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Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) 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. Yes No

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

Class	Outstanding at June 30, 2018
Common stock, \$0.0001 par value	42,168,400

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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

SYNCHRONOSS TECHNOLOGIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) (In thousands)

	September 30, 2017	December 31, 2016 (Restated)
ASSETS		
Current assets:		
Cash and cash equivalents	\$210,070	\$169,801
Restricted cash**	6,164	41,632
Marketable securities	4,167	12,506
Accounts receivable, net of allowances of \$5,114 and \$1,761 at September 30, 2017 and December 31, 2016, respectively	85,508	107,474
Prepaid and other current assets	67,282	38,277
Assets held for sale, current*	63,094	—
Total current assets	436,285	369,690
Marketable securities	487	2,974
Property and equipment, net	125,179	158,205
Goodwill	235,857	224,651
Intangible assets, net	140,464	162,968
Deferred tax assets	32,355	13,286
Other assets	8,469	8,658
Note receivable from related party	85,261	70,269
Equity method investment	44,668	43,650
Assets held for sale, non-current*	892,955	—
Total assets	\$2,001,980	\$1,054,351
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$15,855	\$17,057
Accrued expenses	60,760	76,882
Deferred revenues	97,267	57,430
Contingent consideration obligation	2,831	2,833
Short-term debt	869,011	29,000
Liabilities held for sale, current*	75,162	—
Total current liabilities	1,120,886	183,202
Lease financing obligation	11,558	12,450
Convertible debt, net of debt issuance costs	227,351	226,291
Deferred tax liabilities	16,577	3,508
Deferred revenues	32,025	65,630
Other liabilities	8,906	8,193
Liabilities held for sale, non-current*	111,743	—
Commitments and contingencies (Note 13)		
Redeemable noncontrolling interest	25,280	25,280
Stockholders' equity:	5	5

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Common stock, \$0.0001 par value; 100,000 shares authorized, 52,452 and 50,388 shares issued; 47,393 and 45,292 outstanding at September 30, 2017 and December 31, 2016, respectively

Treasury stock, at cost (5,059 and 5,096 shares at September 30, 2017 and December 31, 2016, respectively)	(105,584)	(106,631)
Additional paid-in capital	592,550	571,153
Accumulated other comprehensive loss	(23,387)	(42,350)
Retained earnings (accumulated deficit)	(15,930)	107,620
Total stockholders' equity	447,654	529,797
Total liabilities and stockholders' equity	\$2,001,980	\$1,054,351

* See Note 4 - Acquisitions and Divestitures for transactions classified as held for sale.

** See Note 6 - Investments in Affiliates and Related Transactions for related party transactions reflected in this account

See accompanying notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
		(Restated)		(Restated)
Net revenues	\$91,015	\$119,936	\$296,102	\$319,283
Costs and expenses:				
Cost of revenues**	45,576	49,138	139,386	143,469
Research and development	20,926	31,030	67,234	84,904
Selling, general and administrative	34,881	28,827	103,049	84,621
Net change in contingent consideration obligation	—	(1,349)	—	1,766
Restructuring charges	2,312	924	11,715	4,973
Depreciation and amortization	23,459	23,592	71,098	70,467
Total costs and expenses	127,154	132,162	392,482	390,200
Loss from continuing operations	(36,139)	(12,226)	(96,380)	(70,917)
Interest income	3,274	271	9,157	1,492
Interest expense	(25,555)	(1,596)	(48,016)	(5,006)
Other expense, net	(256)	(151)	2,374	136
Equity method investment income	645	—	1,626	—
Loss from continuing operations, before taxes	(58,031)	(13,702)	(131,239)	(74,295)
Benefit for income taxes	12,825	3,610	17,973	18,760
Net loss from continuing operations	(45,206)	(10,092)	(113,266)	(55,535)
Net income (loss) from discontinued operations, net of tax*	8,842	9,307	(14,067)	27,106
Net loss	(36,364)	(785)	(127,333)	(28,429)
Net loss attributable to redeemable noncontrolling interests	(1,276)	(3,347)	(6,980)	(9,494)
Net loss attributable to Synchronoss	\$(35,088)	\$2,562	\$(120,353)	\$(18,935)
Basic:				
Continuing operations	\$(0.98)	\$(0.15)	\$(2.38)	\$(1.06)
Discontinued operations*	0.20	0.21	(0.32)	0.62
	\$(0.78)	\$0.06	\$(2.70)	\$(0.44)
Diluted:				
Continuing operations	\$(0.98)	\$(0.15)	\$(2.38)	\$(1.06)
Discontinued operations*	0.20	0.21	(0.32)	0.62
	\$(0.78)	\$0.06	\$(2.70)	\$(0.44)
Weighted-average common shares outstanding:				
Basic	44,893	43,560	44,576	43,469
Diluted	44,893	43,560	44,576	43,469

* See Note 4 - Acquisitions and Divestitures for transactions classified as discontinued operations.

**Cost of revenues excludes depreciation and amortization which is shown separately.

See accompanying notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(Unaudited) (In thousands)

	Three Months Ended September 30, 2017		Nine Months Ended September 30, 2017	
	2016	(Restated)	2016	(Restated)
Net loss	\$(36,364)	\$ (785)	\$(127,333)	\$(28,429)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	4,631	2,614	17,003	5,962
Unrealized (loss) income on available for sale securities	(7)	147	20	145
Net income on intra-entity foreign currency transactions	932	300	1,940	662
Total other comprehensive income, net of tax	5,556	3,061	18,963	6,769
Comprehensive loss	(30,808)	2,276	(108,370)	(21,660)
Comprehensive loss attributable to redeemable noncontrolling interests	(1,276)	(3,347)	(6,980)	(9,494)
Comprehensive (loss) income attributable to Synchronoss	\$(29,532)	\$ 5,623	\$(101,390)	\$(12,166)

