UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported): **May 11, 2022 (May 10, 2022)**

Synchronoss Technologies, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**001-40574**	**06-1594540**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

200 Crossing Boulevard, 3rd Floor	
Bridgewater, New Jersey	**08807**
(Address of Principal Executive Offices)	(Zip Code)

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

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

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company ☐

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

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

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

Item 1.01. Entry into a Material Definitive Agreement

As previously disclosed, on March 7, 2022, Synchronoss Technologies, Inc. ("Synchronoss" or the "Company") and iQmetrix Global Ltd. ("iQmetrix"), entered into an Asset Purchase Agreement (the "Purchase Agreement") pursuant to which Synchronoss agreed to sell its Digital Experience Platform and activation solutions (the "DXP Business") to iQmetrix and iQmetrix has agreed to assume liabilities of the DXP Business (the "Transaction"). On May 11, 2022, Synchronoss and iQmetrix closed the Transaction

Contemporaneously with the close of the Transaction, the Company and iQmetrix entered into an amendment to the Purchase Agreement (the "Amendment") to, among other things, (i) reduce the purchase price payable on the closing date of the transaction (the "Closing Date") from $10,500,000 to $7,500,000 and (ii) increase the amount to be payable as an earn-out from $2,000,000 to $5,000,000, consisting of up to $4,000,000 payable after one (1) year from the Closing Date and up to $1,000,000 payable after two (2) years from the Closing Date, in each case if specified revenue targets are satisfied. The amount of $500,000 deposited into escrow at close and the deferred payment of $1,000,000 after 1 year remain the same.

The description of the Amendment in this Current Report on Form 8-K does not purport to be complete and is qualified in its entirety by the terms and conditions of the Amendment, a copy of which is filed as Exhibit 2.1 and is incorporated herein by reference.

Item 2.02. Results of Operations and Financial Condition.

On May 10, 2022, Synchronoss Technologies, Inc. (the "Company") issued a press release (the "Press Release") relating to its results of operations and financial condition for the quarter and year ended March 31, 2022. The full text of this press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Various statements to be made during the conference call concerning Synchronoss and its future expectations, plans and prospects that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. 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 "may," "should," "expects," "plans," "anticipates," "could," "intends," "believes," "potential" or "continue" or other similar expressions are intended to identify forward-looking statements. Synchronoss has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its business, financial condition and results of operations. These forward-looking statements speak only as of the date of the conference call and are subject to a number of risks, uncertainties and assumptions including, without limitation, risks relating to the Company's ability to sustain or increase revenue from its larger customers and generate revenue from new customers, the Company's expectations regarding expenses and revenue, the sufficiency of the Company's cash resources, the impact of legal proceedings involving the Company, including the investigations by the Securities and Exchange Commission and the Department of Justice described in the Company's most recent SEC filings, and other risks and factors that are described in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's Annual Report on Form 10-K for the year ended December 31, 2021 and the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2022, which are on file with the SEC and available on the SEC's website at www.sec.gov. Additional factors may be described in those sections of the Company's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC in the first quarter of 2022. The Company does not undertake any obligation to update any forward-looking statements made during the conference call as a result of new information, future events or otherwise.

The information in Item 2.02 of this Current Report on Form 8-K and Exhibit 99.1 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
2.1	Amendment to Asset Purchase Agreement dated as of May 11, 2022, by and between Synchronoss technologies, Inc. and Synchronoss Software Ireland Ltd and iQmetrix Global Ltd.*
99.1	Press Release of Synchronoss Technologies, Inc. announcing first quarter 2022 results, dated May 10, 2022.

* The schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish supplementally a copy of such schedules and exhibits, or any section thereof, to the SEC upon request.

SIGNATURES

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

Date: May 10, 2022

	Synchronoss Technologies, Inc.
	/s/ Taylor Greenwald
Name:	Taylor Greenwald
Title:	Chief Financial Officer

AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS AGREEMENT EXECUTED by the parties hereto as of the 11th day of May, 2022.

