

PUMATECH INC  
Form S-4/A  
November 26, 2003  
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As filed with the Securities and Exchange Commission on November 26, 2003

Registration No. 333-109881

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## Amendment No. 2

to

## FORM S-4

REGISTRATION STATEMENT

*UNDER*

*THE SECURITIES ACT OF 1933*

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## PUMATECH, INC.

(Exact Name of Registrant as Specified in its Charter)

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Delaware  
(State or other jurisdiction of incorporation or  
organization)

7372  
(Primary Standard Industrial  
Classification Code Number)

77-0349154  
(I.R.S. Employer  
Identification Number)

2550 North First Street, Suite 500

San Jose, California 95131

(408) 321-7650

(Address, Including Zip Code, and Telephone Number, Including Area Code, of

Registrant's Principal Executive Offices)

---

Woodson Hobbs

President and Chief Executive Officer

Pumatech, Inc.

2550 North First Street, Suite 500

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San Jose, California 95131

(408) 321-7650

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

*With Copies to:*

Elias J. Blawie	Richard Mosher	John C. Yates
Thomas H. Tobiason	Keith Kitchen	Lauren Z. Burnham
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2775 Sand Hill Road	2550 North First Street, Suite 500	1600 Atlanta Financial Center
Menlo Park, California 94025	San Jose, California 95131	3343 Peachtree Road, NE
(650) 854-4488	(408) 321-7650	Atlanta, Georgia 30326
		(404) 233-7000

**Approximate date of commencement of proposed sale to the public:** Upon consummation of the merger described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with general Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered (1)	Proposed maximum	Proposed maximum	Amount of registration fee (3)
		offering price per share	Aggregate Offering Price (2)	
Common Stock, par value \$0.001 per share	19,800,000	N/A	\$33,569,782	\$2,716.00

- (1) Based upon the maximum number of shares of the Registrant's common stock, par value \$0.001 per share, that may be issued in connection with the merger.
- (2) Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act and calculated pursuant to Rules 457(f)(2) under the Securities Act, based on the aggregate book value of all outstanding shares of Synchrologic capital stock on September 30, 2003, the latest practicable date prior to the filing of this Registration Statement.
- (3) Previously paid.

**The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**Pumatech, Inc.**

**2550 North First Street, Suite 500**

**San Jose, California 95131**

November 26, 2003

To the stockholders of Pumatech, Inc.:

You are cordially invited to attend the annual meeting of stockholders of Pumatech, Inc. which will be held on Friday, December 26, 2003 at 8:30 a.m. local time, at the executive offices of Pumatech, 2550 North First Street, Suite 500, San Jose, California 95131.

The matters expected to be acted upon at the meeting, including a proposed merger that will cause Synchrologic, Inc. to become a wholly owned subsidiary of Pumatech, are described in the attached notice of annual meeting of stockholders and the accompanying joint proxy statement/prospectus.

We are proposing the merger because we believe that combining the people, products, expertise, distribution capabilities, financial assets and customer bases of the two companies will allow us to offer a more comprehensive suite of synchronization and systems management solutions to the enterprise, consumer and technology-licensing markets.

**After careful consideration, the Pumatech board of directors has unanimously approved the merger with Synchrologic and has determined that the issuance of shares of Pumatech common stock in connection with the merger is in the best interests of Pumatech and its stockholders. The Pumatech board of directors has approved this issuance of shares of Pumatech common stock and recommends that you approve the issuance, as well as the other matters to be voted upon at the meeting.**

**Your vote is very important.** Whether or not you plan to attend the meeting, please take the time to vote by completing and mailing the enclosed proxy card to us in the enclosed postage-paid envelope. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote in favor of the proposals submitted at the meeting. Returning the proxy card does not deprive you of your right to attend the meeting and to vote your shares in person.

We appreciate your cooperation in considering and acting on the matters presented.

Sincerely,

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Woodson Hobbs

*President and Chief Executive Officer*

See the **Risk Factors** section beginning on page 26 of the joint proxy statement/prospectus for a discussion of the issues that should be considered by stockholders with respect to the merger.

**Neither the Securities and Exchange Commission nor any state securities regulator has approved the Pumatech common stock to be issued in the merger or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

This joint proxy statement/prospectus is dated November 26, 2003, and was first mailed to Pumatech stockholders on or about November 26, 2003.

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**Pumatech, Inc.**

**2550 North First Street, Suite 500**

**San Jose, California 95131**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held On December 26, 2003**

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To the stockholders of Pumatech, Inc.:

The annual meeting of stockholders of Pumatech, Inc. will be held on Friday, December 26, 2003 at 8:30 a.m., local time, at the executive offices of Pumatech, 2550 North First Street, Suite 500, San Jose, California 95131 for the following purposes:

1. To consider and vote upon the issuance of shares of Pumatech common stock in the merger of Homerun Acquisition Corporation, a wholly owned subsidiary of Pumatech, with and into Synchrologic, Inc., resulting in Synchrologic becoming a wholly owned subsidiary of Pumatech. The merger agreement relating to the proposed merger is included as *Annex A* to the attached joint proxy statement/prospectus. In the merger, Pumatech will issue a maximum of 19,800,000 shares, and a minimum of 16,200,000 shares, of its common stock for all of the issued and outstanding shares of Synchrologic capital stock and each outstanding option to purchase shares of Synchrologic capital stock assumed by Pumatech and converted into an option to purchase shares of Pumatech common stock.
2. To consider and vote upon an amendment to Pumatech's certificate of incorporation to increase the number of authorized shares of common stock by 80,000,000 from 80,000,000 shares to 160,000,000 shares.
3. To elect four members of the Pumatech board of directors to hold office until the 2004 annual meeting of stockholders and until their respective successors are elected and qualified.
4. To ratify the appointment of PricewaterhouseCoopers LLP as Pumatech's independent accountants for the fiscal year ending July 31, 2004.
5. To transact any other business that may properly come before the Pumatech annual meeting or any adjournment or postponement of the meeting.

Each of the foregoing items of business is more fully described in the attached joint proxy statement/prospectus, which we urge you to read carefully. The merger is discussed in the sections entitled "The Merger" and "The Merger Agreement." Information about the other proposals is

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given in the section entitled Additional Matters Being Submitted to a Vote of Pumatech Stockholders Only.

Holders of record of Pumatech common stock at the close of business on November 21, 2003, our record date, are entitled to notice of, and to vote at, the Pumatech annual meeting and any adjournment or postponement thereof. The merger cannot be completed unless the holders of a majority of the shares of Pumatech present in person or represented by proxy at the meeting that are entitled to vote approve the issuance of Pumatech common stock in connection with the merger. The vote required for each of the other proposals is set forth in the section of the joint proxy statement/prospectus entitled Pumatech Annual Stockholders Meeting.

All stockholders of Pumatech are invited to attend the meeting in person. However, to ensure your representation at the meeting, you are urged to complete, sign and return the enclosed proxy card as promptly as possible in the enclosed postage-paid envelope. You may revoke your proxy at any time before it is voted at the annual meeting in the manner described in the section of the joint proxy statement/prospectus entitled Pumatech Annual Stockholders Meeting How to Vote the Proxy. Any executed but unmarked proxy cards we receive will be voted in favor of the items of business listed above.

By Order of the Board of Directors,

Woodson Hobbs

*President and Chief Executive Officer*

San Jose, California

November 26, 2003

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**Synchrologic, Inc.**

**200 North Point Center East, Suite 600**

**Alpharetta, Georgia 30022**

November 26, 2003

To the shareholders of Synchrologic, Inc.:

We cordially invite you to attend the special meeting of shareholders of Synchrologic, Inc. to be held on Friday, December 26, 2003 at 10:00 a.m. Eastern Standard Time, at the executive offices of Synchrologic, 200 North Point Center East, Suite 600, Alpharetta, Georgia 30022.

Synchrologic's board of directors has unanimously approved a merger which will result in the acquisition of Synchrologic by Pumatech, Inc., a publicly-traded company headquartered in San Jose, California.

In the merger, each share of Synchrologic capital stock will be exchanged for the number of shares of Pumatech common stock equal to the applicable exchange ratio determined in accordance with the merger agreement between Pumatech and Synchrologic, unless you exercise dissenters rights under Georgia law. The merger agreement provides that the number of shares of Pumatech common stock to be issued in the merger will not exceed 19,800,000 or be fewer than 16,200,000 (in each case subject to adjustment based on the transaction expenses incurred by Synchrologic in connection with the merger). The following table sets forth the estimated maximum exchange ratio and the estimated minimum exchange ratio for each class and series of outstanding Synchrologic capital stock based on the capitalization of Synchrologic on the date of the merger agreement and assuming that Synchrologic does not incur any transaction expenses and all outstanding Synchrologic warrants are terminated immediately prior to the completion of the merger:

Class/Series of Synchrologic Capital Stock	Estimated Maximum Exchange Ratio	Estimated Minimum Exchange Ratio
Common Stock (including options to purchase common stock)	0.757228	0.619550
Series A Preferred Stock	1.036565	0.848098
Series B Preferred Stock	1.121530	0.917615
Series C Preferred Stock	0.767886	0.628271
Series D Preferred Stock	2.872740	2.350424

Based on these estimated exchange ratios:

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if you hold 100 shares of Synchrologic common stock you will be entitled to receive a maximum of 75 and a minimum of 61 shares of Pumatech common stock in the merger;

if you hold 100 shares of Synchrologic Series A preferred stock you will be entitled to receive a maximum of 103 and a minimum of 84 shares of Pumatech common stock in the merger;

if you hold 100 shares of Synchrologic Series B preferred stock you will be entitled to receive a maximum of 112 and a minimum of 91 shares of Pumatech common stock in the merger;

if you hold 100 shares of Synchrologic Series C preferred stock you will be entitled to receive a maximum of 76 and a minimum of 62 shares of Pumatech common stock in the merger; and

if you hold 100 shares of Synchrologic Series D preferred stock you will be entitled to receive a maximum of 287 and a minimum of 235 shares of Pumatech common stock in the merger.

**Please note that the actual number of shares of Pumatech common stock to be issued in the merger and the actual exchange ratios for each class and series of outstanding Synchrologic capital stock will not be determined until immediately prior to the closing of the merger, and will vary based on the average closing price of Pumatech common stock for the 30 trading days ending immediately prior to the closing date of the merger, the actual amount of transaction expenses incurred by Synchrologic, and Synchrologic's actual capitalization as of the closing date of the merger, which may result in the actual**



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number of shares you are entitled to receive in the merger being less than the minimum number of shares set forth in the examples above. For a more complete description of the methodology for calculating the exchange ratios, see the section of this joint proxy statement/prospectus entitled **The Merger Merger Consideration** beginning on page 63. In addition, updated estimates of the exchange ratios will be posted daily on Pumatech's website (<http://www.pumatech.com>) and Synchronologic's website (<http://www.synchronologic.com>) through the date of the Synchronologic special meeting and can be obtained by calling Pumatech at (408) 321-7650 or Synchronologic at (770) 754-5600.

Pumatech's common stock is traded on The Nasdaq National Market under the symbol PUMA, and on November 24, 2003, Pumatech common stock closed at \$5.42 per share. Since the market value of Pumatech common stock is subject to fluctuation, the market value of the shares of Pumatech common stock you will be entitled to receive in the merger may increase or decrease. In addition, assuming all of the conditions to closing set forth in the merger agreement are satisfied or waived, Pumatech and Synchronologic are obligated to close the merger irrespective of the actual average closing price of Pumatech common stock for the 30 trading days ending immediately prior to the closing date of the merger.

**Your vote is very important.** The merger cannot be completed unless:

the holders of a majority of Synchronologic's capital stock approve the merger agreement;

the holders of a majority of Synchronologic's preferred stock approve the merger agreement; and

the holders of a majority of Synchronologic's Series D convertible preferred stock approve the merger agreement.

Moreover, the merger cannot be completed unless the foregoing shareholders also approve an amendment to the Synchronologic articles of incorporation to conform the provisions in the articles of incorporation relating to the distribution of Pumatech common stock among the various classes and series of Synchronologic capital stock to the allocations for such classes and series set forth in the merger agreement. Only shareholders who hold shares of Synchronologic capital stock at the close of business on November 21, 2003, our record date, will be entitled to vote at the special meeting.

**After careful consideration, the Synchronologic board of directors has unanimously determined the merger with Pumatech to be in your best interests. The Synchronologic board of directors has approved the merger and the related amendment to Synchronologic's articles of incorporation and recommends that you approve the merger, as well as the amendment to Synchronologic's articles of incorporation.**

The accompanying joint proxy statement/prospectus provides you with detailed information concerning Pumatech, Synchronologic and the merger. Please give all of the information contained in the joint proxy statement/prospectus your careful consideration. **In particular, you should carefully consider the discussion in the section entitled Risk Factors beginning on page 26.**

Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing the enclosed proxy card to us in the enclosed postage-paid envelope. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote in favor of the proposals submitted at the special meeting. Returning the proxy card does not deprive you of your right to attend the special meeting and to vote your shares in person.

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We appreciate your cooperation in considering and acting on the matters presented.

Sincerely,

Said Mohammadioun

*Chief Executive Officer*

**Neither the Securities and Exchange Commission nor any state securities regulator has approved the Pumatech common stock to be issued in the merger or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

This joint proxy statement/prospectus is dated November 26, 2003, and was first mailed to Synchrologic shareholders on or about November 26, 2003.

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**Synchrologic, Inc.**

**200 North Point Center East, Suite 600**

**Alpharetta, Georgia 30022**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**To Be Held On December 26, 2003**

---

To the shareholders of Synchrologic, Inc.:

The special meeting of shareholders of Synchrologic, Inc. will be held on Friday, December 26, 2003 at 10:00 a.m., Eastern Standard Time, at the executive offices of Synchrologic, 200 North Point Center East, Suite 600, Alpharetta, Georgia 30022 for the following purposes:

1. To consider and vote upon the proposed merger of Homerun Acquisition Corporation, a wholly owned subsidiary of Pumatech, with and into Synchrologic, resulting in Synchrologic becoming a wholly owned subsidiary of Pumatech. The merger agreement relating to the proposed merger is included as *Annex A* to the attached joint proxy statement/prospectus. In the merger, Pumatech will issue a maximum of 19,800,000 shares, and a minimum of 16,200,000 shares, of its common stock for all of the issued and outstanding shares of Synchrologic capital stock and each outstanding option to purchase shares of Synchrologic capital stock assumed by Pumatech and converted into an option to purchase shares of Pumatech common stock.
2. To consider and vote upon an amendment to Synchrologic's articles of incorporation to conform the provisions in the articles of incorporation relating to the distribution of Pumatech common stock among the various classes and series of Synchrologic capital stock to the allocations for such classes and series set forth in the merger agreement.
3. To transact any other business that may properly come before the Synchrologic special meeting or any adjournment or postponement of the special meeting.

Each of the foregoing items of business is more fully described in the attached joint proxy statement/prospectus, which we urge you to read carefully. The merger is discussed in the sections entitled *The Merger* and *The Merger Agreement*. Information about the other proposal is given in the section entitled *Additional Matters Being Submitted to a Vote of Synchrologic Shareholders Only*.

Holders of record of Synchrologic capital stock at the close of business on November 21, 2003, our record date, are entitled to notice of, and to vote at, the Synchrologic special meeting and any adjournment or postponement thereof.

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The merger cannot be completed unless:

the holders of a majority of Synchrologic s capital stock approve the merger agreement;

the holders of a majority of Synchrologic s preferred stock approve the merger agreement; and

the holders of a majority of Synchrologic s Series D convertible preferred stock approve the merger agreement.

Moreover, the merger cannot be completed unless the foregoing shareholders also approve an amendment to the Synchrologic articles of incorporation to conform the provisions in the articles of incorporation relating to the distribution of Pumatech common stock among the various classes and series of Synchrologic capital stock to the allocations for such classes and series set forth in the merger agreement.

All shareholders of Synchrologic are invited to attend the special meeting in person. However, to ensure your representation at the special meeting, you are urged to complete, sign and return the enclosed proxy card as promptly as possible in the enclosed postage-paid envelope. You may revoke your proxy at any time before it is voted at the special meeting in the manner described in the section of the joint proxy statement/prospectus entitled Synchrologic s Special Shareholders Meeting Voting of Proxies. Any executed but unmarked proxy cards we receive will be voted in favor of the items of business listed above.

By Order of the Board of Directors,

Said Mohammadioun

*Chief Executive Officer*

Atlanta, Georgia

November 26, 2003

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Annex C -	Noncompetition Agreement
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Annex I -	Certificate of Amendment of Certificate of Incorporation of Pumatech, Inc.



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**DOCUMENTS INCORPORATED BY REFERENCE**

This joint proxy statement/prospectus incorporates by reference important business and financial information that is not presented in or delivered with this joint proxy statement/prospectus. You should rely only on the information contained in this joint proxy statement/prospectus or to which you have been referred. Neither Pumatech nor Synchrologic has authorized anyone to provide you with information that is different.

The Securities and Exchange Commission (SEC) allows Pumatech to incorporate by reference information into this joint proxy statement/prospectus, which means important information may be disclosed to you by referring you to another document filed separately with the Securities and Exchange Commission. The information of Pumatech incorporated by reference is deemed to be part of this joint proxy statement/prospectus, except for information superseded by information in (or incorporated by reference in) this joint proxy statement/prospectus. The following documents, which have been previously filed by Pumatech with the Securities and Exchange Commission, are incorporated by reference into this joint proxy statement/prospectus:

1. Pumatech's Annual Report on Form 10-K for the fiscal year ended July 31, 2003 filed October 21, 2003 (File No. 000-21709);
2. Pumatech's Quarterly Reports on Form 10-Q for the fiscal quarter ended October 31, 2002 filed December 16, 2002, for the fiscal quarter ended January 31, 2003 filed March 5, 2003, and for the fiscal quarter ended April 30, 2003 filed June 13, 2003 (File No. 000-21709);
3. Pumatech's Current Reports on Form 8-K filed August 6, 2003 and October 2, 2003, and Pumatech's Current Report on Form 8-K/A filed September 9, 2003 (amending the Form 8-K filed April 11, 2003) (File No. 000-21709);
4. Pumatech's 425 reports filed September 15, 2003 pursuant to Rule 14a-12;
5. The description of Pumatech common stock set forth in the Registration Statement on Form 8-A filed November 8, 1996, including any amendments or reports filed for the purpose of updating such description; and
6. The description of Pumatech Preferred Stock Purchase Rights set forth in the Registration Statement on Form 8-A filed January 15, 2003, including any amendments or reports filed for the purpose of updating such description.

All documents filed by Pumatech under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act after the date of this joint proxy statement/prospectus and before the date of the special meeting of Synchrologic shareholders are incorporated by reference into and deemed to be a part of this joint proxy statement/prospectus from the date of filing of those documents.

Any statement contained in a document incorporated or deemed to be incorporated in this joint proxy statement/prospectus by reference will be deemed to be modified or superseded for purposes of this joint proxy statement/prospectus to the extent that a statement contained in this joint proxy statement/prospectus or any other subsequently filed document that is deemed to be incorporated in this joint proxy statement/prospectus by reference modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this joint proxy statement/prospectus.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER**

**Q: Why are we proposing the merger?**

A: We are proposing the merger because we believe that combining the people, products, expertise, distribution capabilities, financial assets and customer bases of the two companies will allow us to offer a more comprehensive suite of synchronization and systems management solutions to the enterprise, consumer and technology licensing markets. Synchrologic has strong, server-based enterprise solutions that Pumatech expects will provide key components of the synchronization offerings of the combined company. In particular, Pumatech intends to maintain and enhance Synchrologic's Mobile Suite platform, which provides server-based email and PIM (personal information management) synchronization, custom data synchronization, file synchronization, and systems management capabilities and is expected to form the cornerstone of the combined company's server-based enterprise synchronization and systems management offerings.

**Q: What will happen in the merger?**

A: Pumatech and Synchrologic have entered into a merger agreement that sets forth the terms and conditions of Pumatech's proposed acquisition of Synchrologic. In the merger, Synchrologic and Homerun Acquisition Corporation, a wholly owned subsidiary of Pumatech, will merge and the surviving corporation will become a wholly owned subsidiary of Pumatech. Following the merger, former Synchrologic shareholders and option holders will become stockholders and option holders of Pumatech, and will hold approximately 24% to 28% of the outstanding capital stock of Pumatech, based on the capitalization of Synchrologic and Pumatech as of November 21, 2003.

For a more complete description of the merger, see the section entitled "The Merger" beginning on page 58.

**Q: What will Synchrologic shareholders receive in the merger?**

A: If the merger is completed, each share of Synchrologic capital stock will be converted into the right to receive the number of shares of Pumatech common stock corresponding to the exchange ratio applicable to the class and series of Synchrologic capital stock being converted.

The total consideration shares, representing the total number of shares of Pumatech common stock to be issued in the merger, will be determined by dividing \$60,000,000 by the average closing price, which is the average of the closing sales prices for one share of Pumatech common stock as reported on The Nasdaq National Market for the thirty consecutive trading days ending on the last complete trading day immediately preceding the closing date of the merger (which amount is subject to adjustment based on the transaction expenses incurred by Synchrologic in connection with the merger), provided that the number of shares of Pumatech common stock comprising the total consideration shares will not exceed 19,800,000 or be fewer than 16,200,000 (in each case subject to adjustment based on the transaction expenses incurred by Synchrologic in connection with the merger).

Each class and series of outstanding Synchrologic capital stock will be allocated the following number of shares expressed as a percentage of the total consideration shares:

**Class/Series of Synchrologic Capital Stock**

**Percentage of**

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**Total Consideration Shares**

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Common Stock (including options to purchase common stock)	25.332%
Series A Preferred Stock	4.177%
Series B Preferred Stock	11.659%
Series C Preferred Stock	10.833%
Series D Preferred Stock	47.999%

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The exchange ratio for each class and series of outstanding Synchrologic capital stock will be determined by dividing the number of shares of Pumatech common stock allocable to that class or series by the total number of shares of that class or series outstanding immediately prior to the effective time of the merger (including, in the case of the common stock exchange ratio, the number of shares of Synchrologic common stock subject to outstanding Synchrologic options assumed by Pumatech in the merger).

The following table sets forth the estimated maximum exchange ratio and the estimated minimum exchange ratio for each class and series of outstanding Synchrologic capital stock based on the capitalization of Synchrologic on the date of the merger agreement and assuming that Synchrologic does not incur any transaction expenses and all outstanding Synchrologic warrants are terminated immediately prior to the completion of the merger:

Class/Series of Synchrologic Capital Stock	Estimated Maximum Exchange Ratio	Estimated Minimum Exchange Ratio
Common Stock (including options to purchase common stock)	0.757228	0.619550
Series A Preferred Stock	1.036565	0.848098
Series B Preferred Stock	1.121530	0.917615
Series C Preferred Stock	0.767886	0.628271
Series D Preferred Stock	2.872740	2.350424

Based on these estimated exchange ratios:

if you hold 100 shares of Synchrologic common stock you will be entitled to receive a maximum of 75 and a minimum of 61 shares of Pumatech common stock in the merger;

if you hold 100 shares of Synchrologic Series A preferred stock you will be entitled to receive a maximum of 103 and a minimum of 84 shares of Pumatech common stock in the merger;

if you hold 100 shares of Synchrologic Series B preferred stock you will be entitled to receive a maximum of 112 and a minimum of 91 shares of Pumatech common stock in the merger;

if you hold 100 shares of Synchrologic Series C preferred stock you will be entitled to receive a maximum of 76 and a minimum of 62 shares of Pumatech common stock in the merger; and

if you hold 100 shares of Synchrologic Series D preferred stock you will be entitled to receive a maximum of 287 and a minimum of 235 shares of Pumatech common stock in the merger.

**Please note that the actual number of shares of Pumatech common stock to be issued in the merger and the actual exchange ratios for each class and series of outstanding Synchrologic capital stock will not be determined until immediately prior to the closing of the merger, and will vary based on the average closing price of Pumatech common stock for the 30 trading days ending immediately prior to the closing date of the merger, the actual amount of transaction expenses incurred by Synchrologic, and Synchrologic's actual capitalization as of the closing date of the merger, which may result in the actual number of shares you are entitled to receive in the merger being less than the minimum number of shares set forth in the examples above. For a more complete description of the methodology for calculating the exchange ratios, see the section of this joint proxy statement/prospectus entitled "The Merger."**

**Consideration** beginning on page 63. In addition, updated estimates of the exchange ratios will be posted daily on Pumatech's website (<http://www.pumatech.com>) and Synchrologic's website (<http://www.synchrologic.com>) through the date of the Synchrologic special meeting and can be obtained by calling Pumatech at (408) 321-7650 or Synchrologic at (770) 754-5600.

Since the market value of Pumatech common stock is subject to fluctuation, the market value of the shares of Pumatech common stock you will be entitled to receive in the merger may increase or decrease. In addition, assuming all of the conditions to closing set forth in the merger agreement are satisfied or waived, Pumatech and Synchrologic are obligated to close the merger irrespective of the actual average closing price of Pumatech common stock for the 30 trading days ending immediately prior to the closing date of the merger.

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Moreover, Pumatech is obligated to issue a minimum of 16,200,000 shares of Pumatech common stock in the merger (subject to adjustment based on the transaction expenses incurred by Synchrologic in connection with the merger) regardless of the market price of Pumatech common stock on the date of issuance. Thus, if the market price of Pumatech common stock continues to increase, as has been the case since the parties execution of the merger agreement, this minimum requirement may be triggered and the cost of the merger to Pumatech and its stockholders from a market valuation perspective will be greater than would be the case if the calculation of total consideration shares was not subject to any minimum requirement.

**Q: Do the boards of directors of Pumatech and Synchrologic recommend voting in favor of the merger?**

A: Yes. After careful consideration, the Synchrologic board of directors unanimously recommends that the Synchrologic shareholders vote in favor of the approval and adoption of the merger agreement and the merger, and the related amendment of Synchrologic's articles of incorporation. Likewise, after careful consideration, the Pumatech board of directors unanimously recommends that the Pumatech stockholders vote in favor of the issuance of Pumatech common stock in connection with the merger and the other proposals presented to the Pumatech stockholders for approval at the annual meeting.

For a more complete description of the recommendations of the boards of directors of both companies, see the sections entitled "The Merger - Pumatech's Reasons for the Merger; Recommendation of Pumatech's Board of Directors" on page 60, "Additional Matters Being Submitted to a Vote of Pumatech Stockholders Only" on page 137, "The Merger - Synchrologic's Reasons for the Merger; Recommendation of Synchrologic's Board of Directors" on page 60, and "Additional Matters Being Submitted to a Vote of Synchrologic Shareholders Only."

**Q: Are there risks I should consider in deciding whether to vote for the merger?**

A: Yes. For example, Pumatech and Synchrologic may not realize the anticipated benefits of the merger. Also, the value that Synchrologic shareholders will receive in the merger will decrease if the market price of Pumatech common stock decreases before or after the merger.

In evaluating the merger, you should also carefully consider these and other factors discussed in the section entitled "Risk Factors" on page 26.

**Q: Other than the merger, am I being asked to vote on anything else?**

A: Yes. If you are a Pumatech stockholder, the Pumatech board of directors is also asking you to consider and to vote upon (i) an amendment to Pumatech's certificate of incorporation to increase the number of authorized shares of common stock by 80,000,000 from 80,000,000 shares to 160,000,000 shares, (ii) the election of four members of the Pumatech board of directors to hold office until the 2004 annual meeting of stockholders and until their respective successors are elected and qualified, and (iii) the ratification of Pumatech's appointment of PricewaterhouseCoopers LLP as its independent accountants for the fiscal year ending July 31, 2004.

The Pumatech board of directors recommends that you vote in favor of the proposed amendment to Pumatech's certificate of incorporation, in favor of the election of each of the nominated directors and in favor of the ratification of the appointment of PricewaterhouseCoopers LLP as Pumatech's independent accountants.

If you are a Synchrologic shareholder, the Synchrologic board of directors is also asking you to consider and to vote upon an amendment to the Synchrologic articles of incorporation to conform the provisions in the articles of incorporation relating to the distribution of Pumatech common stock among the various classes and series of Synchrologic capital stock to the allocations for such classes and series set forth in the merger

agreement.

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The Synchrologic board of directors recommends that you vote in favor of the proposed amendment to Synchrologic's articles of incorporation.

### **Q: What do I need to do now?**

A: We urge you to read this joint proxy statement/prospectus carefully, including its annexes, and to consider how the merger affects you. Then, please mail your completed, dated and signed proxy card in the enclosed postage-paid envelope as soon as possible so that your shares can be voted at your meeting. If you do not include instructions on how to vote your properly signed proxy, your shares will be voted FOR adoption and approval of the merger agreement and the merger and FOR the proposed amendment of the Synchrologic articles of incorporation, in the case of Synchrologic shareholders, or FOR approval of the issuance of shares of Pumatech common stock in connection with the merger and the other proposals presented to the Pumatech stockholders at the annual meeting, in the case of Pumatech stockholders.

### **Q: What happens if I do not return a proxy card or vote?**

A: If you are a Synchrologic shareholder and you fail to respond, it will have the same effect as a vote against the merger and a vote against the amendment to Synchrologic's articles of incorporation that is necessary to complete the merger. If you are a Pumatech stockholder and you fail to respond, it will have the same effect as a vote against the amendment to Pumatech's certificate of incorporation that is necessary to complete the merger. If you respond and abstain from voting, your proxy will have the same effect as a vote against the merger. However, because only votes cast determine the outcome of the proposals presented to the Pumatech stockholders at the annual meeting other than the amendment to Pumatech's certificate of incorporation, your proxy will have no effect on these proposals.

### **Q: May I vote in person?**

A: Yes. If you are a Pumatech stockholder, you may attend the annual meeting of Pumatech stockholders and vote your shares in person whether or not you sign and return your proxy card. If you are a Synchrologic shareholder, you may attend the special meeting of Synchrologic shareholders and vote your shares in person whether or not you sign and return your proxy card.

### **Q: May I change my vote after I have mailed my signed proxy card?**

A: Yes. You may change your vote at any time before your proxy card is voted at the annual meeting, in the case of Pumatech stockholders, or at the special meeting, in the case of Synchrologic shareholders. You can do this in one of three ways. First, you can send a written, dated notice to the secretary of Pumatech, in the case of Pumatech stockholders, or to the secretary of Synchrologic, in the case of Synchrologic shareholders, stating that you would like to revoke your proxy. Second, you can complete, date, and submit a new proxy card. Third, you can attend the annual meeting, in the case of Pumatech stockholders, or the special meeting, in the case of Synchrologic shareholders, and vote in person. Your attendance alone will not revoke your proxy. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change those instructions.

### **Q: If my Pumatech shares are held in street name by my broker, will my broker vote my shares for me?**

A: Your broker will not be able to vote your Pumatech shares with respect to the issuance of shares of Pumatech common stock in the merger unless you provide your broker with instructions on how to vote your shares. You should instruct your broker to vote your shares, following the procedure provided by your broker. Without instructions, your shares will not be voted and you will, in effect, be voting against the merger.



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For a complete description of voting shares held in street name, see the section entitled Pumattech's Annual Stockholders Meeting Voting of Proxies on page 53.

**Q: What vote is required to approve the merger?**

A: The approval and adoption of the merger agreement and the merger will require the affirmative vote of the holders of:

a majority of the shares of Synchrologic capital stock outstanding on the record date;

a majority of the shares of Synchrologic preferred stock outstanding on the record date; and

a majority of the shares of Synchrologic Series D convertible preferred stock outstanding on the record date.