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

	Nine Months Ended September 30,	
	2017	2016 (Restated)
Operating activities:		
Net loss continuing operations	\$(113,266)	\$(55,535)
Net (loss) income from discontinued operations*	(14,067)	27,106
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Depreciation and amortization expense	71,098	70,467
Discontinued operations non-cash and working capital adjustments*	68,377	1,253
Stock-based compensation	14,427	24,033
Amortization of debt issuance costs	12,523	1,197
Accrued PIK interest	(8,805)	—
Earnings loss from equity method investments	(1,626)	—
Gain on disposals	(4,947)	(70)
Amortization of bond premium	219	1,214
Deferred income taxes	(8,937)	(12,801)
Non-cash interest on leased facility	920	763
Contingent consideration obligation	(2)	1,766
Changes in operating assets and liabilities:		
Accounts receivable, net of allowance for doubtful accounts	24,029	(62,109)
Prepaid expenses and other current assets	(29,143)	27,277
Other assets	2,770	4,586
Accounts payable	(2,294)	(5,679)
Accrued expenses	(16,775)	(20,218)
Other liabilities	(326)	(26,911)
Deferred revenues	4,732	55,807
Net cash (used in) provided by operating activities	(1,093)	32,146
Investing activities:		
Purchases of fixed assets	(10,315)	(33,377)
Purchases of intangible assets and capitalized software	(7,848)	(5,749)
Proceeds from the sale of Speechcycle	13,500	—
Purchases of marketable securities available-for-sale	(219)	(12,841)
Maturities of marketable securities available-for-sale	10,856	76,979
Equity investment	608	—
Investing activities in Discontinued Operations*	(11,429)	—
Investment in note receivable	(6,187)	—
Businesses acquired, net of cash	(815,008)	(86,482)
Net cash used in investing activities	(826,042)	(61,470)

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	Nine Months Ended September 30,	
	2017	2016 (Restated)
Financing activities:		
Proceeds from the exercise of stock options	2,460	9,382
Taxes paid on withholding shares	(410)	—
Debt issuance costs related to the Credit Facility and Revolving Facility	(3,692)	(1,346)
Debt issuance cost related to amendment	(16,776)	—
Debt issuance costs related to the 2017 Credit Agreement	(19,887)	—
Debt amendment costs related to long term debt	—	—
Proceeds from issuance of long term debt	900,000	—
Repayment of long term debt	(4,500)	—
Borrowings on revolving line of credit	—	144,000
Repayment of revolving line of credit	(29,000)	(106,000)
Repurchases of common stock	—	(40,025)
Proceeds from the sale of treasury stock in connection with an employee stock purchase plan	1,047	2,183
Repayments of capital lease obligations	(2,244)	(2,933)
Net cash provided by financing activities	826,998	5,261
Effect of exchange rate changes on cash	4,938	(490)
Net increase (decrease) in cash and cash equivalents	4,801	(24,553)
Cash, restricted cash and cash equivalents at beginning of period	211,433	147,872
Cash, restricted cash and cash equivalents at end of period	\$216,234	\$123,319
Supplemental disclosures of cash flow information:		
Cash paid for income taxes	\$5,327	\$3,935
Cash paid for interest	\$48,589	\$1,636
Supplemental disclosures of non-cash investing and financing activities:		
Issuance of common stock in connection with Openwave acquisition	\$—	\$22,000
Issuance of common stock in connection with Intralinks acquisition	\$4,700	\$—
Cash and cash equivalents per Condensed Consolidated Balance Sheets	\$210,070	\$110,344
Restricted cash	6,164	12,975
Total cash, cash equivalents and restricted cash	\$216,234	\$123,319
* See Note 4 -Acquisitions and Divestitures for transactions classified as discontinued operations.		

See accompanying notes to condensed consolidated financial statements.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED

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

1. Description of Business

General

Synchronoss Technologies, Inc. (referred to herein as “Synchronoss”, the “Company”, “we”, “our” or “us”) is a global software and services company that provides essential technologies for the mobile transformation of business. The Company’s portfolio, which is targeted at the Consumer and Enterprise markets, contains offerings such as personal cloud, secure-mobility, identity management and scalable messaging platforms, products and solutions. These essential technologies create a better way of delivering the transformative mobile experiences that service providers and enterprises need to help them stay ahead of the curve in competition, innovation, productivity, growth and operational efficiency.

Synchronoss’ products and platforms are designed to be carrier-grade, flexible and scalable, enabling multiple converged communication services to be managed across a range of distribution channels including e-commerce, m-commerce, telesales, customer stores, indirect and other retail outlets. This business model allows the Company to meet the rapidly changing converged services and connected devices offered by their customers. Synchronoss’ products, platforms and solutions enable its enterprise and service provider customers to acquire, retain and service subscribers and employees quickly, reliably and cost-effectively with white label and custom-branded solutions. Synchronoss customers can simplify the processes associated with managing the customer experience for procuring, activating, connecting, backing-up, synchronizing and sharing/collaboration with connected devices and contents from these devices and associated services. The extensibility, scalability, reliability and relevance of the Company’s platforms enable new revenue streams and retention opportunities for their customers through new subscriber acquisitions, sale of new devices, accessories and new value-added service offerings in the Cloud. By using the Company’s technologies, Synchronoss customers can optimize their cost of operations while enhancing their customer experience.

The Company currently operates in and markets their solutions and services directly through their sales organizations in North America, Europe, the Middle East and Africa (“EMEA”), and the Asia-Pacific region. Synchronoss delivers essential technologies for mobile transformation to two primary types of customers: service provider and enterprise customers in regulated verticals and use cases.