BETWEEN**:**

SYNCHRONOSS TECHNOLOGIES, INC, a Delaware corporation, and **SYNCHRONOSS SOFTWARE IRELAND LIMITED,** an Irish private corporation

(together, "**Seller**")

AND:

IQMETRIX GLOBAL LTD., a Saskatchewan corporation

("**Purchaser**")

WHEREAS Seller and Purchaser entered into an asset purchase agreement dated as of March 7, 2022 (the "**Asset Purchase Agreement**") providing for the sale and purchase of certain Acquired Assets, on the terms and subject to the conditions of such Asset Purchase Agreement;

AND WHEREAS the parties hereto wish to enter into this Amendment Agreement to agree to and effect amendments to certain provisions of the Asset Purchase Agreement;

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

Article 1 – INTERPRETATION

1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Asset Purchase Agreement.

1.2 This Amendment Agreement amends and supplements the Asset Purchase Agreement, and the Asset Purchase Agreement and this Amendment Agreement shall hereafter be read together and shall have effect, so far as practicable, as if all the provisions of the Asset Purchase Agreement and this Amendment Agreement were contained in one instrument.

Article 2 – AMENDMENTS

L **Amendment to Section I.1:**

The Asset Purchase Agreement is hereby amended by deleting Section I.1(b) in its entirety, and substituting in place thereof the following:

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"(b) The consideration to be paid by Purchaser to Seller to acquire the Acquired Assets (the "Consideration") shall consist of (i) (A) $7,500,000 (the "Closing Date Payment") to be delivered on the Closing Date by wire transfer to a bank account identified by the Seller, plus (B) $500,000 (the "Escrow Holdback") to be delivered to the Escrow Agent, by wire transfer to a bank account identified by the Escrow Agent, to be dealt with in accordance with the provisions of the Escrow Agreement, plus (C) $1,000,000 (the "Deferred Payment") twelve months from the Closing Date and (D) up to $5,000,000 for Earn-out payments (the "Earn-out", and, together with the Closing Date Payment and the Escrow Holdback, the "Purchase Price") payable to Seller pursuant to Section 2.04, and (ii) the assumption of the Assumed Liabilities."

2 Amendment to Section II.4:

The Asset Purchase Agreement is hereby amended by deleting Section II.4(a) in its entirety and substituting in place thereof the following:

"(a)The payment by Purchase to Sellers of the $5 million balance of the Purchase Price comprising the Earn-out will be subject to Purchaser achieving the earn-out payment thresholds set forth in Schedule 2.04, and will be payable at the times set out in this Section 2.04."

3 Amendment to Section V.3(a):

The Asset Purchase Agreement is hereby amended by deleting Section V.3(a) in its entirety and substituting in place thereof the following:

"(a)Purchaser (or one or more Affiliates of Purchaser), with Seller's consent, will make at-will employment offers in accordance with the provisions herein, effective within 180 days of Closing Date, to no less than ninety percent (90%) of the SNCR Employees listed in Schedule 3.16(a). Those SNCR Employees who accept such offers of employment and proceed to work for Purchaser or an Affiliate of Purchaser thereafter following the Closing are collectively referred to herein as the "Transferred Employees." In the period between the Closing Date and the date Purchaser offers employment to the Transferred Employees, Purchaser shall be responsible for and shall reimburse Seller for the salaries and benefits costs for such Transferred Employees, with such amounts being due and payable at the times and in the manner provided for in the Transition Services Agreement. Purchaser shall be liable for any claims arising from or relating to such Transferred Employees, including, but not limited to, any claims for workers compensation, for the period between the Closing Date and the date on which Purchaser offers employment to the Transferred Employees. If Purchaser fails to offer employment to at least ninety percent (90%) of SNCR Employees listed on Schedule 3.16(a), Purchaser shall pay to Seller any and all costs incurred by Seller relating to Purchaser's failure to retain such SNCR Employees, including but not limited to severance obligations, legal fees and outplacement service costs. Seller agrees that Seller will, and will cause the DXP Affiliates to, cooperate with reasonable wishes of Purchaser regarding provision of notice of

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termination to any SNCR Employees listed on Schedule 3.16(a) to which Purchaser or an Affiliate of Purchaser does not offer employment to and which Seller determines will be terminated. Seller shall not be responsible for recruiting or hiring to replace any SNCR Employee that voluntarily resigns employment subsequent to the signing of this Agreement and, from and after Closing, subject to the terms of the Transition Services Agreement, shall have no liability to Purchaser for any claim arising out of, relating to or resulting from the resignation of any SNCR Employee. For the avoidance of doubt, Seller makes no representation to Purchaser that Purchaser will be operate the Business substantially as it is operated by Seller with less than 100% of the SNCR Employees. Nothing herein shall confer upon any SNCR Employee any right to be employed by Purchaser or any of its Affiliates, or any right of any Transferred Employee to be employed by Purchaser or any Affiliate of Purchaser for any specified period of time following the Closing Date, or in any way limit the right of Purchaser or any of its Affiliates to terminate the employment of any Transferred Employee at any time following the Closing Date for any reason (or no reason)."

