(Amounts in tables in thousands, except for per share data or unless otherwise noted)

Note 20. 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 (such as performance-based cash unit awards) 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.

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.

	Year Ended December 31,		
	2024	2023	2022
Numerator - Basic:			
Net income (loss) from continuing operations	\$ 6,154	\$ (34,054)	\$ (6,719)
Net income (loss) attributable to redeemable non-controlling interests	15	36	(200)
Preferred stock dividend, net of gain on repurchase of preferred stock	(1,562)	(10,007)	(9,552)
Net income (loss) attributable to Synchronoss from continuing operations	4,607	(44,025)	(16,471)
Net loss from discontinued operations	—	(20,517)	(997)
Net income (loss) attributable to Synchronoss	<u>\$ 4,607</u>	<u>\$ (64,542)</u>	<u>\$ (17,468)</u>
Numerator - Diluted:			
Net income (loss) attributable to Synchronoss from continuing operations	\$ 4,607	\$ (44,025)	\$ (16,471)
Net loss from discontinued operations	—	(20,517)	(997)
Net income (loss) attributable to Synchronoss	<u>\$ 4,607</u>	<u>\$ (64,542)</u>	<u>\$ (17,468)</u>
Denominator:			
Weighted average common shares outstanding — basic	10,023	9,745	9,626
Dilutive effect of:			
Shares from assumed conversion of performance-based cash units	420	—	—
Options and unvested restricted shares	225	—	—
Weighted average common shares outstanding — diluted	<u>10,668</u>	<u>9,745</u>	<u>9,626</u>
Earnings (loss) per share:			
Basic EPS:			
Net income (loss) from continuing operations	\$ 0.46	\$ (4.52)	\$ (1.71)
Net loss from discontinued operations	\$ —	\$ (2.10)	\$ (0.10)
Basic EPS	<u>\$ 0.46</u>	<u>\$ (6.62)</u>	<u>\$ (1.81)</u>
Diluted EPS:			
Net income (loss) from continuing operations	\$ 0.43	\$ (4.52)	\$ (1.71)
Net loss from discontinued operations	\$ —	\$ (2.10)	\$ (0.10)
Diluted EPS	<u>\$ 0.43</u>	<u>\$ (6.62)</u>	<u>\$ (1.81)</u>
Anti-dilutive stock options and restricted stock awards ¹	504	901	761

¹ Represent stock options and restricted stock awards excluded from the Diluted EPS calculations because the effect would be anti-dilutive.

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(Amounts in tables in thousands, except for per share data or unless otherwise noted)

Note 21. 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 December 31, 2024 are as follows:

Year	Non-cancelable Agreements
2025	\$ 19,618
2026	2,373
2027	920
Thereafter	—
Total	<u>\$ 22,911</u>

Note 22. 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 second quarter of 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 December 31, 2024 the Company has accrued \$266,012 relating to these actions, which is reflected in Accrued expenses on the Consolidated Balance Sheets.

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 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

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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. On December 30, 2024 the parties entered into a written Settlement and Mutual Release Agreement and on January 7, 2025 the parties filed a Stipulation of Dismissal under which the Company will receive compensation.

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 23. Additional Financial Information

Other Income (Expense)

The following table sets forth the components of Other income (expense), net included on the Consolidated Statements of Operations:

	Year Ended December 31,		
	2024	2023	2022
Foreign exchange gains (losses) ¹	\$ 8,894	\$ (5,131)	\$ 2,835
Government refunds ²	156	—	828
Other ³	228	3	(110)
Total	<u>\$ 9,278</u>	<u>\$ (5,128)</u>	<u>\$ 3,553</u>

¹ Represents fair value of foreign exchange gains and losses.

² Represents government and tax refunds.

³ Represents an aggregate of individually immaterial transactions.