Moreover, the merger cannot be completed unless the foregoing shareholders also approve an amendment to the Synchrologic articles of incorporation to conform the provisions in the articles of incorporation relating to the distribution of Pumattech common stock among the various classes and series of Synchrologic capital stock to the allocations for such classes and series set forth in the merger agreement.

In addition, the issuance of shares of Pumattech common stock in the merger will require the affirmative vote of the holders of a majority of the shares of Pumattech present in person or represented by proxy at the Pumattech annual meeting and entitled to vote on the proposal.

If you are a Pumattech stockholder and you fail to respond, it will have the same effect as a vote against the amendment to Pumattech's certificate of incorporation that is necessary to complete the merger.

**Q: What are the material United States federal income tax consequences of the merger to me?**

A: Pumattech and Synchrologic intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. If the merger qualifies as a reorganization, Synchrologic shareholders generally will not recognize any gain or loss for federal income tax purposes upon the exchange of shares of Synchrologic capital stock for shares of Pumattech common stock, although Synchrologic shareholders will recognize taxable income with respect to any cash received in lieu of fractional shares of Pumattech common stock, or upon exercise of dissenters' rights.

**However, we urge you to consult your own tax advisor for a full understanding of the tax consequences of the merger to you.**

For a more detailed description of the tax consequences of the merger, see the section entitled The Merger Material United States Federal Income Tax Considerations on page 67.

**Q: Should I send in my Synchrologic stock certificates now?**

A: No. After the merger is completed, you will receive written instructions from Pumatech explaining how to exchange the stock certificates representing your shares of Synchrologic capital stock for the merger consideration.

**Q: When do you expect the merger to be completed?**

A: We are working toward completing the merger as quickly as possible. In addition to obtaining stockholder approval, we must satisfy all other closing conditions set forth in the merger agreement. We anticipate that the closing of the merger will occur in Synchrologic's fourth fiscal quarter of 2003 or first fiscal quarter of 2004, but we cannot predict the exact timing.

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For a description of the conditions to completion of the merger, see the sections entitled "The Merger - Completion and Effectiveness of the Merger" on page 63 and "The Merger Agreement - Conditions to Consummation of the Merger" on page 75.

**Q: Am I entitled to dissenters' rights?**

A: If you are a Synchrologic shareholder, under Georgia law, you are entitled to dissenters' rights in connection with the merger. For a summary of your dissenters' rights, see the section entitled "The Merger - Dissenters' Rights" on page 65.

If you are a Pumatech stockholder, under Delaware law, you are not entitled to any dissenters' or appraisal rights in connection with the merger.

**Q: Who can help answer my questions?**

A: If you are a Synchrologic shareholder and would like additional copies, without charge, of this joint proxy statement/prospectus or if you have questions about the merger, including the procedures for voting your shares, you should contact:

Synchrologic, Inc.

200 North Point Center East, Suite 600

Alpharetta, Georgia 30022

Attention: Chief Financial Officer

Telephone: (770) 754-5600

If you are a Pumatech stockholder and would like additional copies, without charge, of this joint proxy statement/prospectus or if you have questions about the merger, including the procedures for voting your shares, you should contact:

Pumatech, Inc.

2550 North First Street, Suite 500

San Jose, California 95131

Attention: General Counsel

Telephone: (408) 321-7650

Synchrologic shareholders and Pumatech stockholders may also obtain additional information about Pumatech from the documents filed with the Securities and Exchange Commission or by following the instructions in the section entitled "Where You Can Find More Information" on page 165.



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**SUMMARY**

*This summary highlights selected information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should read carefully this entire joint proxy statement/prospectus and the documents to which we refer or incorporate by reference. The merger agreement is attached as Annex A to this joint proxy statement/prospectus. We encourage you to read the merger agreement as it is the legal document that governs the merger. We have included page references in parentheses to direct you to a more complete description of the topics presented in this summary.*

**The Companies (pages 113 and 114)**

**Pumatech, Inc.**

2550 North First Street, Suite 500

San Jose, California 95131

Telephone: (408) 321-7650

Pumatech develops, markets and supports synchronization, mobile-application development, and mobile-application management/device management software that enables consumers, business professionals and information technology officers to extend the capabilities of enterprise groupware and vertical applications, handheld organizers/computers, and web-enabled cellular phones, pagers and other wireless or wireline personal communications platforms.

Pumatech is a Delaware corporation. Pumatech's principal executive offices are located at 2550 North First Street, Suite 500, San Jose, California 95131. Pumatech's telephone number at that location is (408) 321-7650 and its website is located at [www.pumatech.com](http://www.pumatech.com). Information contained in the Pumatech website does not constitute part of this joint proxy statement/prospectus.

Pumatech is headquartered in San Jose, California and has approximately 130 employees as of November 19, 2003. Pumatech common stock has traded on The Nasdaq National Market under the symbol "PUMA" since its initial public offering in December 1996.

**Synchrologic, Inc.**

200 North Point Center East, Suite 600

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Alpharetta, Georgia 30022

Telephone: (770) 754-5600

Synchrologic develops, markets and supports comprehensive mobile and wireless infrastructure software for enterprises, software vendors and service providers to enable mobile users to access business applications, corporate groupware applications, and files on mobile computing devices such as laptops, handheld organizers/computers, and mobile phones. The Synchrologic software improves the productivity of business professionals who require access to current information, whether they are in or out of the office. In addition, Synchrologic s

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software helps corporate information technology professionals keep support costs down and remotely manage mobile devices, install software, track hardware and software assets, perform backup, and restore operations for data on these devices. The Synchrologic Mobile Suite provides enterprises with a comprehensive infrastructure solution for taking advantage of and managing the rapid adoption of mobile and wireless devices.

Synchrologic is headquartered in Alpharetta, Georgia and has approximately 80 full-time employees as of November 19, 2003.

## **The Merger (page 58)**

Pumatech and Synchrologic have entered into a merger agreement that provides for the merger of Homerun Acquisition Corporation, a newly formed and wholly owned subsidiary of Pumatech, with Synchrologic. As a result of the merger, the surviving corporation will become a wholly owned subsidiary of Pumatech and Synchrologic shareholders will become Pumatech stockholders.

The merger agreement is attached to this joint proxy statement/prospectus as *Annex A*. We urge you to read the merger agreement carefully.

## **Stockholder Meetings (pages 54 and 51)**

***Synchrologic Special Meeting.*** Synchrologic will hold a special meeting of its shareholders on Friday, December 26, 2003 at 10:00 a.m., Eastern Standard Time, at the executive offices of Synchrologic, 200 North Point Center East, Suite 600, Alpharetta, Georgia 30022. At this meeting, Synchrologic shareholders will consider and vote on a proposal to approve and adopt the merger agreement and the merger. In addition, Synchrologic shareholders will consider and vote on a proposal to amend Synchrologic's articles of incorporation to conform the provisions in the articles of incorporation relating to the distribution of Pumatech common stock in the merger among the various classes and series of Synchrologic capital stock to the allocations for such classes and series set forth in the merger agreement.

***Pumatech Annual Meeting.*** Pumatech will hold an annual meeting of its stockholders on Friday, December 26, 2003 at 8:30 a.m., Pacific Time, at its executive offices at 2550 North First Street, Suite 500, San Jose, California 95131. At this meeting, Pumatech stockholders will be asked to approve the issuance of Pumatech common stock to the Synchrologic shareholders in connection with the merger and to approve the other proposals presented to the Pumatech stockholders, as discussed in the section entitled *Additional Matters Being Submitted to a Vote of Pumatech Stockholders Only*, beginning on page 137.

## **Vote Required to Approve the Merger (pages 52 and 55)**

***Pumatech Required Vote.*** Under the rules of The Nasdaq National Market, approval of the issuance of shares of Pumatech common stock to Synchrologic shareholders in connection with the merger requires the affirmative vote of holders of a majority of the shares of Pumatech common stock present in person or represented by proxy at the annual meeting that are entitled to vote on this proposal. If you are a Pumatech stockholder and you fail to respond, it will have the same effect as a vote against the amendment to Pumatech's certificate of incorporation that is necessary to complete the merger.

***Synchrologic Required Vote.*** Under applicable Georgia law and Synchrologic's articles of incorporation, approval and adoption of the merger agreement and the merger requires the affirmative vote of holders of:

a majority of the shares of Synchrologic capital stock outstanding on the record date;

a majority of the shares of Synchrologic preferred stock outstanding on the record date; and

a majority of the shares of Synchrologic Series D convertible preferred stock outstanding on the record date.



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Moreover, the merger cannot be completed unless the foregoing shareholders also approve an amendment to the Synchrologic articles of incorporation to conform the provisions in the articles of incorporation relating to the distribution of Pumatech common stock among the various classes and series of Synchrologic capital stock to the allocations for such classes and series set forth in the merger agreement.

### **No Solicitation (page 78)**

Until the merger is completed or the merger agreement is terminated, Synchrologic has agreed, with limited exceptions, not to take any action, directly or indirectly, with respect to an acquisition proposal, as described on page 77 of this joint proxy statement/prospectus.

If Synchrologic receives an unsolicited, written, bona fide acquisition proposal that the Synchrologic board of directors determines in good faith could lead to a superior proposal, as described on page 77 of this joint proxy statement/prospectus, Synchrologic may furnish non-public information regarding it and may enter into discussions with the person who has made the acquisition proposal if it provides written notice to Pumatech and follows other specified procedures described on page 77 of this joint proxy statement/prospectus.

Synchrologic has agreed to inform Pumatech promptly as to any acquisition proposal, or request for non-public information or inquiry that it reasonably believes could lead to an acquisition proposal. Synchrologic has agreed to inform Pumatech of the status and details of any acquisition proposal.

The Synchrologic board of directors may change its recommendation in favor of the merger if the Synchrologic board of directors determines in good faith, after consultation with legal counsel, that its failure to do so would result in a failure to satisfy its fiduciary duties to Synchrologic's shareholders under Georgia law.

For a more complete description of these limitations on Synchrologic's actions with respect to an acquisition proposal, please refer to the section entitled "The Merger Agreement - No Solicitation" on page 77, "Amendments, Waivers and Termination of the Merger Agreement" on page 78 and the corresponding sections of the merger agreement.

### **Interests of Certain Persons in the Merger (page 62)**

Synchrologic shareholders considering the recommendation of the Synchrologic board of directors that you vote to approve and adopt the merger agreement and the merger, should be aware that some of the officers and directors of Synchrologic have interests in the merger that are different from, or in addition to, the interests of Synchrologic's shareholders generally. These interests relate to, among other things, voting agreements entered into by certain Synchrologic shareholders, employment arrangements offered to certain Synchrologic executive officers, the acceleration in full of all outstanding Synchrologic options, severance payments to certain Synchrologic executive officers and continuing indemnification obligations to executive officers, directors and employees of Synchrologic. As a result, certain officers and directors of Synchrologic may be more likely to vote to approve and adopt the merger agreement and the merger than Synchrologic's shareholders generally.

### **Conditions to the Merger (page 75)**

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Pumatech and Synchrologic will complete the merger only if the conditions specified in the merger agreement are either satisfied or waived, which include the following:

the merger agreement and the merger must be approved and adopted by the Synchrologic shareholders and the issuance of shares of Pumatech common stock in the merger must be approved by the Pumatech stockholders;

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Pumatech's registration statement, of which this joint proxy statement/prospectus is a part, must be effective, no stop order suspending its effectiveness may be in effect and no proceedings for suspending its effectiveness may be pending or threatened by the Securities and Exchange Commission;

no governmental entity will have enacted a law, regulation or order that has the effect of making the merger illegal or otherwise prohibiting the merger;

no governmental entity will have commenced any proceeding preventing the merger or restricting Pumatech's operation of Synchrologic after the merger;

the representations and warranties of each party in the merger agreement must be true and correct as of the date of the merger agreement, except, individually or in the aggregate, as does not constitute a material adverse effect on such party; and

the parties must have complied in all material respects with their respective agreements in the merger agreement.

## **The Voting Agreements**

Several Synchrologic shareholders, all of whom are officers or directors of Synchrologic (or affiliates of such officers and directors), entered into voting agreements with Pumatech that require these shareholders to vote all of their shares of Synchrologic capital stock in favor of the approval and adoption of the merger agreement and the merger and grant Pumatech the irrevocable right to vote, with respect to the merger, their shares of Synchrologic capital stock at any meeting of Synchrologic shareholders held prior to the completion of the merger. These shareholders hold approximately 77.2% of the outstanding shares of Synchrologic's voting capital stock, approximately 76.3% of the outstanding shares of Synchrologic preferred stock and approximately 59.1% of the outstanding shares of Synchrologic Series D convertible preferred stock, in each case as of November 19, 2003. The voting agreement is attached to this joint proxy statement/prospectus as *Annex B*. We urge you to read it in its entirety.

For a more complete description of the voting agreement, please refer to the section entitled "The Related Agreements - The Voting Agreement" on page 80.

## **Termination of the Merger Agreement (page 78)**

Pumatech, Homerun Acquisition Corporation and Synchrologic may mutually agree in writing to terminate the merger agreement at any time without completing the merger. In addition, either Pumatech or Synchrologic may terminate the merger agreement if:

the merger is not completed, without fault of the terminating party, by March 31, 2004;

a governmental authority has issued a final, non-appealable order, decree or ruling, or taken any other action, that would permanently prohibit the merger;

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the Synchrologic shareholders fail to approve and adopt the merger agreement and the merger, except that Synchrologic may not terminate the merger agreement if shareholder approval was not obtained because of Synchrologic's action or failure to act, which constitutes a breach of the merger agreement;

the Pumatech stockholders fail to approve the issuance of Pumatech common stock in connection with the merger, except that Pumatech may not terminate the merger agreement if stockholder approval was not obtained because of Pumatech's action or failure to act, which constitutes a breach of the merger agreement; or

the other party breaches any representation, warranty, covenant or agreement in the merger agreement such that the breaching party is unable to satisfy a condition to the merger, except that the other party cannot terminate the merger agreement if it is at that time in material breach or if the breaching party has cured the breach within 20 business days of written notice of the breach.

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Termination of the merger agreement will generally terminate the obligations of the parties to perform their obligations under the merger agreement, except that the parties must continue to comply with miscellaneous provisions that survive termination of the merger agreement, including those concerning mutual confidentiality and the payment of termination fees.

### **Termination Fee (page 78)**

If Pumatech or Synchrologic terminates the merger agreement due to the failure of the Synchrologic shareholders to approve the merger and the Synchrologic board of directors withdraws, modifies or qualifies in any manner adverse to Pumatech its recommendation that the Synchrologic shareholders approve and adopt the merger agreement and the merger or takes any action not otherwise permitted by the merger agreement or makes any public statement or public disclosure adverse to Pumatech in connection with the Synchrologic special meeting, Synchrologic will be required to pay Pumatech, within 30 days, a termination fee of \$6,000,000 (part of which represents the fees and expenses incurred by Pumatech in connection with the litigation between Pumatech and Synchrologic that was dismissed pursuant to the merger agreement). If Pumatech or Synchrologic terminates the merger agreement due to the failure of the Pumatech stockholders to approve the issuance of Pumatech common stock in connection with the merger, Pumatech will be required to pay Synchrologic, within 30 days, a termination fee of \$3,000,000.

### **Restrictions on the Ability to Sell Pumatech Common Stock (page 69)**

All shares of Pumatech common stock to be received by Synchrologic shareholders in connection with the merger will be freely transferable unless the holder is considered an affiliate of either Synchrologic or Pumatech under the Securities Act.

However, certain Synchrologic shareholders have entered into shareholders agreements with Pumatech, pursuant to which they have agreed to certain resale restrictions during the 240-day period following the completion of the merger with respect to the shares of Pumatech common stock they are entitled to receive as a result of the merger. Specifically, the Synchrologic shareholders that have entered into the shareholders agreements acknowledge and agree that 20% of the shares of Pumatech common stock they are entitled to receive in the merger will be released from the foregoing sales restrictions immediately following the effective time of the merger and 10% of the shares of Pumatech common stock they are entitled to receive in the merger will be released from the foregoing sales restrictions at the end of each 30-day period following the effective time of the merger.

### **Listing of Pumatech Common Stock to be Issued in the Merger (page 69)**

Pumatech common stock is currently traded on The Nasdaq National Market under the symbol PUMA. Pumatech will list the shares of Pumatech common stock to be issued in the merger for trading on The Nasdaq National Market.

### **Accounting Treatment of the Merger (page 69)**

The merger will be treated as a purchase for accounting and financial reporting purposes under generally accepted accounting principles, which means that Synchrologic will be treated as a separate entity for periods prior to the closing of the merger, and thereafter as a wholly owned

subsidiary of Pumatech.

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### **Synchrologic Shareholders' Dissenters' Rights (page 56)**

Under Georgia law, Synchrologic shareholders are entitled to dissenters' rights with respect to the merger and, if the merger is completed, to receive payment in cash for the fair value of their shares of Synchrologic capital stock. In general, to preserve their dissenters' rights, Synchrologic shareholders who wish to exercise these rights must:

deliver a written demand for appraisal to Synchrologic before the time the vote is taken at the Synchrologic special meeting;

not vote their shares for approval and adoption of the merger agreement and the merger;

continuously hold their shares of Synchrologic capital stock from the date they make the demand for appraisal through the closing of the merger; and

comply with the other procedures set forth in Article 13 of the Georgia Business Corporation Code.

The text of Article 13 of the Georgia Business Corporation Code governing dissenters' rights is attached to this joint proxy statement/prospectus as *Annex G*. Your failure to comply with the procedures described in *Annex G* will result in the loss of your dissenters' rights. We urge you to read the text of Article 13 governing dissenters' rights carefully.

### **Market Price Information (page 22)**

Shares of Pumatech common stock are listed on The Nasdaq National Market. On September 12, 2003, the last full trading day prior to the public announcement of the proposed merger, Pumatech's common stock closed at \$3.87 per share. On November 24, 2003, Pumatech's common stock closed at \$5.42 per share. We urge you to obtain current market quotations.

### **Recent Development**

On November 20, 2003, Pumatech announced net revenue of \$8,016,000 and net loss of \$2,261,000 or \$0.05 loss per share for the first quarter of fiscal 2004 that ended October 31, 2003. This compares to Pumatech's net revenue of \$7,304,000 and net loss of \$1,800,000 (or \$0.04 per share) for the fourth quarter of fiscal 2003, and net revenue of \$5,010,000 and net loss of \$1,376,000 (or \$0.03 per share) for the first quarter of fiscal 2003.

**Table of Contents****PUMATECH, INC.****SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA**

You should read the following data in conjunction with Pumatech's historical consolidated financial statements and related notes and Pumatech's Management's Discussion and Analysis of Financial Condition and Results of Operations included in Pumatech's annual reports, quarterly reports and other information on file with the SEC or combined elsewhere in this joint proxy statement/prospectus. See [Where You Can Find More Information](#).

The consolidated statement of operations data for the fiscal years ended July 31, 2001, 2002 and 2003 and the consolidated balance sheet data as of July 31, 2002 and 2003 have been derived from audited consolidated financial statements of Pumatech incorporated by reference in this joint proxy statement/prospectus. The consolidated statement of operations data for the fiscal year ended July 31, 1999 and 2000 and the consolidated balance sheet data as of July 31, 1999, 2000 and 2001 are derived from Pumatech's audited financial statements not included or incorporated by reference in this joint proxy statement/prospectus.

**Condensed Consolidated Statement of Operations Data** (in thousands)

	Year Ended July 31,				
	1999	2000	2001	2002	2003
Revenue	\$ 20,543	\$ 30,512	\$ 38,202	\$ 22,940	\$ 24,860
Net loss	\$ (5,828)	\$ (22,199)	\$ (41,818)	\$ (34,518)	\$ (7,736)
Accretion of mandatorily redeemable convertible preferred stock to redemption value	(4,238)	(3,877)			
Net loss attributable to common stockholders	\$ (10,066)	\$ (26,076)	\$ (41,818)	\$ (34,518)	\$ (7,736)
Basic and diluted net loss per common share	\$ (0.34)	\$ (0.74)	\$ (0.96)	\$ (0.77)	\$ (0.17)

**Condensed Consolidated Balance Sheet Data** (in thousands)

	July 31,				
	1999	2000	2001	2002	2003
Cash, cash equivalents and short-term investments	\$ 28,516	\$ 85,260	\$ 48,908	\$ 34,431	\$ 27,159



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Working capital	24,896	80,317	44,489	28,099	25,173
Total assets	37,122	118,655	78,934	47,312	41,167
Long-term obligations		310		1,991	921
Total stockholders equity	18,201	105,077	68,192	34,884	31,796

On September 17, 2003, Pumatech consummated the acquisition of substantially all of the assets of Spontaneous Technology, Inc. of Salt Lake City, Utah, a provider of enterprise secure Virtual Private Network (sVPN) software designed to extend existing corporate applications to most wireless devices.

The following summary statement of operations and balance sheet data for the fiscal years ended December 31, 2001 and 2002 have been derived from audited financial statements of Spontaneous Technology included in this joint proxy statement/prospectus.

The balance sheet data as of June 30, 2003 and the statement of operations data for the six months ended June 30, 2002 and 2003 has been derived from unaudited interim financial statements of Spontaneous Technology also included in this joint proxy statement/prospectus.

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The information as of June 30, 2003 and for the six months ended June 30, 2002 and 2003 are unaudited and have been prepared on the same basis as Spontaneous Technology's annual financial statements. In the opinion of Spontaneous Technology's management, this unaudited information reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information for the periods presented. The results of operations for the six months ended June 30, 2003 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2003, or any future period.

	Year Ended December 31,	Year Ended December 31,	Six Months Ended June 30,	
	2001	2002	2002	2003
			(unaudited)	
<b>Statement of Operations Data</b> (in thousands)				
Revenues	\$ 43	\$ 152	\$ 40	\$ 424
Loss from operations	(21,847)	(8,452)	(4,614)	(1,343)
Net loss	(21,858)	(8,443)	(4,669)	(1,751)

	December 31,		June 30,
	2001	2002	2003
			(unaudited)
<b>Balance Sheet Data</b> (in thousands)			
Cash and cash equivalents	\$ 2,638	\$ 450	\$ 341
Working capital (deficit)	442	(3,284)	(4,693)
Total assets	9,438	2,702	2,454
Shareholders' equity/(deficit)	(27,954)	(38,411)	(41,236)

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**SYNCHROLOGIC, INC. SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

The selected data presented on the following page under the caption "Selected Historical Consolidated Financial Data of Synchrologic, Inc." for, and as of the end of, each of the years in the five-year period ended December 31, 2002 are derived from the consolidated financial statements of Synchrologic and its subsidiaries, which financial statements have been audited by KPMG LLP, independent accountants. The consolidated financial statements as of December 31, 2002 and 2001, and for each of the years in the three-year period ended December 31, 2002, and the report thereon, are included elsewhere in this joint proxy statement/prospectus. The selected data presented below under the caption "Selected Historical Consolidated Financial Data of Synchrologic, Inc." for the nine-month periods ended September 30, 2003 and 2002, and as of September 30, 2003, are derived from the unaudited consolidated financial statements of Synchrologic and its subsidiaries included elsewhere in this joint proxy statement/prospectus. You should read the following selected historical consolidated financial data in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations of Synchrologic and Synchrologic's consolidated financial statements and the related notes included elsewhere in this joint proxy statement/prospectus.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF SYNCHROLOGIC, INC.**

	Years ended December 31,					Nine months ended September 30,	
	1998	1999	2000	2001	2002	2002	2003
	(unaudited)						
<b>Statement of Operations Data:</b>							
Revenues:							
Software license fees	\$ 1,957,483	\$ 3,679,383	\$ 3,936,823	\$ 5,366,123	\$ 5,516,856	\$ 3,446,381	\$ 4,467,644
Services fees	405,763	656,557	1,423,536	1,893,529	4,493,882	2,956,254	4,594,487
<b>Total revenues</b>	<b>2,363,246</b>	<b>4,335,940</b>	<b>5,360,359</b>	<b>7,259,652</b>	<b>10,010,738</b>	<b>6,402,635</b>	<b>9,062,131</b>
Costs of revenues:							
Software license fees	1,257	10,976	49,797	51,366	49,583	31,862	64,127
Services fees	596,078	995,715	1,864,389	2,802,323	3,370,438	2,571,418	1,490,497
<b>Total costs of revenues</b>	<b>597,335</b>	<b>1,006,691</b>	<b>1,914,186</b>	<b>2,853,689</b>	<b>3,420,021</b>	<b>2,603,280</b>	<b>1,554,624</b>
<b>Gross profit</b>	<b>1,765,911</b>	<b>3,329,249</b>	<b>3,446,173</b>	<b>4,405,963</b>	<b>6,590,717</b>	<b>3,799,355</b>	<b>7,507,507</b>
<b>Operating expenses</b>	<b>4,463,131</b>	<b>6,238,941</b>	<b>11,172,123</b>	<b>15,251,975</b>	<b>12,731,787</b>	<b>10,214,210</b>	<b>8,135,747</b>
<b>Loss from operations</b>	<b>(2,697,220)</b>	<b>(2,909,692)</b>	<b>(7,725,950)</b>	<b>(10,846,012)</b>	<b>(6,141,070)</b>	<b>(6,414,855)</b>	<b>(628,240)</b>
Interest income (expense), net	73,444	102,704	221,320	457,852	(133,787)	(76,370)	(141,056)
<b>Net loss</b>	<b>(2,623,776)</b>	<b>(2,806,988)</b>	<b>(7,504,630)</b>	<b>(10,388,160)</b>	<b>(6,274,857)</b>	<b>(6,491,225)</b>	<b>(769,296)</b>
Deemed dividends on preferred stock	(5,458)	(8,280)	(122,916)	(352,189)	(352,189)	(264,142)	(264,142)
<b>Net loss attributable to common stockholders</b>	<b>\$ (2,629,234)</b>	<b>\$ (2,815,268)</b>	<b>\$ (7,627,546)</b>	<b>\$ (10,740,349)</b>	<b>\$ (6,627,046)</b>	<b>\$ (6,755,367)</b>	<b>\$ (1,033,438)</b>
Basic and diluted net loss per share attributable to common stockholders	\$ (0.85)	\$ (0.90)	\$ (1.81)	\$ (2.22)	\$ (1.52)	\$ (1.51)	\$ (.24)
Weighted average outstanding common shares used to compute net loss per share attributable to common stockholders	3,081,659	3,125,592	4,208,817	4,838,227	4,372,258	4,468,923	4,277,776
	December 31,					September 30,	
	1998	1999	2000	2001	2002	2003	
	(unaudited)						
<b>Balance Sheet Data:</b>							
Cash and cash equivalents	\$ 4,123,281	\$ 1,160,293	\$ 16,300,418	\$ 5,992,876	\$ 3,204,263	\$ 2,260,606	
Working capital	3,955,861	1,250,321	16,282,636	5,775,927	1,292,308	119,895	
Total assets	5,279,963	3,551,355	19,137,999	9,307,720	5,974,180	5,591,288	

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Outstanding borrowings under note payable to bank					817,000	768,072
Current portion of term loan payable to bank					767,536	886,001
Term loan payable to bank, excluding current portion					934,040	286,691
Mandatorily redeemable securities	9,664,790	9,673,071	30,076,424	30,428,613	30,780,802	31,044,944
Stockholders deficit	(5,262,678)	(8,065,018)	(12,856,240)	(23,639,069)	(29,972,772)	(30,940,626)

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**SUMMARY UNAUDITED COMBINED CONDENSED PRO FORMA DATA**

The following unaudited pro forma combined condensed financial statements have been prepared to give effect to the proposed merger of Pumatech and Synchrologic using the purchase method of accounting and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma combined condensed financial statements. These pro forma statements were prepared as if the merger had been completed as of August 1, 2002 for statement of operations purposes and as of July 31, 2003 for balance sheet purposes.

In addition, these unaudited pro forma combined condensed financial statements have been prepared to reflect Pumatech's acquisition of substantially all of the assets of Spontaneous Technology, Inc. on September 17, 2003 using the purchase method of accounting and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma combined condensed financial statements. These pro forma statements were prepared as if the Spontaneous Technology asset acquisition had been completed as of August 1, 2002 for statement of operations purposes and as of July 31, 2003 for balance sheet purposes. Pumatech's acquisition of Starfish Software on March 27, 2003 is also treated as having occurred on August 1, 2002.

Pumatech's fiscal year end is July 31, whereas Synchrologic's and Spontaneous Technology's fiscal year ends are December 31. The following pro forma combined condensed statement of operations data for the year ended July 31, 2003 combines the results of operations of Pumatech for the twelve months ended July 31, 2003 and Synchrologic's and Spontaneous Technology's results of operations for the twelve months ended June 30, 2003. Synchrologic's and Spontaneous Technology's results of operations for the twelve months ended June 30, 2003 were calculated by adding the results of operations for the twelve months ended December 31, 2002 to the results of operations for the six months ended June 30, 2003, and deducting the results of operations for the six months ended June 30, 2002. In addition, the following pro forma combined condensed statement of operations data for the year ended July 31, 2003 includes the results of operations of Starfish Software for the eight months ended February 28, 2003. Since the Starfish Software acquisition took place on March 27, 2003, four months of Starfish Software results are included in the consolidated Pumatech results for the year ended July 31, 2003. Starfish Software's results of operations for the eight months ended February 28, 2003 were calculated by deducting the results of operations for the six months ended June 30, 2002 from the results of operations for the twelve months ended December 31, 2002, and adding the results of operations for the two months ended February 28, 2003.

The unaudited pro forma combined condensed financial statements are presented for illustrative purposes only and are not necessarily indicative of the financial position or results of operations that would have actually been reported had the merger and the acquisition noted above occurred on August 1, 2002 for statement of operations purposes and as of July 31, 2003 for balance sheet purposes, nor are they necessarily indicative of the future financial position or results of operations.

These unaudited pro forma combined condensed financial statements are based upon the respective historical consolidated financial statements of Pumatech, Synchrologic, Spontaneous Technology and Starfish Software and should be read in conjunction with the historical consolidated financial statements of Pumatech, Synchrologic, Spontaneous Technology and Starfish Software and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in Pumatech's annual reports, quarterly reports and other information on file with the SEC or contained elsewhere in this joint proxy statement/prospectus.

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**UNAUDITED COMBINED CONDENSED PRO FORMA**

**STATEMENT OF OPERATIONS DATA**

**FOR THE YEAR ENDED JULY 31, 2003**

**(In thousands, except per share amounts)**

Revenues	\$ 40,095
Net loss	(26,503)
Net loss per share - basic and diluted	(0.41)
Shares used in per share calculation - basic and diluted	63,916

**UNAUDITED COMBINED CONDENSED PRO FORMA BALANCE SHEET DATA**

**AS OF JULY 31, 2003**

**(In thousands)**

Cash, cash equivalents and short-term investments	\$ 30,132
Working capital	22,901
Total assets	118,915
Long-term obligations	1,427
Total stockholders' equity	101,423

**Table of Contents****COMPARATIVE PER SHARE DATA**

The following table presents Pumatech's, Synchronologic's and Spontaneous Technology's unaudited historical per share and combined pro forma per share data after giving effect to the Pumatech and Synchronologic merger and Pumatech's acquisition of Spontaneous Technology and Starfish Software using the purchase method of accounting. The pro forma data does not purport to be indicative of the results of future operations or the results that would have occurred had the merger and the acquisitions noted above been consummated at the beginning of the periods presented. The information set forth below should be read in conjunction with Pumatech's historical consolidated financial statements and notes incorporated by reference in this joint proxy statement/prospectus and Synchronologic's and Spontaneous Technology's historical consolidated financial statements and notes included elsewhere in this joint proxy statement/prospectus. The unaudited pro forma combined and unaudited pro forma equivalent per share data combine Pumatech's results of operations for the year ended July 31, 2003, Synchronologic's and Spontaneous Technology's results of operations for the 12 months ended June 30, 2003 and Starfish Software's results of operations for the eight months ended February 28, 2003 with Pumatech's financial position at July 31, 2003 and Synchronologic's and Spontaneous Technology's financial position at June 30, 2003. No cash dividends have ever been declared or paid on Pumatech's, Synchronologic's, Spontaneous Technology's or Starfish Software's common stock.