4 Amendment to Article V:

The Asset Purchase Agreement is hereby amended by, immediately following section V. 12, adding the following Section V.13 in its entirety:

"V.13 Closing Payment. Seller will, within 48 hours of Closing, make the payments to the recipients set forth on Schedule V.13 to the Amendment to Asset Purchase Agreement executed by Seller and iQmetrix Global Ltd. as of May [ ]. 2022."

5 Amendment to Section X.0:

The Asset Purchase Agreement is hereby amended by deleting Section X.0 in its entirety and substituting in place thereof the following:

"X.0. Assignment. Except as otherwise provided herein, this Agreement and the rights and obligations hereunder shall not be assignable by Purchaser or Seller without the prior written consent of the other party."

Article 3 – REAFFIRMATION OF OBLIGATIONS

1 Seller and Purchaser:

(a) reaffirm their obligations under the Asset Purchase Agreement; and

(b) confirm that their obligations remain in full force and effect with respect to the Asset Purchase Agreement;

in each case after giving effect to the amendments provided for herein.

Article 4 – NO OTHER AMENDMENT

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l Except to the limited extent set forth herein no amendment, or waiver of any term, condition, covenant, agreement or any other aspect of the Asset Purchase Agreement is intended or implied.

Article 5 MISCELLANEOUS

l This Amendment Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware, without giving effect to conflicts of laws principles. This Amendment Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

IN WITNESS WHEREOF the parties have executed this Amendment Agreement as of the date first above written.

SYNCHRONOSS TECHNOLOGIES INC.

Per: /s/ Taylor Greenwald

Name: Taylor Greenwald

Title: Chief Financial Officer

SYNCHRONOSS SOFTWARE IRELAND LIMITED

Per: /s/ Finbarr Twohig

Name: Finbarr Twohig

Title: Director

IQMETRIX GLOBAL LTD.

Per: /s/ Greg Krywulak

Name: Greg Krywulak

Title: Director

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Exhibit 99.1

Synchronoss Technologies Reports First Quarter 2022 Results

Year-Over-Year Cloud Subscriber Growth of 18% *Drives Total Cloud Revenue Increase of 7%*

$17.0 million Improvement to Net Loss of $5.6 million, Adjusted EBITDA Increases 109% to $11.6 million

Company Maintains 2022 Revenue Outlook, Increases 2022 EBITDA Expectations

BRIDGEWATER, NJ - May 10, 2022 - Synchronoss Technologies Inc. **(“Synchronoss” or the “Company”) (NASDAQ: SNCR)**, a global leader and innovator in cloud, messaging, and digital products and platforms, today reported financial results for its first quarter ended March 31, 2022.

First Quarter and Recent Operational Highlights:

- **Announced 18% year-over-year Cloud subscriber growth for the first quarter of 2022**, an improvement from a 14% increase for the first quarter of 2021. The accelerating growth has been driven by continued adoption of the Company’s Cloud product with existing customers, including Verizon and AT&T.
- **Launched Synchronoss Cloud with Kitamura** as a white-label solution under the name PicStorage, marking the first implementation of Synchronoss Cloud in Japan. Kitamura is the leading Japanese multimedia retailer with over 1,000 retail locations across the country with over 20 million paying visitors each year and approximately 10 million consumers registered for its online services.
- **Introduced Synchronoss Cloud for Home**, enhancing the Company’s overall cloud offering and capitalizing on the momentum of 5G adoption amongst wireless carriers. The solution allows unlimited shared cloud storage for multiple users in a household across devices and operating systems to safeguard a greater range of digital content.
- **Launched RCS-based Business Messaging Service with a major Tier One operator in the United States**, marking the first North American launch of Synchronoss’ advanced messaging platform. The launch signifies Synchronoss’ involvement in the carrier’s effort to provide its wireless subscribers with more meaningful engagement experiences with the brands they interact with every day.
- **Finalized a three-year extension with FastWeb** to continue providing its Core Messaging product, including an upgrade to Synchronoss’s latest core email platform.
- **Awarded multimillion dollar contract from Brightspeed**, a recently formed high-speed internet provider focused on rural markets, for the Company’s iNow and Financial Analytics products. The company will utilize Synchronoss’ networkX Platform across its fiber optics network deployment that supports six million residential and business customers.
- **Reached final stages of closing the transaction with iQmetrix** for the sale of the Company’s Digital Experience Platform (“DXP”) and Activation Solutions (“Activation”) businesses for a total value of up to $14 million. The Company expects to finalize the transaction within the next week.
- **Appointed Stanley Lowe as Chief Information Security Officer**, a 20-year enterprise security and cybersecurity industry veteran, further strengthening the executive leadership team. Lowe will be responsible for protecting the Company’s customer-facing digital assets, including the Cloud, Messaging and Digital products as well as IT infrastructure and endpoint security.