Service Providers, Retailers, OEMs, Re-sellers and Service Integrators

The Company’s products and platforms provide end-to-end seamless integration between customer-facing channels/applications, communication services, or devices and “back-office” infrastructure-related systems and processes. Synchronoss’ customers rely on these solutions and technology to automate the process of activation and content and settings management for their subscribers’ devices while delivering additional communication services. Synchronoss’ portfolio includes: cloud-based sync, backup, storage and content engagement capabilities, broadband connectivity solutions, analytics, white label messaging, identity/access management that enable communications service providers (“CSPs”), cable operators/multi-services operators (“MSOs”) and original equipment manufacturers (“OEMs”) with embedded connectivity (e.g. smartphones, laptops, tablets and mobile internet devices (“MIDs”) such as automobiles, wearables for personal health and wellness, and connected homes), multi-channel retailers, as well as other customers to accelerate and monetize value-add services for secure and broadband networks and connected devices.

2. Basis of Presentation and Consolidation

The condensed consolidated financial statements as of September 30, 2017 and for the three and nine months ended September 30, 2017 and 2016 are unaudited, but in the opinion of management, include all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the Company's financial position, results of operations and cash flows for the interim periods. They do not include all of the information and footnotes required by U.S. generally accepted accounting principles ("GAAP") for complete financial statements and should be read in conjunction with the Company's audited consolidated financial statements and related notes for 2017 and 2016 included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, as they have been filed prior to this quarterly report on Form 10-Q and certain prior year amounts have been restated. Refer to Note 3 - Restatement of Previously Issued Consolidated Financial Statements and Note 14 - Subsequent Events Review for background on the restatement of previously issued financial statements and Nasdaq compliance, respectively. The results of operations for the three and nine months ended September 30, 2017 are not necessarily indicative of the results to be expected for the year ended December 31, 2017.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED

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

The condensed consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries and variable interest entities (“VIE”) in which the Company is the primary beneficiary and entities in which the Company has a controlling interest. Investments in less than majority-owned companies in which the Company does not have a controlling 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.

For further information about the Company’s basis of presentation and consolidation or its significant accounting policies, refer to the consolidated financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017.

Restricted Cash

Restricted cash includes amounts to various deposits, escrows and other cash collateral that are restricted by contractual obligation. Restricted cash includes amounts to various deposits, escrows and other cash collateral that are restricted by contractual obligation. As of December 31, 2016, the Company held \$30 million in escrow related to the Company’s guarantee of STIH’s Third Party Note. As of September 30, 2017, there was a zero balance related to the guarantee. \$23.8 million was released upon assignment of certain customer contracts contributed in the sale of our BPO business. \$6.2 million distribution was made to Goldman to fulfill the Company’s guarantee obligation to Goldman. Remaining amounts were primarily attributed to cash held in transit (see Note 6 - Investments in Affiliates and Related Transactions), and operating cash held by Zentry, which cannot be used to fulfill the obligations of the Company as a whole.

Recently Issued Accounting Standards

Recent accounting pronouncements adopted

Standard	Description	Effect on the financial statements
ASU 2017-04 Simplifying the Test for Goodwill Impairment	In January 2017, the Financial Accounting Standards Board (“FASB”) issued guidance which eliminates Step 2 from the goodwill impairment test. Under the amendments in this Update, an entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. Accounting Standard Update (“ASU”) 2017-04 also eliminates the requirement for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. ASU 2017-04 is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017.	The Company elected to early adopt this ASU for annual and interim goodwill impairment testing dates after January 1, 2017. The adoption of this ASU had no impact on the Company’s consolidated financial

statements.

Date of adoption:
January 1, 2020.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED

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

Standard	Description	Effect on the financial statements
ASU 2017-01 Business Combinations (Topic 805), Clarifying the Definition of a Business	In January 2017, FASB changed its definition of a business in an effort to help entities determine whether a set of transferred assets and activities is a business. The guidance requires an entity to first evaluate whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. If this threshold is met, the set of transferred assets and activities is not a business. If the threshold is not met, the entity evaluates whether the set meets the requirement that a business include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The guidance narrows the definition of outputs by more closely aligning it with how outputs are described in the new revenue guidance. The guidance is effective for public business entities for annual periods beginning after 15 December 2017, and interim periods within those periods. For all other entities, it is effective for annual periods beginning after 15 December 2018, and interim periods within annual periods beginning after 15 December 2019. Early adoption is permitted.	The Company adopted this ASU on January 1, 2017 on a prospective basis. The adoption of this ASU had no impact on the Company's condensed consolidated financial statements.
Date of adoption: January 1, 2017.		
ASU 2016-18 Statement of Cash Flows (Topic 230)	In November 2016, the FASB issued ASU 2016-18, which amends the guidance in ASC 230, including providing additional guidance related to transfers between cash and restricted cash and how entities present, in their statement of cash flows, the cash receipts and cash payments that directly affect the restricted cash accounts. ASU 2016-18 is effective for annual reporting periods beginning after December 15, 2017, and interim periods within those years, with early adoption permitted.	The Company adopted this ASU on January 1, 2017 to each period presented and applied the changes to the condensed consolidated statements of cash flows.
Date of adoption: January 1, 2017.		
ASU 2016-17 Consolidation: Interest Held through Related Parties That Are under Common Control	In October 2016, the FASB issued ASU 2016-17, to amend the consolidation guidance on how a reporting entity that is the single decision maker of a variable interest entity should treat indirect interests in the entity held through related parties that are under common control within the reporting entity when determining whether it is the primary beneficiary of that variable interest entity. The standard is effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption is permitted.	The Company adopted this ASU on January 1, 2017 on a prospective basis. The adoption of this ASU had no significant impact on the Company's condensed consolidated financial statements.
Date of adoption: January 1, 2017.		
ASU 2016-16 Intra-Entity Transfers of Assets	In October 2016, the FASB issued ASU 2016-16, which requires entities to recognize at the transaction date the income tax effects for intra-entity transfers of assets other than inventory. The standard is	The Company adopted this ASU on January 1, 2017 on a modified

Other Than Inventory	effective for interim and annual reporting periods beginning after December 15, 2017, with early adoption permitted.	retrospective basis through a cumulative-effect adjustment directly to retained earnings of \$3.2 million as of January 1, 2017.
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Date of adoption:
January 1, 2017.