**Comparative historical and pro forma per share data:**

	<b>Pumatech</b>
	<b>Year Ended</b>
	<b>July 31, 2003</b>
	<b>-----</b>
Historical per common share data:	
Loss per share - basic and diluted	\$ (0.17)
	<b>-----</b>
Net book value per share(1)	\$ 0.69
	<b>-----</b>
	<b>Synchronologic</b>
	<b>-----</b>
	<b>12 months ended</b>
	<b>June 30, 2003</b>
	<b>-----</b>
Historical per common share data(2):	
Loss per share - basic and diluted	\$ (0.14)
	<b>-----</b>
Net book value per share(1)	\$ (1.98)
	<b>-----</b>
	<b>Spontaneous</b>
	<b>-----</b>
	<b>Technology</b>
	<b>-----</b>
	<b>12 months ended</b>
	<b>June 30, 2003</b>
	<b>-----</b>



Historical per common share data(2):	
Loss per share basic and diluted	\$ (0.10)
Net book value per share(1)	\$ (0.74)

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	<u>Combination</u>
	<u>Year Ended</u>
	<u>July 31, 2003</u>
Pro forma combined per common share data:	
Loss per combined company's basic and diluted share(3)	\$ (0.42)
Loss per equivalent Synchrologic basic and diluted share(4)	\$ (0.44)
Loss per equivalent Spontaneous Technology basic and diluted share(4)	\$ (0.01)
Pro forma net book value per combined company's share(1)	\$ 1.58
Pro forma net book value per equivalent Synchrologic share(4)	\$ 1.65
Pro forma net book value per equivalent Spontaneous Technology share (4)	\$ 0.03

- (1) Pumatech's, Synchrologic's and Spontaneous Technology's historical net book value per share of common stock is computed by dividing stockholders' equity (deficit) at period end by the number of shares of common stock outstanding at the respective period end. The pro forma net book value per share of common stock of the combined company is computed by dividing the pro forma stockholders' equity by the pro forma number of shares of Pumatech's common stock outstanding at the respective period end, assuming the Synchrologic merger and Spontaneous Technology acquisition had occurred as of that date.
- (2) Prepared on an as converted basis for Synchrologic's and Spontaneous Technology's preferred stock.
- (3) Shares used to calculate unaudited pro forma combined loss per basic and diluted shares were computed by adding 16,200,000 shares of Pumatech's common stock assumed to be issued at the closing of the proposed Synchrologic merger and 1,094,000 shares of Pumatech's common stock issued at the closing of the acquisition of Spontaneous Technology to Pumatech's weighted average shares outstanding.
- (4) The equivalent pro forma per share data is calculated by multiplying the respective pro forma per share data by the pro forma exchange ratio for Synchrologic and Spontaneous Technology on an as converted basis, which is 1.039 and 0.020, respectively.

**Table of Contents****MARKET PRICE AND DIVIDEND INFORMATION****Market Price Data**

Pumatech common stock has been traded on The Nasdaq National Market under the symbol PUMA since Pumatech's initial public offering in December 1996. The following table presents the high and low sale prices per share of Pumatech common stock as reported on The Nasdaq National Market for the periods indicated. These prices are adjusted for the two-for-one stock split in the form of a stock dividend paid to Pumatech's stockholders on March 22, 2000.

	<u>High</u>	<u>Low</u>
<b>Fiscal Year Ending July 31, 2004</b>		
First Quarter	\$ 7.25	\$ 3.01
Second Quarter (through November 24, 2003)	\$ 7.71	\$ 5.00
<b>Fiscal Year Ended July 31, 2003</b>		
First Quarter	\$ 0.49	\$ 0.22
Second Quarter	\$ 1.55	\$ 0.36
Third Quarter	\$ 3.30	\$ 1.13
Fourth Quarter	\$ 4.08	\$ 2.31
<b>Fiscal Year Ended July 31, 2002</b>		
First Quarter	\$ 2.65	\$ 1.11
Second Quarter	\$ 3.68	\$ 2.06
Third Quarter	\$ 2.09	\$ 0.99
Fourth Quarter	\$ 1.00	\$ 0.43
<b>Fiscal Year Ended July 31, 2001</b>		
First Quarter	\$ 26.63	\$ 12.25
Second Quarter	\$ 16.75	\$ 3.81
Third Quarter	\$ 9.25	\$ 2.54
Fourth Quarter	\$ 4.81	\$ 2.03
<b>Fiscal Year Ended July 31, 2000</b>		
First Quarter	\$ 18.50	\$ 2.19
Second Quarter	\$ 65.31	\$ 17.50
Third Quarter	\$ 98.00	\$ 22.88
Fourth Quarter	\$ 37.00	\$ 19.75
<b>Fiscal Year Ended July 31, 1999</b>		
First Quarter	\$ 2.81	\$ 0.97
Second Quarter	\$ 2.25	\$ 1.37
Third Quarter	\$ 2.69	\$ 1.88
Fourth Quarter	\$ 3.44	\$ 2.38
<b>Fiscal Year Ended July 31, 1998</b>		
First Quarter	\$ 4.19	\$ 2.78
Second Quarter	\$ 4.03	\$ 2.78
Third Quarter	\$ 3.66	\$ 2.81
Fourth Quarter	\$ 4.19	\$ 2.53
<b>Fiscal Year Ended July 31, 1997</b>		
Second Quarter (from December 5, 1996)	\$ 9.62	\$ 6.06
Third Quarter	\$ 8.12	\$ 2.87
Fourth Quarter	\$ 5.62	\$ 3.81

There has been no public market for the Synchronologic capital stock.



**Table of Contents****Recent Share Prices**

The following table provides the closing prices per share of Pumatech common stock as reported on The Nasdaq National Market on September 12, 2003, the last full trading day preceding public announcement that Pumatech and Synchrologic had entered into the merger agreement, and November 24, 2003, the last full trading day for which closing prices were available at the time of the printing of this joint proxy statement/prospectus.

Since Synchrologic capital stock is not traded in any established market, no equivalent market price data is available for Synchrologic. However, the following table sets forth the estimated exchange ratio for each outstanding class and series of Synchrologic capital stock and the estimated equivalent price per Synchrologic share, or the value Synchrologic shareholders will receive in the merger for each share of Synchrologic capital stock he, she or it owns. Although the final exchange ratios will not be determined until immediately prior to the effective time of the merger, the estimated equivalent prices per Synchrologic share at each of the referenced dates have been computed by multiplying the closing sales price per share of Pumatech common stock on that date by the applicable estimated exchange ratio. For a discussion of the assumptions made in calculating the estimated exchange ratios, see *The Merger Merger Consideration*.

<u>Date/Class and Series of Synchrologic Capital Stock</u>	<u>Closing Sales Price Per Share of Pumatech Common Stock</u>	<u>Estimated Exchange Ratio</u>	<u>Equivalent Price Per Share of Synchrologic Capital Stock</u>
September 12, 2003	\$3.87		
Common Stock		0.617573	\$ 2.39
Series A Preferred Stock		0.845392	\$ 3.27
Series B Preferred Stock		0.914688	\$ 3.54
Series C Preferred Stock		0.626266	\$ 2.42
Series D Preferred Stock		2.342925	\$ 9.07
November 24, 2003	\$ 5.42		
Common Stock		0.617573	\$ 3.35
Series A Preferred Stock		0.845392	\$ 4.58
Series B Preferred Stock		0.914688	\$ 4.96
Series C Preferred Stock		0.626266	\$ 3.39
Series D Preferred Stock		2.342925	\$ 12.70

Please note that the actual exchange ratios for each class and series of outstanding Synchrologic capital stock, which may be greater or less than the estimated exchange ratios set forth above, will not be determined until immediately prior to the closing of the merger, and will vary based on the average closing price of Pumatech common stock for the 30 trading days ending immediately prior to the closing date of the merger, the actual amount of transaction expenses incurred by Synchrologic, and Synchrologic's actual capitalization as of the closing date of the merger. For a more complete description of the methodology for calculating the exchange ratios, see the section of this joint proxy statement/prospectus entitled *The Merger Merger Consideration* beginning on page 63. In addition, updated estimates of the exchange ratios will be posted daily on Pumatech's website (<http://www.pumatech.com>) and Synchrologic's website (<http://www.synchrologic.com>) through the date of the Synchrologic special meeting and can be obtained by calling Pumatech at (408) 321-7650 or Synchrologic at (770) 754-5600.

We urge you to obtain current market quotations for Pumatech common stock. We cannot predict the market prices for Pumatech common stock at any time before completion of the merger or the market price for Pumatech common stock after the completion of the merger. Because the market price of Pumatech common stock is subject to fluctuation, the market value of the shares of Pumatech common stock that holders of Synchrologic capital stock will receive in the merger may increase or decrease.



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**Dividend Information**

Neither Pumatech nor Synchrologic has ever paid any cash dividends on their shares of capital stock. Under the merger agreement, each of Pumatech and Synchrologic has agreed not to pay cash dividends pending completion of the merger, without the written consent of the other. The Pumatech board of directors intends to retain all earnings for use in its business and has no present intention to pay cash dividends after the merger. If the merger is not completed, the Synchrologic board of directors intends to continue its policy of retaining all earnings for use in its business.

**Number of Stockholders**

As of November 21, 2003, 49,484,042 shares of Pumatech common stock were held by approximately 437 stockholders of record. This does not reflect persons or entities who hold their stock in nominee or street name through various brokerage firms.

As of November 19, 2003, there were approximately 70 shareholders of record of Synchrologic capital stock.

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**STATEMENTS REGARDING FORWARD-LOOKING INFORMATION**

The Securities and Exchange Commission encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This joint proxy statement/prospectus contains such forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements may be made directly in this joint proxy statement/prospectus referring to Synchrologic and Pumatech, and they may also be made a part of this joint proxy statement/prospectus by reference to other documents filed with the Securities and Exchange Commission by Pumatech and incorporated by reference into this joint proxy statement/prospectus. These statements may include statements regarding the period following completion of the merger.

Words such as anticipate, believe, estimate, expect, intend, may, plan, project, seek, and words and terms of similar substance used with any discussion of future operating or financial performance, or expected strategic benefits, advantages and other effects of the merger identify forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. In addition to the risks related to the businesses of Pumatech, Synchrologic and the combined company, the factors relating to the merger discussed under Risk Factors of this joint proxy statement/prospectus, among others, could cause actual results to differ materially from those described in the forward-looking statements. Neither Synchrologic nor Pumatech makes any representation as to whether any projected or estimated financial information contained in any forward-looking statements will be obtained and stockholders are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus or the date of the document incorporated by reference in this joint proxy statement/prospectus. Neither Synchrologic nor Pumatech is under any obligation, and each expressly disclaims any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please see the quarterly reports on Form 10-Q and the annual reports on Form 10-K that Pumatech has filed with the Securities and Exchange Commission.



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**RISK FACTORS**

*The merger involves a high degree of risk. By voting in favor of the merger, Synchrologic shareholders will be choosing to invest in Pumatech common stock. An investment in Pumatech common stock involves a high degree of risk. In addition to the other information contained or incorporated by reference in this joint proxy statement/prospectus, Synchrologic shareholders should carefully consider the following risk factors in deciding whether to vote for the merger.*

*If any of the following risks actually occur, the business, financial condition or prospects of either or both of Pumatech and Synchrologic may be seriously harmed. In such case, the trading price of Pumatech common stock may decline, and you may lose all or part of your investment.*

**Risks Related to the Merger**

*Since the total number of shares of Pumatech common stock to be issued in the merger is subject to contractual limitations, the merger exchange ratios may not fully reflect changes in the market value of Pumatech common stock before the closing of the merger.*

The total consideration shares, representing the aggregate number of shares of Pumatech common stock to be issued in the merger in exchange for all outstanding shares of Synchrologic capital stock (including shares of Pumatech common stock to be reserved for issuance upon the exercise of Synchrologic options assumed by Pumatech in the merger), will be determined based on the average closing price, which is the average of the closing sales prices for one share of Pumatech common stock as reported on The Nasdaq National Market for the thirty consecutive trading days ending on the last complete trading day immediately preceding the closing date of the merger. However, the merger agreement provides that in no event will the total consideration shares exceed a maximum of 19,800,000 shares of Pumatech common stock or be less than a minimum of 16,200,000 shares of Pumatech common stock, subject to adjustments for transaction expenses. Therefore, the parties will not adjust the number of shares of Pumatech common stock comprising the total consideration shares beyond these limits even if the average closing price falls below the amount that would result in the number of shares of Pumatech common stock comprising the total consideration shares exceeding 19,800,000 or rises above the amount that would result in the number of shares of Pumatech common stock comprising the total consideration shares being fewer than 16,200,000, subject to adjustments for transaction expenses. As a result, the merger exchange ratios may not fully reflect changes in the market value of Pumatech common stock before the closing of the merger. Pumatech cannot predict the market price of Pumatech common stock at any time before or after the completion of the merger. **Pumatech encourages you to obtain current market quotations of Pumatech common stock.**

*The number of shares of Pumatech common stock Synchrologic shareholders will receive in the merger will be decreased according to the amount of Synchrologic's transaction expenses.*

If the merger is completed, Pumatech and Synchrologic have agreed to share equally the aggregate legal, accounting, investment banking, broker's and finder's fees incurred by Synchrologic and its shareholders in connection with the merger so long as such shared transaction expenses do not exceed a total of \$400,000. Any transaction expenses of Synchrologic and its shareholders in excess of \$400,000 will be paid by the shareholders of Synchrologic. Any portion of any transaction expenses to be paid by the Synchrologic shareholders will be treated as a reduction of the purchase price in determining the number of total consideration shares Synchrologic shareholders will receive in the merger. Thus, in the event that Synchrologic's transaction expenses total \$400,000 or less, the total number of shares of Pumatech common stock to be issued to the Synchrologic shareholders in the merger will be reduced by a number of shares equal to 50% of Synchrologic's transaction expenses divided by the average closing price for Pumatech's common stock, which is the average of the closing sales prices on The Nasdaq National Market for one share of Pumatech common stock for the thirty day trading period ending on the last complete trading date immediately prior to

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the closing of the merger. In the event that Synchrologic's transaction expenses exceed \$400,000, the total number of shares of Pumatech common stock to be issued to the Synchrologic shareholders in the merger will be reduced as described in the preceding sentence

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and reduced further by the number of shares equal to 100% of the amount by which Synchrologic's transaction expenses exceed \$400,000 divided by the average closing price for Pumatech's common stock. Synchrologic cannot predict the total amount of expenses that will be incurred by Synchrologic and its shareholders in connection with the merger.

***Pumatech will face technical, operational and strategic challenges that may prevent it from successfully integrating Synchrologic with Pumatech.***

The integration of Pumatech and Synchrologic will be a time consuming and expensive process and may disrupt the combined company's operations if it is not completed in a timely and efficient manner. If this integration effort is not successful, the combined company's results of operations could be harmed, employee morale could decline, key employees could leave and customers could cancel existing orders or choose not to place new ones. In addition, Pumatech may not achieve any of the anticipated synergies or other benefits of the merger. Following the merger, Pumatech and Synchrologic must operate as a combined organization utilizing common information and communication systems, operating procedures, financial controls and human resources practices. Pumatech and Synchrologic may encounter the following difficulties, costs and delays involved in integrating their operations:

potential incompatibility of business cultures;

potential difficulties in successfully integrating the management teams and employees of Pumatech and Synchrologic;

challenges in managing the combined company's growth and managing larger, more geographically dispersed operations;

perceived adverse changes in business focus;

failure of the combined company to manage successfully relationships with customers, suppliers and other important relationships;

possible difficulties convincing the combined company's customers to accept new services or to continue using the products and services of the combined company; and

loss of key employees and diversion of the attention of management from other ongoing business concerns.

The challenges of integrating the businesses of Pumatech and Synchrologic may be increased by ongoing efforts to integrate recent acquisitions by Pumatech.

***Synchrologic executive officers, directors and employees have interests that are different from, or in addition to, those of the Synchrologic shareholders generally.***

The executive officers and directors of Synchrologic have interests in the merger that are different from, or are in addition to, those of Synchrologic shareholders generally. These include:

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The Synchrologic stock options held by each of Synchrologic's directors, executive officers and employees will be assumed in the merger and will become fully accelerated and exercisable, in accordance with their terms, for shares of Pumatech common stock;

Some executive officers of Synchrologic will enter into employment agreements with Pumatech or will be otherwise employed by Pumatech following the merger; and

Directors and officers of Synchrologic have customary rights to indemnification against specified liabilities.

As a result, these executive officers, directors and employees could be more likely to vote to approve, and recommend the approval of, the merger and the merger agreement than if they did not hold these interests.

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*The market price of Pumatech common stock is highly volatile, and if the merger's benefits do not meet the expectations of financial or industry analysts, the market price of Pumatech common stock may decline.*

In the past, Pumatech common stock has experienced substantial price volatility. This volatility might occur in the future, which could cause the Pumatech common stock to be worth less after the merger than before the merger. Volatility can arise particularly in response to quarter-to-quarter variations in the actual or anticipated financial results of Pumatech, its customers or competitors, and announcements by Pumatech or its competitors regarding new product and service introductions. The market price of Pumatech common stock can also fluctuate in response to price and volume fluctuations in the stock market, particularly those that affect the market prices of technology stocks.

In addition, the market price of Pumatech common stock may decline as a result of the merger if:

the integration of Pumatech and Synchrologic is unsuccessful;

Pumatech does not achieve the perceived benefits of the merger as rapidly as, or to the extent, anticipated by financial or industry analysts; or

the effect of the merger on Pumatech's financial results is not consistent with the expectations of financial or industry analysts.

*The business of Synchrologic could suffer in response to the announcement of the merger.*

The announcement of the merger may have a negative impact on Synchrologic's ability to sell its products and services, attract and retain key management, development or other personnel, maintain and attract new customers, and maintain strategic relationships with third parties. For example, Synchrologic may experience cancellations or a decline in the rate of orders for its products or services or a deterioration in its customer relationships. In addition, Synchrologic's employees may experience uncertainty about their future role with Pumatech until Pumatech's plan for Synchrologic's employees is announced. If the merger is not completed, Synchrologic could be harmed by these adverse changes in its business or the expectation of these changes, and restoring Synchrologic's business to its pre-announcement value could take a long time and be costly, and may not occur.

*Failure to complete the proposed merger could adversely affect Synchrologic's and Pumatech's future business and operations and Pumatech's stock price.*

The merger is subject to the satisfaction of a number of closing conditions, including the approval by Synchrologic's shareholders and by Pumatech's stockholders, and we cannot assure you that the merger will be successfully completed. In the event that the merger is not completed, Synchrologic and Pumatech may be subject to a number of material risks, including the following:

Synchrologic may be required to pay Pumatech a termination fee of \$6,000,000 or Pumatech may be required to pay Synchrologic a termination fee of \$3,000,000;

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Costs related to the proposed merger, such as legal, accounting, and some advisory fees, must be paid, even if the merger is not completed; and

Restoring Synchronologic's business to its pre-announcement of merger value could take a substantial amount of time and resources, and may not occur.

If the merger is not completed and Synchronologic's board of directors determines to seek another business combination, Synchronologic may not be able to find a partner willing to pay an equivalent or more attractive price than that which would have been paid in the merger with Pumatech. Further, failure to complete the proposed merger could be perceived negatively by investors in Pumatech's common stock, which would have an adverse effect on Pumatech's stock price.

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***The completion of the merger may result in dilution in future per share operating results to the stockholders of Pumatech and Synchrologic.***

The completion of the merger will not necessarily result in improved per share operating results of the combined company or a financial condition superior to that which would have been achieved by either of the companies on a stand-alone basis. The merger could fail to produce the benefits that the companies anticipate, or could have other adverse effects that the companies currently do not foresee. In this event, the merger could result in a reduction of per-share earnings of the combined company as compared to the per-share earnings that would have been achieved if the merger had not occurred.

## **Risks Related to Pumatech's Business**

If the merger is successfully completed, holders of Synchrologic capital stock will become holders of Pumatech common stock. Pumatech's business differs from Synchrologic's business, and Pumatech's results of operations, as well as the price of Pumatech common stock, may be affected by factors different than those affecting Synchrologic's results of operations and the value of Synchrologic's capital stock before the merger. In this section regarding Risks Related to Pumatech's Business, references to we, us and our refer to Pumatech and its subsidiaries.

***We have historically incurred losses and these losses may continue in the future. We may not be able to sustain consistent future revenue growth on a quarterly or annual basis, or achieve or maintain profitability.***

We have not been profitable since fiscal 1998. Although we have reported sequential revenue growth over the last four quarters, we cannot be certain that this growth will continue at the same rate, or that our revenues will not decline in the future. We have experienced losses of \$7.7 million, \$34.5 million and \$41.8 million for fiscal 2003, 2002 and 2001, respectively. At July 31, 2003, we had an accumulated deficit of \$121.7 million. To become profitable and sustain profitability, we will need to generate additional revenues to offset our expenses. We may not achieve or sustain our revenue or profit goals and our losses may continue in the future. Because the synchronization market is new and evolving, we cannot accurately predict either the future growth rate, if any, or the ultimate size of the market for our products and services. For example, while the market for smartphones and other wireless mobile devices has experienced growth recently, the market for traditional personal data assistants (PDA) has declined. This decline in traditional PDA sales had a direct impact on sales of our Intellisync products through the retail and online channels, where sales of our synchronization software typically occur at the same time a PDA is purchased, or shortly thereafter. This decline has had a negative impact on our revenues and we expect that the decline in this market may continue. The increase in demand for smartphones and other such devices may not offset the decline in traditional PDA sales. If we cannot achieve profitability or positive cash flows from operating activities, we may be unable to meet our working capital and other payment obligations, which would have a material adverse effect on our business, financial condition and results of operations and the price of our common stock.

***Our quarterly revenues and operating results are subject to significant fluctuations, and our stock price may decline if we do not meet the expectations of investors and analysts.***

Our quarterly revenues and operating results are difficult to predict and have and may in the future fluctuate significantly from quarter to quarter due to a number of factors, many of which are outside our control. These factors include, but are not limited to:

a decline in the market for traditional personal data assistants;

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our need to realize our goals with respect to recent and potential future acquisitions;

our need and ability to generate and manage growth;

rapid evolution of technology;



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our evolving business model;

our reliance on international sales and growth

our ability to penetrate the European market;

a decline in gross margins;

the seasonal nature of the market;

changes in the market for synchronization;

introduction of new products and services by us or our competitors;

changes in our mix of sources of revenues;

the long-term effect of our reduction in operating expenses;

entrenched and substantial competition; and

continued difficult political and economic conditions.

Additionally, we generally derive our technology licensing revenues from multi-year contracts with customers that frequently include license fees, professional services fees, royalty payments and maintenance. We typically earn both the license fees and the professional services in the initial one or two quarters subsequent to the signing of a contract. We periodically have large professional services implementations that individually contribute as much as 5% or more to quarterly revenue. Combined with related license revenues, total revenue from individual customers in the initial quarters of a contract may exceed the revenues we earn during subsequent periods covered by the contract. To the extent that we do not secure additional contracts with the same customer or secure comparably sized commitments from other customers, we may not be able to achieve our revenue forecasts for future quarters.

There can be no assurance that we will generate sufficient revenue to meet expenses or to operate profitably in the future. Our losses today and the risk of future losses present significant risks to our stockholders. If we cannot achieve profitability or positive cash flows from operating activities, we may be unable to meet our working capital and other payment obligations, which would have a material adverse effect on our business, financial condition and results of operations and the price of our common stock.

*Our market changes rapidly due to evolution in technology and industry standards. If we do not adapt to meet the sophisticated needs of our customers, our business and prospects will suffer.*

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The market for our products and services is characterized by rapidly changing technology, evolving industry standards and frequent new product and service introductions. The traditional personal data assistant market, appears to be declining and may continue to do so, just as sales in competing markets, such as smartphones and other multi-function mobile phones may be increasing. Our future success will depend to a substantial degree on our ability to offer products and services that adapt to these changing markets, incorporate leading technology, address the increasingly sophisticated and varied needs of our current and prospective customers and respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis. Our rapidly evolving market makes it more likely that:

our technology or products may become obsolete upon the introduction of alternative technologies;

we may not have sufficient resources to develop or acquire new technologies or to introduce new products or services capable of competing with future technologies or service offerings; and

we may not be able to respond effectively to the technological requirements of the changing market.

To the extent we determine that new technologies and equipment are required to remain competitive, the development, acquisition and implementation of these technologies and equipment are likely to continue to

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require significant capital investment by us. Moreover, there can be no assurances that we can develop, market and deliver new products and technology on a timely basis. Sufficient capital may not be available for this purpose in the future, and even if it is available, investments in new technologies may not result in commercially viable technological processes and there may not be commercial applications for such technologies. If we do not develop, acquire and introduce new products and services and achieve market acceptance in a timely manner, our business and prospects may suffer.

***Our recent and planned future acquisitions could require significant management attention and prove difficult to integrate with our business, which could distract our management, disrupt our business, dilute stockholder value and adversely affect our operating results.***

As part of our strategy, we intend to continue to make investments in complementary companies, products or technologies. We recently acquired Starfish Software, Inc. (in March 2003) and substantially all of the assets of Loudfire, Inc. (in July 2003) and Spontaneous Technology, Inc. (in September 2003). We have also recently announced our intention to acquire Synchrologic, Inc. We may not realize benefits from any of these acquisitions, or from any acquisition we may have in the future. If we fail to integrate successfully our past and future acquisitions, or the technologies associated with such acquisitions, into our company, the revenue and operating results of the combined company could decline. Any integration process will require significant time and resources, and we may not be able to manage the process successfully. If our customers are uncertain about our ability to operate on a combined basis, they could delay or cancel orders for our products. We may not successfully be able to evaluate or utilize the acquired technology and accurately forecast the financial impact of an acquisition transaction, including accounting charges. Acquisitions involve a number of difficulties and risks to our business, including, but not limited to, the following:

potential adverse effects on our operating results;

failure to integrate acquired technologies with our existing products and technologies;

failure to integrate management information systems, personnel, research and development and marketing, sales and support operations;

potential loss of key employees from the acquired company;

diversion of management's attention from other business concerns;

disruption of our ongoing business;

potential loss of the acquired company's customers;

failure to realize the potential financial or strategic benefits of the acquisition;

failure to develop further the acquired company's technology successfully, resulting in the impairment of amounts capitalized as intangible assets;

unanticipated costs and liabilities;

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incur amortization expenses related to intangible assets (other than goodwill); and

incur impairment charges under Statement of Financial Accounting Standards (SFAS) No. 142, Goodwill and Other Intangible Assets and SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets.

Further, we have issued common stock and paid cash for recent acquisitions and may have to pay cash, incur debt or issue equity securities to pay for any future acquisition, each of which could affect the market price of our common stock. The sale of additional equity or convertible debt could result in dilution to our stockholders. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations.

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***If we are unable to consummate the acquisition of Synchrologic or to make additional future acquisitions of mobile computing-related technology companies, we may be unable to compete successfully in the enterprise synchronization market.***

Our business strategy is dependent upon making additional acquisitions of mobile computing-related technology companies. For example, our planned acquisition of Synchrologic is intended to be an important addition to our technological ability to serve enterprise customers. Future acquisition candidates may be few in number and may attract offers from companies with greater financial resources than us. We can provide no assurance that we will be able to locate other suitable acquisition targets or that we will be able to complete additional acquisitions. If we are unable to acquire Synchrologic and make additional future acquisitions of mobile computing-related technology companies or build similar technologies in-house, we may be unable to implement our business plan and our ability to compete in the enterprise synchronization market may be adversely affected.

***Our investment in goodwill and other intangibles resulting from our acquisitions could become impaired.***

As of July 31, 2003, our goodwill and other intangibles amounted to \$5,500,000, net of accumulated amortization and reflective of newly acquired intangibles from Starfish and Loudfire. We ceased to amortize our existing goodwill upon our adoption of SFAS No. 142 in the beginning of fiscal 2003. We will amortize approximately \$781,000, \$739,000, \$666,000 and \$548,000 of other intangibles in fiscal 2004, 2005, 2006 and 2007, respectively, based on the acquisitions completed as of July 31, 2003. We expect, however, that amortization expense will increase significantly as a result of the acquisition of various intangibles from Spontaneous Technology and the pending acquisition of Synchrologic in fiscal 2004. To the extent we do not generate sufficient cash flows to recover the net amount of any investment in goodwill and other intangibles recorded, the investment could be considered impaired and subject to earlier write-off. These impairments of goodwill or other intangible assets could have a negative impact on our results of operations in any given period.

***Our business was harmed by the recent slowdown in the economy generally and in the information technology sector in particular. As a result, we have reduced our total operating expenses to a lower level in fiscal 2003 compared with those in fiscal 2002. Continued or worsened conditions may directly harm our business and could result in additional actions to reduce operating expenses, which could harm our business and future prospects further.***

Our revenue declined sequentially in the six quarters before the first quarter of fiscal 2003, largely as a result of recent unfavorable economic conditions that caused our customers to delay, decrease or cancel corporate information technology spending. The sales of our products and services is largely dependent on the state of the general economy and upon the condition of the mobile computing-synchronization markets. We may be unable to offset the harm caused by continued or increasing weakness in demand with additional reductions in operating expenses without significantly harming our business.

***Our success and ability to compete depends upon our ability to secure and protect patents, trademarks and other proprietary rights.***

Our success depends on our ability to protect our proprietary rights to the technologies used in our products and services. In the event that a third party breaches the confidentiality provisions or other obligations in one or more of our agreements or misappropriates or infringes on our intellectual property or the intellectual property licensed to us by third parties, our business would be seriously harmed. To protect our proprietary rights, we rely on a combination of trade secrets, confidentiality and other contractual provisions and agreements, and patent, copyright and trademark laws, which afford us only limited protection. Third parties may independently discover or invent competing technologies or reverse engineer our trade secrets, software or other technology. Furthermore, laws in some countries may not protect our proprietary rights to the same extent as the laws of the United States. Therefore, the measures we take to protect our proprietary rights may not

be adequate.

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Despite our efforts to protect our proprietary rights and technologies, unauthorized parties may attempt to copy aspects of our products or to obtain and use trade secrets or other information that we regard as proprietary. Policing unauthorized use of our products is difficult, and while we are unable to determine the extent to which piracy of our software products exists, software piracy can be expected to be a persistent problem. Embedded software products, like those we offer, can be especially susceptible to software piracy.

*We are and may in the future be subject to litigation that could result in significant costs to us.*

Litigation has been and may in the future be necessary to enforce our proprietary rights or to protect our trade secrets or trademarks. These legal proceedings may also divert our management's attention from growing our business. Failure to enforce and protect our intellectual property successfully would substantially harm our business.