Management Commentary

“In the first quarter we continued to grow and focus on our high-margin, recurring revenue Cloud business,” stated Jeff Miller, President and CEO of Synchronoss. “Our results demonstrate that our cloud-first strategy is working, exemplified by a 7% increase in Cloud revenue and a more than 100% increase in adjusted EBITDA. Operationally, we are also making great strides in upgrading and expanding the reach of our Cloud capabilities. During the period, we launched our Cloud offering with Kitamura, expanding our already-strong foothold overseas where we are continuing to see demand and need for our solutions. We also recently introduced Synchronoss Cloud for Home. This new offering positions us to further benefit from the momentum of 5G adoption among our major wireless carrier customers by expanding our cloud application into the home to safeguard a greater range of digital content through a fixed wireless 5G connection.

"Going forward, simplifying the focus and improving the composition of our business remains a top priority. When completed, the imminent sale of our DXP and Activation assets to iQmetrix will represent a concrete step in this direction and provide us with additional capital to improve our balance sheet. Over the course of this year, we expect to continue driving improvements on the topline through Cloud subscriber growth, while improving the bottom line through diligent cost management."

Key Performance Indicators ("KPIs"):

- Strong Cloud subscriber growth of 18% was the key catalyst to a 6.7% year-over-year increase in first quarter Cloud revenue, more than offsetting a $1.6 million decline in Mobile Content Transfer transaction revenue recorded during the prior year. Transaction revenue from the legacy Mobile Content Transfer product largely ended in the fourth quarter and should not impact sequential results going forward.
- Invoiced Cloud revenue increased 6.4% year-over-year to $36.0 million in the first quarter. This non-GAAP measure is reconciled within the financial statements below. This newly disclosed KPI is intended to provide greater transparency in the underlying Cloud revenue trends as it is not impacted by changes in deferred and unbilled revenue. The Company expects this metric to improve significantly throughout the year as subscriber growth continues to propel the business forward and the year-over-year impact of the Mobile Content Transfer transaction revenue lessens.
- Quarterly recurring revenue was 84.9% of total revenue, an increase from 80.0% of total revenue in the fourth quarter and down from 85.9% in the prior year.
- Revenue breakdown by product is included below:

	Q1 2022 vs Q1 2021			
(in thousands)	**Q1 2022 Revenue**	**Q1 2021 Revenue**	**% Increase/ (Decrease)**	**% of Total Q1 2022 Revenue**
Cloud	$41,501	$38,896	6.7%	63.0%
Digital	12,164	12,977	(6.3)%	18.5%
Messaging	12,201	13,626	(10.5)%	18.5%
	$65,866	$65,499		100.0%

First Quarter 2022 Financial Results:

- **Total revenue** increased 1% to $65.9 million from $65.5 million in the prior year period. The increase in revenue was the result of continued strong subscriber growth in the Company's Cloud business, the Brightspeed license and the launch of the RCS platform at a Tier One operator in the United States. Revenue growth was partially offset by revenue received from the Company's CCMI contract in the previous year and the deemphasizing of the Mobile Content Transfer product.
- **Gross profit** increased 11% to $41.0 million (62.3% of total revenue) from $36.9 million (56.3% of total revenue) in the prior year period. The increase in gross profit and gross margin was primarily attributable to increased revenue from high-margin Cloud subscriber growth, the license sale and cost saving initiatives implemented throughout the prior year.
- **Loss from operations** was $(1.4) million compared to a loss of $(9.0) million in 2021. The improvement in operating loss was a result of improved gross profit, greater efficiency of R&D resources and cost saving initiatives implemented throughout the prior year.
- **Net loss** improved to $(5.6) million, or $(0.07) per share, compared to net loss of $(22.6) million, or $(0.53) per share, in the prior year period. The improvement in net loss was primarily attributable to operational improvements and lower preferred stock dividends resulting from the Company's June 2021 recapitalization.