ASU 2016-15
Statement of Cash
Flows

In August 2016, the FASB issued ASU 2016-15 which will make eight targeted changes to how cash receipts and cash payments are presented and classified in the statement of cash flows. ASU 2016-15 is effective for fiscal years beginning after December 15, 2017. ASU 2016-15 will require adoption on a retrospective basis unless it is impracticable to apply, in which case the Company would be required to apply the amendments prospectively as of the earliest date practicable.

The Company adopted this ASU on January 1, 2017 using a retrospective transition method. The adoption of this ASU had no impact on the Company's condensed consolidated financial statements.

Date of adoption:
January 1, 2017.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED

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

Standards issued not yet adopted

Standard	Description	Effect on the financial statements
ASU 2017-09 Stock Compensation (Topic 718), Scope of Modification Accounting	In May 2017, FASB issued guidance which clarifies when changes to the terms or conditions of a share-based payment award must be accounted for as modifications. Entities will apply the modification accounting guidance if the value, vesting conditions or classification of the award changes. The guidance also clarifies that a modification to an award could be significant and therefore require disclosure, even if modification accounting is not required. ASU 2017-09 is effective for fiscal years, and interim periods within those years, beginning after December 31, 2017. Early adoption is permitted as of the beginning of an annual period for which financial statements have not been issued. ASU 2017-09 should be applied prospectively to an award modified on or after the adoption date.	The Company is currently evaluating the impact of the adoption of this ASU on its condensed consolidated financial statements.
Date of adoption: January 1, 2018.		
ASU 2016-13 Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments	In June 2016, the FASB issued ASU 2016-13 which replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for public companies in annual periods beginning after December 15, 2019, and interim periods within those years. Early adoption is permitted beginning after December 15, 2018 and interim periods within those years.	The Company is currently evaluating the impact of the adoption of this ASU on its condensed consolidated financial statements.
Date of adoption: January 1, 2020.		
ASU 2016-02 Leases (Topic 842)	In February 2016, the FASB issued ASU 2016-02 which requires lessees to recognize, for all leases of 12 months or more, a liability to make lease payments and a right-of-use asset representing the right to use the underlying asset for the lease term. Additionally, the guidance requires improved disclosures to help users of financial statements better understand the nature of an entity's leasing activities. This ASU is effective for public reporting companies for interim and annual periods beginning after December 15, 2018, with early adoption permitted, and must be adopted using a modified retrospective approach.	The Company is in the process of evaluating the effect of the new guidance on its condensed consolidated financial statements and disclosures.
Date of adoption: January 1, 2019.		
In May 2014, the FASB issued a new accounting standard related to revenue recognition, ASU 2014-09, "Revenue from Contracts with Customers," ("ASC 606" or "Topic 606"). The new standard supersedes the existing revenue recognition requirements under U.S. GAAP and requires entities to recognize revenue when they transfer control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. It also requires increased disclosures regarding the nature, amount,		

timing, and uncertainty of revenues and cash flows arising from contracts with customers.

On January 1, 2018, we adopted Topic 606 applying the modified retrospective method to all contracts that were not completed as of January 1, 2018. We recorded a net reduction to opening retained earnings of approximately \$10.1 million as of January 1, 2018 due to the cumulative impact of adopting Topic 606.

The impact of adoption primarily relates to (1) the delayed pattern of recognition under Topic 606 for certain professional services revenue when such professional services involve the customization of features and functionality for subscription services customers and (2) the earlier pattern of recognition under Topic 606 for license revenue when the Company provides hosting services for on-premise license customers. In the case of professional services that involve the customization of features and functionality for subscription services, under historic accounting policies the professional services were considered to have standalone value, and as a result were recognized as the services were performed. Under Topic 606, such professional services are not considered to be a distinct performance obligation within the context of the subscription services contract, and as such customization services revenue is recognized over the shorter of the estimated remaining life of the subscription software (typically three years) or the remaining term of the subscription services contract. In the case of license contracts sold in association with hosting, under historic accounting policies the license revenue was recognized over the hosting term due to the lack of vendor specific objective evidence (“VSOE”) of fair value for the hosting services. Under Topic 606, VSOE is no longer required in order to allocate revenue between the license and the hosting services, and the license revenue is generally recognized upon delivery of the software based on the relative allocation of the contract price based on the established standalone selling price (“SSP”)

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED

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

Additional impacts of adoption include (1) in certain cases changes in the amount allocated to the various performance obligation in accordance with the relative standalone selling price method required by Topic 606 compared to the amount allocated to the various elements in accordance with the residual method or the relative selling price method, as applicable, under historic accounting policies, (2) the capitalization and subsequent amortization of certain sales commissions as costs to obtain a contract under ASC 340-40, whereas under historic accounting policies all such amounts were expensed as incurred (3) the timing and amount of revenue recognition for certain sales contracts that are considered to involve variable consideration under Topic 606, but were considered to either not be fixed or determinable or to involve contingent revenue features under historic accounting policies, (4) in certain limited cases, the accounting for discounted customer options to purchase future software or services as material rights under Topic 606, as well as (5) the income tax impact of the above items, as applicable.

In connection with the adoption of Topic 606 and the related cost accounting guidance under ASC 340, we are required to capitalize certain contract acquisition costs consisting primarily of commissions and bonuses paid when contracts are signed. As of January 1, 2018, the date we adopted Topic 606, we capitalized \$0.7 million in contract acquisition costs related to contracts that were not completed.

3. Restatement of Previously Issued Consolidated Financial Statements

The Company has restated its audited consolidated financial statements for the years ended December 31, 2016 and 2015 for the matters described below. The effects of these restatement adjustments on (i) the Company's Consolidated Balance Sheet at December 31, 2016, (ii) the Company's Consolidated Statement of Operations for the years ended December 31, 2016 and 2015, (iii) the Company's Consolidated Statements of Comprehensive Income for the years ended December 31, 2016 and 2015, (iv) the Company's Consolidated Statements of Stockholders' Equity for the years ended December 31, 2016 and 2015 and (v) the Company's Consolidated Statement of Cash Flows for the years ended December 31, 2016 and 2015 are presented in the Company's 2017 Form 10-K.