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Note 24. Segment Information

The Company assessed its current structure and operations and determined it has one operating segment and a single reportable segment as the business is managed and assessed by the chief operating decision-maker based on the consolidated results of the organization. The Chief Executive Officer is the chief operating decision-maker (“CODM”) for the Company.

The segment derives revenues from customers through the Company’s cloud product under software-as-a-service arrangements. In prior periods, the Company derived revenues from the NetworkX and Messaging businesses, which were sold in 2023. The financial data for those disposed businesses is detailed in Note 4. Divestitures and Discontinued Operations.

The accounting policies of the single segment are the same as those described in the summary of significant accounting policies. The CODM assesses performance and decides how to allocate resources based on consolidated net income (loss) from continuing operations. The measure of segment assets is reported on the balance sheet as total consolidated assets.

The CODM uses consolidated net income (loss) from continuing operations to evaluate the overall financial performance of the company. The focus is on revenue performance as well as on comparing actual functional spend categories to forecast and, occasionally, prior-year results to assess variances and trends. Decisions regarding resource allocation are primarily made during the annual budget planning process and augmented as needed throughout the year.

Segment operating results and a reconciliation of segment operating income to consolidated net income (loss) from continuing operations are as follows:

	Year Ended December 31,		
	2024	2023	2022
Net revenues ¹	\$ 173,594	\$ 164,196	\$ 173,756
Less:			
Employees related expense net of capitalized software	76,216	79,580	84,527
Hosting expense	15,554	16,871	15,871
Professional services expense	20,310	21,958	24,715
Other segment items ²	13,463	44,731	27,479
Depreciation and amortization	17,091	16,830	14,756
Interest income	(810)	(426)	(453)
Interest expense	18,003	13,963	13,639
Provision (benefit) for income taxes	7,613	4,743	(59)
Segment net income (loss)	<u>\$ 6,154</u>	<u>\$ (34,054)</u>	<u>\$ (6,719)</u>
<i>Reconciliation of profit or loss</i>			
Adjustments and reconciling items	\$ —	\$ —	\$ —
Consolidated net income (loss) from continuing operations	<u>\$ 6,154</u>	<u>\$ (34,054)</u>	<u>\$ (6,719)</u>

¹ There are no intra-entity sales or transfers.

² Other segment items include: administrative expense, facilities expense, maintenance charges, restructuring expense, sales and marketing expense, stock-based compensation expense, gain on sale of DXP, foreign currency gains and losses and other overhead expense.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES**Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed by us in reports that we file under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and that such information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer, or CEO, and our Chief Financial Officer, or CFO, to allow timely decisions regarding required disclosure. Management, with the participation of our CEO and CFO, performed an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2024. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of December 31, 2024.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) or Rule 15d-15(f) under the Exchange Act). Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on that evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2024 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external reporting purposes in accordance with GAAP.

Ernst & Young LLP, the independent registered public accounting firm that audited our consolidated financial statements included in this Annual Report on Form 10-K, audited the effectiveness of our internal control over financial reporting as of December 31, 2024. Ernst & Young LLP has issued their report which is included elsewhere herein.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) identified in connection with the evaluation of our controls performed during the year ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Controls

Our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives as specified above. Management does not expect, however, that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Synchronoss Technologies, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Synchronoss Technologies, Inc.'s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Synchronoss Technologies, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive (loss) income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) and our report dated March 11, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
Iselin, New Jersey
March 11, 2025

ITEM 9B. OTHER INFORMATION

Rule 10b5-1 Trading Plans

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 our 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 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.