- **Adjusted EBITDA** (a non-GAAP metric reconciled below) increased 109% to $11.6 million from $5.5 million in the prior year period. The increase in adjusted EBITDA resulted from increased revenue from high-margin Cloud subscriber growth and cost saving initiatives implemented throughout the prior year.
- **Cash and cash equivalents** were $21.7 million at March 31, 2022, compared to $31.5 million at December 31, 2021. As expected, cash flow during the first quarter was impacted by large, primarily vendor-related, annual payments that will not recur in subsequent quarters in 2022.

Financial Commentary

Company CFO Taylor Greenwald added, “Our strategic initiatives to streamline the business and focus on our high-margin Cloud business resulted in another quarter of strong Cloud revenue, gross profit, and EBITDA performance. In recognition of the traction we have seen to date, we are increasing our EBITDA expectations for the year to $45 to $55 million from $40 to $50 million in previous guidance. We recently received $4.3 million of the total $32 million outstanding tax refunds, and have applied those proceeds to redeem preferred shares. We plan to make further redemptions as our cash flow continues to improve."

2022 Financial Outlook

Compared to the first quarter of 2022, management expects second quarter revenue to be up slightly and adjusted EBITDA to be in-line with the first quarter, after factoring in the impact of the pending sale of the DXP and Activation assets in the second quarter. Based on the performance within the core Cloud business as well as the Company’s improved cost structure, Synchronoss will be free cash flow positive, on an adjusted basis, in the second quarter. In addition, the Company is reconfirming that it will be adjusted free cash flow positive for the full year 2022.

Synchronoss is also reiterating its projection for Cloud subscriber growth to continue at a double-digit rate on a year-over-year basis in 2022 with Cloud revenue also growing year over year. Separately, Digital revenue is expected to decline on a full-year basis due to the pending asset sale, and Messaging revenue will also decline as this business is operated for improved profitability rather than revenue growth. Both businesses are expected to remain stable going forward.

For the fiscal year ending December 31, 2022, the Company is maintaining its expectation for GAAP revenue to range between $260.0 million and $275.0 million. The comparable 2021 revenue is $265.0 million after adjusting for the pending sale of the Company’s DXP and Activation assets over the last eight months of 2021. The net contribution to GAAP revenue from non-cash deferred revenue is expected to be approximately $10 million less in 2022 than it was in 2021 with the vast majority of this delta coming from the Cloud business.

The Company is increasing its expectations for adjusted EBITDA performance in 2022 and now expects to achieve between $45.0 million and $55.0 million.

A reconciliation of GAAP to non-GAAP results has been provided in the financial statement tables included in this press release. An explanation of these measures is included below under the heading "Non-GAAP Financial Measures."

Conference Call

Synchronoss will hold a conference call today, May 10, 2022, at 4:30 p.m. Eastern time (1:30 p.m. Pacific time) to discuss these results.

Synchronoss management will host the call, followed by a question-and-answer period.

Toll-Free Dial-In: +1 888-428-7458
International Dial-In: +1 862-298-0702
Conference ID: 13729605

Please call the conference telephone number 10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact Gateway Investor Relations at 949-574-3860.

The conference call will be broadcast live and available for replay as well as on the company's website at www.synchronoss.com.

A telephonic replay of the conference call will be available after 7:30 p.m. Eastern time today through May 17, 2022.