The effects of the restatement adjustments on the Company's unaudited Condensed Consolidated financial statements as of September 30, 2016 and for the three and nine month periods ended are reflected in the tables below.

The individual restatement matters that underlie the restatement adjustments are described below.

Revenue Recognition Adjustments Related to Hosting Services

The Company typically sells hosting services to its subscription services customers, as well as to certain software license customers. As part of the Company's review of its historical accounting, it has determined that adjustments are required related to certain transactions in each of these two categories of customers that purchase hosting services.

It was observed that in certain instances, the Company has historically entered into hosting arrangements that included various components to the fee structure with certain fees accelerated during the initial years of the arrangement. Historically, the Company recognized the accelerated fees as billed and maintenance and support fees were recognized on a straight-line basis through the term of the arrangement. However, the Company has determined to revise its accounting treatment for certain hosting services to reflect revenue recognition on a straight-line basis for such fees over the appropriate period of time during which (i) the benefits of hosting services were provided to the customer or (ii) the customer benefited from the set-up fees. The revised accounting treatment for the revenue recognition is reflected in the restated consolidated financial statements, whereby there has been a deferral of a portion of the

accelerated fees out of the initial period of the arrangement, and recognition of those deferred amounts in the later periods of the hosting services arrangement.

In the case of certain perpetual software license customers, the Company historically recognized the perpetual software license fee revenue on an upfront basis. The Company has determined to revise its accounting treatment of that software license fee revenue to recognize it ratably over a period of time due to the inclusion of hosting services, as part of the same multiple element arrangement. In certain of these cases, the Company had entered into a separate hosting services contract with the customer that the Company has now determined should have been combined with the software license agreement and treated as part of a larger multiple element arrangement.

In accordance with the software revenue recognition rules, since the Company cannot establish vendor specific objective evidence of fair value of the hosting services, the software license element cannot be separated from the hosting services. The

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED

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

revised accounting treatment for the revenue recognition is reflected in the restated consolidated financial statements, whereby the bundled arrangement fees have been recognized ratably over the economic life of the hosting services.

Revenue Recognition Adjustments Related to Establishing Persuasive Evidence of an Arrangement and Other Revenue Adjustments

The Company historically has had, and continues to have, contractual arrangements with certain customers whereby there is an established master services agreement that includes general terms and conditions. Such master services agreements contemplate the delivery by the customer of purchasing documentation for purposes of completing orders, indicating the nature, price and quantity of products and services ordered. In certain cases, the Company historically formed a view that persuasive evidence of an arrangement existed relating to such orders based upon its receipt from a customer of written confirmation of the order and commitment to pay the agreed price, such as a quote approval sent by the customer in response to a quote issued by the Company, but prior to that customer's subsequent delivery to the Company an executed statement of work or, in some instances, a purchase order, pursuant to a master services agreement.

The Company has determined, in certain situations, to revise the timing of revenue recognition to when it received final formal contract documentation, which occurred in a future period. In those cases where the adjustment to defer revenue has been recorded prior to when cash payment was received from the customer, the balance sheet impact has been to reduce the related accounts receivable balance, whereas the balance sheet impact of these adjustments after the receipt of cash payment from the customer has been to increase accrued liabilities.

The Company also adjusted revenue recognition in connection with certain other transactions, including (i) where the payment obligation on the date of sale was found not to have been fixed and determinable; (ii) where collectability was not reasonably assured; (iii) where the software delivered to the customer was ultimately deemed not to have met acceptance criteria; or (iv) where formal acceptance was not obtained.

In certain situations, these adjustments represent issues related to the timing of revenue recognition, while in other cases, these adjustments represent amounts that had subsequently been written-off to bad debt expense (whereby now both the revenue and the related bad debt expense has been reversed).

Adjustments Related to Accounting for Acquisitions and Divestiture

The Company has identified and corrected errors related to fees received under license agreements entered into with parties of certain historical acquisitions and a divestiture. In each case, the Company had originally treated the license agreement as a separate transaction and recorded the license fees on a gross basis as revenue. The Company has determined to revise its accounting treatment of the license arrangements, to record the license fees as part of the accounting for the acquisition or divestiture, as follows:

In certain cases, the Company entered into a license agreement as part of settling prior intellectual property infringement claims against an acquired entity and/or its selling parent company and affiliates. Historically, the Company had recognized these license fees separately as revenue. However, the Company has determined to net these license fees against the consideration paid as part of the acquisitions, resulting in a reduction of the goodwill and/or intangible assets recorded in purchase accounting.

¶The Company's consolidated joint venture Zentry LLC ("Zentry") and the Company's partner in that joint venture entered into a license agreement in December 2015 at the same time as the formation of the joint venture. Historically, the

Company recorded the license fees as revenue separately from the Zentry formation. The Company has determined to net these license fees against the cash contributions paid as part of the joint venture formation, resulting in a reduction of the goodwill and intangible assets recorded in purchase accounting.

The Company entered into a licensing agreement in December 2016 with Sequential Technology International, LLC (“STIN”) shortly after closing the divestiture of its activation business to Sequential Technology International Holdings, LLC (“STIH”). Historically, the Company recorded the license fees as revenue separately from the accounting for the divestiture. The Company has determined to classify these license fees as additional gain on sale of the activation exception handling business.

The Company made adjustments to reduce the contingent consideration payable to shareholders of Razorsight Corporation (“Razorsight”), which was acquired by the Company in August 2015, and the related losses previously recorded to adjust that liability to fair value, as a result of the determination that many of the sales of Razorsight software that had originally been included in the earn-out calculation have now been adjusted as part of the restatement.

