

SYNCHRONOSS TECHNOLOGIES, INC.

简式合并资产负债表

(未经审计) —— (单位 : 千美元)

	September 30, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 19,193	\$ 103,771
Restricted cash	21	6,089
Marketable securities, current	897	28,230
Accounts receivable, net of allowances for bad debt of \$3,318 and \$4,599 at September 30, 2019 and December 31, 2018, respectively	73,574	102,798
Prepaid expenses	17,096	45,058
Other current assets	4,934	8,508
Total current assets	<u>115,715</u>	<u>294,454</u>
Restricted cash		
Marketable securities, non-current	—	6,658
Property and equipment, net	35,631	67,937
Operating lease right-of-use assets	55,308	—
Goodwill	220,367	224,899
Intangible assets, net	81,172	98,706
Other assets	7,769	8,982
Equity method investment	—	1,619
Total assets	<u>\$ 515,962</u>	<u>\$ 703,255</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 15,496	\$ 13,576
Accrued expenses	54,219	59,545
Deferred revenues, current	53,789	57,101
Short-term convertible debt, net of debt issuance costs	—	113,542
Mandatorily redeemable financial instrument	—	—
Total current liabilities	<u>123,504</u>	<u>243,764</u>
Lease financing obligation	—	9,494
Operating lease liabilities, non-current	62,863	—
Long-term convertible debt, net of debt issuance costs	—	—

Deferred tax liabilities	1,270	1,347
Deferred revenues, non-current	34,018	59,841
Other non-current liabilities	4,624	10,797
Redeemable noncontrolling interest	12,500	12,500
Commitments and contingencies		
Series A Convertible Participating Perpetual Preferred Stock, \$0.0001 par value; 10,000 shares authorized; 210 shares issued and outstanding at September 30, 2019	192,596	176,603
Stockholders' equity:		
Common stock, \$0.0001 par value; 100,000 shares authorized, 51,608 and 49,836 shares issued; 44,446 and 42,674 outstanding at September 30, 2019 and December 31, 2018, respectively	5	5
Treasury stock, at cost (7,162 and 7,162 shares at September 30, 2019 and December 31, 2018, respectively)	(82,087)	(82,087)
Additional paid-in capital	528,734	534,673
Accumulated other comprehensive loss	(33,880)	(30,383)
Accumulated deficit	(328,185)	(233,299)
Total stockholders' equity	84,587	188,909
Total liabilities and stockholders' equity	\$ 515,962	\$ 703,255

SYNCHRONOSS TECHNOLOGIES, INC.

简式合并经营报表

(未经审计)

(除每股数据外，单位为千美元)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net revenues	\$ 52,210	\$ 83,286	\$ 218,161	\$ 243,737
Costs and expenses:				
Cost of revenues	35,602	43,714	107,958	127,788
Research and development	18,575	18,684	57,282	59,789
Selling, general and administrative	30,536	27,320	82,862	99,368
Restructuring charges	(39)	4,539	738	8,425
Depreciation and amortization	18,508	23,658	58,920	70,330
Total costs and expenses	103,182	117,915	307,760	365,700
Loss from continuing operations	(50,972)	(34,629)	(89,599)	(121,963)

Interest income	228	203	716	7,518
Interest expense	(203)	(1,370)	(1,251)	(3,935)
Gain on extinguishment of debt	5	—	822	—
Other (expense) income, net	(422)	(13,439)	17	(9,180)
Equity method investment (loss) income	—	283	(1,619)	71
Loss from continuing operations, before taxes	(51,364)	(48,952)	(90,914)	(127,489)
(Provision) benefit for income taxes	(9,849)	2,308	(6,614)	1,604
Net loss	(61,213)	(46,644)	(97,528)	(125,885)
Net loss attributable to redeemable noncontrolling interests	(25)	(422)	(931)	2,122
Preferred stock dividend	(8,194)	(7,463)	(23,590)	(18,076)
Net loss attributable to Synchronoss	<u>\$ (69,432)</u>	<u>\$ (54,529)</u>	<u>\$ (122,049)</u>	<u>\$ (141,839)</u>
Earnings per share:				
Basic	<u>\$ (1.70)</u>	<u>\$ (1.38)</u>	<u>\$ (3.01)</u>	<u>\$ (3.51)</u>
Diluted	<u>\$ (1.70)</u>	<u>\$ (1.38)</u>	<u>\$ (3.01)</u>	<u>\$ (3.51)</u>
Weighted-average common shares outstanding:				
Basic	<u>40,910</u>	<u>39,612</u>	<u>40,564</u>	<u>40,405</u>
Diluted	<u>40,910</u>	<u>39,612</u>	<u>40,564</u>	<u>40,405</u>

SYNCHRONOSS TECHNOLOGIES, INC.

