

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Support.com, Inc.

Form: 8-K

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Corporate Issuer CIK: 1104855

**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**

May 13, 2021

Date of report (Date of earliest event reported)

SUPPORT.COM, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other
Jurisdiction
of Incorporation)

000-30901
(Commission File No.)

94-3282005
(I.R.S. Employer Identification
No.)

1521 Concord Pike (US 202), Suite 301
Wilmington, DE 19803
(Address of Principal Executive Offices) (Zip Code)

(650) 556-9440
(Registrant's telephone number, including area code)

N/A
(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.

Item 2.02. Results of Operations and Financial Condition.

On May 13, 2021, Support.com, Inc. (the "Company") issued the press release attached hereto as Exhibit 99.1 announcing its results of operations for the first quarter ended March 31, 2021.

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description of Exhibit
99.1	Press Release of the Company, dated May 13, 2021.

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.

SUPPORT.COM, INC.

Date: May 13, 2021

By: /s/ Lance Rosenzweig
Name: Lance Rosenzweig
Title: President and Chief Executive Officer

Support.com Reports First Quarter 2021 Financial Results; Updates on Merger Transaction Process

Los Angeles, CA - May 13, 2021 – Support.com, Inc. (NASDAQ: SPRT), a leader in customer and technical support solutions delivered by home-based employees, today reported unaudited financial results for its first quarter ended March 31, 2021.

As previously announced on March 22, 2021, Support.com and Greenidge Generation Holdings Inc. (“Greenidge”) entered into an agreement providing for the acquisition of Support.com by Greenidge in a merger transaction. In connection with the proposed merger, a registration statement on Form S-4 has been filed by Greenidge with the U.S. Securities and Exchange Commission at <https://www.sec.gov/Archives/edgar/data/0001844971/000119312521149057/d166032ds4.htm>. Upon the effectiveness of the Form S-4, we intend to solicit the adoption of the merger agreement by a majority of the holders of the outstanding shares of our common stock entitled to vote at a special meeting. The proposed merger is expected to close during the third quarter of 2021.

Financial Summary

For the first quarter of 2021, total revenue was \$9.6 million, a decrease of \$2.3 million or 19 percent compared to revenues of \$11.9 million in the first quarter of 2020 and \$0.9 million or 9 percent compared to revenues of \$10.5 million in the fourth quarter of 2020.

We recorded net loss \$2.0 million, or \$0.10 per share, in the first quarter of 2021, compared to net income of \$0.3 million, or \$0.02 per share, in the first quarter of 2020 and breakeven net income in the fourth quarter of 2020.

Key changes in our net income (loss) included the following:

- Gross profit was \$3.5 million in the first quarter of 2021, compared to \$4.2 million in the first quarter of 2020 and \$3.8 million in the fourth quarter of 2020.
- Gross profit margin of 37% in the first quarter of 2021 increased compared to 35% in the first quarter of 2020 and 36% in the fourth quarter of 2020.
- Operating expenses were \$5.6 million in the first quarter of 2021, compared to \$3.9 million in the first quarter of 2020 and \$3.9 million in the fourth quarter of 2020.
- Included in the first quarter 2021 operating costs are \$1.5 million in merger related expenses and \$0.2 million in transition related costs as we re-focus on building an enterprise-ready leader in homesourcing™.

Balance Sheet Information

At March 31, 2021, cash, cash equivalents and short-term investments were \$39.0 million, compared with \$28.4 million at March 31, 2020 and \$30.0 million at December 31, 2020. As previously announced, and in connection with the proposed merger transaction with Greenidge, 210 Capital, LLC acquired approximately 3.9 million shares of Support.com in a private placement in March 2021.

Total assets as of March 31, 2021 were \$47.7 million and total stockholders' equity was \$40.9 million.

Support.com will not host a conference call discussing the Company's first quarter results. For more information, please visit the Investor Relations section of the Support.com website at [Support.com/about-us/investor-relations/](https://support.com/about-us/investor-relations/).

About Support.com

Support.com, Inc. (NASDAQ: SPRT) is a leading provider of customer and technical support solutions delivered by home-based employees. For more than twenty years, the company has achieved stellar results for global enterprise clients and top-tier businesses. Support.com's proven, omnichannel solutions have been specifically designed and optimized for the homesourcing™ environment, resulting in industry-leading NPS scores and first call resolution rates. The company efficiently meets changing client needs through its highly scalable, global network of home-based employees and secure, proprietary, cloud-based platforms. For more information, please visit www.support.com.

Support.com, Inc. is an Equal Opportunity Employer. For more information, visit <http://www.support.com/about-us/careers>.

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Safe Harbor Statement

This announcement may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, all statements relating to our plans to build an enterprise-ready leader in homesourcing™. Such forward-looking statements are based on current expectations and information that involve a number of uncertainties and risks that may cause actual events or results to differ materially from those indicated by such forward-looking statements, including, among others, our ability to retain and grow major programs, our ability to expand and diversify our customer base, our ability to maintain and grow revenue, any acquisitions we may make, including integrating acquired companies with our existing businesses and our ability to achieve the benefits, growth prospects and synergies expected by such acquisitions, our ability to successfully develop new products and services, our ability to manage our workforce, our ability to operate in markets that are subject to extensive regulations, such as support for home security systems, our ability to control expenses and achieve desired margins, our ability to maintain or improve gross margin, our dependence on a small number of customers and partners, our ability to attract, train and retain talented employees, potential intellectual property, class action or other litigation, fluctuations in government laws and regulations, our ability to utilize and realize the value of our net operating loss carryforwards and how they could be substantially limited or permanently impaired, given our current market capitalization and cash position, our ability to execute the cost reduction program involving the planned actions on the expected schedule, our ability to achieve the cost savings expected in connection with the cost reduction plan, the ultimate effect of any such cost reductions on our financial results, any expenses or reputational damage associated with resolving customer warranty and/or indemnification claims; and our ability to manage the effects of the cost reduction plan on our workforce and other operations. Many of the foregoing risks and uncertainties are, and will be, exacerbated by the COVID-19 pandemic and any worsening of the global business and economic environment as a result. More information on these risks and other potential factors that could affect the Company's business and financial results is included in the Company's filings with the SEC, including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. The Company assumes no obligation to update any forward-looking statements or information, which speak as of their respective dates.