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

The Company made adjustments to record the fair value of the Company's guarantee of certain of STIN's debt as part of the divestiture of its activation exception handling business to STIH in December 2016, to record the sellers note extended in the transaction at fair value, and to adjust certain receivables and other assets sold in the transaction.

The Company made certain adjustments to the opening balances of Openwave Messaging, Inc. ("Openwave") and SNCR, LLC ("SNCR, LLC"); impacting deferred revenue, goodwill and intangibles. Adjustments in deferred revenue and intangibles resulted were reported post-acquisition as revenues and costs were realized.

Other Adjustments and Capitalized Software

The Company also identified and corrected certain errors in the amounts reported as capitalized software development. These adjustments were primarily around (i) the recognition of impairment or immediate expensing of certain previously capitalized software development costs and (ii) revisions of amounts capitalized and the timing of when such capitalized costs are amortized. Adjustments pertaining to capitalized software development were driven primarily due to misalignment on the unit of account being measured in tracking project progress and ultimately general release as well as the appropriateness of the capitalization of certain administrative costs.

The Company also identified and corrected certain other errors, primarily due to timing of recognition of (i) stock-based compensation arrangements, (ii) accruals and reserves, (iii) noncontrolling interests and (iv) impairment charges. Impairment charges were primarily due to long-lived asset impairments realized on SNCR, LLC assets, due to continued delays in product development and sales. Additionally, the Company identified certain prior year balance sheet classification adjustments requiring, the most significant of which, a reclassification between cash and restricted cash due to certain contractual restrictions on cash balances, and reclassifications between treasury stock and additional paid-in-capital due to share issuances from the Company's common stock pool, rather than its treasury stock.

Income Taxes

The Company recorded adjustments to income taxes to reflect the impact of the restatement adjustments, as well as a discrete tax adjustment to record a valuation allowance at a specific foreign jurisdiction in an earlier year than originally recorded. See Note 11 - Income Taxes for discussion of the related impact to the Company's effective tax rate.

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

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The following table presents the Condensed Consolidated Balance Sheet as previously reported, restatement adjustments and the Condensed Consolidated Balance Sheet as restated at December 31, 2016:

(Unaudited)	As Previously Reported **	Adjustments					Income Taxes	As Restated
		Revenue - Hosting	Evidence of Arrangement and Other Revenue	Acquisitions & Divestiture	Capitalized Software and Other			
ASSETS								
Current assets:								
Cash and cash equivalents	\$181,018	\$—	\$—	\$—	\$(11,217)	\$—	\$169,801	
Restricted cash	—	—	—	—	41,632	—	41,632	
Marketable securities	12,506	—	—	—	—	—	12,506	
Accounts receivable, net	137,233	(344)	(36,509)	7,896	(802)	—	107,474	
Prepaid expenses and other assets	33,696	—	—	1,408	(1,166)	4,339	38,277	
Total current assets	364,453	(344)	(36,509)	9,304	28,447	4,339	369,690	
Restricted cash	30,000	—	—	—	(30,000)	—	—	
Marketable securities	2,974	—	—	—	—	—	2,974	
Property and equipment, net	155,599	—	—	(823)	3,429	—	158,205	
Goodwill	269,905	—	—	(41,358)	—	(3,896)	224,651	
Intangible assets, net	203,864	—	—	(19,830)	(21,066)	—	162,968	
Deferred tax assets	1,503	—	—	—	—	11,783	13,286	
Other assets	7,541	—	—	(70)	1,187	—	8,658	
Note receivable from related party	83,000	—	—	(12,731)	—	—	70,269	
Equity method investment	45,890	—	—	(2,240)	—	—	43,650	
Total Assets	\$1,164,729	\$(344)	\$(36,509)	\$(67,748)	\$(18,003)	\$12,226	\$1,054,351	

** Certain amounts reflected in this column have been adjusted for retrospective application of discontinued operations.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED

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

(Unaudited)	As Previously Reported **	Adjustments					Income Taxes	As Restated
		Revenue - Hosting and Other Revenue	Evidence of Arrangement and Other Revenue	Acquisitions & Divestiture	Capitalized Software and Other	Revenue -		
LIABILITIES AND STOCKHOLDERS' EQUITY								
Current liabilities:								
Accounts payable	\$15,770	\$—	\$—	\$—	\$1,287	\$—	\$17,057	
Accrued expenses	69,435	—	5,274	971	246	956	76,882	
Deferred revenues	27,542	33,398	(151)	(3,360)	1	—	57,430	
Contingent consideration obligation	11,860	—	—	(9,027)	—	—	2,833	
Short-term debt	29,000	—	—	—	—	—	29,000	
Total current liabilities	153,607	33,398	5,123	(11,416)	1,534	956	183,202	
Lease financing obligation - long term	12,121	—	—	41	288	—	12,450	
Long-term debt	226,291	—	—	—	—	—	226,291	
Deferred tax liability	49,822	—	—	—	—	(46,314)	3,508	
Deferred revenues	12,134	52,965	531	—	—	—	65,630	
Other liabilities	3,783	—	—	—	1,679	2,731	8,193	
Redeemable noncontrolling interests	49,856	—	—	(28,813)	4,237	—	25,280	
Commitments and contingencies								
Stockholder's equity								
Common stock	5	—	—	—	—	—	5	
Treasury stock	(95,183)	—	—	—	(11,448)	—	(106,631)	
Additional paid-in capital	575,093	—	—	(7,667)	3,727	—	571,153	
Accumulated other comprehensive loss	(43,253)	—	658	—	138	107	(42,350)	
Retained earnings	220,453	(86,707)	(42,821)	(19,893)	(18,158)	54,746	107,620	
Total stockholders' equity	657,115	(86,707)	(42,163)	(27,560)	(25,741)	54,853	529,797	
Total liabilities & stockholders' equity	\$1,164,729	\$(344)	\$(36,509)	\$(67,748)	\$(18,003)	\$12,226	\$1,054,351	

** Certain amounts reflected in this column have been adjusted for retrospective application of discontinued operations.

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SYNCHRONOSS TECHNOLOGIES, INC.