Toll-Free Replay Number: +1 877-660-6853
International Replay Number: +1 201-612-7415
Replay ID: 13729605

Non-GAAP Financial Measures

Synchronoss has provided in this release selected financial information that has not been prepared in accordance with GAAP although this non-GAAP financial information is derived from numbers that have been prepared in accordance with GAAP. This information includes historical non-GAAP revenues, gross profit, adjusted EBITDA, operating income (loss), net income (loss), effective tax rate, and earnings (loss) per share. Synchronoss uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to GAAP measures, in evaluating Synchronoss' ongoing operational performance. Synchronoss believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends, and in comparing its financial results with other companies in Synchronoss' industry, many of which present similar non-GAAP financial measures to investors. As noted, the non-GAAP financial results discussed above add back fair value stock-based compensation expense, acquisition-related costs, which include restructuring and cease-use lease expense, litigation, remediation and refiling costs and amortization of intangibles associated with acquisitions.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures as detailed above. Investors are encouraged to also review the Balance Sheet, Statement of Operations, and Statement of Cash Flow. As previously mentioned, a reconciliation of GAAP to non-GAAP results has been provided in the financial statement tables included in this press release.

Forward-Looking Statements

This press release includes statements concerning Synchronoss and its future expectations, plans and prospects that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. 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 "may," "should," "expects," "plans," "anticipates," "could," "intends," "believes," "potential" or "continue" or other similar expressions are intended to identify forward-looking statements. Synchronoss has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its business, financial condition and results of operations. These forward-looking statements speak only as of the date of this press release and are subject to a number of risks, uncertainties and assumptions including, without limitation, risks relating to the Company's ability to sustain or increase revenue from its larger customers and generate revenue from new customers, the Company's expectations regarding expenses and revenue, the sufficiency of the Company's cash resources, the impact of legal proceedings involving the Company, including the investigations by the Securities and Exchange Commission and the Department of Justice described in the Company's most recent SEC filings, and other risks and factors that are described in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's Annual Report on Form 10-K for the year ended December 31, 2021, which is on file with the SEC and available on the SEC's website at www.sec.gov. The company does not undertake any obligation to update any *forward-looking statements contained in this press release as a result of new information, future events or otherwise.*

About Synchronoss

Synchronoss Technologies (NASDAQ: SNCR) builds software that empowers companies around the world to connect with their subscribers in trusted and meaningful ways. The company's collection of products helps streamline networks, simplify onboarding, and engage subscribers to unleash new revenue streams, reduce costs and increase speed to market. Hundreds of millions of subscribers trust Synchronoss products to stay in sync with the people, services, and content they love. That's why more than 1,500 talented Synchronoss employees worldwide strive each day to reimagine a world in sync. Learn more at www.synchronoss.com.

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-Financial Tables to Follow-

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

	March 31, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	$ 21,727	$ 31,504
Accounts receivable, net	48,172	47,586
Operating lease right-of-use assets	24,606	26,399
Goodwill	223,712	224,577
Other assets	120,867	120,668
Total assets	$ 439,084	$ 450,734
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued expenses	$ 72,122	$ 73,013
Deferred revenues	20,237	22,916
Debt, non-current	133,462	133,104
Operating lease liabilities, non-current	34,498	36,095
Other liabilities	9,776	9,778
Preferred Stock	72,505	72,505
Redeemable noncontrolling interest	12,500	12,500
Stockholders' equity	83,984	90,823
Total liabilities and stockholders' equity	$ 439,084	$ 450,734

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

	Three Months Ended March 31,	
	2022	2021
Net revenues	$ 65,866	$ 65,499
Costs and expenses:		
Cost of revenues[1]	24,839	28,637
Research and development	15,791	17,397
Selling, general and administrative	17,897	17,928
Restructuring charges	685	713
Depreciation and amortization	8,034	9,867
Total costs and expenses	67,246	74,542
Loss from operations	(1,380)	(9,043)
Interest income	92	5
Interest expense	(3,325)	(95)
Other income (expense), net	1,704	(3,396)
Loss from operations, before taxes	(2,909)	(12,529)
(Provision) benefit for income taxes	(128)	163
Net loss from operations	(3,037)	(12,366)
Net (loss) income attributable to redeemable noncontrolling interests	(115)	336
Preferred stock dividend	(2,438)	(10,530)
Net loss attributable to Synchronoss	$ (5,590)	$ (22,560)
Earnings (loss) per share:		
Basic	$ (0.07)	$ (0.53)
Diluted	$ (0.07)	$ (0.53)
Weighted-average common shares outstanding:		
Basic	85,866	42,737
Diluted	85,866	42,737