During the period covered by this Annual Report on Form 10-K, except for the director referenced above, no other 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.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

- a. Identification of Directors. Information concerning the directors of Synchronoss is set forth under the heading "Election of Directors" in the Synchronoss Proxy Statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024 and is incorporated herein by reference.
- b. Audit Committee Financial Expert. Information concerning Synchronoss' audit committee financial expert is set forth under the heading "Audit Committee" in the Synchronoss Proxy Statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024 and is incorporated herein by reference.
- c. Identification of the Audit Committee. Information concerning the audit committee of Synchronoss is set forth under the heading "Audit Committee" in the Synchronoss Proxy Statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024 and is incorporated herein by reference.
- d. Delinquent Section 16(a) Reports. Information concerning non-compliance, if any, with beneficial ownership reporting requirements is set forth under the caption "Delinquent Section 16(a) Reports" in the Synchronoss Proxy Statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024 and is incorporated herein by reference.
- e. Information about our Executive Officers. Information concerning the executive officers of Synchronoss is set forth under the heading "Information about our Executive Officers" in the Synchronoss Proxy Statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024 and is incorporated herein by reference.

Code of Ethics. Information concerning the Synchronoss Workplace Code of Ethics and Business Conduct is set forth under the caption "Workplace Code of Ethics and Business Conduct" in the Synchronoss Proxy Statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024 and is incorporated herein by reference. The Company intends to disclose on its website any amendments to, or waivers from, its Code of Business Conduct that are required to be disclosed pursuant to the rules of the SEC. Information contained on, or connected to, our website is not incorporated by reference into this annual report and should not be considered part of this report or any other filing that we make with the SEC.

ITEM 11. EXECUTIVE COMPENSATION

Information concerning executive compensation is set forth under the headings "Compensation of Executive Officers" and "Securities Authorized for Issuance Under Equity Compensation Plans" in the Synchronoss Proxy Statement for

the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024 and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information concerning shares of Synchronoss equity securities beneficially owned by certain beneficial owners and by management is set forth under the heading “Equity Security Ownership of Certain Beneficial Owners and Management” in the Synchronoss Proxy Statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024 and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information concerning certain relationships and related transactions is set forth under the heading “Certain Related Party Transactions” in the Synchronoss Proxy Statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024 and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information concerning fees and services of the Company’s principal accountants is set forth under the heading “Report of the Audit Committee” and “Independent Registered Public Accounting Firm’s Fees” in the Synchronoss Proxy Statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024 and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

We have filed the following documents as part of this Form 10-K:

(a)(1) Consolidated Financial Statements:

	Page No.
Report of Independent Registered Public Accounting Firm	55
Consolidated Balance Sheets	57
Consolidated Statements of Operations	58
Consolidated Statements of Comprehensive (Loss) Income	59
Consolidated Statements of Stockholders’ Equity	60
Consolidated Statements of Cash Flows	61
Notes to Consolidated Financial Statements	63

(a)(2) Schedule for the years ended December 31, 2024, 2023, 2022:

Schedule II - Valuation and Qualifying Accounts

The following table presents Valuation allowance for deferred tax assets for the years ended December 31, 2024, 2023, 2022 (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance
Valuation allowance for deferred tax assets:				
2024	\$ 64,065	\$ 573	\$ (3,356)	\$ 61,282
2023	\$ 63,029	\$ 11,843	\$ (10,807)	\$ 64,065
2022	\$ 68,933	\$ 542	\$ (6,446)	\$ 63,029

All other Schedules have been omitted because they are not applicable, or the required information is shown in the Consolidated Financial Statements or of the Notes to Consolidated Financial Statements in Part II, Item 8 of this Form 10-K thereto.