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

The following table presents the Condensed Consolidated Statement of Operations as previously reported, restatement adjustments and the Condensed Consolidated Statement of Operations as restated for the three months ended September 30, 2016.

	Adjustments						
	As	Revenue	Evidence of	Acquisition	Capitalized	Income	As
	Previously	-	Arrangement	&	Software	Taxes	Restated
	Reported**	Hosting	and Other	Divestiture	and Other		
			Revenue				
Net revenues	\$ 132,480	\$(6,440)	\$ (7,648)	\$ 1,544	\$—	\$—	\$ 119,936
Costs and expenses:							
Cost of revenues*	49,073	—	—	65	—	—	49,138
Research and development	28,141	—	—	—	2,889	—	31,030
Selling, general and administrative	30,934	2	(2,246)	156	(19)	—	28,827
Net change in contingent consideration obligation	572	—	—	(1,921)	—	—	(1,349)
Restructuring charges	924	—	—	—	—	—	924
Depreciation and amortization	24,692	—	—	(1,111)	11	—	23,592
Total costs and expenses	134,336	2	(2,246)	(2,811)	2,881	—	132,162
Loss from continuing operations	(1,856)	(6,442)	(5,402)	4,355	(2,881)	—	(12,226)
Interest income	271	—	—	—	—	—	271
Interest expense	(1,596)	—	—	—	—	—	(1,596)
Other expense, net	(167)	—	16	—	—	—	(151)
Loss from continuing operations, before taxes	(3,348)	(6,442)	(5,386)	4,355	(2,881)	—	(13,702)
Benefit for income taxes	(1,621)	—	—	—	—	5,231	3,610
Net loss from continuing operations	(4,969)	(6,442)	(5,386)	4,355	(2,881)	5,231	(10,092)
Net income from discontinued operations, net of tax	9,802	—	(2,427)	(272)	(1)	2,205	9,307
Net loss	4,833	(6,442)	(7,813)	4,083	(2,882)	7,436	(785)
Net loss attributable to redeemable noncontrolling interests	(2,843)	—	—	—	(504)	—	(3,347)
Net loss attributable to Synchronoss	\$ 7,676	\$(6,442)	\$ (7,813)	\$ 4,083	\$(2,378)	\$ 7,436	\$ 2,562
Basic:							
Continuing operations	\$ (0.05)						\$ (0.15)
Discontinued operations	0.23						0.21
	\$ 0.18						\$ 0.06
Diluted:							
Continuing operations	\$ (0.05)						\$ (0.15)
Discontinued operations	0.23						0.21
	\$ 0.18						\$ 0.06
Weighted-average common shares outstanding:							
Basic	43,560						43,560
Diluted	43,560						43,560

*Cost of services excludes depreciation and amortization which is shown separately.

** Certain amounts reflected in this column have been adjusted for retrospective application of discontinued operations.

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED

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

The following table presents the Condensed Consolidated Statement of Operations as previously reported, restatement adjustments and the Condensed Consolidated Statement of Operations as restated for the nine months ended September 30, 2016:

	Adjustments						As
	As	Revenue -	Revenue -	Acquisitions	Capitalized	Income	As
	Previously	Hosting	Evidence of	Arrangement &	Software	Taxes	Restated
	Reported**		and Other	Divestiture	and Other		
			Revenue				
Net revenues	\$ 354,954	\$(17,161)	\$(9,523)	\$(8,987)	\$—	\$—	\$319,283
Costs and expenses:							
Cost of revenues*	143,988	—	—	(107)	(412)	—	143,469
Research and development	78,408	—	—	—	6,496	—	84,904
Selling, general and administrative	87,809	155	(2,718)	536	(1,161)	—	84,621
Net change in contingent consideration obligation	7,299	—	—	(5,533)	—	—	1,766
Restructuring charges	4,973	—	—	—	—	—	4,973
Depreciation and amortization	74,009	—	—	(3,333)	(209)	—	70,467
Total costs and expenses	396,486	155	(2,718)	(8,437)	4,714	—	390,200
Loss from continuing operations	(41,532)	(17,316)	(6,805)	(550)	(4,714)	—	(70,917)
Interest income	1,492	—	—	—	—	—	1,492
Interest expense	(5,006)	—	—	—	—	—	(5,006)
Other expense, net	(186)	—	322	—	—	—	136
Loss from continuing operations, before taxes	(45,232)	(17,316)	(6,483)	(550)	(4,714)	—	(74,295)
Benefit for income taxes	814	—	—	—	—	17,946	18,760
Net loss from continuing operations	(44,418)	(17,316)	(6,483)	(550)	(4,714)	17,946	(55,535)
Net income from discontinued operations, net of tax	30,865	—	(5,726)	(272)	—	2,239	27,106
Net loss	(13,553)	(17,316)	(12,209)	(822)	(4,714)	20,185	(28,429)
Net loss attributable to redeemable noncontrolling interests	(8,836)	—	—	—	(658)	—	(9,494)
Net loss attributable to Synchronoss	\$(4,717)	\$(17,316)	\$(12,209)	\$(822)	\$(4,056)	\$20,185	\$(18,935)
Basic:							
Continuing operations	\$(0.82)						\$(1.06)
Discontinued operations	0.71						0.62
	\$(0.11)						\$(0.44)
Diluted:							
Continuing operations	\$(0.82)						\$(1.06)
Discontinued operations	0.71						0.62
	\$(0.11)						\$(0.44)
Weighted-average common shares outstanding:							

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Basic	43,488	43,469
Diluted	43,488	43,469

*Cost of services excludes depreciation and amortization which is shown separately.