For instance, on April 19, 2002, we filed a patent infringement suit against Extended Systems, Inc. in the United States District Court for the Northern District of California. In this suit, we allege that Extended System's server and desktop products infringe on eight of our synchronization-related patents. We are seeking an injunction against future sales of infringing server and desktop products, as well as monetary damages for past sales of the infringing products, of Extended Systems. Extended Systems has denied our charges, raised a number of affirmative defenses to our claims, and requested a declaration from the Court that our eight patents are invalid and not infringed. Litigation is inherently uncertain, and we may not prevail in our claims or defenses. In addition, our litigation against Extended Systems is expensive and time-consuming, and management has been and may in the future be required to spend significant time in the defense of the suit. We incurred approximately \$1,200,000 of legal costs relating to all litigation including against Extended Systems during fiscal 2003 and believe that we will continue to incur significant amount of legal costs during fiscal 2004 as a result of any on-going litigation. Extended Systems has no claims or counterclaims against us in this case. However, if we do not prevail in our claims, we might be forced to accept an unfavorable settlement or judgment which could require us to pay a substantial amount of Extended Systems' legal fees in settlement or upon the determination of these claims. An unfavorable settlement or judgment could also materially harm our ability to use existing intellectual property and severely harm our business as a result.

On December 5, 2002, we filed a patent infringement suit against Synchrologic, Inc. in the United States District Court for the Northern District of California, alleging that Synchrologic's server and desktop products infringe six of our synchronization-related patents. On September 14, 2003, we entered into a definitive agreement to acquire Synchrologic. Upon the execution of the definitive agreement, we and Synchrologic agreed to dismiss the litigation with prejudice as of September 17, 2003, thereby permanently ending this specific suit.

In order to protect our proprietary rights in the future, we may decide to sue additional parties. Any litigation, whether brought by or against us, could cause us to incur significant expenses and could divert a large amount of management time and effort. A claim by us against a third party could, in turn, cause a counterclaim by the third party against us, which could impair our intellectual property rights and harm our business.

If we are forced to defend against third-party infringement claims, whether they are with or without merit or are determined in our favor, we could face expensive and time-consuming litigation, which could distract technical and management personnel, or result in product shipment delays. If an infringement claim is determined against us, we may be required to pay monetary damages or ongoing royalties. Further, as a result of infringement claims either against us or against those who license technology to or from us, we may be required to develop non-infringing intellectual property or enter into costly royalty or licensing agreements. Such royalty or licensing agreements, if required, may be unavailable on terms that are acceptable to us, or at all. If a third party successfully asserts an infringement claim against us and we are required to pay monetary damages or royalties or we are unable to develop suitable non-infringing alternatives or license the infringing or similar intellectual property on reasonable terms on a timely basis, it could significantly harm our business.





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*If our intellectual property were to be found to be infringing or otherwise invalid, our business would be harmed.*

Our business is heavily dependent on our intellectual property. Our patents are an especially important part of our intellectual property and our business. Third parties may assert infringement or unfair competition claims against us. In the past, we have received notices from third parties alleging that our product offerings infringe proprietary rights held by them. We have also received a notice from a customer to which we may have indemnification obligations under some circumstances, informing us that it had received a notice from a third party alleging that the customer's product infringes the third party's proprietary rights. We believe that the third party has recently initiated litigation against our customer. We or our customers may receive other similar notices from third parties in the future. We cannot predict whether third parties will assert claims of infringement against us, or whether any past, present or future claims will prevent us from offering products or operating our business as planned.

Due to the inherently uncertain nature of intellectual property protection and the extremely competitive area in which we operate our business, it is possible that some or all of our intellectual property could be found to be infringing on the intellectual property of others or that our patents could be determined to be invalid in the future, despite our efforts to ensure otherwise. Should some or all of our intellectual property be found to be infringing on the intellectual property of others, our business would be severely harmed because we would not be able to sell our products and we may incur fees, expenses or be forced to pay damage awards. In addition, our business would be harmed if our patents were determined to be invalid.

*We face fierce competition in the market for mobile computing synchronization products and services, which could reduce our market share and revenues.*

Our market contains few substantial barriers to entry. We believe we will face additional competition from existing competitors and new market entrants in the future. We currently face direct competition with respect to our Intellisync, Enterprise Intellisync, Synchrologic Mobile Suite, Intellisync goAnywhere, Satellite Forms, Intellisync: Phone Edition, TrueSync and Spontaneous Technology's secure Virtual Private Network (sVPN) products. Intellisync retail and enterprise products face competition from Sybase Inc.'s iAnywhere, Chapura, Inc.'s Pocket Mirror, Common Time's Cadenza mNotes, Extended Systems, Inc.'s OneBridge Mobile Groupware, IBM Corporation's Lotus Software EasySync Pro, Microsoft, Inc.'s ActiveSync, Palm Desktop from Palm and others. Satellite Forms faces competition from Adobe Systems, Inc., Aligo, Inc., AppForge, Inc., Covigo, Inc., iConverse, Inc., Metrowerks Code Warrior, mPortal, Inc., Pencil Corporation, Pendragon Software Corporation, Penright Corporation's MobileBuilder and others. Our server-based Mobile Suite software faces competition from Aether Systems, CommonTime, Extended Systems, FusionOne, Inc., InfoSpace, Inc., Infowave Software, JP Mobile, Inc., Microsoft, Openwave, Inc., Sybase, Inc., Synchrologic, Inc. (up until the closing date of the planned acquisition), Wireless Knowledge, Inc., XcelleNet, Inc. and others. Intellisync goAnywhere technology competes with offerings from Symantec Corporation (pcAnywhere) and Expertcity, Inc. (GoToMyPC) and others. Our Intellisync: Phone Edition faces competition from FutureDial, Inc.'s SnapSync and Susteen, Inc.'s DataPilot and others. In addition to direct competitors like these, we face indirect competition from existing and potential customers that may provide internally developed solutions to each of our technology licensing components. TrueSync and sVPN face competition from Visto Corporation, Seven Networks, Inc. and others.

In addition to direct competition noted above, we face indirect competition from existing and potential customers that may provide internally developed solutions for each of our technology licensing components. As a result, we must educate prospective customers as to the advantage of our products compared to internally developed solutions. We currently face limited direct competition from major applications and operating systems software vendors who may in the future choose to incorporate data synchronization functionality into their operating systems software, thereby potentially reducing the need for original equipment manufacturers to include our products in their notebook and desktop personal computers. For example, Microsoft's inclusion of certain features permitting data synchronization between computers utilizing the Windows 98, Windows 2000,



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Windows Me, Windows NT or Windows XP operating system may have the effect of reducing revenue from our software if users of these operating systems perceive that their data synchronization needs are adequately met by Microsoft.

Many of our competitors have substantially greater financial, technical and marketing resources, larger customer bases, longer operating histories, greater name recognition and more established relationships in the industry than we do. Our larger competitors may be able to provide customers with additional benefits in connection with their products and costs, including reduced communications costs. As a result, these companies may be able to price their products and services more competitively than we can and respond more quickly to new or emerging technologies and changes in customer requirements. If we are unable to compete successfully against our current or future competitors, we may lose market share, and our business and prospects would suffer.

*Our business and prospects depend on, to a significant degree, demand for wireless and other mobile computing devices.*

The use of wireless and other mobile computing devices for retrieving, sharing and transferring information among businesses, consumers, suppliers and partners has begun to develop only in recent years. Our success will depend in large part on continued growth in the use of wireless and other mobile computing devices including personal data assistants, handheld computers, smart phones, pagers and other mobile devices. In addition, our markets face critical unresolved issues concerning the commercial use of wireless and other mobile computing devices, including security, reliability, cost, ease of access and use, quality of service, regulatory initiatives and necessary increases in bandwidth availability. Demand for, and market acceptance of, wireless and other mobile computing devices which require our products and services are subject to a high level of uncertainty and are dependent on a number of factors, including:

the growth in access to, and market acceptance of, new interactive technologies;

growth in sales of handheld devices, smart phones and other mobile computing devices, supported by our software and growth in wireless network capabilities to match end-user demand and requirements;

emergence of a viable and sustainable market for wireless and mobile computing services;

our product and service differentiation and quality;

the development of technologies that facilitate interactive communication between organizations;

increases in bandwidth for data transmission;

our distribution and pricing strategies as compared with those of our competitors;

the effectiveness of our marketing strategy and efforts;

our industry reputation; and

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general industry and economic conditions such as slowdowns in the computer or software markets or the economy in general.

If the market for wireless and other mobile computing devices as a commercial or business medium does not develop, or develops more slowly than expected, our business, results of operations and financial condition will be seriously harmed.

Even if the wireless and mobile computing services market does develop, our products and services may not achieve widespread market acceptance. If our target customers do not adopt, purchase and successfully deploy our other current and planned products and services, our revenue will not grow significantly and our business, results of operations and financial condition will be seriously harmed.

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*If we fail to maintain our existing relationships or enter into new relationships with original equipment manufacturers, business development organizations and sales distribution channels, our brand awareness, the sales of our products and use of our services would suffer.*

Our product and service offerings depend, in large part, on our ability to develop and maintain relationships with original equipment manufacturers and business development organizations that help distribute our products and promote our services. We depend on these relationships to:

distribute our products to purchasers of mobile devices;

increase the use of our technology licensing components;

build brand awareness through product marketing; and

market our products and services cooperatively.

If the products that these equipment manufacturers or business development organizations sell, or the operating systems upon which these products are based, were to lose popularity, or if any of these companies cease to use our product and service offerings in significant volumes, our product sales would decline and our business would suffer.

We have developed with sales distribution channels and other resellers that allow us to offer our products and services to a much larger customer base than we would otherwise be able to reach through our own direct sales and marketing efforts. Ingram Micro US is our largest distributor and accounted for 10%, 17% and 14% of our total revenue during fiscal 2003, 2002 and 2001, respectively. There are also a significant number of our customers that purchase our products and services through other resellers, and we anticipate they will continue to do so as we expand our product offerings. Because we often sell indirectly through these sales distribution channels and resellers, we cannot control our relationships with end customers. This may diminish our ability to sell our products and services directly to our customers. Our sales, therefore, could also be negatively affected by disruptions in our relationships with resellers or disruptions in the relationships between our resellers and customers. Resellers may also choose not to emphasize our products to their customers. Any of these occurrences could diminish the effectiveness of our distribution channel and lead to decreased sales.

*We are dependent on our international operations for a significant portion of our revenues.*

International revenue, primarily from customers based in Japan and Europe, accounted for 36%, 31% and 26% of our revenue in fiscal 2003, 2002 and 2001, respectively. The increase in our international annual revenues from fiscal 2002 to fiscal 2003 accounted for 92% of our total annual revenue increase for fiscal 2003. In the future, we may further expand our international presence. As we continue to expand internationally, we are increasingly subject to risks of doing business internationally, including:

longer payment cycles and problems in collecting accounts receivable;

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seasonal reductions in business activity during the summer months in Europe and certain other parts of the world;

unexpected changes in regulatory requirements and tariffs;

export controls relating to encryption technology and other export restrictions;

reduced protection for intellectual property rights in some countries;

political and economic instability, including continuing military conflicts in the Middle East and potential health epidemics;

difficulties in staffing and managing international operations;

fluctuations in currency exchange rates, which we do not hedge against;

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potentially adverse tax consequences;

nonrefundable withholding taxes on royalty income from customers in certain countries, such as Japan and Taiwan;

an adverse effect on our provision for income taxes based on the amount and mix of income from international customers; and

exposure to risk of non-payment by customers in other countries with highly inflationary economies.

Our international sales growth will be limited if we, in the future, are unable to expand international sales channel management and support, customize products for local markets, and develop relationships with international service providers, distributors and device manufacturers. Even if we are able to expand international operations successfully, we cannot be certain that we will succeed in maintaining or expanding international market demand for our products.

***Geographical expansion and growth, including the establishment of new sales or engineering operations, may negatively affect our engineering operations and cause us to incur significant additional costs and expenses.***

We recently established an engineering facility in Sofia, Bulgaria and in the future we may further expand our engineering or sales operations to other geographical areas within the United States and internationally. Our expansion may cause us to incur various costs and expenses, and may place a significant strain upon our operating and financial systems and resources that could materially adversely affect our financial results following such an expansion. We also face significant business risks related to the difficulty in assimilating new operations and the diversion of management's attention from other business. Additionally, if we fail to align employee skills and populations with revenue and market requirements, it may have a material adverse impact on our business and operating results. Moreover, these newly established operations may not contribute significantly to our sales or earnings.

***We may become dependent upon engineers and other development partners located in other countries.***

We established a global software development program to assist us in the implementation of custom software and other technology applications. We have shifted the composition of our engineering team to include several international software development partners, the largest of which is Romania-based SoftVision, Inc. Our future engineering development efforts may depend on our ability to maintain strategic relationships with these international partners. Our business relationships often consist of cooperative engineering programs, joint business seminars and cooperation in product development. Many of these relationships may not be contractual and may depend on the continued voluntary cooperation. Divergence in strategy or change in focus by any of our partners may interfere with our ability to develop and support our products, which in turn could harm our business. Further, if our partners enter into strategic alliances with other companies, they could reduce their support of our products. We may jeopardize our existing relationships if we enter into alliances with competitors of our strategic partners. One or more of our partners may use the information they gain from their relationship with us to develop competing products. In addition, our operations could be adversely affected if any of these international partners is affected by volatile economic, political or military conditions in its country or by various restrictions imposed by its country regarding the transfer of technology, the mobile computing industry and business in general.

***We are exposed to the risk of product returns and rotations from our distributors and value-added resellers, which are estimated and recorded by us as a reduction in sales.***

Although we attempt to monitor and manage the volume of our sales to distributors and resellers, overstocking by our distributors and resellers or changes in their inventory level policies or practices may require us to accept returns above historical levels. In addition, the risk of product returns may increase if the demand for new products we introduce is lower than what we anticipate at the time of introduction. Although we believe that



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we provide an adequate allowance for sales returns, actual sales returns could exceed our estimated recorded allowance. Any product returns in excess of recorded allowances could result in a material adverse effect on net revenues and operating results. As we introduce more products, timing of sales to end users and returns to us of unsold products by distributors and resellers become more difficult to predict and could result in material fluctuations in quarterly operating results.

*If we are unable to provide satisfactory and high quality services through our professional services group, customer satisfaction and demand for our products will suffer.*

Many of our customers have been successful in implementing our various technology initiatives without further provision of technical service. However, we believe that building strong relationships with our customers, as well as future growth in our product sales, depends on our ability to provide our customers with professional services, including customer support, training, consulting and initial implementation and deployment of our products when necessary. We have an in-house professional services group and use international software development partners with a workforce that can perform these tasks and that also educates third-party systems integrators in the use of our products so that these systems integrators can provide these services to our customers. If we are unable to develop sufficient relationships with third-party systems integrators and other customers, unable to complete product implementations in a timely manner, or unable to provide customers with satisfactory and quality support, consulting, maintenance and other services, we could face customer dissatisfaction, damage to our reputation, decreased overall demand for our products and loss of revenue.

*Future sales of our common stock, including the shares we intend to offer in connection with our proposed acquisition of Synchrologic, may depress our stock price.*

If our current stockholders sell substantial amounts of common stock in the public market, the market price of our common stock could fall. In addition, these sales of common stock could impede our ability to raise funds at an advantageous price, or at all, through the sale of securities. We have recently issued shares of our common stock in connection with our acquisitions of the assets of Loudfire and Spontaneous Technology, and we intend to issue additional shares of our common stock in our proposed merger with Synchrologic.

As of November 21, 2003, we had approximately 49,484,042 shares of common stock outstanding. Assuming that the maximum number of shares and options are issued and registered by us in connection with all of our recent acquisitions and our planned acquisition of Synchrologic, and assuming that all options to purchase common stock issuable under our stock plans are issued, an aggregate of approximately 28,432,000 additional shares of our common stock will become issued or issuable and freely tradeable within approximately nine months following the closing of the proposed acquisition of Synchrologic, and an aggregate of 1,227,000 additional shares of our common stock will become issued or issuable and freely tradeable by the end of the 18 month period following such closing. Based on these assumptions, the following is an approximate list of the shares that could become freely tradeable and sold in the public market as a result of option exercises or stock issuances in connection with acquisitions during the first nine months following the proposed acquisition:

3,643,000 shares immediately upon exercise of outstanding option grants;

1,121,000 additional shares on or about the effective date of the registration statements for the shares issuable in connection with the Spontaneous Technology and Loudfire transactions;

3,786,000 additional shares on or about the closing of the proposed Synchrologic acquisition;

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2,000,000 additional shares in each of the first eight months following the closing of the proposed acquisition, such that an aggregate of approximately 16 million additional shares would become freely tradeable in the 8 month period following such acquisition; and

3,882,000 additional shares at the end of the ninth month following the proposed acquisition.

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*We may incur significant stock-based compensation charges related to certain stock options and restricted stock in future periods.*

Based on certain accounting standards involving stock compensation, we have incurred and will continue to incur noncash accounting charges related to stock options, including those associated with our cancellation/regrant programs and certain unvested, restricted shares exercised with a full recourse note. Those standards require us to remeasure compensation costs for such options each reporting period based on changes in the market value of the underlying common stock. Depending upon movements in the market value of our common stock, the variable accounting treatment of those stock options may result in significant additional non-cash compensation costs in future periods.

In addition, there has been increasing public debate about the proper accounting treatment for employee stock options. Although we are not currently required to record any compensation expense in connection with option grants that have an exercise price at or above fair market value, it is likely that future laws or regulations will require us to treat stock options as a compensation expense. Any such change in accounting treatment could result in our reporting increased operating expenses, which would decrease any reported net income or increase any reported net loss.

*Geopolitical, economic and military conditions, including terrorist attacks and other acts of war, may materially and adversely affect the markets on which our common stock trades, the markets in which we operate, our operations and our profitability.*

Terrorist attacks and other acts of war, and any response to them, may lead to armed hostilities and such developments would likely cause instability in financial markets. Armed hostilities and terrorism may directly impact our facilities, personnel and operations which are located in the United States and other countries, as well as those of our clients. Furthermore, severe terrorist attacks or acts of war may result in temporary halts of commercial activity in the affected regions, may harm our reseller relationships and may result in reduced demand for our products. These developments could have a material adverse effect on our business and the trading price of our common stock.

*There are risks associated with our long-term investments that may adversely affect our results of operations.*

Historically, we have made direct and indirect investments in privately held companies. We may continue to make strategic investments in the future. There can be no assurance that our investments will bring us a return on investment. In addition, because the strategic investments tend to be in small, start-up technology companies that are at risk for financial failure especially during an economic slowdown, there is a greater risk that the investments might be impaired. In fiscal 2003, for instance, we sold our limited partnership interest in a venture capital fund company at a loss. The sale of the interest allowed us to avoid commitments for further investments in equity instruments of various privately-held companies made through the venture capital fund, many of which had not generated adequate returns.

*Our stock price has historically been and may continue to be volatile, which may cause you to lose money and could lead to costly litigation against us that could divert our resources.*

Stock markets have recently experienced dramatic price and volume fluctuations, particularly for shares of technology companies. These fluctuations can be unrelated to the operating performance of these companies. Broad market fluctuations may reduce the market price of our common stock and cause you to lose some or all of your investment. These fluctuations may be exaggerated if the trading volume of our common stock is low. In addition, due to the technology-intensive nature and growth rate of our business and the mobile computing synchronization market, the market price of our common stock has in the past and may in the future rise and fall in response to:

quarterly variations in operating results;

seasonal fluctuations on product sales;

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- announcements of technological innovations;
- announcements of new software or services by us or our competitors;
- acquisitions or strategic alliances by us or by our competitors;
- changes in financial estimates by securities analysts; and
- other events beyond our control, including general market conditions.

The stock market has experienced significant price and volume fluctuations that have particularly affected the trading prices of equity securities of many high technology companies. These fluctuations have often been unrelated or disproportionate to the operating performance of these companies. Furthermore, our operating results and prospects from time to time may be below the expectations of public market analysts and investors. Any negative change in the public's perception of companies in the wireless communications market could depress our stock price regardless of our operating results.

Recently, companies experiencing high volatility or significant drops in their stock prices have faced securities class action lawsuits when the market price of a stock has been volatile. Holders of that stock have often instituted securities class action litigation against the company that issued the stock when such stock declines. If any of our stockholders brought such a lawsuit against us, we could incur substantial costs defending the lawsuit. The lawsuit could also divert the time and attention of our management. Further, any settlement of such a lawsuit could adversely affect us.

***We depend on key employees in a competitive market for skilled personnel.***

The success of our business will continue to depend upon certain key technical and senior management personnel, including our president and chief executive officer, Woodson Hobbs; senior vice president of sales and marketing, Clyde Foster; chief technology officer, John Stossel; vice president of finance and administration and chief accounting officer, J. Keith Kitchen; and senior vice president of products and services, Mehdi Maghsoodnia, many of whom would be extremely difficult to replace. Following our proposed acquisition of Synchrologic, we expect that Said Mohammadioun will become a key employee of Pumatech. Competition for such personnel is intense, and there can be no assurance that we will be able to retain our existing key managerial, technical, or sales and marketing personnel. The loss of these officers and other or key employees in the future might adversely affect our business and impede the achievement of our business objectives.

We believe our ability to achieve increased revenues and to develop successful new products and product enhancements will depend in part upon our ability to attract and retain highly skilled sales and marketing and qualified product development personnel. In addition, competition for employees in our industry and geographic location could be intense. We may not be able to continue to attract and retain skilled and experienced personnel on acceptable terms. Our ability to hire and retain such personnel will depend upon our ability to raise capital or achieve increased revenue levels to fund the costs associated with such personnel. Failure to attract and retain key personnel will adversely affect our business.

***Increasing government regulation could cause demand for our products and services to grow more slowly or to decline.***

We are subject not only to regulations applicable to businesses generally, but also to laws and regulations directly applicable to wireless and other mobile computing devices. One or more states or the federal government could enact regulations aimed at companies like us, which provide software that facilitates e-commerce and wireless communications. The likelihood of the enactment of regulation in these areas will increase as wireless and other mobile devices become more pervasive. Any legislation, regulation or taxation of electronic commerce could dampen the growth of wireless and other mobile computing devices. If a reduction in growth occurs as a result of these events, demand for our services, technologies and other products could decline significantly. The

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adoption of new laws or the application of existing laws may expose us to significant liabilities and additional operational requirements, which could decrease the demand for our services and increase our cost of doing business.

*We are dependent on non-exclusive licenses for certain technology included in our products. We may be unable to license such technology or it may be subject to infringement claims by third parties.*

We depend on development tools provided by a limited number of third-party vendors. Together with application developers, we rely primarily upon software development tools provided by companies in the PC and mobile computing device industries. If any of these companies fails to support or maintain these development tools, we will have to support the tools ourselves or transition to another vendor. Such maintenance or support of the tools or transition could be time consuming, could delay the product release and upgrade schedule and could delay the development and availability of third-party applications used in our products. If we fail to procure the needed software development tools or there is any delay in availability of third-party applications our ability to release, support and promote adoption of our products would be harmed.

Our commercial success will also depend in part on not infringing upon the proprietary rights of others and not breaching technology licenses that cover technology used in our products. It is uncertain whether any third-party patents will require us to develop alternative technologies or to alter our products or processes, obtain licenses or cease activities that infringe on a third-party's intellectual property rights. If any such licenses are required, we may not be able to obtain such licenses on commercially favorable terms, if at all. Our failure to obtain a license to any technology that we may require to commercialize our products and services could cause our business and prospects to suffer. Litigation may also be necessary to enforce any patents issued or licensed to us or to determine the scope and validity of third-party proprietary rights.

*Our restructurings could result in customer and employee uncertainty and management distractions.*

We have undergone a number of restructurings in fiscal 2003, 2002, and 2001 involving, among other things, a substantial reduction in our worldwide workforce. Such reductions could result in customers or prospective customers deciding to delay or cancel their purchases of our products and services due to perceived uncertainty caused by the restructurings. There can be no assurance that we will not reduce or otherwise adjust our workforce again in the future or that the related transition issues associated with such reductions will not adversely affect our operations or customer perceptions in the future. This uncertainty could result in a lack of focus and reduced productivity by our remaining employees, including those directly responsible for revenue generation, which in turn may affect our revenue in the future. In addition, employees directly affected by the reductions may seek future employment with our business partners, customers, or even our competitors. Although all employees are required to sign a confidentiality agreement with us at the time of hire, there can be no assurances that the confidential nature of our proprietary information will be maintained in the course of such future employment.

*Our products may contain product errors that could subject us to product liability claims.*

Our products may contain undetected errors or failures when first introduced or as new versions are released, which can result in loss of or delay in market acceptance and could adversely impact future operating results. We do not currently maintain product liability insurance. Although our license agreements contain provisions limiting our liability in the case of damages resulting from use of the software, in the event of such damages, we may be found liable, and in such event, such damages could materially affect our business, operating results and financial condition.

*We may need to raise additional capital in the future resulting in dilution to our stockholders.*

We may need to raise additional funds for our business operations and to execute our business strategy. We may seek to sell additional equity or debt securities or to obtain an additional credit facility. The sale of



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additional equity or convertible debt securities could result in additional dilution to our stockholders. If additional funds are raised through the issuance of debt securities, these securities could have rights that are senior to holders of common stock and could contain covenants that would restrict our operations. Any additional financing may not be available in amounts or on terms acceptable to us, if at all.

*Foreign exchange fluctuations could decrease our revenues or cause us to lose money, especially since we do not hedge against currency fluctuations.*

To date, the majority of our customers have paid for our products and services in United States dollars. For fiscal years 2003, 2002 and 2001, costs denominated in foreign currencies were nominal and we had minimal foreign currency losses during those periods. However, we believe that in the future an increasing portion of our costs will be denominated in foreign currencies as we increase operations in Europe and open offices in other countries. We currently do not engage in foreign exchange hedging activities and, although we have not yet experienced any material losses due to foreign currency fluctuation, a small portion of our international revenues are currently subject to the risks of foreign currency fluctuations, and these risks will increase as our international revenues increase.

*System failures or accidental or intentional security breaches could disrupt our operations, cause us to incur significant expenses, expose us to liability and harm our reputation.*

Our operations depend upon our ability to maintain and protect our computer systems and core business applications, which are located at our offices, as well as hosted by third-party vendors. Although we are taking various precautions to maintain and protect our systems, they could still be vulnerable to damage from break-ins, unauthorized access, vandalism, fire, floods, earthquakes, power loss, telecommunications failures and similar events. We also maintain insurance against break-in, unauthorized access, vandalism, fires, floods, earthquakes and general business interruptions. The amount of coverage, however, may not be adequate in any particular case, and will not likely compensate us for all the damages caused by these or similar events. In addition, while we put various security measures in place to detect any unauthorized access to our computers and computer networks, we may be unable to prevent computer programmers or hackers from penetrating our network security or creating viruses to sabotage or otherwise attack our computer networks from time to time. A breach of our security could seriously damage our reputation, which would harm our business. In addition, because a hacker who penetrates our network security could misappropriate proprietary information or cause interruptions in our services, we might be required to expend significant resources to protect against, or to alleviate, problems caused by hackers. We might also face liability to persons harmed by misappropriation of secure information if it is determined that we did not exercise sufficient care to protect our systems.

*Future changes in accounting standards or our interpretation of current standards, particularly changes affecting revenue recognition, could cause unexpected revenue fluctuations.*

Future changes in accounting standards or our interpretation of current standards, particularly those affecting revenue recognition, could require us to change our accounting policies. These changes could cause deferral of revenue recognized in current periods to subsequent periods or accelerate recognition of deferred revenue to current periods.

*Corporate governance scandals and new legislation could increase the cost of our operations.*

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As a result of recent corporate governance scandals and the legislative and litigation environment resulting from those scandals, the costs of being a public company in general are expected to increase in the near future. New legislation, such as the recently enacted Sarbanes-Oxley Act of 2002, will have the effect of increasing the burdens and potential liabilities of being a public reporting company. This and other proposed legislation may increase the fees of our professional advisors and our insurance premiums.

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*Our certificate of incorporation, our bylaws, Delaware law and our stockholder rights plan contain provisions that could discourage a takeover.*

Provisions of our certificate of incorporation, our bylaws, Delaware law and our stockholder rights plan contain provisions that may discourage, delay or prevent a merger or acquisition or other change of control that a stockholder may consider favorable.

## **Risks Related to Synchronologic's Business**

If the merger is consummated, Synchronologic will constitute a meaningful part of Pumatech's business. If the merger is not completed, Synchronologic intends to continue as an independent private company. As a result, it is important for Synchronologic shareholders and Pumatech stockholders to consider the following ongoing risks related to Synchronologic's business. In this section regarding Risks Related to Synchronologic's Business, references to we, our and us refer to Synchronologic and its subsidiaries.

*Synchronologic has a history of losses and may continue to generate losses in the future.*

Synchronologic has a history of losses. Synchronologic's ability to attain profitability and positive cash flow from operations in future periods, will depend on a number of factors, including:

Synchronologic's ability to generate sufficient revenue and control expenses;

changes in customer demand for Synchronologic's products;

the timing of customer orders, which can be influenced by fiscal year-end buying patterns, seasonal trends or general economic conditions;

announcements or introductions of new products or services by Synchronologic's competitors;

delays in Synchronologic's development and introduction of new products and services;

changes in Synchronologic's pricing policies as a result of increased competition;

the mix of distribution channels through which Synchronologic sells its products;

the market acceptance of Synchronologic's new and enhanced products and the products of its customers that are original equipment manufacturers (OEMs); and

the emergence of new technologies or industry standards.

***Synchrologic's business relies on enterprises implementing mobile applications and devices and may be harmed by declines in information technology spending.***

The market for Synchrologic's products depends on economic conditions affecting the broader economic climate and spending on information technology, including mobile applications and devices. Downturns in the overall economy may cause enterprises to delay implementation of mobile device and application rollouts, reduce their overall information technology budgets or reduce or cancel orders for Synchrologic's products. Synchrologic's OEM customers may also limit development of new products that incorporate Synchrologic's products or reduce their level of purchases of Synchrologic's products in the face of slower information technology spending by their customers. The general weakening of the global economy and weakening of business conditions, particularly in the information technology, telecommunications, financial services and manufacturing industry sectors, have resulted in potential customers experiencing declines in their revenue and operations. In this environment, customers may experience financial difficulty or cease operations.

While Synchrologic's management believes it has adequately factored these conditions into the company's current revenue forecasts, if these conditions worsen or continue longer than expected, demand for Synchrologic's products may be reduced as a result of enterprises reducing information technology spending on

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its products and OEMs reducing their use of its products in their own products. As a result, Synchrologic's revenue may fail to increase or could decline, which would harm its operating results. If the current economic slowdown persists or worsens, Synchrologic also may be forced to reduce its operating expenses, which could result in additional charges incurred in connection with restructuring or other cost-cutting measures it may implement.

*Synchrologic's quarterly and annual operating results may fluctuate significantly.*

Synchrologic's operating results have fluctuated in the past and may continue to do so in the future. Synchrologic's revenue and operating results will vary from quarter to quarter due to inconsistency in the size and timing of sales and for many reasons beyond Synchrologic's control, including those described in this section. In addition, quarter-to-quarter variations in Synchrologic's revenue and operating results could create uncertainty about the direction or progress of its business. Any such decline would have an adverse impact on Synchrologic's operating results.

*Synchrologic forecasts many of its operating expenses based on forecasted revenue, which is difficult to predict. If Synchrologic fails to predict revenue accurately in a particular period, it may be unable to adjust its expenditures in that period and its operating results would be harmed.*

Synchrologic's quarterly revenue and operating results currently depend in large part on the volume and timing of orders received within the quarter and on the number of software seats licensed, which are difficult to forecast. Significant portions of Synchrologic's expenses are related to personnel and, therefore, are fixed in advance, based in large part on Synchrologic's forecast of future revenue. If revenue is below expectations in any given quarter, the adverse impact of the shortfall on Synchrologic's operating results may be magnified by its inability to adjust personnel and other expenditures to compensate for the shortfall.