(a)(3) 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	Amended and Restated Bylaws of the Registrant.	S-1	333-132080	3.4	May 9, 2006	
3.3	Amendment No. 1 to the Amended and Restated Bylaws of Synchronoss Technologies, Inc.	8-K	000-52049	3.2	February 20, 2018	
3.4	Amendment No. 2 to the Amended and Restated Bylaws of Synchronoss Technologies, Inc.	8-K	000-52049	3.3	June 30, 2021	
3.5	Certificate of Designations of the Series B Perpetual Non-Convertible Preferred Stock.	8-K	000-52049	3.1	June 30, 2021	
3.6	Certificate of Amendment of the Restated Certificate of Incorporation of Synchronoss Technologies, Inc.	8-K	001-40574	3.1	June 23, 2022	
3.7	Certificate of Amendment of the Restated Certificate of Incorporation of Synchronoss Technologies, Inc.	8-K	001-40574	3.1	December 7, 2023	
4.1	Reference is made to Exhibits 3.1, 3.2, 3.3, 3.4, 3.7 and 3.8.	S-1	333-132080	3.2	May 9, 2006	
4.2	Form of Common Stock Certificate.	S-1	333-132080	4.2	June 12, 2006	
4.3	Form of Indenture for Convertible Senior Notes.	S-3	333-197871	4.8	August 5, 2014	
4.4	Description of Securities Registered under Section 12 of the Securities Exchange Act of 1934.	10-K	001-40574	4.6	March 15, 2022	
4.5	Base Indenture, dated as of June 30, 2021, by and between Synchronoss Technologies, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee.	8-K	000-52049	4.1	June 30, 2021	
4.6	First Supplemental Indenture, dated as of June 30, 2021, by and between Synchronoss Technologies, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee.	8-K	000-52049	4.2	June 30, 2021	
4.7	Investor Rights Agreement by and between Synchronoss Technologies, Inc., B. Riley Financial, Inc. and B. Riley Principal Investments, LLC dated June 30, 2021.	8-K	000-52049	4.3	June 30, 2021	
4.8	Form of 8.375% Senior Notes due 2026.	8-K	000-52049	4.3	June 30, 2021	
10.1	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.	8-K	000-52049	4.2	June 30, 2021	
10.2†	Synchronoss Technologies, Inc. 2000 Stock Plan and forms of agreements thereunder.	S-1	333-132080	10.2	February 28, 2006	
10.3†	Amendment No. 1 to Synchronoss Technologies, Inc. 2000 Stock Plan.	S-1	333-132080	10.3	May 9, 2006	
10.4†	2006 Equity Incentive Plan, as amended and restated.	DEF 14A	000-52049	-	April 8, 2010	