简式合并现金流报表

(单位：千美元) (未经审计)

	Nine Months Ended September 30,	
	2019	2018
Operating activities:		
Net loss	\$ (97,528)	\$ (125,885)
Adjustments to reconcile Net Loss to net cash used in operating activities:		
Depreciation and amortization	58,921	70,330
Change in fair value of financial instruments	—	(3,849)
Amortization of debt issuance costs	272	1,060
(Gain) loss on extinguishment of debt	(822)	—
Accrued PIK interest*	—	(7,037)

Allowance for loan losses*	—	18,225
(Earnings) loss from equity method investments*	1,619	(71)
Loss (Gain) on disposals	15	277
Amortization of bond premium	(34)	75
Deferred income taxes	(25)	(1,648)
Stock-based compensation	17,033	22,040
Cumulative adjustment to STI receivable	26,044	—
ROU Asset Impairment	6,268	—
Changes in operating assets and liabilities:		
Accounts receivable, net of allowance for doubtful accounts	3,180	28,789
Prepaid expenses and other current assets	34,052	(12,844)
Other assets	1,966	947
Accounts payable	2,615	8,195
Accrued expenses	(9,418)	(24,539)
Other liabilities	(3,736)	(3,886)
Deferred revenues	(28,583)	(30,841)
Net cash provided by (used for) operating activities	11,839	(60,662)
Investing activities:		
Purchases of property and equipment	(7,077)	(8,565)
Purchases of capitalized software	(9,289)	(11,012)
Purchases of marketable securities available for sale	(47,703)	(15,784)
Maturity of marketable securities available for sale	81,794	3,050
Business acquired, net of cash	—	(9,734)
Net cash used for investing activities	17,725	(42,045)
Financing activities:		
Extinguishment of outstanding Convertible Senior Notes	(112,993)	—
Proceeds from issuance of preferred stock	—	86,220
Preferred dividend payment	(7,075)	—
Payments for finance leases	(925)	(1,018)
Net cash (used for) provided by financing activities	(120,993)	85,202
Effect of exchange rate changes on cash	783	(1,805)
Net decrease in cash, restricted cash and cash equivalents	(90,646)	(19,310)
Cash, restricted cash and cash equivalents, beginning of period	109,860	246,125
Cash, restricted cash and cash equivalents, end of period	<u>\$ 19,214</u>	<u>\$ 226,815</u>

SYNCHRONOSS TECHNOLOGIES, INC.

GAAP与非GAAP财务指标的调节
(除每股数据外, 单位均为千美元)
(未经审计)

	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
	2019	2018	2019	2018
<u>Non-GAAP financial measures and reconciliation:</u>				
GAAP Revenue	\$ 52,210	\$ 83,286	\$ 218,161	\$ 243,737
Less: Cost of revenues	35,602	43,714	107,958	127,788
Gross Profit	16,608	39,572	110,203	115,949
Add / (Less):				
Stock-based compensation expense	803	1,035	2,147	3,447
Restructuring and cease-use lease expense	141	—	405	—
Cumulative adjustment to STI receivable	26,044	—	26,044	—
Adjusted Gross Profit	\$ 43,596	\$ 40,607	\$ 138,799	\$ 119,396
Adjusted Gross Margin	83.5%	48.8%	63.6%	49.0%
GAAP loss from continuing operations	(50,972)	(34,629)	(89,599)	(121,963)
Add / (Less):				
Stock-based compensation expense	6,000	7,216	17,028	22,038
Acquisition costs	—	38	(230)	149
Restructuring and cease-use lease expense	6,215	4,539	7,429	8,425
Amortization expense	5,808	8,472	19,072	25,122
Cumulative adjustment to STI receivable	26,044	—	26,044	—
One-Time Expenses due to Restatement, etc.	4	3,638	1,506	19,608
Non-GAAP loss from continuing operations	\$ (6,901)	\$ (10,726)	\$ (18,750)	\$ (46,621)
GAAP Net loss attributable to Synchronoss	\$ (69,432)	\$ (54,529)	\$ (122,049)	\$ (141,839)
Add / (Less):				
Stock-based compensation expense	6,000	7,216	17,028	22,038
Acquisition costs	—	38	(230)	149
Restructuring and cease-use lease expense	6,215	4,539	7,429	8,425
Amortization expense	5,808	8,472	19,072	25,122
Non-GAAP Expenses attributable to Non-Controlling Interest	—	(523)	(76)	(1,269)