*The success of Synchrologic's business may depend on Synchrologic identifying and securing additional sources of financing, and these sources may not be available when needed or may not be available on favorable terms.*

Synchrologic's management believes that the company's existing working capital, its borrowing capacity and the funds it expects to generate from its operations will be sufficient to fund the company's anticipated working capital, capital expenditure and debt service requirements for the next twelve months. Synchrologic cannot be certain, however, that its underlying assumed levels of revenues and expenses will be accurate. If Synchrologic operating results were to fail to meet Synchrologic's expectations or if accounts receivable or other assets were to require a greater use of cash than is currently anticipated, the company could be required to seek additional sources of liquidity. These sources of liquidity could include raising funds through private debt financing, borrowing against Synchrologic's existing line of credit or offering additional equity securities. If additional funds are raised through the issuance of equity securities, substantial dilution to Synchrologic's shareholders could result. In the event additional funds are required, adequate funds may not be available when needed or may not be available on favorable terms, which could have a negative effect on Synchrologic's business and results of operations.

*If the markets for Synchrologic's products do not continue to grow or do not grow at expected rates, demand for Synchrologic's products would be reduced and Synchrologic's business would be harmed.*

The success of Synchrologic's products currently relies to a large degree on the increased use by individuals and enterprises of mobile devices, including personal digital assistants, cell phones, pagers and laptop and handheld computers, and on increased use of technologies with wireless

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applications. Even if markets for Synchrologic's products grow, Synchrologic's products may not be successful. Enterprises and OEMs may not develop sufficient confidence in mobile devices to deploy Synchrologic's products to a significant degree. Any inability to continue to penetrate the existing markets for mobile data management and wireless connectivity

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product solutions, the failure of current markets to grow, new markets to develop or these markets to be receptive to Synchrologic's products and technologies on which its products are based, could harm Synchrologic's business. The emergence of these markets will be affected by a number of factors beyond Synchrologic's control.

*Synchrologic derives a large portion of its revenue from sales to large enterprises and the inability to complete such sales within a particular calendar quarter or year will significantly increase the variability of Synchrologic's revenues and could have a material adverse effect on its business.*

Synchrologic has historically derived a significant portion of its revenue from the sale of products to large enterprises. The sales cycle for sales to large enterprises is significantly longer than that of smaller businesses and often requires extensive sales efforts throughout a potential customer's organization. These efforts often involve comprehensive technical evaluation which requires Synchrologic's sales and technical personnel to educate information technology professionals and other decision-makers in various functional and geographic areas of a customer's organization about the merits of Synchrologic's products. These efforts can result in a sales cycle that extends 90 days or more. Also, even after making a significant investment in time and expense in a particular organization, there can be no assurance that Synchrologic will be successful in securing a sale of its products. Further, Synchrologic's ability to complete sales to large organizations is subject to a number of factors over which Synchrologic has little or no control. These factors include:

limited access to key decision-makers of potential customers who have the authority to authorize the purchase of Synchrologic's products;

budgetary constraints and internal approval procedures;

long technical evaluation periods of Synchrologic's products;

competitive products; and

adverse macroeconomic conditions for technology spending and the economy as a whole.

*The loss of any significant customer would have a material adverse effect on Synchrologic's results of operations and financial condition.*

Synchrologic has derived and believes it will continue to derive a significant portion of its revenues from a limited number of customers. During the first nine months of 2003, Synchrologic's two largest clients accounted for approximately 39% of revenues. In 2002, revenue from two customers represented approximately 37% of total revenues. The volume of sales to specific customers is likely to vary from year to year, and a major customer in one year may not provide the same level of revenues in any subsequent year. The loss of any significant customer would have a material adverse effect on Synchrologic's results of operations and financial condition.

*Synchrologic depends on a number of key business relationships and if Synchrologic fails to maintain these relationships, or is unable to develop new relationships, its business would suffer.*

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An important element of Synchrologic's strategy is the development of key business relationships with other companies that are involved in product development, joint marketing and the development of mobile communication technologies. If Synchrologic fails to maintain its current relationships or is unable to develop new relationships, its business would suffer. Also, in order to meet Synchrologic's current or future obligations to OEMs, Synchrologic may be required to allocate additional internal resources to OEMs' product development projects, which may delay the completion dates of other current product development projects.

Synchrologic's existing key business relationships do not, and any future key business relationships may not, provide any exclusive rights to Synchrologic. Many of the companies with which Synchrologic has established and intends to establish key business relationships have multiple strategic relationships, and these



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companies may not regard their relationships with Synchrologic as significant. In most of these relationships, the other party may terminate the relationship with little notice. In addition, these companies may attempt to develop or acquire products that compete with Synchrologic's products. They may do so on their own or in collaboration with others, including Synchrologic's competitors. Further, Synchrologic's existing business relationships may interfere with its ability to enter into other business relationships.

***Markets for Synchrologic's products are becoming increasingly competitive, which could result in lower prices for Synchrologic's products or a loss of market share.***

Synchrologic may not compete successfully against current or future competitors, some of whom have longer operating histories, greater name recognition, more employees and significantly greater financial, technical, marketing, public relations and distribution resources. Increased competition may result in price reductions, reduced margins, loss of market share and a change in Synchrologic's business and marketing strategies, any of which could harm Synchrologic's business. The competitive environment may require Synchrologic to make changes in its products, pricing, licensing, services or marketing to maintain and extend the market acceptance of its products. Price concessions or the emergence of other pricing or distribution strategies by Synchrologic's competitors may cause Synchrologic's revenue to diminish.

Synchrologic competes with:

mobile infrastructure companies Pumatech, Inc., Extended Systems, Inc., Sybase (iAnywhere), IBM, Microsoft, Aether Systems and Oracle;

email and PIM synchronization companies Pumatech, Inc., Extended Systems, Inc., Research in Motion, Good Technologies, JP Mobile, Infowave, Seven and Visto;

mobile systems management companies Xcellent, Inc., Mobile Automation and Altiris;

internal development of technology from enterprise customers; and

internal research and development departments of OEMs.

As the markets for mobile information management products grow, Synchrologic expects competition from existing competitors to intensify, and it expects new competitors, including OEMs to which it sells its products, to introduce products that compete with Synchrologic's products. Additionally, if existing or new competitors were to merge or form strategic alliances, Synchrologic's market share may be reduced or pressure may be put on Synchrologic to reduce prices resulting in reduced revenue and margins.

***Synchrologic may not be able to develop or introduce new products successfully.***

The markets for Synchrologic's products are characterized by:

rapidly changing technologies;

evolving industry standards;

frequent new product introductions; and

short product life cycles.

Any delays in the introduction or shipment of new or enhanced products, the inability of Synchrologic's products to achieve market acceptance or problems associated with new product transitions could harm Synchrologic's business. The product development process involves a number of risks. Development of new, technologically advanced products is a complex and uncertain process requiring high levels of innovation, as well as the accurate anticipation of technological and market trends. The introduction of new or enhanced products also requires Synchrologic to manage the transition from older products to minimize disruption in customer ordering patterns.

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*Today there are no specific industry-wide standards and protocols upon which Synchrologic's products are or will be based that have achieved widespread acceptance.*

Synchrologic has designed a number of its current and upcoming products to conform to industry standards and protocols, however, these industry standards have not gained widespread acceptance. The lack of industry-wide standards makes the development of products complex and subject to rapid change.

Even if accepted, industry-wide specifications may not be widely adopted, or competing specifications may emerge. In addition, technologies based on these standards and specifications may not be adopted as the standard or preferred technologies for wireless connectivity, thereby discouraging manufacturers of personal computers and mobile devices from bundling or integrating these technologies in their products.

*If Synchrologic's customers do not adopt wireless technologies, demand for Synchrologic's products would be reduced and its business would be harmed.*

Synchrologic's products support the exchange of data with mobile devices via wired and wireless connections. Synchrologic's future growth will depend, in part, on the adoption of wireless solutions by its customers. The adoption of wireless solutions is dependent upon the development of 2.5 generation or 3rd generation ( 2.5G or 3G ) networks that are intended to support more complex applications and to provide end users with a more satisfying user experience than today's networks. If communication service providers delay their deployment of 2.5G or 3G networks or fail to roll these networks out successfully, Synchrologic's customers may not adopt wireless technologies, there could be less demand for Synchrologic's products and services and Synchrologic's business could be harmed. In addition, if communication service providers fail to continue to make investments in their networks or invest at a slower pace in the future, there may be less demand for Synchrologic's products and services and its business could suffer. In addition, if the carriers fail to provide a consistent level of service for data transmission, it would be difficult for Synchrologic to sell products based on wireless connectivity.

*Synchrologic may not be able to protect adequately its patent, trademark, copyright or other intellectual property rights from competitors, and it may be required to use a significant amount of its resources to defend against infringement claims made by others.*

Synchrologic's patents, trademarks or copyrights may be invalidated, circumvented or challenged, and the rights granted under these patents, trademarks and copyrights might not provide Synchrologic with any competitive advantage, which would harm Synchrologic's business. Any of Synchrologic's pending or future patent applications may not be issued with the scope of the claims it is seeking, if at all. In addition, others may develop technologies that are similar or superior to Synchrologic's technology, duplicate its technology or design around its patents. Further, effective intellectual property protection may be unavailable or limited in some countries outside of the United States.

Companies in the software industry frequently resort to litigation over intellectual property rights. If a court finds that Synchrologic has infringed on the intellectual property rights of any third party, Synchrologic could be subject to liabilities, which could harm its business. Third parties may assert infringement or unfair competition claims against us. In the past, we have received notices from third parties alleging that our product offerings infringe proprietary rights held by them. We cannot predict whether third parties will assert claims of infringement against us, or whether any past, present or future claims will prevent us from offering products or operating our business as planned. As a result, Synchrologic might be required to seek licenses from other companies or to refrain from using, manufacturing or selling specific products or using specific processes. Holders of patents and other intellectual property rights may not offer licenses to use their patents or other intellectual property rights on acceptable terms, or at all. Failure to obtain these licenses on commercially reasonable terms or at all could harm Synchrologic's business.



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In order to protect Synchrologic's proprietary rights, Synchrologic may decide to sue third parties. Any litigation, whether brought by or against Synchrologic, could cause Synchrologic to incur significant expenses and could divert a large amount of management time and effort. A claim by Synchrologic against a third party could, in turn, cause a counterclaim by the third party against Synchrologic, which could impair Synchrologic's intellectual property rights and harm its business.

*Synchrologic's business may be harmed due to risks associated with international sales and operations, which represent a portion of Synchrologic's revenue.*

Approximately 9.5% of Synchrologic's revenue was generated from international sales in the first nine months of 2003. Synchrologic expects that international sales will continue to represent a significant portion of its revenue for the foreseeable future. International sales are subject to a number of risks, including:

changes in government regulations;

export license requirements;

tariffs, taxes and trade barriers;

fluctuations in currency exchange rates, which could cause Synchrologic's products to become relatively more expensive to customers in a particular country and lead to a reduction in sales in that country;

longer collection and payment cycles than those in the United States;

difficulty in staffing and managing international operations; and

political and economic instability, including the threat or occurrence of military and terrorist actions and enhanced national security measures.

*Synchrologic depends on non-exclusive licenses for some of the technology it uses with its products.*

Synchrologic licenses technology on a non-exclusive basis from several companies for use with its products and Synchrologic anticipates that it will continue to do so in the future. Synchrologic's inability to continue to license this technology, or to license other technology necessary for use with its products, could result in the loss of, or delays in the inclusion of, important features of its products or result in substantial increases in royalty payments that it would have to pay pursuant to alternative third-party licenses, any of which could harm Synchrologic's business. In addition, the effective implementation of Synchrologic's products depends upon the successful operation of licensed software in conjunction with its products. Any undetected errors in products resulting from this licensed software may prevent the implementation or impair the functionality of Synchrologic's products, delay new product introductions and injure Synchrologic's reputation.

*Synchrologic's software products may contain defects for which Synchrologic may be liable.*

The complex software products Synchrologic offers may contain errors when first introduced or as new versions are released. These errors could result in dissatisfied customers, product liability claims and the loss of or delay in market acceptance of new or enhanced products, any of which could harm Synchrologic's business. Testing of Synchrologic's products is particularly challenging because it is difficult to simulate the wide variety of environments in which Synchrologic's customers may deploy its products. For example, Synchrologic's mobile information management products are used in a wide variety of telecommunications environments. Changes in technology standards or an increase in the number of telecommunications technologies used in the marketplace may create compatibility issues with Synchrologic's products and its customers' environments. Accordingly, despite testing by Synchrologic and by current and potential customers, errors could be found after commencement of commercial shipment. A successful product liability claim brought against Synchrologic could cause Synchrologic to incur significant legal fees and damages, which would harm Synchrologic's business.

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*If Synchrologic is unable to manage its growth effectively, its business will suffer.*

Growth in Synchrologic's business may place a significant strain on its administrative, operational and financial resources and increase demands on its systems and controls, which could harm Synchrologic's business. Growth may also result in an increase in the scope of responsibility for management personnel. Synchrologic anticipates that its growth and expansion will require it to recruit, hire, train and retain new engineering, executive, sales and marketing, and administrative personnel. Difficulty in recruiting qualified personnel could require Synchrologic to incur significant costs to recruit personnel or could limit Synchrologic's ability to grow. In addition, in order for Synchrologic to manage its growth successfully, it will need to continue to expand and improve its operational, management and financial systems and controls. The failure to do so could harm Synchrologic's business.

*The loss of key personnel, or Synchrologic's inability to attract and retain additional personnel, may harm Synchrologic's business.*

Synchrologic's future success will depend on its ability to attract and retain experienced, highly qualified management, technical, research and development, and sales and marketing personnel. Competition for qualified personnel in the software industry is intense, and there is a risk that Synchrologic will have difficulty recruiting and retaining key employees. In addition, new employees generally require substantial training, which may require substantial resources and management attention. If Synchrologic loses the services of Said Mohammadioun or another key employee, or if one or more key employees decides to join a competitor or otherwise compete directly or indirectly with Synchrologic, Synchrologic's business could be harmed. Searching for replacements for key employees could divert management's time and result in increased operating expenses that may not be offset by either improved productivity or higher revenues. Any changes in management could be disruptive to Synchrologic's operations.

*Some anti-takeover provisions contained in Synchrologic's articles of incorporation and bylaws, as well as provisions of Georgia law, could impair a takeover attempt.*

Certain provisions of Synchrologic's articles of incorporation and bylaws could have the effect of rendering more difficult or discouraging an acquisition deemed undesirable by Synchrologic's board of directors. These include provisions:

authorizing blank check preferred stock, which could be issued with voting, liquidation, dividend and other rights superior to its common stock;

limiting the liability of, and providing indemnification to, directors and officers;

requiring advance notice of shareholder proposals for business to be conducted at meetings of shareholders and for nominations of candidates for election to Synchrologic's board of directors;

authorizing certain large shareholders to elect members of Synchrologic's board of directors; and

specifying that shareholders may take action only at a duly called annual or special meeting of shareowners.

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These provisions, alone or together, may have the effect of delaying, preventing or making a merger or acquisition less desirable to a potential acquirer, even where shareholders may consider the acquisition or merger favorable. In addition, the issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control without further action by the shareholders. In addition, provisions of the Georgia Business Corporation Code also may delay, prevent or discourage someone from acquiring or merging with Synchrologic. The prevention or delay of a merger or acquisition could reduce Synchrologic's value or prevent its shareholders from realizing a premium on their investment.



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Any provision of Synchrologic's articles of incorporation or bylaws or Georgia law that has the effect of delaying or deterring a change in control could limit the opportunity for Synchrologic's shareholders to receive a premium for their shares of capital stock and also could affect the price that some investors are willing to pay for Synchrologic's capital stock.

*Synchrologic's executive officers and directors control a significant amount of Synchrologic's capital stock.*

Synchrologic's executive officers and directors beneficially own in the aggregate approximately 77.2% of Synchrologic's issued and outstanding voting capital stock. Accordingly, such shareholders will have sufficient voting power to substantially affect the outcome of all matters (including the election of directors and any merger, consolidation or sale of all or substantially all of Synchrologic's assets) submitted to the shareholders for approval. This may have the effect of making certain transactions more difficult or impossible, absent the support of such shareholders. Such transactions could include a proxy contest, mergers, or tender offers involving Synchrologic's capital stock that could give Synchrologic's shareholders the opportunity to realize a premium for their shares of Synchrologic's capital stock.

*There is no public market for Synchrologic's capital stock.*

There is no public market for Synchrologic's capital stock and there can be no assurance that one will ever develop. Synchrologic's capital stock was sold pursuant to certain exemptions from registration under both federal and state securities laws, and consequently any transfer of Synchrologic's capital stock by a shareholder may be made only if the securities are registered or if an exemption from registration is available for that particular transaction. Consequently, Synchrologic's shareholders may not be able to liquidate their investment in the event of an emergency or other circumstances. Synchrologic is under no obligation to register any of its securities in an initial public offering under the Securities Act or any state securities laws, or to make a market for its capital stock.

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**PUMATECH S ANNUAL STOCKHOLDERS MEETING**

Pumatech is furnishing this joint proxy statement/prospectus to its stockholders in order to provide them with important information regarding the merger and the other matters that are properly, or may come, before the Pumatech annual meeting in connection with the solicitation of proxies by Pumatech s board of directors for use at the Pumatech annual meeting and at any adjournment or postponement of the annual meeting. Pumatech first mailed this joint proxy statement/prospectus and the accompanying form of proxy to its stockholders on or about November 26, 2003.

**Date, Time and Place of the Annual Meeting**

The annual meeting of the Pumatech stockholders will be held on Friday, December 26, 2003 at 8:30 a.m., Pacific Time, at the executive offices of Pumatech located at 2550 North First Street, Suite 500, San Jose, California 95131.

**Matters to be Considered at the Annual Meeting**

At the annual meeting, Pumatech stockholders will be asked to consider and vote upon the following proposals:

1. To consider and vote upon the issuance of shares of Pumatech common stock in the merger of Homerun Acquisition Corporation, a wholly owned subsidiary of Pumatech, with and into Synchrologic, resulting in Synchrologic becoming a wholly owned subsidiary of Pumatech. The merger agreement relating to the proposed merger is included as *Annex A* to this joint proxy statement/prospectus. In the merger, Pumatech will issue a maximum of 19,800,000 shares, and a minimum of 16,200,000 shares, of its common stock for all of the issued and outstanding shares of Synchrologic capital stock and each outstanding option to purchase shares of Synchrologic capital stock assumed by Pumatech and converted into an option to purchase shares of Pumatech common stock.
2. To consider and vote upon an amendment to Pumatech s certificate of incorporation to increase the number of authorized shares of common stock by 80,000,000 from 80,000,000 shares to 160,000,000 shares.
3. To elect four members of the Pumatech board of directors to hold office until the 2004 annual meeting of stockholders and until their respective successors are elected and qualified.
4. To ratify the appointment of PricewaterhouseCoopers LLP as Pumatech s independent accountants for the fiscal year ending July 31, 2004.
5. To transact any other business that may properly come before the Pumatech annual meeting or any adjournment or postponement of the annual meeting.

The Pumatech board of directors does not know of any matter that is not referred to in this joint proxy statement/prospectus to be presented for action at the annual meeting. As to any business that may properly come before the annual meeting or any adjournment or postponement of the annual meeting, however, it is intended that proxies, in the form enclosed with this joint proxy statement/prospectus, will be voted in respect

thereof in accordance with the judgment of the persons voting such proxies.

The merger is described in the section of this joint proxy statement/prospectus entitled **The Merger** and **The Merger Agreement**. Other matters brought before the Pumatech annual meeting are described in the section of this joint proxy statement/prospectus entitled **Additional Matters Being Submitted to a Vote of Pumatech Stockholders Only**.

**Board of Directors Recommendations**

After careful consideration, the Pumatech board of directors unanimously recommends that Pumatech stockholders vote in favor of each of the proposals to be brought before the annual meeting of Pumatech stockholders.

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### **Record Date**

The record date for determining the Pumatech stockholders entitled to vote at the annual meeting is November 21, 2003. Only holders of record of Pumatech common stock at the close of business on that date are entitled to vote at the annual meeting. As of the record date, there were 49,484,042 shares of Pumatech common stock issued and outstanding, held by approximately 437 stockholders of record. As of the record date, the directors and executive officers of Synchrologic and their affiliates held no outstanding shares of Pumatech common stock. Each share of Pumatech common stock issued and outstanding as of the record date entitles its holder to cast one vote at the annual meeting.

### **Quorum**

In order to conduct business at the annual meeting, a quorum must be present. The required quorum for the transaction of business at the annual meeting is holders, present in person or by proxy, of a majority of the shares of Pumatech common stock issued and outstanding on the record date. Pumatech will treat shares of common stock represented by a properly signed and returned proxy, including abstentions and broker non-votes, as present at the meeting for purposes of determining the existence of a quorum. If sufficient votes to constitute a quorum, to approve the issuance of shares of Pumatech common stock in the merger or to approve the proposed increase in the Company's authorized number of shares of Common Stock pursuant to the Company's Certificate of Incorporation are not received by the date of the annual meeting, the persons named as proxies may propose one or more adjournments of the annual meeting to permit further solicitation of proxies. Adjournment would require the affirmative vote of the holders of a majority of the outstanding Pumatech common stock present in person or represented by proxy at the annual meeting. The persons named as proxies would generally exercise their authority to vote in favor of adjournment.

### **Vote Required**

Each share of Pumatech common stock issued and outstanding as of the record date entitles its holder to cast one vote at the annual meeting. Holders of Pumatech common stock are not entitled to cumulative voting. The inspector of elections appointed for the annual meeting will tabulate the votes. The votes required to approve each of the proposals to be brought before Pumatech's stockholders are as follows:

***Issuance of Shares in Connection with the Merger.*** The holders of a majority of the shares of Pumatech common stock present in person or represented by proxy at the annual meeting and entitled to vote on the proposal must vote in favor of issuing shares of Pumatech common stock in connection with the merger in order for Pumatech to issue the shares. If a broker or nominee holding shares of Pumatech common stock for the benefit of someone else indicates on a proxy that he or she does not have the authority to vote the shares on the issue of the issuance of Pumatech common stock in connection with the merger, these broker non-votes will not be counted as votes cast either for or against the merger proposal and therefore, such votes will have no effect on the voting results. Abstentions will be counted as votes against the issuance of shares in connection with the merger.

***Amendment to Certificate of Incorporation.*** Approval of the amendment to Pumatech's certificate of incorporation requires the affirmative vote of a majority of the outstanding shares of Pumatech common stock. Abstentions and broker non-votes have the same effect as a vote against the proposal.

***Election of Directors.*** The nominees must be approved by a plurality of the votes of the shares of Pumatech common stock present in person or represented by proxy at the annual meeting to be elected as directors of Pumatech. Abstentions or broker non-votes will not be counted as

votes for or against any nominee or director.

***Ratification of Independent Accountants.*** A majority of the shares of Pumatech common stock represented in person or by proxy at the annual meeting and entitled to vote on the proposal must vote in favor of

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ratifying the appointment of PricewaterhouseCoopers LLP as Pumatech's independent accountants for the fiscal year ending July 31, 2004. Abstentions will be treated as votes against this proposal and broker non-votes will have no effect on the voting results.

## **Voting of Proxies**

The proxy accompanying this joint proxy statement/prospectus is solicited on behalf of the Pumatech board of directors for use at the annual meeting. Pumatech stockholders should complete, date and sign the accompanying proxy and promptly return it in the enclosed envelope or otherwise mail it to Pumatech. All properly signed proxies that Pumatech receives prior to the vote being taken at the Pumatech annual meeting will be voted as indicated on the proxy unless the proxy is revoked at the annual meeting. A proxy may be revoked by:

a written, dated document delivered to Pumatech prior to the annual meeting stating that the proxy is revoked;

a subsequent proxy that is signed by the same person who signed the earlier proxy and is presented at or prior to the annual meeting;  
or

attendance at the annual meeting and voting in person.

If a stockholder's shares are held of record in street name by a broker, bank or other nominee and the stockholder intends to vote the shares in person at the Pumatech annual meeting, the stockholder must bring to the meeting a letter from the broker, bank or other nominee confirming the stockholder's beneficial ownership of the shares to be voted.

If no voting direction is given on a properly signed proxy received by Pumatech, the proxy will be voted in favor of the issuance of Pumatech common stock in connection with the merger and all other proposals presented to the Pumatech stockholders.

Pumatech's board of directors does not know of any matters other than the issuance of Pumatech common stock in connection with the merger, the amendment of the certificate of incorporation, the election of directors and the ratification of the independent accountants of Pumatech to be presented for a vote at the Pumatech annual meeting. If any other matters are properly brought before the annual meeting, or any adjournment, the persons named in the proxies, acting under the proxy, will have discretion to vote on those matters in accordance with their best judgment, including adjournment of the annual meeting, provided that a proxy to vote against the issuance of shares of Pumatech common stock in connection with the merger will not be voted in favor of adjournment of the annual meeting.

Notices to the secretary of Pumatech should be addressed to Secretary, Pumatech, Inc., 2550 North First Street, Suite 500, San Jose, California 95131.

## **Solicitation of Proxies and Expenses**

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Pumatech will pay its own expenses for soliciting proxies. Pumatech has hired a proxy solicitation firm, InvestorCom, Inc., to assist in the solicitation of proxies from Pumatech stockholders. Pumatech estimates that InvestorCom will receive approximately \$50,000 in fees and expenses reimbursement for these services. In addition to solicitation by mail, directors, officers and employees of Pumatech may solicit proxies, without additional remuneration, by telephone, facsimile, electronic mail and in person. Pumatech will request brokers, nominees, fiduciaries and other custodians to forward proxy materials to beneficial owners of Pumatech common stock, and Pumatech will reimburse them for their reasonable out-of-pocket expenses.

### **No Appraisal Rights**

Holders of Pumatech common stock are not entitled to dissenters' rights or appraisal rights with respect to the matters to be considered at the Pumatech annual meeting.

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**SYNCHROLOGIC S SPECIAL SHAREHOLDERS MEETING**

Synchrologic is furnishing this joint proxy statement/prospectus to its shareholders in order to provide them with important information regarding the merger, the amendment to Synchrologic's articles of incorporation and the other matters that may properly come before the Synchrologic special meeting in connection with the solicitation of proxies by Synchrologic's board of directors for use at the special meeting of the Synchrologic shareholders and at any adjournment or postponement of the meeting. Synchrologic first mailed this joint proxy statement/prospectus and the accompanying form of proxy to its shareholders on or about November 26, 2003.

**Date, Time and Place of the Special Meeting**

A special meeting of the Synchrologic shareholders will be held on Friday, December 26, 2003 at 10:00 a.m., Eastern Standard Time, at the executive offices of Synchrologic located at 200 North Point Center East, Suite 600, Alpharetta, Georgia 30022.

**Matters to be Considered at the Special Meeting**

At the special meeting, Synchrologic shareholders will be asked to consider and vote upon the following proposals:

1. To consider and vote upon the proposed merger of Homerun Acquisition Corporation, a wholly owned subsidiary of Pumatech, with and into Synchrologic, resulting in Synchrologic becoming a wholly owned subsidiary of Pumatech. The merger agreement relating to the proposed merger is included as *Annex A* to this joint proxy statement/prospectus. In the merger, Pumatech will issue a maximum of 19,800,000 shares, and a minimum of 16,200,000 shares, of its common stock for all of the issued and outstanding shares of Synchrologic capital stock and each outstanding option or warrant to purchase shares of Synchrologic capital stock assumed by Pumatech and converted into an option or warrant to purchase shares of Pumatech common stock.
2. To consider and vote upon an amendment to Synchrologic's articles of incorporation to conform the provisions in the articles of incorporation relating to the distribution of Pumatech common stock among the various classes and series of Synchrologic capital stock to the allocations for such classes and series set forth in the merger agreement.
3. To transact any other business that may properly come before the Synchrologic special meeting or any adjournment or postponement of the special meeting.

The Synchrologic board of directors does not know of any matter that is not referred to in this joint proxy statement/prospectus to be presented for action at the special meeting. As to any business that may properly come before the special meeting or any adjournment or postponement of the special meeting, however, it is intended that proxies, in the form enclosed with this joint proxy statement/prospectus, will be voted in respect thereof in accordance with the judgment of the persons voting such proxies.

The merger is described in the section of this joint proxy statement/prospectus entitled *The Merger* and *The Merger Agreement*. Other matters brought before the Synchrologic special meeting are described in the section of this joint proxy statement/prospectus entitled *Additional Matters Being Submitted to a Vote of Synchrologic Shareholders Only*.



**Board of Directors Recommendations**

After careful consideration, the Synchrologic board of directors unanimously recommends that Synchrologic shareholders vote in favor of each of the proposals to be brought before the Synchrologic special meeting.

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### **Record Date**

The record date for determining the Synchrologic shareholders entitled to vote at the special meeting is November 21, 2003. Only holders of record of Synchrologic capital stock at the close of business on that date are entitled to vote at the special meeting. Each share of Synchrologic capital stock issued and outstanding as of the record date entitles its holder to cast one vote at the special meeting.

### **Quorum**

In order to conduct business at the special meeting, a quorum must be present. The required quorum for the transaction of business at the special meeting is holders, present in person or by proxy, of a majority of the shares of Synchrologic capital stock of each voting group entitled to vote on the matter as of the record date. Because approval of the merger and the merger agreement, as well as approval of the amendment of Synchrologic's articles of incorporation, requires the affirmative vote of the holders of a majority of Synchrologic's capital stock, a majority of Synchrologic's preferred stock and a majority of Synchrologic's Series D convertible preferred stock, a majority of each of the shares of each of these three voting groups must be present at the special meeting in order for a quorum to be present. Synchrologic will treat shares of capital stock represented by a properly signed and returned proxy, including abstentions and broker non-votes, as present at the special meeting for purposes of determining the existence of a quorum. If sufficient votes to constitute a quorum for each voting group to approve and adopt the merger agreement and the merger, and to approve the related amendment of Synchrologic's articles of incorporation, are not received by the date of the special meeting, the persons named as proxies may propose one or more adjournments of the special meeting to permit further solicitation of proxies. Adjournment would require the affirmative vote of the holders of a majority of the outstanding Synchrologic capital stock present in person or represented by proxy at the special meeting. The persons named as proxies would generally exercise their authority to vote in favor of adjournment.

### **Vote Required**

Each share of Synchrologic capital stock issued and outstanding as of the record date entitles its holder to cast one vote at the special meeting. The inspector of elections appointed for the special meeting will tabulate the votes. The votes required to approve each of the proposals to be brought before Synchrologic's shareholders are as follows:

***The Merger.*** The holders of a majority of the shares of Synchrologic's capital stock outstanding as of the record date must vote in favor of the merger and merger agreement in order for Synchrologic to complete the merger. In addition, the holders of a majority of the shares of Synchrologic's preferred stock outstanding as of the record date, and the holders of a majority of the shares of Synchrologic's Series D convertible preferred stock outstanding as of the record date, must vote in favor of the merger and merger agreement in order for Synchrologic to complete the merger.

***Amendment to Articles of Incorporation.*** The holders of a majority of the shares of Synchrologic's capital stock outstanding as of the record date must vote in favor of the amendment of Synchrologic's articles of incorporation in order for the articles of incorporation to be amended. In addition, the holders of a majority of the shares of Synchrologic's preferred stock outstanding as of the record date, and the holders of a majority of the shares of Synchrologic's Series D convertible preferred stock outstanding as of the record date, must vote in favor of the amendment of Synchrologic's articles of incorporation in order for the articles of incorporation to be amended. Synchrologic's articles of incorporation must be amended in order for Synchrologic to complete the merger.