** Certain amounts reflected in this column have been adjusted for retrospective application of discontinued operations.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED

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

The following table presents the Condensed Consolidated Statement of Comprehensive (loss) as previously reported, restatement adjustments and the Condensed Consolidated Statement of Comprehensive Income (Loss) as restated for the three months ended September 30, 2016:

	As Previously Reported**	Adjustments				Income Taxes	As Restated
		Revenue - Hosting	Revenue Evidence of Arrangement and Other Revenue	Acquisition & Divestiture	Capitalized Software and Other		
Net (loss)	\$ 4,833	\$(6,442)	\$(7,813)	\$ 4,083	\$(2,882)	\$7,436	\$(785)
Other comprehensive income (loss), net of tax:							
Foreign currency translation adjustments	2,645	—	(31)	—	—	—	2,614
Unrealized loss on available for sale securities	147	—	—	—	—	—	147
Net income on intra-entity foreign currency transactions	300	—	—	—	—	—	300
Total other comprehensive income, net of tax	3,092	—	(31)	—	—	—	3,061
Comprehensive loss	7,925	(6,442)	(7,844)	4,083	(2,882)	7,436	2,276
Comprehensive loss attributable to redeemable noncontrolling interests	(2,843)	—	—	—	(504)	—	(3,347)
Comprehensive (loss) income attributable to Synchronoss	\$ 10,768	\$(6,442)	\$(7,844)	\$ 4,083	\$(2,378)	\$7,436	\$5,623

** Certain amounts reflected in this column have been adjusted for retrospective application of discontinued operations.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED

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

The following table presents the Condensed Consolidated Statement of Comprehensive (Loss) as previously reported, restatement adjustments and the Condensed Consolidated Statement of Comprehensive Income (loss) as restated for the nine months ended September 30, 2016:

	As Previously Reported**	Adjustments					Income Taxes	As Restated
		Revenue - Hosting	Revenue - Evidence of Arrangement & and Other Revenue	Acquisition & Divestiture	Capitalized Software and Other			
Net (loss) gain	\$ (13,553)	\$ (17,316)	\$ (12,209)	\$ (822)	\$ (4,714)	\$ 20,185	\$ (28,429)	
Other comprehensive income (loss), net of tax:								
Foreign currency translation adjustments	6,089	—	(146)	—	19	—	5,962	
Unrealized gain (loss) on available for sale securities	145	—	—	—	—	—	145	
Net income (loss) on intra-entity foreign currency transactions	662	—	—	—	—	—	662	
Total other comprehensive income (loss), net of tax	6,896	—	(146)	—	19	—	6,769	
Comprehensive income (loss)	(6,657)	(17,316)	(12,355)	(822)	(4,695)	20,185	(21,660)	
Comprehensive income (loss) attributable to redeemable noncontrolling interests	(8,836)	—	—	—	(658)	—	(9,494)	
Comprehensive income (loss) attributable to Synchronoss	\$ 2,179	\$ (17,316)	\$ (12,355)	\$ (822)	\$ (4,037)	\$ 20,185	\$ (12,166)	

** Certain amounts reflected in this column have been adjusted for retrospective application of discontinued operations.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED

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

The following table presents the Condensed Consolidated Statement of Cash Flows as previously reported, restatement adjustments, and the Condensed Consolidated Statement of Cash Flows as adjusted for the nine months ended September 30, 2016:

	As Previously Reported	Adjustments	As Restated
Operating activities:			
Net loss continuing operations	\$(44,418)	\$ (11,117)	\$(55,535)
Net loss from discontinued operations	30,865	(3,759)	27,106
Adjustments to reconcile net loss to net cash provided by operating activities:	115,356	(27,534)	87,822
Changes in operating assets and liabilities:	(45,319)	18,072	(27,247)
Net cash (used in) provided by operating activities	56,484	(24,338)	32,146
Investing activities:			
Net cash used in investing activities	(80,479)	19,009	(61,470)
Financing activities:			
Net cash provided by financing activities	(1,915)	7,176	5,261
Effect of exchange rate changes on cash	1,595	(2,085)	(490)
Net increase (decrease) in cash and cash equivalents	(24,315)	(238)	(24,553)
Cash, restricted cash and cash equivalents at beginning of period	147,634	238	147,872
Cash, restricted cash and cash equivalents at end of period	123,319	—	123,319
Cash and cash equivalents per the Condensed Consolidated Balance Sheet	123,319	(12,975)	110,344
Restricted cash per the Condensed Consolidated Balance Sheet	—	12,975	12,975
Total cash, cash equivalents and restricted cash	\$ 123,319	\$ —	\$ 123,319
Supplemental disclosures of cash flow information:			
Cash paid for income taxes	3,935	—	3,935
Cash paid for interest	\$ 1,636	\$ —	\$ 1,636

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SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — UNAUDITED

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

4. Acquisitions and Divestitures

Acquisitions

2017 Transactions

Intralinks

On January 19, 2017, the Company purchased all outstanding shares of Intralinks Holdings, Inc. (“Intralinks”). In connection with the acquisition, the Company entered into a \$900.0 million senior secured term loan (the “2017 Term Facility”), as of the date of acquisition. Intralinks is a global technology provider of Software as a service (“SaaS”) solutions for secure enterprise content collaboration within and among organizations. Intralinks’ cloud-based solutions enable organizations to securely manage, control, track, search, exchange and collaborate on sensitive information inside and outside the firewall. The total purchase price consideration consisted of the repayment of existing Intralinks indebtedness, and non-cash consideration for services rendered on unvested Intralinks equity awards that were converted into the Company equity awards on the acquisition date. The acquisition was primarily funded from the proceeds of the \$900.0 million credit agreement as of the date of acquisition (See Note 7 - Debt for further discussion regarding the credit agreement).

The following is a summary of the components of the consideration transferred as part of the acquisition:

Cash consideration for outstanding Intralinks' common shares	\$746,071
Cash consideration for accelerated equity awards to Intralinks' employees upon change in control	7,873
Cash consideration for vested unexercised Intralinks' stock options	19,838
Cash consideration for existing Intralinks' debt	