ADDITIONAL INFORMATION AND WHERE TO FIND IT

In connection with the transactions contemplated by that certain Agreement and Plan of Merger dated March 19, 2021 by and between Greenidge Generation Holdings Inc. (“Parent”), GGH Merger Sub, Inc. (“Merger Sub”) and Support.com, Inc. (the “Company”), the Company and Parent will file relevant materials with the U.S. Securities and Exchange Commission (“SEC”), and Parent has filed a registration statement on Form S-4, which will include a proxy statement of the Company. **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ CAREFULLY AND IN THEIR ENTIRETY THE REGISTRATION STATEMENT, PROXY STATEMENT/PROSPECTUS AND ALL OTHER RELEVANT DOCUMENTS FILED OR THAT WILL BE FILED WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** A definitive proxy statement/prospectus will be mailed to stockholders of the Company when it becomes available. Investors and security holders will be able to obtain free copies of the registration statement, proxy statement/prospectus (when available) and the other documents filed with the SEC by the Company or Parent through the SEC’s website at www.sec.gov.

PARTICIPANTS IN SOLICITATION

The Company and its directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from stockholders of the Company in connection with the proposed transaction. A list of the names of such directors and executive officers, information regarding their interests in the proposed merger and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the registration statement, proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

Parent, Merger Sub and their directors, executive officers, other members of management and employees may also be deemed to be participants in the solicitation of proxies from the shareholders of the Company in connection with the proposed transaction. A list of the names of such directors and executive officers, information regarding their interests in the proposed merger and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the registration statement, proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

NO OFFER OR SOLICITATION

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

Investor Contact

Jacob Moelter

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SUPPORT.COM, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

	<u>March 31,</u> <u>2021 (1)</u>	<u>December 31,</u> <u>2020 (2)</u>
Assets		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 39,021	\$ 29,967
Accounts receivable, net	6,312	6,975
Prepaid expenses and other current assets	<u>702</u>	<u>670</u>
Total current assets	46,035	37,612
Property and equipment, net	1,105	1,115
Other assets	<u>511</u>	<u>539</u>
Total assets	<u>\$ 47,651</u>	<u>\$ 39,266</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued compensation	\$ 3,149	\$ 2,101
Other accrued liabilities	1,561	937
Short-term deferred revenue	<u>1,146</u>	<u>881</u>
Total current liabilities	5,856	3,919
Other long-term liabilities	<u>910</u>	<u>911</u>
Total liabilities	<u>6,766</u>	<u>4,830</u>
Stockholders' equity:		
Common stock	3	2
Additional paid-in-capital	259,401	250,954
Treasury stock	(5,297)	(5,297)
Accumulated other comprehensive loss	(2,424)	(2,419)
Accumulated deficit	(210,798)	(208,804)
Total stockholders' equity	<u>40,885</u>	<u>34,436</u>
Total liabilities and stockholders' equity	<u>\$ 47,651</u>	<u>\$ 39,266</u>

Note 1: Amounts are subject to completion of management's customary closing and review procedures.

Note 2: Derived from audited consolidated financial statements for the year ended December 31, 2020.

SUPPORT.COM, INC.
GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended		
	March 31, 2021 (1)	December 31, 2020	March 31, 2020
Revenue:			
Services	\$ 9,138	\$ 10,089	\$ 11,511
Software and other	493	454	438
Total revenue	<u>9,631</u>	<u>10,543</u>	<u>11,949</u>
Cost of revenue:			
Cost of services	6,005	6,695	7,685
Cost of software and other	90	75	29
Total cost of revenue	<u>6,095</u>	<u>6,770</u>	<u>7,714</u>
Gross profit	<u>3,536</u>	<u>3,773</u>	<u>4,235</u>
Operating expenses:			
Engineering and IT	924	794	1,040
Sales and marketing	425	488	813
General and administrative	4,206	2,586	2,053
Total operating expenses	<u>5,555</u>	<u>3,868</u>	<u>3,906</u>
Income (loss) from operations	(2,019)	(95)	329
Interest income and other, net	42	150	84
Income (loss) before income taxes	(1,977)	55	413
Income tax provision	17	37	49
Net income (loss)	<u>\$ (1,994)</u>	<u>\$ 18</u>	<u>\$ 364</u>
Net earnings (loss) per share			
Basic	<u>\$ (0.10)</u>	<u>\$ 0.00</u>	<u>\$ 0.02</u>
Diluted	<u>\$ (0.10)</u>	<u>\$ 0.00</u>	<u>\$ 0.02</u>
Shares used in computing per share amounts			
Basic	<u>20,205</u>	<u>19,391</u>	<u>19,054</u>
Diluted	<u>20,205</u>	<u>19,732</u>	<u>19,233</u>