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### **Voting of Proxies**

The proxy accompanying this joint proxy statement/prospectus is solicited on behalf of the Synchrologic board of directors for use at the special meeting. Synchrologic shareholders should complete, date and sign the accompanying proxy and promptly return it in the enclosed envelope or otherwise mail it to Synchrologic. All properly signed proxies that Synchrologic receives prior to the vote being taken at the Synchrologic special meeting will be voted as indicated on the proxy unless the proxy is revoked at the special meeting. A proxy may be revoked by:

a written, dated document delivered to Synchrologic prior to the special meeting stating that the proxy is revoked;

a subsequent proxy that is signed by the same person who signed the earlier proxy and is presented at or prior to the special meeting;  
or

attendance at the special meeting and voting in person.

If no voting direction is given on a properly signed proxy received by Synchrologic, the proxy will be voted in favor of the merger and all other proposals presented to the Synchrologic shareholders.

Synchrologic's board of directors does not know of any matters other than the merger and the related amendment of Synchrologic's articles of incorporation to be presented for a vote at the Synchrologic special meeting. If any other matters are properly brought before the special meeting, or any adjournment, the persons named in the proxies, acting under the proxy, will have discretion to vote on those matters in accordance with their best judgment, including adjournment of the special meeting, provided that a proxy to vote against the merger will not be voted in favor of adjournment of the Synchrologic special meeting.

Notices to the secretary of Synchrologic should be addressed to Chief Financial Officer, Synchrologic, Inc., 200 North Point Center East, Suite 600, Alpharetta, Georgia 30022.

### **Solicitation of Proxies and Expenses**

Synchrologic will pay its own expenses for soliciting proxies. In addition to solicitation by mail, directors, officers and employees of Synchrologic may solicit proxies, without additional remuneration, by telephone, facsimile, electronic mail and in person.

### **Dissenters' Rights**

If the merger is consummated, Synchrologic shareholders who have not consented to the merger will have the right to dissent to the merger and obtain payment of the fair value of their shares of Synchrologic common or preferred stock. The rights of Synchrologic shareholders who desire to dissent from the merger are governed by the provisions of Sections 14-2-1301 et seq. of the Georgia Business Corporation Code. Pursuant to

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such provisions, if the merger is consummated, any shareholder of record of Synchrologic who objects to the merger and who fully complies with Sections 14-2-1301 et. seq. of the Georgia Business Corporation Code will be entitled to demand and receive payment in cash of an amount equal to the fair value of all, but not less than all, of his, her or its shares of Synchrologic common or preferred stock. A shareholder of record may assert dissenters' rights as to fewer than the shares registered in such shareholder's name only if he, she or it dissents with respect to all shares beneficially owned by any one beneficial owner and notifies Synchrologic in writing of the name and address of each person on whose behalf he, she or it asserts dissenters' rights. For the purpose of determining the amount to be received in connection with the exercise of statutory dissenters' rights under the Georgia Business Corporation Code, the fair value of a dissenting shareholder's Synchrologic common or preferred stock equals the value of the shares immediately before the effective date of the merger, excluding any appreciation or depreciation in anticipation of the merger.

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Any Synchrologic shareholder desiring to receive payment of the fair value of his, her or its Synchrologic common or preferred stock in accordance with the requirements of the Georgia Business Corporation Code:

must deliver to Synchrologic prior to the time the shareholder vote on the merger agreement is taken, a written notice of his, her or its intent to demand payment for his, her or its shares if such merger is consummated;

must not vote his, her or its shares in favor of the merger agreement; and

must demand payment.

**A FILING OF THE WRITTEN NOTICE OF INTENT TO DISSENT WITH RESPECT TO THE MERGER SHOULD BE SENT TO: SYNCHROLOGIC, INC., 200 NORTH POINT CENTER EAST, SUITE 600, ALPHARETTA, GEORGIA 30022, ATTN: CHIEF FINANCIAL OFFICER. A VOTE AGAINST THE MERGER AGREEMENT ALONE WILL NOT SATISFY THE REQUIREMENTS FOR THE SEPARATE WRITTEN NOTICE OF INTENT TO DISSENT TO THE MERGER OR THE SEPARATE WRITTEN DEMAND FOR PAYMENT OF THE FAIR VALUE OF SHARES OF SYNCHROLOGIC COMMON OR PREFERRED STOCK, WHICH ARE REFERRED TO IN CONDITIONS (i) AND (iii) ABOVE. RATHER, A DISSENTING SHAREHOLDER MUST SEPARATELY COMPLY WITH ALL OF THOSE CONDITIONS.**

Within ten (10) days of the later of the effective date or receipt of a payment demand by a shareholder in accordance with Synchrologic's dissenters' notice sent to those shareholders who notified Synchrologic of their intent to dissent, described in (i) above, Synchrologic must offer to pay to each dissenting shareholder the amount Synchrologic estimates to be the fair value of the dissenting shareholder's shares, plus accrued interest. Such notice and offer must be accompanied by: (i) Synchrologic's balance sheet as of the end of a fiscal year ending not more than sixteen (16) months before the date of the offer to pay the fair value of the dissenting shareholder's shares, an income statement for that year, a statement of changes in shareholders' equity for that year, and the latest available interim financial statements, if any; (ii) a statement of Synchrologic's estimate of the fair value of the shares; (iii) an explanation of how the interest was calculated; (iv) a statement of the dissenting shareholder's right to demand payment of a different amount under Section 14-2-1327 of the Georgia Business Corporation Code; and (v) a copy of the dissenters' rights provisions of the Georgia Business Corporation Code.

If Synchrologic does not complete the proposed merger within sixty (60) days after the date set for demanding payment and Synchrologic again proposes to effect the merger, it must send a new dissenters' notice in accordance with the Georgia Business Corporation Code and repeat the payment demand procedure.

A dissenting Synchrologic shareholder may notify Synchrologic in writing of his, her or its own estimate of the fair value of his, her or its shares and the amount of interest due, and demand payment of his, her or its estimate of the fair value if the shareholder believes the amount offered by Synchrologic is less than the fair value of his, her or its shares or that the interest due is incorrectly calculated. A dissenting shareholder waives his, her or its right to demand payment for the shares and is deemed to have accepted Synchrologic's offer unless he, she or it notifies Synchrologic of his, her or its demand in writing within thirty (30) days after the date that Synchrologic offers payment. If a demand for payment remains unsettled, Synchrologic must file an action in a court of competent jurisdiction in Fulton County, Georgia, requesting that the fair value of such shares be found and determined. Synchrologic must make all dissenting shareholders whose demands remain unsettled parties to the proceeding. If Synchrologic does not commence the proceeding within such sixty (60) day period, it shall be required to pay each dissenting shareholder whose demand remains unsettled the amount demanded by the dissenting shareholder.

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The foregoing does not purport to be a complete statement of the provisions of the Georgia Business Corporation Code relating to statutory dissenters' rights and is qualified in its entirety by reference to the dissenters' rights provisions of the Georgia Business Corporation Code, which is attached to this joint proxy statement/prospectus as *Annex G*.

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**THE MERGER**

*This section of this joint proxy statement/prospectus describes the principal aspects of the proposed merger, including the merger agreement. While Pumatech and Synchrologic believe that this description covers the material terms of the merger and the related transactions, this summary may not contain all of the information that is important to Synchrologic shareholders and Pumatech stockholders. You can obtain a more complete understanding of the merger by reading the merger agreement, a copy of which is attached to this joint proxy statement/prospectus as Annex A. You are encouraged to read the merger agreement and the other annexes to this joint proxy statement/prospectus carefully and in their entirety.*

**Background of the Merger**

Pumatech from time to time has evaluated entering into strategic relationships with, and strategic acquisitions of, companies with complementary businesses and technologies. Synchrologic has been growing its organization, customer base and revenue and has also, from time to time, considered strategic opportunities.

Given the complementary nature of the Pumatech and Synchrologic products and services, beginning in early September 2002, Woodson Hobbs, President and Chief Executive Officer of Pumatech, and Said Mohammadioun, Chairman of the Board of Directors and Chief Executive Officer of Synchrologic, began discussing their respective companies, strategies and products, as well as their participation in a common sector of the software industry.

On September 11, 2002, Mr. Hobbs, Mr. Mohammadioun and John Dancu, President and Chief Operating Officer of Synchrologic, met at Synchrologic's headquarters in Alpharetta, Georgia to discuss further mutual opportunities and whether a potential business combination between the parties would be beneficial.

Following that meeting, Mr. Hobbs and Mr. Mohammadioun corresponded several times by email and telephone to discuss the terms of a potential business combination of Pumatech and Synchrologic. As a result of those discussions, it was determined that a business combination was not practical at that time.

In November 2002, Mr. Hobbs notified Mr. Mohammadioun that Pumatech believed Synchrologic was violating one or more of Pumatech's patents. Throughout the remainder of November 2002, Mr. Hobbs and Mr. Mohammadioun corresponded several times by email and telephone to discuss the nature of and basis for Pumatech's infringement claim. Throughout these discussions, Mr. Mohammadioun reiterated Synchrologic's position that it had not violated any of Pumatech's patents.

On December 5, 2002, Pumatech filed a suit against Synchrologic to enforce its patents and to prevent the alleged infringement. On February 18, 2003, Synchrologic filed a counterclaim and a response to the suit. During the next four months, Pumatech and Synchrologic were involved in a number of legal activities as a result of Pumatech's suit.



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Beginning in early April 2003, Mr. Hobbs and Mr. Mohammadioun resumed their discussion regarding a potential business combination between Pumatech and Synchrologic, notwithstanding the companies' pending patent litigation. Following these discussions, Mr. Hobbs and Mr. Mohammadioun agreed to meet in person.

On June 12, 2003, Mr. Hobbs, Michael Clair, Chairman of the Board of Directors of Pumatech, Keith Kitchen, Vice President of Finance and Administration of Pumatech, Clyde Foster, Senior Vice President of Sales and Marketing of Pumatech, and John Stossel, Chief Technology Officer of Pumatech, met with Mr. Mohammadioun, Mr. Dancu and Patrick Kerins, a director of Synchrologic, at Pumatech's headquarters in San Jose, California. Each party made a presentation about the history, performance, and capabilities of their respective companies. Following these presentations, the parties discussed the valuation of each company but were unable to agree upon mutually acceptable terms of a business combination at that meeting.

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During the first two weeks of August 2003, Mr. Hobbs and Mr. Mohammadioun had several telephone conversations to continue their discussion of a possible business combination or other strategic relationship between Pumatech and Synchronologic. On August 19, 2003, at a regularly scheduled meeting, the Synchronologic board of directors created a special committee to assist Synchronologic's management with examining potential strategic business relationships with Pumatech and other third parties. The special committee consisted of two of Synchronologic's independent directors, Mr. Kerins and Tasha Seitz.

On the evening of August 19, 2003, Mr. Hobbs and Clyde Foster, Pumatech's Senior Vice President of Sales and Marketing, met with Mr. Mohammadioun, Mr. Dancu and Mr. Kerins to discuss a possible business combination. Messrs. Hobbs, Foster, Mohammadioun, Dancu and Kerins met again the following day at Synchronologic's headquarters to discuss further the valuation of the two companies.

On August 25, 2003, the Pumatech board of directors met for a regularly scheduled meeting. At this meeting, the Pumatech board of directors discussed Pumatech's then current business strategies, its business model, strategic acquisitions and merger possibilities. The Pumatech board of directors also discussed the terms of a business combination with Synchronologic and noted the differences between the terms offered by Pumatech as compared to the terms offered by Synchronologic's management. Following these discussions, the Pumatech board of directors outlined the terms of a business combination with Synchronologic that it would consider favorable to the Pumatech stockholders and authorized Mr. Hobbs to negotiate further with Synchronologic.

On August 26, 2003, Mr. Hobbs met with Mr. Mohammadioun in Alpharetta, Georgia to discuss possible terms of a merger between Pumatech and Synchronologic. As a result of this negotiation, Mr. Hobbs and Mr. Mohammadioun outlined the basic terms of the proposed merger and agreed to present these terms to their respective boards of directors. During the next few days, each of Mr. Hobbs and Mr. Mohammadioun corresponded with their respective boards of directors regarding the terms of the proposed merger and obtained authorization to continue their negotiations on the terms outlined, complete their due diligence investigations of the other party and negotiate a definitive agreement.

On August 27, 2003, Venture Law Group, Pumatech's outside legal counsel distributed a draft merger agreement to Synchronologic and Synchronologic's outside legal counsel, Morris, Manning & Martin, LLP. On September 5, 2003, Mr. Hobbs, Richard Mosher, Pumatech's General Counsel, Mr. Kitchen and a representative of Venture Law Group met with Mr. Mohammadioun, Mr. Dancu and representatives of Morris, Manning & Martin, LLP in Atlanta, Georgia to negotiate further the merger agreement and related ancillary agreements. On September 11, 2003, the Pumatech board of directors and the Synchronologic board of directors received copies of the proposed merger agreement.

Due diligence meetings were held between various senior executives of both companies during the weeks of September 1, 2003 and September 8, 2003. During this period, Mr. Mosher and Mr. Kitchen conducted legal and financial due diligence of Synchronologic and Mr. Dancu and Douglas Hadaway, Synchronologic's Chief Financial Officer, conducted business and financial due diligence of Pumatech. In addition, Mr. Foster negotiated a distribution agreement with Synchronologic that would allow Pumatech to sublicense Synchronologic's products and services upon their execution of the merger agreement and the dismissal of Pumatech's lawsuit against Synchronologic.

On September 12, 2003, the Pumatech board of directors held a special meeting at which the proposed merger was discussed and considered. Mr. Hobbs and Pumatech's legal counsel reviewed in detail with the board of directors the terms of the merger agreement and the status of negotiations relating to those terms. Mr. Mohammadioun then joined the meeting by telephone to discuss the future of the combined company, as well as his role and commitment to the combined company, and to answer questions of the Pumatech board of directors. The board asked numerous questions of Mr. Mohammadioun who answered the questions and then left the meeting. After Mr. Mohammadioun left the meeting, the Pumatech board of directors discussed the merits of the transaction at length. After this discussion, the board unanimously voted to approve the merger agreement and the merger.



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On September 13, 2003, Synchrologic held an investors' meeting followed by a board of directors meeting. Mr. Hobbs attended part of the Synchrologic board meeting via teleconference to discuss the future of the combined company, as well as the role of the Synchrologic management team in the combined company, and to answer questions of the Synchrologic board of directors. Representatives from Morris, Manning & Martin, LLP then presented an extensive review of the terms of the proposed merger and merger agreement. Following these presentations, and after discussion, the Synchrologic board of directors unanimously voted to approve the merger agreement and the merger.

The definitive merger agreement was signed during the evening of September 14, 2003 and a joint press release was issued by Pumatech and Synchrologic announcing the signing of the merger agreement on September 15, 2003.

## **Pumatech's Reasons for the Merger; Recommendation of Pumatech's Board of Directors**

Pumatech's board of directors and management believe that the merger will benefit Pumatech and its stockholders for the following reasons:

**Extension of Product Line.** The acquisition of Synchrologic will extend Pumatech's market presence in offering synchronization software, mobile-application development software and mobile-application management/device management software to consumers, business professionals and information technology officers. Synchrologic's products will provide complimentary functionality to Pumatech's already leading solutions in industries that are important to Pumatech. Pumatech believes that complimentary solutions will provide additional revenue opportunities from current customers.

**Expansion of Customer Base; Licensing Opportunities.** The merger of Pumatech and Synchrologic will provide Pumatech with access to Synchrologic's enterprise customers and application vendors. Pumatech believes that this access will provide additional revenue from these customers as it opens up sales channels for Pumatech's current product lines. In addition, the merger will provide significant opportunities for licensing the combined company's products and services.

**Favorable Terms of the Merger Agreement.** The terms of the merger agreement and related agreements, including price and structure, are considered by both the Pumatech board of directors and senior management to provide a fair and equitable basis for the merger.

After careful consideration, the Pumatech board of directors determined the merger agreement and the merger to be fair to and in the best interests of Pumatech and its stockholders. **The Pumatech board of directors unanimously recommends approval of the issuance of shares of Pumatech common stock in the merger as described in this joint proxy statement/prospectus.**

The Pumatech board of directors concluded that on balance the potential benefits of the merger outweighed the potential risks. The foregoing discussion of the information and factors considered by the Pumatech board of directors is not meant to be exhaustive. Given the complexity of the issue and the number of factors considered, the Pumatech board of directors did not attempt to quantify or otherwise assign relative weight to specific factors.

## **Synchrologic's Reasons for the Merger; Recommendation of Synchrologic's Board of Directors**

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At the meeting of the board of directors of Synchrologic on September 13, 2003, the directors unanimously concluded that the merger agreement and the merger are in the best interests of Synchrologic, its creditors and its shareholders. In addition, the Synchrologic board of directors determined to recommend that the shareholders adopt the merger agreement and approve the merger. In the course of reaching this decision, the board of directors of Synchrologic consulted with Synchrologic's senior management, a special committee of the board of directors created for the purpose of examining strategic business alternatives for Synchrologic and outside legal counsel, and reviewed a significant amount of information and considered a number of factors, including the following material factors:

the strategic and financial alternatives available to Synchrologic in the increasingly competitive environment of the synchronization and mobility enterprise market;

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the synergies between Synchrologic's product lines and distribution channels with those of Pumatech;

Synchrologic's relative market share in the synchronization and mobility enterprise market, as compared to Pumatech's market share in the same and similar markets;

the potential to enhance shareholder value through share ownership in a larger, more competitive company in the synchronization market;

the opportunities for growing Synchrologic's business that would be enhanced by combining Synchrologic's operations with complementary operations of another entity;

the amount and form of consideration to be received by Synchrologic's shareholders in the merger in comparison to other acquisition prices paid in similar software mergers and acquisition transactions;

information concerning the business, earnings, competitive position and prospects of Pumatech and Synchrologic, both individually and on a combined basis;

the possibilities, as alternatives to the merger, of continuing as a stand alone entity, seeking to engage in a combination with a company other than Pumatech or seeking to complete a private placement of Synchrologic stock;

the likely impact of the merger on Synchrologic's employees, customers and partners;

the expected effect of the merger on Synchrologic's existing relationships with third parties;

the dismissal of the litigation between Pumatech and Synchrologic;

the interests that certain executive officers and directors of Synchrologic may have with respect to the merger in addition to their interests as shareholders of Synchrologic generally as described in the section entitled "Interests of Certain Persons in the Merger" beginning on page 62 of this joint proxy statement/prospectus; and

the expectation that the merger will qualify as a reorganization for United States federal income tax purposes, in which case no gain will be recognized by Synchrologic shareholders as a result of the merger except to the extent of cash received for shares of Synchrologic common or preferred stock.

The foregoing discussion of the information and factors considered by the board of directors of Synchrologic is not intended to be exhaustive. In view of the wide variety of the material factors considered in connection with the evaluation of the merger and the complexity of these matters, the board of directors of Synchrologic did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to the various factors considered. In addition, the board of directors of Synchrologic did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to the ultimate determination of the board of directors of Synchrologic, but rather the board of directors of Synchrologic conducted an overall analysis of the factors described above, including discussions with and questioning of Synchrologic's senior management and legal advisors. In considering the factors described above, individual members of the board of directors of Synchrologic may have given different weight to different factors.

**There can be no assurance that the potential synergies or opportunities considered by the board of directors of Synchrologic will be achieved through consummation of the merger. See Risk Factors beginning on page 26.**

**Synchrologic's board of directors has unanimously concluded that the merger is in the best interests of Synchrologic, its creditors and its shareholders and has unanimously approved the merger, the merger agreement and the associated transactions. Accordingly, the Synchrologic board of directors has declared advisable, and unanimously recommends, that Synchrologic shareholders vote FOR adoption of the merger agreement and approval of the merger.**

In considering the recommendation of Synchrologic's board of directors, you should be aware that directors and officers of Synchrologic have interests in the merger that are different from, or are in addition to, those of Synchrologic's shareholders generally. See Interests of Certain Persons in the Merger beginning on page 62.

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### **Interests of Certain Persons in the Merger**

In considering the recommendation of the Synchrologic board of directors regarding the merger, Synchrologic shareholders should be aware that some of Synchrologic's shareholders, directors and executive officers have interests in the merger that are different from, or in addition to, their interests as Synchrologic shareholders. These interests may create potential conflicts of interest. The Synchrologic board of directors was aware of these interests and took these interests into account in approving the merger and the transactions contemplated by the merger agreement.

**Voting Agreement.** Synchrologic shareholders representing approximately 77.2% of the outstanding shares of Synchrologic voting capital stock, approximately 76.3% of the outstanding shares of Synchrologic preferred stock and approximately 59.1% of the outstanding Synchrologic Series D convertible preferred stock have entered into a voting agreement and granted irrevocable proxies to Pumatech pursuant to which they have agreed to vote all of their shares of Synchrologic capital stock for which they exercise voting control in favor of the adoption of the merger and the merger agreement.

**Board Seat.** Said Mohammadioun, Chairman of the Board of Directors and Chief Executive Officer of Synchrologic, will be appointed to the Pumatech board of directors upon completion of the merger.

**Employment Arrangements.** Pumatech intends to offer Mr. Mohammadioun employment as a senior executive officer of Pumatech contingent and effective upon completion of the merger. In connection with his employment, Pumatech expects to offer Mr. Mohammadioun an employment arrangement whereby his annual base salary will be \$200,000, and he may be eligible to receive substantial performance based bonuses. Pumatech also expects that Mr. Mohammadioun's employment arrangement will provide that he be granted options to purchase approximately 200,000 shares of Pumatech common stock, subject to vesting at the end of 2 years.

**Acceleration of Synchrologic Stock Options.** As a result of the merger, each outstanding option to purchase shares of Synchrologic capital stock, including those held by officers and directors of Synchrologic, will accelerate, become fully vested and be assumed by Pumatech and converted into an option to purchase shares of Pumatech common stock.

**Severance Arrangements.** Neither John Dancu, Synchrologic's president and Chief Operating Officer, nor Douglas Hadaway, Synchrologic's Chief Financial Officer, will be retained by the surviving corporation following the completion of the merger. Accordingly, pursuant to their existing employment contracts, upon the completion of the merger, Mr. Dancu will receive a lump sum severance payment equal to 100% of his current base salary of \$190,000 and Mr. Hadaway will receive a lump sum severance payment equal to 100% of his current base salary of \$142,500.

**Indemnification.** The merger agreement provides that, upon the completion of the merger, Pumatech will cause the surviving corporation, to indemnify and hold harmless, the present and former officers, directors, employees and agents of Synchrologic in respect of acts and omissions occurring on or prior to the effective time of the merger to the same extent required or permitted pursuant to Synchrologic's articles of incorporation, bylaws and indemnification agreements in effect as of the date of the merger agreement.

The merger agreement also provides that Synchrologic may purchase, prior to the effective time of the merger, a six-year tail directors and officers liability insurance policy covering those persons who, as of immediately prior to the effective time of the merger, are covered by the directors and officers liability insurance policy currently maintained by Synchrologic. Since the cost of this six-year tail policy will be deemed a



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transaction expense of Synchrologic for purposes of the merger consideration allocation calculations, it is possible that all or a portion of this policy will be borne by the Synchrologic shareholders. See [The Merger](#) [Merger Consideration](#).

As a result of the interests described above, these executive officers and directors could be more likely to vote to approve, and recommend the approval of, the merger and the merger agreement, than if they did not hold these interests.

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### **Termination of Litigation Between Pumatech and Synchrologic**

On December 5, 2002, Pumatech filed a patent infringement suit against Synchrologic in the United States District Court for the Northern District of California, alleging that Synchrologic's server and desktop products infringed six of Pumatech's synchronization-related patents. Pumatech sought an injunction against future sales of Synchrologic's allegedly infringing products, as well as damages for past sales of those products. On February 18, 2003, Synchrologic filed a response to the patent infringement suit denying the allegations, challenging the validity and enforceability of Pumatech's patents, and alleging that Pumatech's press releases regarding the suit constituted false advertising. At the time the merger agreement was executed, the parties were engaged in discovery, and were preparing briefs to the court regarding the proper interpretation of phrases in the claims of Pumatech's patents. Pursuant to the merger agreement, the parties dismissed their respective claims with prejudice.

### **Completion and Effectiveness of the Merger**

The merger will be completed no later than the second business day after satisfaction or waiver of all of the conditions precedent for consummating the merger, including approval and adoption of the merger agreement and the merger by the shareholders of Synchrologic and approval of the issuance of shares of Pumatech common stock in connection with the merger by the stockholders of Pumatech. The merger will become effective upon the filing of a certificate of merger with the Secretary of State of the State of Delaware and the Secretary of State of the State of Georgia.

### **Structure of the Merger**

Homerun Acquisition Corporation, a newly formed and wholly owned subsidiary of Pumatech, will be merged with and into Synchrologic. As a result of the merger, the separate corporate existence of Homerun Acquisition Corporation will cease and Synchrologic will survive the merger as a wholly owned subsidiary of Pumatech.

### **Merger Consideration**

**Total Consideration Shares.** The total consideration shares, representing the aggregate number of shares of Pumatech common stock to be issued in the merger in exchange for all outstanding shares of Synchrologic capital stock (including shares of Pumatech common stock to be reserved for issuance upon the exercise of Synchrologic options assumed by Pumatech in the merger) will be equal to (A) the quotient determined by *dividing* (x) \$60,000,000 *by* (y) the average closing price, which is the average of the closing sales prices for one share of Pumatech common stock as reported on The Nasdaq National Market for the thirty consecutive trading days ending on the last complete trading day immediately preceding the closing date of the merger *less* (B) the number of shares of Pumatech common stock comprising the transaction expenses adjustment (as defined below). However, the merger agreement provides that in no event will the total consideration shares exceed the maximum consideration shares, comprised of 19,800,000 shares of Pumatech common stock less the transaction expenses adjustment, or be less than the minimum consideration shares, comprised of 16,200,000 shares of Pumatech common stock less the transaction expenses adjustment.

The transaction expenses adjustment means the sum of (i) the number of shares of Pumatech common stock determined by *dividing* (A) the sum of (x) 50% of the transaction expenses incurred by Synchrologic or its shareholders in connection with the merger, including legal, accounting, investment banking, broker's and finder's fees and expenses, any cash payments to holders of Synchrologic warrants in consideration of the

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termination of their warrants prior to the effective time of the merger and the cost of any directors and officers insurance policy purchased by Synchrologic prior to the effective time of the merger, up to a maximum of \$400,000 *plus* (y) 100% of any transaction expenses incurred by Synchrologic or its shareholders in excess of \$400,000 *by* (B) the average closing price, *plus* (ii) the number of shares of Pumatech common stock issuable upon exercise in full of any Synchrologic warrants assumed by Pumatech in the merger.

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**Conversion of Synchronologic Capital Stock.** Each class and series of outstanding Synchronologic capital stock will be allocated the following number of shares of Pumatech common stock expressed as a percentage of the total consideration shares:

<u>Class/Series of Synchronologic Capital Stock</u>	<u>Percentage of Total Consideration Shares</u>
Common Stock (including options to purchase common stock)	25.332%
Series A Preferred Stock	4.177%
Series B Preferred Stock	11.659%
Series C Preferred Stock	10.833%
Series D Preferred Stock	47.999%

The exchange ratio for each class and series of outstanding Synchronologic capital stock will be determined by dividing the number of shares of Pumatech common stock allocable to that class or series by the total number of shares of that class or series outstanding immediately prior to the effective time of the merger (including, in the case of the common stock exchange ratio, the number of shares of Synchronologic common stock subject to outstanding Synchronologic options assumed by Pumatech in the merger), as described in more detail below.

**Common Stock Exchange Ratio.** Each share of Synchronologic common stock issued and outstanding at the effective time of the merger will be converted automatically into the right to receive the number of shares of Pumatech common stock equal to the common stock exchange ratio, determined by *dividing* (A) 25.332% of the total consideration shares *by* (B) the number of shares of Synchronologic common stock issued and outstanding as of the effective time of the merger or subject to issuance upon the exercise in full of all Synchronologic options outstanding at the effective time of the merger.

**Series A Exchange Ratio.** Each share of Synchronologic Series A preferred stock issued and outstanding at the effective time of the merger will be converted automatically into the right to receive the number of shares of Pumatech common stock equal to the Series A exchange ratio, determined by *dividing* (A) 4.177% of the total consideration shares *by* (B) the number of shares of Synchronologic Series A preferred stock issued and outstanding as of the effective time of the merger.

**Series B Exchange Ratio.** Each share of Synchronologic Series B preferred stock issued and outstanding at the effective time of the merger will be converted automatically into the right to receive the number of shares of Pumatech common stock equal to the Series B exchange ratio, determined by *dividing* (A) 11.659% of the total consideration shares *by* (B) the number of shares of Synchronologic Series B preferred stock issued and outstanding as of the effective time of the merger.

**Series C Exchange Ratio.** Each share of Synchronologic Series C preferred stock issued and outstanding at the effective time of the merger will be converted automatically into the right to receive the number of shares of Pumatech common stock equal to the Series C exchange ratio, determined by *dividing* (A) 10.833% of the total consideration shares *by* (B) the number of shares of Synchronologic Series C preferred stock issued and outstanding as of the effective time of the merger.

**Series D Exchange Ratio.** Each share of Synchronologic Series D preferred stock issued and outstanding at the effective time of the merger will be converted automatically into the right to receive the number of shares of Pumatech common stock equal to the Series D exchange ratio, determined by *dividing* (A) 47.999% of the total consideration shares *by* (B) the number of shares of Synchronologic Series D preferred stock issued and outstanding as of the effective time of the merger.

**Estimated Exchange Ratios.** As of the date of the merger agreement, there were 4,973,397 shares of Synchrologic common stock outstanding, 797,872 shares of Synchrologic Series A preferred stock outstanding, 2,058,333 shares of Synchrologic Series B preferred stock outstanding, 2,793,296 shares of Synchrologic

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Series C preferred stock outstanding, 3,308,271 shares of Synchrologic Series D preferred stock outstanding, and 1,650,418 shares of Synchrologic common stock subject to outstanding Synchrologic options. Based on this capitalization, the following table sets forth the estimated exchange ratios for each class and series of outstanding Synchrologic capital stock on September 12, 2003, the last full trading day preceding public announcement that Pumatech and Synchrologic had entered into the merger agreement, and November 24, 2003, the last full trading day for which closing prices were available at the time of the printing of this joint proxy statement/prospectus, in each case assuming that:

the average stock price is equal to the applicable closing price per share of Pumatech common stock indicated in the table below;

the Synchrologic transaction expenses equal but do not exceed \$400,000; and

all outstanding Synchrologic warrants are terminated immediately prior to the completion of the merger.

<u>Date/Class and Series of Synchrologic Capital Stock</u>	<u>Closing Sales</u>	<u>Estimated</u>
	<u>Price Per Share</u>	
	<u>of Pumatech</u>	<u>Ratio</u>
	<u>Common Stock</u>	
September 12, 2003	\$ 3.87	
Common Stock		0.617573
Series A Preferred Stock		0.845392
Series B Preferred Stock		0.914688
Series C Preferred Stock		0.626266
Series D Preferred Stock		2.342925
November 24, 2003	\$ 5.42	
Common Stock		0.617573
Series A Preferred Stock		0.845392
Series B Preferred Stock		0.914688
Series C Preferred Stock		0.626266
Series B Preferred Stock		2.342925

**Please note that the actual exchange ratios for each class and series of outstanding Synchrologic capital stock, which may be greater or less than the estimated exchange ratios set forth above, will not be determined until immediately prior to the closing of the merger, and will vary based on the average closing price of Pumatech common stock for the 30 trading days ending immediately prior to the closing date of the merger, the actual amount of transaction expenses incurred by Synchrologic, and Synchrologic's actual capitalization as of the closing date of the merger. Updated estimates of the exchange ratios will be posted daily on Pumatech's website (<http://www.pumatech.com>) and Synchrologic's website (<http://www.synchrologic.com>) through the date of the Synchrologic special meeting and can be obtained by calling Pumatech at (408) 321-7650 or Synchrologic at (770) 754-5600.**

The number of shares of Pumatech common stock issuable to you in the merger will be proportionately adjusted for any stock split, stock dividend, reorganization, recapitalization, reclassification or similar event with respect to Pumatech common stock or Synchrologic capital stock effected between the date of the merger agreement and the completion of the merger.