Exhibit No.	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.5†	2010 New Hire Equity Incentive Plan.	S-8	333-168745	10.4A	August 11, 2010	
10.6†	Synchronoss Technologies, Inc. Amended and Restated 2015 Equity Incentive Plan, amended and restated as of June 6, 2022.	S-8	333-265780	10.1	June 22, 2022	
10.7†	Synchronoss Technologies, Inc. Amended and Restated 2015 Equity Incentive Plan, amended and restated as of April 22, 2024.	10-Q	001-40574	10.1	November 12, 2024	
10.8†	2017 New Hire Equity Incentive Plan.	8-K	000-52049	10.1	December 21, 2017	
10.9†	Amendment No. 1 effective as of November 1, 2021 to Synchronoss Technologies, Inc. 2017 New Hire Equity Incentive Plan.	10-K	001-40574	4.6	March 15, 2022	
10.10†	Employee Stock Purchase Plan.	10-K	000-52049	10.5	February 28, 2012	
10.11	Lease Agreement between the Registrant and Wells Reit-Bridgewater NJ, LLC for the premises located at 200 Crossing Boulevard, Bridgewater, New Jersey, dated as of October 27, 2011.	10-K	000-52049	10.10	February 28, 2012	
10.12†	Employment Agreement dated as of April 27, 2017 between the Registrant and Stephen G. Waldis.	10-Q	000-52049	10.4	August 9, 2018	
10.13†	Tier One Executive Employment Plan effective March 24, 2017.	10-Q	000-52049	10.5	August 9, 2018	
10.14	Application Service Provider Agreement retroactively effective as of April 1, 2013 by and between the Registrant and Verizon Sourcing LLC.	10-Q	000-52049	10.12	August 9, 2018	
10.15	Change Request No 8 effective January 1, 2018 to SOW No. 1 Application Service Provider Agreement effective as of April 1, 2013 by and between the Registrant and Verizon Sourcing LLC.	10-Q	000-52049	10.13	August 9, 2018	
10.16	At Market Issuance Sales Agreement between Synchronoss Technologies, Inc. and B. Riley Securities, Inc., dated October 25, 2021.	8-K	001-40574	1.1	October 26, 2021	
10.17‡	Change Request No 12 effective August 7, 2020 to SOW No.1 Application Service Provider Agreement effective as of April 1, 2013 by and between the Registrant and Verizon Sourcing LLC.	10-Q	000-52049	10.2	November 9, 2020	
10.18†	Employment agreement dated as of March 8, 2021 between the Registrant and Jeff Miller.	10-Q	000-52049	10.1	May 5, 2021	
10.19†	Tier One Executive Employment Plan Dated April 30, 2021 between the Registrant and Louis Ferraro.	10-K	001-40574	10.19	March 15, 2023	
10.20†	Tier One Executive Employment Plan dated July 27, 2021 between the Registrant and Christina Gabrys.	10-Q	001-40574	10.2	November 9, 2021	
10.21	Receivables Purchase Agreements, dated as of June 22, 2022, among Synchronoss Technologies, Inc., SN Technologies, LLC, Norddeutsche Landesbank Girozentrale, [the purchasers party thereto, the group agents party thereto and the originators party thereto].	8-K	001-40574	10.1	June 23, 2022	
10.22	Purchase and Sale Agreements, dated as of June 22, 2022, between Synchronoss Technologies, Inc. and SN Technologies, LLC.	8-K	001-40574	10.2	June 23, 2022	
10.23	Administration Agreement, dated as of June 22, 2022, between Synchronoss Technologies, Inc. and Finacity Corporation.	8-K	001-40574	10.3	June 23, 2022	
10.24	Performance Guaranty, dated as of June 22, 2022, made by Synchronoss Technologies, Inc. in favor of Norddeutsche Landesbank Girozentrale.	8-K	001-40574	10.4	June 23, 2022	
10.25†	Appointment Letter, dated August 9, 2022 between the Registrant and Lou Ferraro.	8-K	001-40574	10.1	August 9, 2022	
10.26	Purchase and Sale Agreements, dated as of June 22, 2022, between Synchronoss Technologies, Inc. and SN Technologies, LLC.	8-K	001-40574	10.2	June 23, 2022	
10.27	Administration Agreement, dated as of June 22, 2022, between Synchronoss Technologies, Inc. and Finacity Corporation.	8-K	001-40574	10.3	June 23, 2022	
10.28	Performance Guaranty, dated as of June 22, 2022, made by Synchronoss Technologies, Inc. in favor of Norddeutsche Landesbank Girozentrale.	8-K	001-40574	10.4	June 23, 2022	
10.29†	Appointment Letter, dated August 9, 2022 between the Registrant and Lou Ferraro.	8-K	001-40574	10.1	August 9, 2022	

Exhibit No.	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.30	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, dated June 7, 2022, between the United States Securities and Exchange Commission and Synchronoss Technologies, Inc.	10-Q	001-40574	10.1	August 9, 2022	
10.31*	Change Request No. 17 effective November 1, 2022 to SOW No. 1 Application Service Provider Agreement effective as of April 1, 2013 by and between the Registrant and Verizon Sourcing LLC.	8-K	001-40574	10.1	November 7, 2022	
10.32†	Appointment Letter, dated November 2, 2022 between the Registrant and Mina Lackner.					X
19.1	Synchronoss Technologies, Inc. Securities Trading Policy.					X
21.1	List of subsidiaries.	10-K	000-52049	21.1	July 2, 2018	
23.1	Consent of Ernst & Young, LLP, Independent Registered Public Accounting Firm.					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
97.1	Compensation Recoupment Policy.	10-K	001-40574	97.1	March 25, 2024	
101.INS	XBRL Instance Document					X
101.SCH	XBRL Schema Document					X
101.CAL	XBRL Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase					X
101.LAB	XBRL Labels Linkbase Document					X
101.PRE	XBRL Presentation Linkbase Document					X

† Compensation Arrangement.