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

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

	Three Months Ended March 31,	
	2022	**2021**
Net loss from operations	$ (3,037)	$ (12,366)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Non-cash items	10,750	12,097
Changes in operating assets and liabilities:	(10,406)	2,530
Net cash (used in) provided by operating activities	(2,693)	2,261
Investing activities:		
Purchases of fixed assets	(154)	(721)
Purchases of intangible assets and capitalized software	(5,245)	(5,042)
Net cash used in investing activities	(5,399)	(5,763)
Net cash (used in) provided by financing activities	(1,781)	—
Effect of exchange rate changes on cash	96	(351)
Net decrease in cash and cash equivalents	(9,777)	(3,853)
Cash and cash equivalents, beginning of period	31,504	33,671
Cash and cash equivalents, end of period	$ 21,727	$ 29,818

SYNCHRONOSS TECHNOLOGIES, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(Unaudited) (In thousands, except per share data)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Non-GAAP financial measures and reconciliation:		
GAAP Revenue	$ 65,866	$ 65,499
Less: Cost of revenues	24,839	28,637
Gross Profit	41,027	36,862
Add / (Less):		
Stock-based compensation expense	221	478
Restructuring, transition and cease-use lease expense	823	—
Adjusted Gross Profit	$ 42,071	$ 37,340
Adjusted Gross Margin	63.9 %	57.0 %

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
GAAP Net loss attributable to Synchronoss	$ (5,590)	$ (22,560)
Add / (Less):		
Stock-based compensation expense	1,927	2,721
Restructuring, transition and cease-use lease expense	2,011	2,057
Amortization expense	2,543	3,609
Litigation, remediation and refiling costs, net	977	(65)
Non-GAAP Net income (loss) attributable to Synchronoss	$ 1,868	$ (14,238)
Diluted Non-GAAP Net income (loss) per share	$ 0.02	$ (0.33)
Weighted shares outstanding - Dilutive	85,866	42,737

SYNCHRONOSS TECHNOLOGIES, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(Unaudited) (In thousands)

	Three Months Ended				
	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021
Net loss attributable to Synchronoss	$ (5,590)	$ (2,114)	$ (9,831)	$ (23,946)	$ (22,560)
Add / (Less):					
Stock-based compensation expense	1,927	1,950	2,289	2,345	2,721
Restructuring, transition and cease-use lease expense	2,011	2,286	2,981	2,918	2,057
Litigation, remediation and refiling costs, net	977	(30)	9,316	3,607	(65)
Depreciation and amortization	8,034	9,498	8,215	8,485	9,867
Interest income	(92)	15	(24)	(25)	(5)
Interest expense	3,325	3,248	2,933	144	95
Other expense (income), net	(1,704)	1,388	1,669	(1,576)	3,396
(Benefit) provision for income taxes	128	169	(6,982)	(201)	(163)
Net loss (income) attributable to noncontrolling interests	115	130	—	50	(336)
Preferred dividend[1]	2,438	1,781	1,722	21,476	10,530
Adjusted EBITDA (non-GAAP)	$ 11,569	$ 18,321	$ 12,288	$ 13,277	$ 5,537

[1] Includes $10.4 million preferred stock amortization costs accelerated due to Series A Preferred stock redemption in the second quarter of 2021.

	Three Months Ended March 31,	
	2022	2021
Net Cash (used in) provided by operating activities	$ (2,693)	$ 2,261
Add / (Less):		
Capitalized software	(5,245)	(5,042)
Property and equipment	(154)	(721)
Free Cashflow	(8,092)	(3,502)
Add / (Less): Litigation and remediation costs, net	(797)	1,223
Add: Restructuring	2,791	2,271
Adjusted Free Cashflow	$ (6,098)	$ (8)

SYNCHRONOSS TECHNOLOGIES, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(Unaudited) (In thousands)

	Three Months Ended March 31,	
	2022	**2021**
GAAP Cloud Revenue	$ 41,501	$ 38,896
Increase / (Decrease) Change in Deferred Revenue	(3,647)	(5,305)
(Increase) / Decrease: Change in Unbilled Receivables & Contract Assets	(1,825)	275
Invoiced Cloud Revenue	$ 36,029	$ 33,866

Invoiced Cloud Revenue is defined as GAAP revenue for Cloud disaggregated revenue stream, plus the period change in deferred revenue balance related to the Cloud revenue stream, less the period change in Unbilled Receivables and Contract Assets balance related to the Cloud revenue stream.