Pumatech will not issue certificates representing fractional shares of Pumatech common stock in connection with the merger. Instead, Synchrologic shareholders will receive cash, without interest, in lieu of a fraction of a share of Pumatech common stock.

**Dissenters' Rights**

Holders of Synchrologic capital stock are entitled to dissenters' rights under Article 13 of the Georgia Business Corporation Code. Holders of Pumatech common stock are not entitled to dissenters' or appraisal rights. For a more complete description of the rights of dissenting shareholders, see Pumatech's Annual Stockholders Meeting No Appraisal Rights and Synchrologic's Special Shareholders Meeting Dissenters' Rights.

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### **Conversion of Synchrologic Options**

The merger agreement provides that each outstanding Synchrologic option, whether vested or unvested, will be assumed by Pumatech at the effective time of the merger and converted into a fully-vested option to purchase shares of Pumatech common stock. Each Synchrologic option will become exercisable for the same number of shares of Pumatech common stock (rounded down to the nearest whole share) as the holder of the Synchrologic option would have been entitled to receive pursuant to the merger had he or she exercised the Synchrologic option in full immediately prior to the effective time of the merger, at a price per share (rounded up to the nearest whole cent) equal to the aggregate exercise price for the shares of Synchrologic common stock otherwise purchasable pursuant to the assumed Synchrologic option divided by the number of shares of Pumatech common stock issuable upon the exercise in full of the assumed Synchrologic option after the effective time of the merger. As soon as practicable following the effective time of the merger and in any event no later than ten business days after the closing date of the merger, Pumatech has agreed to file a registration statement on Form S-8 registering the shares of Pumatech common stock issuable upon exercise of the assumed Synchrologic options. This registration statement will be kept effective for so long as any Synchrologic options assumed by Pumatech in the merger remain outstanding.

### **Termination / Conversion of Synchrologic Warrants**

The merger agreement provides that each Synchrologic warrant that remains outstanding as of the effective time of the merger will be assumed by Pumatech at the effective time of the merger and converted into a fully-vested warrant to purchase shares of Pumatech common stock. However, each holder of a warrant to purchase shares of Synchrologic capital stock has entered into a warrant termination agreement with Synchrologic pursuant to which such holders agree to terminate their respective warrants immediately prior to the closing of the merger. Therefore, it is expected that no Synchrologic warrants will be assumed by Pumatech in the merger.

### **Retention of a Portion of the Merger Consideration in Escrow**

***Pumatech Indemnification Escrow.*** As soon as practicable after the effective time of the merger, certificates representing 7.5% of the total consideration shares will be withheld from the Synchrologic shareholders on a pro rata basis and deposited into an escrow fund to satisfy any valid indemnification claims made by Pumatech following the merger. No shares of Pumatech common stock to be reserved for issuance upon exercise of Synchrologic options and Synchrologic warrants assumed by Pumatech in the merger will be held in the escrow fund. The number of shares to be contributed to the escrow fund by each Synchrologic shareholder will be determined by *multiplying* (A) the total number of escrow shares *by* (B) a fraction, the numerator of which is the number of shares of Pumatech common stock issued in the merger to such Synchrologic shareholder and the denominator of which is the total number of shares of Pumatech common stock issued in the merger to all former Synchrologic shareholders. The escrow fund will terminate upon the first anniversary of the closing date of the merger and the remaining escrow shares, subject to the withholding of the number of escrow shares necessary to satisfy any unresolved claims made by Pumatech, will be distributed to the former Synchrologic shareholders in proportion to their respective original contributions to the escrow fund.

***Dissenters Escrow.*** If, at the effective time of the merger, more than 10% of the issued and outstanding shares of Synchrologic capital stock is held by persons who have exercised, and not withdrawn, their dissenters' rights in accordance with Article 13 of the Georgia Business Corporation Code, then Pumatech will withhold from the Synchrologic shareholders on a pro rata basis, and deposit into a separate dissenters escrow, certificates representing the number of total consideration shares determined by *dividing* (A) 50% of the amount by which the aggregate transaction value of the shares of Synchrologic capital stock held by dissenting shareholders exceeds \$6,000,000 *by* (B) the average closing price. The aggregate transaction value of the shares of Synchrologic capital stock held by dissenting shareholders will be determined by *multiplying* (x) the aggregate number of shares of Pumatech common stock that would have been issued to the dissenting shareholders in the merger had their dissenters' rights not been exercised *by* (y) the average closing price. Upon the earlier of satisfaction in full of all the rights granted to the dissenting shareholders under Article 13 of the Georgia





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Business Corporation Code or the waiver or withdrawal of dissenters' rights by one or more holders of Synchronologic capital stock such that the number of dissenting shares is reduced to 10% or less of Synchronologic's outstanding capital stock as of the effective time of the merger, any shares of Pumatech common stock and/or any cash proceeds thereof remaining in the dissenters' escrow will be distributed to the former Synchronologic shareholders in proportion to their respective original contributions to the dissenters' escrow.

## **Procedures for Exchanging Synchronologic Stock Certificates for Pumatech Stock Certificates**

Promptly after the effective time of the merger, Pumatech will cause the bank or trust company designated by Pumatech to act as its exchange agent to send to each Synchronologic shareholder (1) a letter of transmittal and (2) instructions for the surrender of the certificates representing shares of Synchronologic capital stock in exchange for Pumatech common stock certificates representing the merger consideration, cash for fractional shares and cash for any dividends or other distributions that you may be entitled to receive under the merger agreement. **Synchronologic stock certificates should not be surrendered until the letter of transmittal is received from the exchange agent.**

Lost, stolen or destroyed certificates may be redeemed upon the making of an affidavit of that fact by the person claiming the loss. No dividends or other distributions payable to the holders of Pumatech common stock will be paid to Synchronologic shareholders until the merger is completed and such holders surrender the certificates representing their shares of Synchronologic capital stock. Pumatech does not anticipate paying any dividends with respect to its common stock.

## **Governmental and Regulatory Matters**

Pumatech and Synchronologic have concluded that no federal or state regulatory requirements must be complied with nor are federal or state regulatory approvals required in connection with the merger, other than obtaining the required approval of the issuance of shares of Pumatech common stock in the merger by the Pumatech stockholders and the required approval and adoption of the merger agreement and the merger by Synchronologic shareholders, making the required filings in connection with the merger in the State of Delaware and the State of Georgia, and registering the shares of Pumatech common stock comprising the total consideration shares with the Securities and Exchange Commission.

## **Material United States Federal Income Tax Considerations**

The following discussion summarizes the anticipated material United States federal income tax consequences of the merger that are generally applicable to holders of Synchronologic capital stock who exchange their stock in the merger for shares of Pumatech common stock. This discussion is based on the Internal Revenue Code of 1986, as amended, Treasury regulations, administrative rulings and court decisions in effect as of the date of this joint proxy statement/prospectus, all of which may change at any time, possibly with retroactive effect. The tax consequences of the merger to you may vary depending on your particular situation, and certain Synchronologic shareholders may be subject to special tax treatment not discussed below, including shareholders who are dealers in securities or foreign currency, foreign persons or entities, financial institutions, tax-exempt organizations, mutual funds, insurance companies, persons who acquired their shares in connection with stock option or stock purchase plans or in other compensatory transactions, persons who hold their shares as part of a hedge, straddle or conversion transaction, persons who do not hold their Synchronologic capital stock as capital assets, or persons who are subject to the alternative minimum tax provisions of the Internal Revenue Code. In addition, the following discussion does not address the tax consequences of other transactions effectuated prior to, concurrently, or after the merger, whether or not such transactions are in connection with the merger, including without limitation transactions in which shares of Synchronologic capital stock were or are acquired or shares of Pumatech common stock were or are disposed of. Furthermore, no foreign, state or local tax considerations are addressed. No ruling has been obtained from the Internal Revenue Service regarding the tax consequences of the merger, and the following discussion is not binding on the Internal Revenue Service. In



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addition, no opinions of counsel regarding the reorganization treatment of the merger have been requested or obtained. **Therefore, we urge you to consult your own tax advisor as to the specific federal, state, local and foreign consequences to you of the merger and related reporting obligations.**

***Synchrologic Shareholders.*** Each holder of Synchrologic capital stock who exchanges shares of Synchrologic capital stock solely for shares of Pumatech common stock in the merger should not recognize any taxable gain or loss with respect to the exchange.

The aggregate tax basis of the Pumatech common stock received in the merger by each holder of Synchrologic capital stock, including any shares of Pumatech common stock held in the escrow fund and the dissenters' escrow pursuant to the terms of the merger agreement, should be equal to the aggregate tax basis of the Synchrologic capital stock surrendered in exchange for such Pumatech common stock.

The holding period for each share of Pumatech common stock received in the merger by each holder of Synchrologic capital stock, including any shares of Pumatech common stock held in the escrow fund and the dissenters' escrow pursuant to the terms of the merger agreement, should include the period during which the shares of Synchrologic capital stock surrendered in exchange therefor were held, provided that such shares of Synchrologic capital stock were held as capital assets at the time of the merger.

No income or gain should be recognized by holders of Synchrologic capital stock upon the distribution to them of the Pumatech common stock held in the escrow fund and the dissenters' escrow on their behalf. Synchrologic shareholders should consult their own tax advisors with respect to the tax consequences applicable to their individual situations in the event that shares of Pumatech common stock held in the escrow fund and the dissenters' escrow are returned to Pumatech.

A shareholder who receives, or is deemed to have received, any non-stock consideration or exercises dissenters' rights with respect to a share of Synchrologic capital stock should generally recognize capital gain or loss (if such share is held as a capital asset at the time of the merger) measured by the difference between the shareholder's basis in such share and the amount of cash received, provided that such payment is not either essentially equivalent to a dividend nor has the effect of the distribution of a dividend (see Sections 302 and 356(a) of the Internal Revenue Code; collectively a "dividend equivalent transaction"). For purposes of the foregoing, a sale of Synchrologic capital stock for cash pursuant to an exercise of dissenters' rights will generally not be a dividend equivalent transaction if immediately after such exercise, the shareholder exercising dissenters' rights does not own any shares of Synchrologic capital stock or Pumatech common stock (either actually or constructively within the meaning of Section 318 of the Internal Revenue Code). However, if a shareholder's sale for cash of Synchrologic capital stock pursuant to an exercise of dissenters' rights is a dividend equivalent transaction, then the shareholder may recognize income for federal income tax purposes in an amount equal to the entire amount of cash so received.

***General Considerations.*** Notwithstanding the qualification of the merger as a reorganization, a recipient of Pumatech common stock would recognize income to the extent such shares were considered to be received in exchange for services or property (other than solely Synchrologic capital stock) or in the event a portion of the consideration deemed to have been received in the merger were considered to be currently taxable due to the character or structure of the transaction. All or any portion of such income may be taxable as ordinary income. Gain would also be recognized to the extent a Synchrologic shareholder is treated as receiving (directly or indirectly) consideration other than Pumatech common stock in exchange for such shareholder's Synchrologic capital stock.

No ruling from the Internal Revenue Service has been or will be sought with respect to any of the tax matters discussed in this joint proxy statement/prospectus and no opinions of counsel regarding the reorganization treatment of the merger have been requested or obtained. A successful challenge to the reorganization status of the merger by the Internal Revenue Service would result in a Synchrologic shareholder



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recognizing gain or loss with respect to each share of Synchrologic capital stock surrendered equal to the difference between the fair market value, as of the time of the merger, of the merger consideration received in exchange therefor and his, her or its basis in such Synchrologic capital stock. In this event, a Synchrologic shareholder's aggregate basis in the Pumatech common stock received in exchange would equal the fair market value of such shares, and his, her or its holding period for such shares would not include the period during which the shares of Synchrologic capital stock were held.

**Backup Withholding.** Certain of the payments due to the Synchrologic shareholders under the merger agreement may be subject to information reporting to the Internal Revenue Service and to a 28% backup withholding tax. Backup withholding will not apply to a payment to you if you properly complete and sign the substitute Form W-9 which will be included as part of the letter of transmittal, or otherwise prove to Pumatech and Homerun Acquisition Corporation that you are exempt from backup withholding. If you are subject to the 28% backup withholding, the tax withheld will be credited against your federal income tax liability.

## **Accounting Treatment of the Merger**

Pumatech intends to account for the merger as a purchase transaction for financial reporting and accounting purposes under generally accepted accounting principles. After the merger, the results of operations of Synchrologic will be included in the consolidated financial statements of Pumatech. The purchase price, which is equal to the total consideration shares, will be allocated based on the fair values of the Synchrologic assets acquired and the Synchrologic liabilities assumed. The amount of the purchase price in excess of the fair value of the net tangible assets of Synchrologic acquired will be recorded as goodwill and other intangible assets and will be amortized by charges to operations under generally accepted accounting principles. These allocations will be made based upon valuations and other studies that have not yet been finalized. However, for purposes of disclosing unaudited pro forma information in this joint proxy statement/prospectus, Pumatech has made a preliminary determination of the purchase price allocation, based upon current estimates and assumptions, which is subject to revision upon consummation of this merger.

## **Listing of Pumatech Common Stock to be Issued in the Merger**

Pumatech will authorize for listing on The Nasdaq National Market the shares of Pumatech common stock to be issued, or required to be reserved for issuance, in connection with the merger.

## **Restriction on Resales of Pumatech Common Stock**

The Pumatech common stock to be issued in the merger will be registered under the Securities Act, thereby allowing such shares to be freely transferable without restriction by all former holders of Synchrologic common stock who are not affiliates of Synchrologic at the time of the annual meeting and who do not become affiliates of Pumatech after the merger. Persons who may be deemed to be affiliates of Pumatech or Synchrologic generally include individuals or entities that control, are controlled by or are under common control with, Pumatech or Synchrologic, and may include some of their respective officers and directors, as well as their respective significant stockholders.

Shares of Pumatech common stock received by those shareholders of Synchrologic who are deemed to be affiliates of Synchrologic or Pumatech may not be sold except pursuant to an effective registration statement under the Securities Act covering the resale of those shares, an exemption under Rule 145 under the Securities Act or any other applicable exemption under the Securities Act. This joint proxy statement/prospectus does

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not cover the resale of any Pumatech common stock received by any person who may be deemed to be an affiliate of Pumatech or Synchrologic.

In addition, certain Synchrologic shareholders have entered into shareholders agreements with Pumatech, pursuant to which they have agreed, among other things not to sell, make any short sale of, loan, grant any option

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for the purchase of, or otherwise dispose of any shares of Pumatech common stock he, she or it is entitled to receive as a result of the merger (excluding shares of Pumatech common stock issuable upon the exercise of Synchronologic options assumed by Pumatech in connection with the merger) until such shares of Pumatech common stock are released from certain sales restrictions. Specifically, the Synchronologic shareholders that have entered into the shareholders agreement acknowledge and agree that 20% of the shares of Pumatech common stock they are entitled to receive in the merger will be released from the foregoing sales restrictions immediately following the effective time of the merger and 10% of the shares of Pumatech common stock they are entitled to receive in the merger will be released from the foregoing sales restrictions at the end of each 30-day period following the effective time of the merger, with the effect that all such shares will be so released within 240 days of the effective time of the merger.



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**THE MERGER AGREEMENT**

*The following is a brief summary of certain provisions of the merger agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus and is incorporated by reference. This summary does not purport to be complete and is qualified in its entirety by reference to the merger agreement. Copies of any exhibit or schedule to the merger agreement which is not attached to this joint statement/prospectus will be furnished without charge upon request made by any Synchrologic shareholder or Pumatech stockholder. Terms used and not otherwise defined in this section of the joint proxy statement/prospectus have the same meanings as in the merger agreement.*

**Representations and Warranties**

The merger agreement contains customary representations and warranties of the parties regarding, among other things, such company s:

organization;

authority to enter into and perform its obligations under the merger agreement;

compliance of the merger and the transactions contemplated by the merger agreement with such company s certificate or articles of incorporation and bylaws and certain agreements and applicable law; and

the completeness and accuracy of the information relating to such company in this joint proxy statement/prospectus.

In addition, Synchrologic has made representations and warranties regarding, among other things:

its capital structure;

its financial statements and the absence of any undisclosed liabilities since July 31, 2003;

its timely filing of required tax returns and the inapplicability of certain provisions of the Internal Revenue Code;

the absence of certain changes or events since July 31, 2003;

its title to real and personal properties and assets and certain related matters;

its ownership of intellectual property and proprietary rights;

its employee benefit plans;

its bank accounts;

the enforceability of its material contracts and the absence of certain categories of contractual obligations;

its compliance with labor laws and the absence of any discrimination claims;

its compliance with applicable trade regulations;

the absence of insider transactions;

its employees, independent contractors and consultants and related agreements;

its insurance policies;

its accounts receivable;

the absence of litigation;

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its compliance with all material rules, orders and laws and possession of all required licenses and permits;

its compliance with environmental laws and regulations;

its books and records;

the absence of any obligation to pay brokers' or finders' fees in connection with the merger;

the approval of the merger agreement and the transactions contemplated thereby by the Synchrologic board of directors; and

the suspension of all negotiations and discussions regarding an acquisition transaction with parties other than Pumatech.

The representations and warranties of Synchrologic made pursuant to the merger agreement will survive the closing of the merger for a period of one year following the consummation of the merger.

Pumatech has also made representations and warranties regarding, among other things:

the valid issuance of the Pumatech common stock to be issued in the merger;

the completeness and accuracy of its filings with the Securities and Exchange Commission;

the interim operations of Homerun Acquisition Corporation;

the absence of certain changes or events since April 30, 2003;

the approval of the merger agreement and the transactions contemplated thereby by the Pumatech board of directors;

its capital structure;

the absence of any undisclosed liabilities since the date of its most recent filings with the Securities and Exchange Commission;

its ownership of intellectual property and proprietary rights;

its compliance with all material rules, orders and laws and possession of all required licenses and permits;

its compliance with labor laws and the absence of any discrimination claims; its compliance with applicable trade regulations;

the absence of litigation;

its subsidiaries;

the enforceability of its material contracts;

its timely filing of required tax returns; and

its employee benefit plans.

The representations and warranties of Pumatech made pursuant to the merger agreement will survive the closing of the merger for a period of one year following the consummation of the merger.

#### **Pre-Closing Covenants of the Parties**

The merger agreement contains customary covenants requiring Synchrologic to conduct its business in the ordinary course consistent with past practice through the earlier of the termination of the merger agreement or the effective time of the merger and to preserve its existing business and employment relationships intact.

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Synchrologic has further agreed that, subject to certain exceptions or the prior written consent of Pumatech, it will not:

authorize or propose any amendments to its articles of incorporation or bylaws;

accelerate, amend or change the period of exercisability or the vesting schedule of restricted stock granted under its stock plans or authorize cash payments in exchange for any options granted under such plans;

declare or pay dividends or split, reclassify or acquire shares of its capital stock or any of its other securities;

issue, deliver or sell any shares of its capital stock or securities or other rights convertible into or exercisable for shares of its capital stock;

acquire any business or other entity or make any major purchase of assets;

incur any indebtedness for borrowed money or guaranty any such indebtedness;

increase the compensation or severance amounts payable to its officers and employees, or enter into or amend any employment agreement or benefit plan;

pay or agree to pay severance to any officer, director, employee or consultant;

voluntarily accelerate the vesting or any stock options;

lease, license, sell, transfer or encumber any assets, proprietary rights or other property associated with the business of Synchrologic;

change its accounting methods;

revalue any of its assets;

enter into any material contract outside the ordinary course of business consistent with past practices;

amend or modify any material contract;

amend its standard warranty terms;

authorize certain capital expenditures in excess of \$50,000 per quarter;

make or rescind any tax election, settle any tax liability, or prepare any tax return in a manner inconsistent with past practices;

settle or compromise any litigation;

enter into any agreement outside the ordinary course of business consistent with past practices in which its obligations exceed \$50,000 over the noncancelable term of the contract;

terminate any material software development project; or

take, or agree in writing or otherwise to take, any of the actions described above.

Other covenants require Synchrologic to:

provide Pumatech with access to information;

use its reasonable commercial efforts to obtain all consents and authorizations of third parties, make all filings, and give all notices necessary to effect the transactions contemplated by the merger agreement and to cause all of the conditions precedent to the closing of the merger to be satisfied; and

refrain from soliciting, initiating, encouraging or facilitating negotiations with any third party other than Pumatech concerning any merger or other business combination and to notify Pumatech in the event any offer or indication of interest regarding such a transaction is received; provided, that, Synchrologic may

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consider any unsolicited acquisition proposal received from a third party which the Synchrologic board of directors believes, in good faith, may be superior to Pumatech's proposal.

The merger agreement contains customary covenants requiring Pumatech to conduct its business in the ordinary course consistent with past practice through the earlier of the termination of the merger agreement or the effective time of the merger and to preserve its existing business and employment relationships intact.

Pumatech has further agreed that, subject to certain exceptions or the prior written consent of Synchrologic, it will not:

authorize or propose any amendments to its certificate of incorporation or bylaws;

except in the ordinary course of business consistent with past practice, declare or pay dividends or split, reclassify or acquire shares of its capital stock or any of its other securities;

acquire any business or other entity or make any major purchase of assets with a value in excess of \$10,000,000;

change its accounting methods;

revalue any of its assets;

fail to file its tax returns when due or make or change any tax election, settle any tax liability, or prepare any tax return in a manner inconsistent with past practices; or

sell all of its assets or enter into a merger where more than 30% of the Pumatech capital stock outstanding on the date of the merger agreement would be required to be issued.

Other covenants require Pumatech to:

reserve for issuance the common stock to be issued in the merger;

use its reasonable commercial efforts to obtain all consents and authorizations of third parties, make all filings, and give all notices necessary to effect the transactions contemplated by the merger agreement and to cause all of the conditions precedent to the closing of the merger to be satisfied;

assume the Synchrologic options;

assume the Synchrologic warrants;

provide Synchrologic employees with benefits no less favorable than those provided to Pumatech's similarly situated employees; and

provide Synchrologic with access to information.

**Director and Officer Indemnification and Insurance**

Pumatech has agreed to indemnify the officers, directors, employees and agents of Synchrologic, for a period of six years following the completion of the merger, with respect to acts taken prior to the effective time to the extent permitted by Synchrologic's articles of incorporation, bylaws and indemnification agreements in effect on the date of the merger agreement. In addition, for six years following the completion of the merger, Pumatech will not amend the articles of incorporation of Synchrologic in a manner that would expand potential liability to an indemnified person or limit or eliminate the right of indemnification to an indemnified person.

Synchrologic may, at its option, purchase director's and officer's liability insurance with respect to matters occurring prior to the completion of the merger. However, the cost of any such insurance is subject to certain limitations and, in certain circumstances, may be recovered by Pumatech from the escrow fund.



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### **Conditions to Consummation of the Merger**

**Conditions to Each Party's Obligations.** The respective obligations of each party to the merger agreement to effect the merger is conditioned upon:

the approval of the merger agreement and the merger by the Synchrologic shareholders;

the approval of the issuance of the shares pursuant to the merger agreement and the merger by the Pumatech stockholders;

all necessary authorizations, consents, orders or approvals of, or declarations or filings with, or expiration of waiting periods imposed by, any governmental entity having been filed, occurred or obtained; and

the absence of restraining orders, injunctions or other orders or laws or certain other regulatory restraints preventing the consummation of the merger or restricting the conduct of the business following the merger or making the merger illegal.

**Conditions to Obligations of Pumatech and Homerun Acquisition Corporation.** The obligations of Pumatech and Homerun Acquisition Corporation to effect the merger are, among other things, subject to the satisfaction of each of the following additional conditions, unless waived in writing by Pumatech and Homerun Acquisition Corporation:

the representations and warranties of Synchrologic as set forth in the merger agreement shall have been true and correct individually and in the aggregate as of the date of the merger agreement except as does not constitute a material adverse effect and the chief executive officer and chief financial officer of Synchrologic shall have delivered a certificate stipulating the satisfaction of the condition;

Synchrologic shall have performed in all material respects all of its covenants and obligations under the merger agreement and the chief executive officer shall have delivered a certificate stipulating the satisfaction of the condition;

Pumatech shall have made all filings required under federal securities laws in connection with the merger and the issuance of the shares of Pumatech common stock in the merger and shall have received all permits or other authorizations necessary to issue shares of Pumatech common stock pursuant to the merger;

Synchrologic shall have delivered a schedule of holders of dissenting shares;

the escrow agreement shall have been executed and delivered by the escrow agent and the shareholders' agent;

the noncompetition agreements shall remain in full force and effect;

certain Synchrologic shareholders shall have executed and delivered shareholders' agreements and such agreements shall remain in full force and effect;

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Synchrologic's legal counsel shall have delivered a legal opinion as provided in the merger agreement;

Synchrologic shall have terminated the Third Amended and Restated Master Rights Agreement dated August 25, 2000; and

Synchrologic shall have delivered an itemized schedule of its aggregate transaction expenses.

***Conditions to Obligations of Synchrologic.*** The obligation of Synchrologic to effect the merger is, among other things, subject to the satisfaction of each of the following additional conditions, unless waived in writing by Synchrologic:

the representations and warranties of Pumatech and Homerun Acquisition Corporation as set forth in the merger agreement shall have been true and correct individually and in the aggregate as of the date of the

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merger agreement except as does not constitute a material adverse effect and the chief executive officer and chief financial officer of Pumatech shall have delivered a certificate stipulating the satisfaction of the condition;

Pumatech and Homerun Acquisition Corporation shall have performed in all material respects all of their covenants and obligations under the merger agreement and the chief financial officer of Pumatech shall have delivered a certificate stipulating the satisfaction of the condition;

the legal counsel of Pumatech and Homerun Acquisition Corporation shall have delivered a legal opinion as provided in the merger agreement;

Pumatech shall have appointed Said Mohammadioun to its board of directors; and

Pumatech shall have made all filings required under the federal securities laws in connection with the merger and the issuance of the shares of Pumatech common stock in the merger and shall have received all permits or other authorizations necessary to issue shares of Pumatech common stock pursuant to the merger.

## **Indemnification Provisions**

***Indemnification by Synchrologic Shareholders.*** By approving the merger agreement, Synchrologic shareholders are deemed to have agreed to indemnify and hold harmless Pumatech and the other indemnified parties against (1) any loss, expense, liability or other damage incurred by reason of the untruth, inaccuracy, breach or alleged breach by Synchrologic of any representation, warranty, covenant or agreement made by Synchrologic in the merger agreement or in certain certificates delivered pursuant to the merger agreement and (2) any excess transaction expenses incurred by Synchrologic and payable out of the escrow fund.

***Indemnification by Pumatech.*** Under the merger agreement, Pumatech has agreed to indemnify and hold harmless the shareholders and affiliates of Synchrologic against any loss, expenses, liability or other damage incurred by reason of the untruth, inaccuracy, breach or alleged breach by Pumatech of any representation, warranty, covenant or agreement made by Pumatech in the merger agreement or in certain certificates delivered pursuant to the merger agreement.

***Indemnification Limitations.*** The escrow fund is, in the absence of fraud or intentional misrepresentation on the part of Synchrologic, the sole and exclusive remedy to compensate Pumatech and the other indemnified parties for any valid indemnification claims, and the individual indemnification obligation of each Synchrologic shareholder is limited to his, her or its *pro rata* portion of the escrow fund. In addition, the indemnification obligations of Synchrologic shareholders are only triggered to the extent that the aggregate amount of Pumatech's damages exceed \$500,000, in which case the total amount of such damages may be recovered from the escrow fund.

Absent fraud or intentional misrepresentation on the part of Pumatech, the sole and exclusive remedy to compensate the shareholders and affiliates of Synchrologic for any valid indemnification claims is limited to the aggregate cash value of the escrow shares initially placed in the escrow fund. In addition, the indemnification obligations of Pumatech are only triggered to the extent that the aggregate amount of Synchrologic's damages exceed \$500,000, in which case the total amount of such damages may be recovered.

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**Shareholders Agent.** By approving the merger agreement, Synchrologic shareholders are deemed to have approved, among other things, the appointment of Grotech Advisory Services, Inc. as their shareholders agent with authority to take, on their behalf, all actions required or permitted pursuant to the merger agreement and the escrow agreement with respect to the escrow fund. As such, the shareholders agent will have full power to contest, agree to, and settle any indemnification claims made by Pumatech pursuant to the merger agreement and the escrow agreement, including the delivery of the escrow shares in satisfaction of any valid indemnification claims. The shareholders agent will have no liability to Synchrologic shareholders for its actions or failures to

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act in such capacity absent gross negligence or bad faith. In addition, Synchrologic shareholders are obligated to indemnify the shareholders agent, severally and *pro rata* based on their respective percentage interests in the escrow fund, for any losses, liabilities or expenses it incurs in performing its duties under the merger agreement and the escrow agreement. The shareholders agent may not be removed unless two-thirds interest in the escrow fund agree to the removal and to the identity of a replacement shareholders agent and provide 30-days prior written notice to Pumatech of such removal and replacement.

## **No Solicitation**

Until the merger is completed or the merger agreement is terminated, Synchrologic will not, and will not permit or cause any of its officers, directors, employees, investment bankers, consultants and other agents to:

solicit, initiate, encourage or facilitate the making of any acquisition proposal, as defined below;

engage in any discussions or negotiations with respect to any acquisition proposal; or

disclose any nonpublic information relating to Synchrologic, or afford access to the properties, books or records of Synchrologic, to any person that has made an acquisition proposal.

However, prior to the approval and adoption of the merger agreement and the merger by the Synchrologic shareholders, the merger agreement does not prohibit Synchrologic from entering into discussions or negotiations with, or providing any information to, any person or entity in connection with a bona fide acquisition proposal received from such person or entity that the Synchrologic board of directors, after consulting with its legal counsel, determines in good faith could lead to a superior proposal, as defined below, so long as Synchrologic first receives from such person or entity an executed confidentiality agreement with terms no less favorable to Synchrologic that those contained in the confidentiality agreement between Pumatech and Synchrologic.

In addition, Synchrologic has agreed to:

notify Pumatech in writing of its receipt of an acquisition proposal within 24 hours, which notice shall identify the person making the acquisition proposal and a summary of the proposed terms of the acquisition proposal and any modifications;

notify Pumatech in writing of any determination by the Synchrologic board of directors that an acquisition proposal is a superior proposal prior to so notifying the person making the acquisition proposal; and

provide Pumatech at least two business days prior written notice of any meeting of the Synchrologic board of directors at which it is expected to consider and approve a superior proposal, together with a summary of the terms of the superior proposal that is being presented to the Synchrologic board of directors.

The merger agreement defines an acquisition proposal as any bona fide offer or proposal for, or any indication of interest in, a merger or other business combination involving Synchrologic, the acquisition of a majority of the equity in, or all or substantially all of the assets of, Synchrologic, in one transaction or series of related transactions, or an exclusive license of a material portion of Synchrologic's proprietary

rights, in each case other than the transactions contemplated by the merger agreement.

The merger agreement defines a superior proposal as any bona fide acquisition proposal on terms that the Synchrologic board of directors determines in its good faith judgment, taking into account all the terms and conditions of the acquisition proposal, are more favorable to the Synchrologic shareholders than the merger agreement and the merger taken as a whole.