‡ Confidential treatment has been granted with respect to certain provisions of this exhibit.

** This certification is being furnished solely to accompany this Annual Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

(b) Exhibits.

See (a)(3) above.

(c) Financial Statement Schedule.

See (a)(2) above.

ITEM 16. FORM 10-K SUMMARY

None.

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.
(Registrant)

/s/ Jeff Miller

Jeff Miller
Chief Executive Officer
(Principal Executive Officer)

/s/ Louis Ferraro

Louis Ferraro
Chief Financial Officer

March 11, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Jeff Miller Jeff Miller	Chief Executive Officer (Principal Executive Officer)	March 11, 2025
/s/ Louis Ferraro Louis Ferraro	Chief Financial Officer (Principal Financial Officer)	March 11, 2025
/s/ Stephen Waldis Stephen Waldis	Director Executive Chairman	March 11, 2025
/s/ Laurie L. Harris Laurie L. Harris	Director	March 11, 2025
/s/ Kristin S. Rinne Kristin S. Rinne	Director	March 11, 2025
/s/ Mohan Gyani Mohan Gyani	Director	March 11, 2025
/s/ Martin Bernstein Martin Bernstein	Director	March 11, 2025
/s/ Kevin Rendino Kevin Rendino	Director	March 11, 2025

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Board of Directors

Stephen G. Waldis⁴
Founder & Chair
Synchronoss Technologies, Inc.

Jeff Miller⁴
President & Chief Executive Officer
Synchronoss Technologies, Inc.

Laurie L. Harris^{1,3}
Retired, Partner PwC

Martin Bernstein^{1,2,4}
Managing Partner,
Amber Hill Capital

Kevin M. Rendino^{1,4}
Chairman, Chief Executive Officer,
& Portfolio Manager
180 Degree Capital

Mohan Gyani^{2,4}
Retired, President & CEO
AT&T Wireless Mobility Services

Kristin S. Rinne^{1,2,3}
Retired, SVP Network
& Product Planning,
AT&T

Management

Jeff Miller
President & Chief Executive Officer

Lou Ferraro
Chief Financial Officer

Christina Gabrys
Chief Legal Officer

Patrick Doran
Chief Technology Officer

Mina Lackner
Chief Human Resources Officer

¹ Audit Committee

² Compensation Committee

³ Nominating / Corporate Guidance Committee

⁴ Business Development Committee

**For address changes, consolidation,
lost or replacement certificates, contact:**

Transfer Agent and Registrar
Equiniti

6201 15th Avenue
Brooklyn, NY, 11219
800.937.5449

Outside of the US +01.718.921.8200 x 4801

Virtual Annual Meeting

June 10, 2025 at 11am and the link is
www.virtualshareholdermeeting.com/SNCR2025

Auditors

Ernst & Young LLP
Iselin, NJ 08830

Investor Relations

Ryan Gardella
ICR Technology
investor@synchronoss.com

Common Stock

Synchronoss Technologies, Inc. is listed on
NASDAQ under the ticker symbol "SNCR"

FORM 10-K

Additional copies of the Company's Annual Report on Form 10-K (without exhibits) are available from the Company at no charge. Requests should be directed to Synchronoss Technologies, Inc., 200 Crossing Blvd. 8th Floor, Bridgewater, NJ 08807, Attention: Secretary. This Annual Report to Stockholders contains forward-looking statements. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects," "could," "should," "would," "forecasts," "projects," and similar words or expressions are intended to identify forward-looking statements. There are a number of important factors that could cause the Company's actual results to differ materially from those indicated by such forward-looking statements. These factors include, without limitation, those set forth herein under the caption "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

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Headquarters

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Key International Locations

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Dublin 2, Ireland

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Bangalore, India 560076