One-Time Expenses due to Restatement, etc.	4	3,638	1,506	19,608
Cumulative adjustment to STI receivable	26,044	—	26,044	—
Income Tax Effect at Statutory Tax Rates	—	(2,308)	—	(7,239)
Non-GAAP Net loss from continuing operations attributable to Synchronoss	<u>\$ (25,361)</u>	<u>\$ (33,457)</u>	<u>\$ (51,276)</u>	<u>\$ (75,005)</u>
Diluted Non-GAAP Net loss from continuing operations per share	<u>\$ (0.62)</u>	<u>\$ (0.84)</u>	<u>\$ (1.26)</u>	<u>\$ (1.86)</u>
Weighted shares outstanding - Basic	<u>40,910</u>	<u>39,612</u>	<u>40,564</u>	<u>40,405</u>

SYNCHRONOSS TECHNOLOGIES, INC.

GAAP与非GAAP财务指标的调节

(除每股数据外，单位均为千美元)

(未经审计)

	Three Months Ended				Nine Months Ended		
	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Sep 30, 2019	Sep 30, 2018
Net (loss) income attributable to Synchronoss	\$ (54,529)	\$ (101,909)	\$ (27,587)	\$ (25,030)	\$ (69,432)	\$ (122,049)	\$ (141,839)
Add / (Less):							
Restructuring and cease-use lease expense	4,539	3,950	740	474	6,215	7,429	8,425
Net change in contingent consideration obligation	—	—	—	—	—	—	—
Depreciation and amortization	23,658	47,324	20,143	20,269	18,508	58,920	70,330
Interest income	(203)	(252)	(189)	(299)	(228)	(716)	(7,518)
Interest Expense	1,370	976	585	463	203	1,251	3,935
Gain on Extinguishment of debt	—	(1,760)	(387)	(430)	(5)	(822)	—
Other Income (expense), net	13,439	65,737	(463)	24	422	(17)	9,180
Equity method investment income (loss), net	(283)	28,671	1,243	376	—	1,619	(71)
Benefit for income taxes	(2,308)	(16,290)	(1,391)	(1,844)	9,849	6,614	(1,604)
Net (loss) income attributable to noncontrolling interests	422	(6,715)	313	593	25	931	(2,122)
Preferred dividend	7,463	7,517	7,537	7,859	8,194	23,590	18,076
Stock-based compensation expense	7,216	5,566	5,554	5,474	6,000	17,028	22,038
Acquisition costs	38	109	(188)	(42)	—	(230)	149
Integration	—	—	—	—	—	—	—

Cumulative adjustment to STI receivable	—	—	—	—	26,044	26,044	—
One-Time Expenses due to Restatement, etc.	3,638	800	720	782	4	1,506	19,608
Net income from discontinued operations, net of taxes	—	(18,288)	—	—	—	—	—
Reclassification of expenses	4,900	—	—	—	—	—	—
Adjusted EBITDA (non-GAAP)	\$ 9,360	\$ 15,436	\$ 6,630	\$ 8,669	\$ 5,799	\$ 21,098	\$ (1,413)

	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
	2019	2018	2019	2018
Net Cash (used in) provided by operating activities	\$ (6,725)	\$ 10,719	\$ 11,839	\$ (60,662)
Add / (Less):				
Capitalized software	(3,330)	(2,811)	(9,289)	(11,012)
Property and equipment	(2,137)	(4,745)	(7,077)	(8,565)
Free Cashflow	\$ (12,192)	\$ 3,163	\$ (4,527)	\$ (80,239)
Add: One-Time Expenses due to Restatement, etc.	4	3,638	1,506	19,608
Adjusted Free Cashflow	\$ (12,188)	\$ 6,801	\$ (3,021)	\$ (60,631)