The Synchrologic board of directors may change its recommendation in favor of the merger if the Synchrologic board of directors determines in good faith, after consultation with legal counsel, that its failure to do so would result in a failure to satisfy its fiduciary duties to Synchrologic's shareholders under Georgia law.

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**Amendments, Waivers and Termination of the Merger Agreement**

**Amendments.** The merger agreement may only be amended by a written instrument signed by each of the parties to it, except that no amendment shall be made to the merger agreement which by law requires further shareholder approval unless such further approval has been obtained.

**Waivers.** At any time prior to the effective time, each of the parties to the merger agreement may, to the extent legally allowed;

extend the time for the performance of any obligation or other act of the other parties to the merger agreement;

waive any inaccuracies in the representations and warranties of the other party contained in the merger agreement or in any document delivered pursuant to the merger agreement; and

waive compliance by the other party with any agreement or condition contained in the merger agreement.

Agreements to extensions or waivers must be in writing and signed by the relevant party.

**Termination of the Merger Agreement.** The merger agreement may be terminated at any time prior to the effective time of the merger by:

the mutual written consent of Pumatech and Synchrologic;

by either party if any permanent injunction or other order of a court or other competent authority preventing the consummation of the merger shall have become final and nonappealable;

by either party if the other party is in material breach of any representation, warranty or covenant of such other party and such breach shall not have been cured within five business days following receipt of written notice of such breach (but only if the party giving notice is not at that time in breach of the merger agreement);

by either party if the merger has not been consummated by March 31, 2004, by reason of the failure of any condition precedent specified in the merger agreement (unless such failure results primarily from the terminating party's breach);

by either party if the required approvals of Synchrologic shareholders shall not have been obtained (except that Synchrologic may not terminate if the failure results from Synchrologic's breach); and

by either party if the required approvals of Pumatech stockholders shall not have been obtained (except that Pumatech may not terminate if the failure results from Pumatech's breach).

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In the event the merger agreement is terminated by either party due to the failure to obtain the required approvals of Synchrologic shareholders and Synchrologic's board shall have changed its recommendation that the shareholders vote in favor of approval of the merger agreement and the merger, Synchrologic will pay to Pumatech an amount equal to \$6 million. In the event the merger agreement is terminated by either party due to the failure to obtain approvals of Pumatech stockholders, Pumatech will pay to Synchrologic an amount equal to \$3 million.

### **Fees and Expenses**

The merger agreement provides that, in general, each party will bear its own fees and expenses incurred in connection with the merger agreement and the transaction contemplated thereby, whether or not the merger is consummated. If the merger is completed, Pumatech and the shareholders of Synchrologic will each bear half of the aggregate legal, accounting, investment banking, broker's and finder's fees incurred, or to be incurred, by Synchrologic or its shareholders in connection with the merger up to a maximum amount of \$400,000. Any



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transaction expenses of Synchrologic or its shareholders in excess of \$400,000 shall be paid by the shareholders of Synchrologic. Any portion of any transaction expenses to be paid by the Synchrologic shareholders will be treated as a reduction of the purchase price in determining the number of total consideration shares. Half of the transaction fees and expenses incurred by Synchrologic after the effective time which are (1) in excess of the aggregate transaction expenses set forth on the itemized schedule delivered to Pumatech at closing of the merger but (2) less than \$400,000 when aggregated with all other transaction expenses of Synchrologic and its shareholders, shall be paid by the shareholders of Synchrologic and recoverable by Pumatech from the escrow fund. All of the transaction fees and expenses incurred by Synchrologic after the effective time which are both (1) in excess of the aggregate transaction expenses set forth on the itemized schedule delivered to Pumatech at the closing of the merger and (2) in excess of \$400,000 when aggregated with all other transaction expenses of Synchrologic and its shareholders, shall be paid by the shareholders of Synchrologic and shall be recoverable by Pumatech from the escrow fund.

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### **THE RELATED AGREEMENTS**

*The following are brief summaries of certain provisions of each of the related agreements referenced in the merger agreement, copies of which are attached as Annexes B through E, respectively, and are incorporated by reference. These summaries do not purport to be complete and are qualified in their entirety by reference to the applicable agreement.*

#### **The Voting Agreement**

Concurrently with the execution of the merger agreement, certain Synchrologic shareholders entered into voting agreements in the form attached as *Annex B*. Each of the parties to the voting agreements has agreed to vote all of his, her or its shares of Synchrologic capital stock in favor of the merger and any matter that could reasonably be expected to facilitate the merger, in favor of any modification, amendments to or restatements of Synchrologic's articles of incorporation that are necessary or advisable to effectuate the merger and in favor of the termination of the Third Amended and Restated Master Rights Agreement dated as of August 25, 2000, and has granted a proxy to Pumatech to such effect. In addition, the parties to the voting agreement have agreed (i) not to transfer or dispose of any shares of Synchrologic capital stock between the date of execution of the merger agreement and the earlier to occur of the effective time of the merger, the termination of the merger agreement in accordance with its terms or the date on which the Synchrologic board of directors changes its recommendation in favor of the merger and (ii) that any additional shares of Synchrologic capital stock acquired by them will be subject to the terms of the voting agreement.

#### **The Noncompetition Agreement**

Concurrently with the execution of the merger agreement, certain individuals who possess confidential and proprietary information of Synchrologic have entered into noncompetition agreements in the form attached as *Annex C*. Pursuant to the noncompetition agreements, these individuals have agreed, for a period beginning at the effective time of the merger and ending on the later of the second anniversary of the effective time of the merger or one year after the termination of the individual's employment with Pumatech, not to (i) participate in certain restricted businesses subject to certain exceptions, (ii) solicit employees or customers of Pumatech or (iii) interfere with Pumatech's businesses.

#### **The Shareholders Agreement**

Concurrently with the execution of the merger agreement, certain Synchrologic shareholders entered into shareholders agreements in the form attached as *Annex D*. Pursuant to the shareholders agreements, each Synchrologic shareholder party thereto acknowledged Pumatech's reliance on the representations, warranties and covenants of such shareholder and the availability of certain public information about Pumatech. In addition, each Synchrologic shareholder party to the shareholders agreements agreed to:

the contribution of a *pro rata* portion of the shares of Pumatech common stock they are entitled to receive in the merger to the escrow fund;

the use of such shares in accordance with the merger agreement and the escrow agreement; and

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the appointment of Grotech Advisory Services, Inc. as the shareholders' agent for the purpose of, without limitation, performing certain duties with respect to the escrow fund. Each Synchronologic shareholder party to the shareholders' agreement also agreed that he, she or it would not sell the shares of Pumatech common stock received by such Synchronologic shareholder in the merger (exclusive of shares received in respect of Synchronologic options), provided that 20% of the shares received by such Synchronologic shareholder in the merger would be immediately released from this restriction upon the effective time of the merger and that 10% of the shares received by such Synchronologic shareholder in the merger would be released from this restriction at the end of each 30-day period following the effective time of the merger.

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**Table of Contents****The Distribution Agreement**

Concurrently with the execution of the merger agreement, Synchrologic and Pumatech entered into a distribution agreement in the form attached to Pumatech's Annual Report on Form 10-K for the fiscal year ended July 31, 2003. Under the distribution agreement, Synchrologic granted to Pumatech a perpetual license to certain software products. Pumatech may market and distribute the licensed software programs under Pumatech-owned trademark and/or service marks, provided Pumatech includes proper attribution to Synchrologic. Pumatech shall be responsible for all direct customer support of the software licensed by Pumatech and/or its resellers and distributors. Synchrologic will provide technical support directly to Pumatech. Pumatech's license rights to the software are not contingent upon the merger.

**The Escrow Agreement**

**Overview.** In order to give Pumatech liquidity in satisfying any indemnification claims by Pumatech against the Synchrologic shareholders and to compensate Pumatech for certain payments which may be made in respect of dissenting shares, the merger agreement requires that Pumatech, U.S. Bank Trust, National Association, as the escrow agent, and Grotech Advisory Services, Inc., as the shareholders' agent, execute and deliver the escrow agreement in the form attached as *Annex E*, pursuant to which the escrow shares and the dissenters' escrow shares will be placed in escrow with the escrow agent to secure certain obligations of the Synchrologic shareholders to indemnify Pumatech. See *The Merger Agreement Indemnification Provisions*.

**Deposit of Escrow Shares and Dissenters' Escrow Shares.** As soon as practicable after the effective time of the merger, Pumatech shall deliver, on behalf of the Synchrologic shareholders, certificates representing the escrow shares and the dissenters' escrow shares issued in the name of the escrow agent. The escrow shares will be held on behalf of the former Synchrologic shareholders in accordance with their respective percentage interests in the escrow fund. Each Synchrologic shareholder will have voting rights with respect to his, her or its escrow shares and dissenters' escrow shares so long as such shares are held in the escrow fund.

**Notification of Claims.** Pumatech may make a claim for indemnification pursuant to the merger agreement and the escrow agreement by submitting a written certificate executed by an authorized officer of Pumatech, which shall set forth the basis for the claim and the amount thereof, to the escrow agent and the shareholders' agent. Claims for indemnification shall not be valid unless an officer's certificate is delivered by Pumatech to the escrow agent on or before the end of the escrow period, which is the date one year from the effective time of the merger. Within 30 days after delivery of an officer's certificate, the shareholders' agent shall return a written response either authorizing the release of escrow shares in satisfaction of the indemnification claim or disputing the claim, in whole or in part. In the case of a dispute, Pumatech shall have 30 days following the date that is the first anniversary following the effective time of the merger to respond to the objection of the shareholders' agent and Pumatech and the shareholders' agent shall attempt in good faith for 30 days thereafter to resolve the claim. If the parties agree on the amount of the disputed claim, a memorandum of such agreement shall be signed by both parties and delivered to the escrow agent. If no agreement can be reached within such 30-day period, Pumatech or the shareholders' agent may, by written notice to the other, demand arbitration of the dispute to be conducted in accordance with the provisions set forth in the merger agreement.

**Liquidation and Release of Dissenters' Escrow Shares.** After payment of \$6,000,000 in aggregate cash consideration to holders of dissenting shares, Pumatech may, at its sole discretion, liquidate the dissenters' escrow shares to pay the holders of dissenting shares the fair market value of their shares in accordance with Georgia law. Upon the earlier of (i) the satisfaction in full of all dissenters' rights under Georgia law or (ii) waiver or withdrawal of dissenters' rights by one or more Synchrologic shareholders such that the total number of dissenting shares is equal to less than 10% of the outstanding shares of Synchrologic at the effective time of the merger, any dissenters' escrow shares remaining in the escrow fund shall be released to the Synchrologic shareholders based on their respective percentage interests in the escrow fund.



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***Release of Escrow Shares.*** The escrow fund shall be maintained by the escrow agent for a period of one year following the effective time, at which time any escrow shares remaining in the escrow fund, less the number of escrow shares necessary to satisfy any unresolved indemnification claims noticed pursuant to the delivery of an officer's certificate prior to the expiration of the one year escrow period and as determined in the reasonable judgment of Pumatech and the shareholders' agent, shall be released to the Synchrologic shareholders based on their respective percentage interests in the escrow fund. For purposes of satisfying indemnification claims, the escrow shares shall have a value per share equal to the average closing price, which is the average of the closing sales prices for one share of Pumatech common stock as reported on The Nasdaq National Market for the thirty consecutive trading days ending on the last complete trading day immediately preceding the closing date of the merger.

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**UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS**

The following unaudited pro forma combined condensed financial statements have been prepared to give effect to the proposed merger of Pumatech and Synchronologic using the purchase method of accounting and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma combined condensed financial statements. These pro forma statements were prepared as if the merger had been completed as of August 1, 2002 for statement of operations purposes and as of July 31, 2003 for balance sheet purposes.

In addition, these unaudited pro forma combined condensed financial statements have been prepared to reflect Pumatech's acquisition of substantially all of the assets of Spontaneous Technology, Inc. on September 17, 2003 using the purchase method of accounting and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma combined condensed financial statements. These pro forma statements were prepared as if the Spontaneous Technology acquisition had been completed as of August 1, 2002 for statement of operations purposes and as of July 31, 2003 for balance sheet purposes. Pumatech's acquisition of Starfish Software, Inc. on March 27, 2003 is also treated as having occurred on August 1, 2002.

Pumatech's fiscal year end is July 31, whereas Synchronologic's and Spontaneous Technology's fiscal year ends are December 31. The following pro forma combined condensed statement of operations data for the year ended July 31, 2003 combines the results of operations of Pumatech for the twelve months ended July 31, 2003 and Synchronologic's and Spontaneous Technology's results of operations for the twelve months ended June 30, 2003. Synchronologic's and Spontaneous Technology's results of operations for the twelve months ended June 30, 2003 were calculated by adding the results of operations for the twelve months ended December 31, 2002 to the results of operations for the six months ended June 30, 2003, and deducting the results of operations for the six months ended June 30, 2002. In addition, the following pro forma combined condensed statement of operations data for the year ended July 31, 2003 includes the results of operations of Starfish Software for the eight months ended February 28, 2003. Since the acquisition of Starfish Software took place on March 27, 2003, four months of Starfish Software results are included in the consolidated Pumatech results for the year ended July 31, 2003. Starfish Software's results of operations for the eight months ended February 28, 2003 were calculated by deducting the results of operations for the six months ended June 30, 2002 from the results of operations for the twelve months ended December 31, 2002, and adding the results of operations for the two months ended February 28, 2003.

The unaudited pro forma combined condensed financial statements are presented for illustrative purposes only and are not necessarily indicative of the financial position or results of operations that would have actually been reported had the merger and the acquisition noted above occurred on August 1, 2002 for statement of operations purposes and as of July 31, 2003 for balance sheet purposes, nor are they necessarily indicative of the future financial position or results of operations.

The unaudited pro forma combined condensed financial statements include adjustments, which are based upon preliminary estimates, to reflect the allocation of the purchase price to the acquired assets and assumed liabilities of Synchronologic. The final allocation of the purchase price will be determined after the completion of the merger and will be based upon actual net tangible and intangible assets acquired as well as liabilities assumed. The preliminary purchase price allocation for Synchronologic is subject to revision as more detailed analysis is completed and additional information on the fair values of Synchronologic's assets and liabilities becomes available. Any change in the fair value of the net assets of Synchronologic will change the amount of the purchase price allocable to goodwill. Additionally, changes in Synchronologic's purchase consideration through the date the merger is completed will change the amount of goodwill recorded. The final purchase price is dependent on the actual number of shares of Pumatech common stock exchanged and actual direct merger costs incurred. The following factors will impact the actual number of shares issued at closing: (a) the average closing price of Pumatech's stock during the 30-day trading period ending on the last trading day immediately preceding the acquisition closing date, and (b) the total amount of transaction costs incurred by Synchronologic. Final purchase accounting adjustments may differ materially from the pro forma adjustments presented here (See Note 6).

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The unaudited pro forma combined condensed financial statements also include adjustments, which are based upon preliminary estimates, to reflect the allocation of the purchase price to the acquired assets and assumed liabilities of Spontaneous Technology. The final allocation of the purchase price will be determined as more detailed analysis is completed and additional information on the fair values of Spontaneous Technology's assets and liabilities becomes available and any contingent consideration associated with the acquisition is resolved. Any change in the fair value of the net assets of Spontaneous Technology, as well as any changes to the total purchase price paid by Pumatech, will change the amount of the purchase price allocable to goodwill. Due to the uncertainty associated with the final purchase consideration, final purchase accounting adjustments may differ materially from the pro forma adjustments presented here.

In addition, the unaudited pro forma combined condensed statement of operations also includes the results of Starfish Software, a business that Pumatech acquired in March 2003, for the eight months ended February 28, 2003.

These unaudited pro forma combined condensed financial statements are based upon the respective historical consolidated financial statements of Pumatech, Synchrologic, Spontaneous Technology and Starfish Software and should be read in conjunction with the historical consolidated financial statements of Pumatech, Synchrologic, Spontaneous Technology and Starfish Software and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in Pumatech's annual reports, quarterly reports and other information on file with the SEC or contained elsewhere in this joint proxy statement/prospectus.



**Table of Contents****UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEETS**

(In thousands)

	Historical		Pro Forma		Historical		Pro Forma	
	Pumatech Year ended July 31, 2003	Spontec Year ended June 30, 2003	Adjustments	Combined	Synchrologic Year ended June 30, 2003	Adjustments	Combined	
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 7,842	\$ 341	\$	\$ 8,183	\$ 2,632	\$	\$ 10,815	
Short-term investments in marketable securities	19,317			19,317			19,317	
Accounts receivable, net	5,469	8		5,477	2,145		7,622	
Inventories	113			113			113	
Prepaid expenses and other current assets	882	5		887	212		1,099	
<b>Total current assets</b>	<b>33,623</b>	<b>354</b>		<b>33,977</b>	<b>4,989</b>		<b>38,966</b>	
Restricted investments	296			296			296	
Property and equipment, net	1,153	18		1,171	338		1,509	
Goodwill	2,731	1,830	569(b)	5,130		52,242(a)	57,372	
Intangible assets, net	2,734		1,556(b)	4,290		15,300(a)	19,590	
Other assets	630	252	(252)(b)	630			630	
<b>Total assets</b>	<b>\$ 41,167</b>	<b>\$ 2,454</b>	<b>\$ 1,873</b>	<b>\$ 45,494</b>	<b>\$ 5,327</b>	<b>\$ 67,542</b>	<b>\$ 118,363</b>	
<b>LIABILITIES, MANDATORILY REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS EQUITY</b>								
Current liabilities:								
Borrowings	\$	\$ 2,250	\$ (2,250)(d)	\$	\$ 1,686	\$	\$ 1,686	
Accounts payable	2,619	618		3,237	233		3,470	
Accrued expenses and other current liabilities	3,816	377	300(c)	4,493	1,356	1,295(c)	7,144	
Deferred revenue	2,015	1,802	(1,300)(f)	2,517	1,394	(146)(e)	3,765	
<b>Total current liabilities</b>	<b>8,450</b>	<b>5,047</b>	<b>(3,250)</b>	<b>10,247</b>	<b>4,669</b>	<b>1,149</b>	<b>16,065</b>	
Long-term debt					506		506	
Other long-term liabilities	921			921			921	
Mandatorily redeemable convertible preferred stock		38,643	(38,643)(g)(d)		30,957	(30,957)(g)		
Stockholders' equity:								
Common stock	48	28	(27)(g)	49	4,705	(4,690)(g)	64	
Additional paid-in capital	153,986	14,283	(11,285)(g)	156,984	151	68,801(g)	225,936	
Treasury stock					(2,293)	2,293(g)		
Receivable from stockholder	(112)			(112)			(112)	
Accumulated deficit	(121,661)	(55,547)	55,078(g)	(122,130)	(33,368)	30,946(g)	(124,552)	
Deferred compensation, net	(459)			(459)			(459)	

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Accumulated other comprehensive income	(6)			(6)			(6)
Total stockholders equity	31,796	(41,236)	43,766	34,326	(30,805)	97,350	100,871
Total liabilities, mandatorily redeemable preferred stock and stockholders equity	\$ 41,167	\$ 2,454	\$ 1,873	\$ 45,494	\$ 5,327	\$ 67,542	\$ 118,363

The accompanying notes are an integral part of these unaudited pro forma combined condensed financial statements.

**Table of Contents****UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS**

(In thousands, except per share amounts)

	Historical		Pro Forma		Historical	Pro Forma		
	Pumatech Year ended July 31, 2003	Starfish Eight Months Ended February 28, 2003(1)	Spontec Year ended June 30, 2003(2)	Adjustments	Combined	Synchrologic Year ended June 30, 2003(2)	Adjustments	Combined
<b>Revenues</b>								
License revenue	\$ 19,169	\$ 662	\$ 149	\$	\$ 19,980	\$ 5,881	\$	\$ 25,861
License revenue related party		1,019			1,019			1,019
Service revenue	5,691	836	387		6,914	5,951		12,865
Service revenue related party		350			350			350
<b>Total revenues</b>	<b>24,860</b>	<b>2,867</b>	<b>536</b>		<b>28,263</b>	<b>11,832</b>		<b>40,095</b>
<b>Costs and expenses:</b>								
Cost of revenue	4,094	849	399		5,342	2,795		8,137
Cost of revenue related party		960			960			960
Sales and marketing	11,468	1,450	495		13,413	3,943		17,356
General and administrative	5,793	2,802	3,565		12,160	2,252		14,412
Research and development	7,389	1,694	1,258		10,341	4,758		15,099
In-process research and development	406			(406)(k)				
Amortization of intangibles	709			681(i)(j)	1,390		3,400(h)	4,790
Restructuring and other charges	795	2,506			3,301			3,301
<b>Total operating expenses</b>	<b>30,654</b>	<b>10,261</b>	<b>5,717</b>	<b>275</b>	<b>46,907</b>	<b>13,748</b>	<b>3,400</b>	<b>64,055</b>
<b>Loss from operations</b>	<b>(5,794)</b>	<b>(7,394)</b>	<b>(5,181)</b>	<b>(275)</b>	<b>(18,644)</b>	<b>(1,916)</b>	<b>(3,400)</b>	<b>(23,960)</b>
Interest income, net	803		(618)	(42)(l)	143	(215)		(72)
Impairment of investments	(2,394)				(2,394)			(2,394)
Other income, net	(65)		274		209			209
	(1,656)		(344)	(42)	(2,042)	(215)		(2,257)
<b>Loss before taxes</b>	<b>(7,450)</b>	<b>(7,394)</b>	<b>(5,525)</b>	<b>(317)</b>	<b>20,686</b>	<b>(2,131)</b>	<b>(3,400)</b>	<b>(26,217)</b>
Provision for taxes	286				286			286
<b>Net Loss</b>	<b>\$ (7,736)</b>	<b>\$ (7,394)</b>	<b>\$ (5,525)</b>	<b>\$ (317)</b>	<b>\$ (20,972)</b>	<b>\$ (2,131)</b>	<b>\$ (3,400)</b>	<b>\$ (26,503)</b>

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Net loss per share Basic and Diluted	46,622	869(m)	47,491	16,200(m)	63,691
Shares used in per share calculation Basic and Diluted	\$ (0.17)	\$ (0.36)	\$ (0.44)	\$ (0.21)	\$ (0.42)

- (1) Starfish Software's results of operations for the eight months ended February 28, 2003 were calculated by deducting the results of operations for the six months ended June 30, 2002 from the results of operations for the twelve months ended December 31, 2002, and adding the results of operations for the two months ended February 28, 2003.
- (2) Synchrologic's and Spontaneous Technology's results of operations for the twelve months ended June 30, 2003 were calculated by adding the results of operations for the twelve months ended December 31, 2002 to the results of operations for the six months ended June 30, 2003 and deducting the six months ended June 30, 2002. For the three months ended September 30, 2003 Synchrologic recognized \$3,312,000 in revenue and a net loss of \$95,000.

The accompanying notes are an integral part of these unaudited pro forma combined condensed financial statements.

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**NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED**

**FINANCIAL STATEMENTS (Continued)**

The unaudited pro forma combined condensed financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and certain footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations; however, management believes that the disclosures are adequate to make the information presented not misleading.

**1. BASIS OF PRO FORMA PRESENTATION**

On September 14, 2003, Pumatech entered into a merger agreement to purchase all of the issued and outstanding stock of Synchrologic whereby each share of Synchrologic capital stock will be converted into the right to receive the number of shares of Pumatech common stock corresponding to the exchange ratio applicable to the class and series of Synchrologic capital stock being converted. The total number of shares of Pumatech common stock to be issued in the merger will be determined by dividing \$60,000,000 by the average closing price of the shares of Pumatech common stock for the thirty consecutive trading days ending on the last complete trading day immediately preceding the closing date of the merger (which amount is subject to adjustment based on the transaction expenses incurred by Synchrologic in connection with the merger), provided that the number of shares of Pumatech common stock issued in the merger shall not exceed 19,800,000 or be fewer than 16,200,000 (in each case subject to adjustment based on the transaction expenses incurred by Synchrologic in connection with the merger).

Pumatech anticipates completing the proposed merger with Synchrologic by the end of 2003. The actual number of shares of Pumatech common stock to be issued will be determined on the effective date of the merger based on the conditions above. The merger has not been consummated as of the date of the preparation of these pro forma financial statements and there can be no assurances that the merger will be consummated in the future.

On September 17, 2003, Pumatech consummated the acquisition of substantially all of the assets of Spontaneous Technology. Under the terms of the parties' asset purchase agreement, Pumatech issued a total of 1,094,000 shares of Pumatech common stock, of which 224,417 shares are held in escrow to cover certain pre-acquisition contingencies. Additionally, depending upon Pumatech's revenues associated with sales of Pumatech's products, including certain technology of Spontaneous Technology, during the period ending September 30, 2004, Pumatech may be required to issue to Spontaneous Technology additional shares of Pumatech common stock having a value of up to \$7,000,000.

On March 27, 2003, Pumatech acquired Starfish Software for a purchase price of approximately \$1,800,000 for the Starfish Software common stock outstanding upon the effective date of the acquisition.

The unaudited pro forma combined condensed balance sheet as of July 31, 2003 was prepared by combining the historical audited consolidated condensed balance sheet data as of July 31, 2003 for Pumatech and the historical unaudited condensed balance sheet data as of June 30, 2003 for Synchrologic and Spontaneous Technology as if the merger and acquisition had been consummated on that date.

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The unaudited pro forma combined condensed statement of operations for the year ended July 31, 2003 combines the results of operations of Pumatech for the year ended July 31, 2003 and the results of operations of Synchrologic and Spontaneous Technology for the 12 months ended June 30, 2003, to give effect to the merger and acquisition as if the merger and acquisition had occurred on August 1, 2002. Additionally, the unaudited pro forma combined condensed statement of operations for the year ended July 31, 2003 reflects the March 27, 2003 acquisition of Starfish Software as if it had occurred on August 1, 2002. The unaudited pro forma combined condensed statement of operations for the year ended July 31, 2003 combines the results of operations of Pumatech for the year ended July 31, 2003 and Starfish Software's results of operations for the eight months

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**NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED**

**FINANCIAL STATEMENTS (Continued)**

ended February 28, 2003. Since the acquisition of Starfish Software took place on March 27, 2003, four months of Starfish Software results are included in the consolidated Pumatech results for the year ended July 31, 2003.

Synchrologic's and Spontaneous Technology's results of operations for the twelve months ended June 30, 2003 were calculated by adding the results of operations for the twelve months ended December 31, 2002 to the results of operations for the six months ended June 30, 2003, and deducting the results of operations for the six months ended June 30, 2002.

Certain reclassifications have been made to conform Synchrologic's, Spontaneous Technology's and Starfish Software's historical amounts to Pumatech's financial statement presentation.

**2. PURCHASE PRICE SYNCHROLOGIC, INC.**

The following represents the preliminary allocation of the purchase price over the historical net book values of the acquired assets and assumed liabilities of Synchrologic as of June 30, 2003, and is for illustrative purposes only. Actual fair values will be based on financial information as of the acquisition date.

On September 14, 2003, Pumatech entered into a merger agreement to purchase all of the issued and outstanding stock of Synchrologic whereby each share of Synchrologic capital stock will be converted into the right to receive the number of shares of Pumatech common stock corresponding to the exchange ratio applicable to the class and series of Synchrologic capital stock being converted. The total number of shares of Pumatech common stock to be issued in the merger will be determined by dividing \$60,000,000 by the average closing price of the shares of Pumatech common stock for the thirty consecutive trading days ending on the last complete trading day immediately preceding the closing date of the merger (which amount is subject to adjustment based on the transaction expenses incurred by Synchrologic in connection with the merger), provided that the number of shares of Pumatech common stock shares issued in the merger shall not exceed 19,800,000 or be fewer than 16,200,000 which includes the assumed common stock options (in each case subject to adjustment based on the transaction expenses incurred by Synchrologic in connection with the merger). Pumatech expects to issue approximately 15,170,000 shares of Pumatech common stock and options to purchase approximately 1,030,000 shares of Pumatech common stock in the merger. The actual number of shares of Pumatech common stock and options to be issued will be determined on the effective date of the merger. Pumatech will account for the merger as a purchase.

The unaudited pro forma combined condensed financial statements reflect an estimated purchase price of approximately \$69,617,000. The preliminary fair market value of Pumatech's common stock to be issued in the merger was determined using the five-trading-day average price surrounding the date the acquisition was announced of \$4.26 per share, less estimated registration costs. The expected number of shares to be issued was then determined in accordance with the minimum number of shares to be issued in accordance with the terms of the merger agreement without assuming an adjustment for transaction costs.

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The preliminary fair market value of Pumatech stock options to be issued in the merger was determined using the Black-Scholes option pricing model. The following assumptions were used to perform the calculations: fair value of Pumatech's common stock of \$4.26, expected life of 3.9 years, risk-free interest rate of 3.4%, expected volatility of 132% and no expected dividend yield. The final purchase price is dependent on the actual number of shares of Pumatech common stock issued and actual direct merger costs incurred. The following factors will impact the actual number of shares of Pumatech common stock issued at closing: (a) the average closing price of Pumatech's common stock during the 30-day trading period ending on the last trading day immediately preceding the merger closing date, and (b) the total amount of transaction costs incurred (See



**Table of Contents****NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED****FINANCIAL STATEMENTS (Continued)**

Note 6). The final purchase price will be determined upon completion of the merger. The estimated total purchase price of the proposed Synchrologic merger is as follows (in thousands):

Value of Pumatech common stock to be issued	\$ 64,684
Value of Pumatech options to be issued	4,283
Estimated direct merger costs	650
	<hr/>
Total estimated purchase price	\$ 69,617
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Under the purchase method of accounting, the total estimated purchase price is allocated to Synchrologic's net tangible and intangible assets based upon their estimated fair value as of the date of completion of the merger. Based upon the estimated purchase price and the preliminary valuation, the preliminary purchase price allocation, which is subject to change based on Pumatech's final analysis, is as follows (in thousands):

Tangible assets acquired	\$ 5,328
Liabilities assumed	(5,030)
Accrued restructuring charge	(645)
In-process research and development	2,422
Developed technology	10,493
Patents	1,320
Customer base	3,487
Goodwill	52,242
	<hr/>
	\$ 69,617
	<hr/>

The restructuring charges of \$645,000 relate primarily to severance related to a reduction in workforce, including two executives of Synchrologic and additional employees.

The allocation of purchase price was based on a preliminary valuation of assets to be acquired and liabilities to be assumed determined with the assistance of an independent appraiser. This allocation was generally based on the fair value of these assets determined using the income approach.

A preliminary estimate of \$1,320,000 has been allocated to patents, an intangible asset with an estimated useful life of 54 months, and a preliminary estimate of \$10,493,000 has been allocated to developed technology, an intangible asset with an estimated useful life of 54 months. In addition, a preliminary estimate of \$3,487,000 has been allocated to customer base, an intangible asset with an estimated useful life of 54 months, and was valued using the relief from royalty method.

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As of the expected closing date of the merger, technological feasibility of the in-process technology had not been established and the technology had no alternative future use. Accordingly, Pumatech expects to expense the in-process research and development at the date of the merger.

The amount of the purchase price allocated to in-process research and technology was based on established valuation techniques used in the high-technology software industry. The fair value assigned to the acquired in-process research and development was determined using the income approach, which discounts expected future cash flows to present value. The key assumptions used in the valuation include, among others, expected completion date of the in-process projects identified as of the acquisition date, estimated costs to complete the projects, revenue contributions and expense projections assuming the resulting product has entered the market, and discount rate based on the risks associated with the development life cycle of the in-process technology acquired. The discount rate used in the present value calculations are normally obtained from a weighted-average

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**NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED**

**FINANCIAL STATEMENTS (Continued)**

cost of capital analysis, adjusted upward to account for the inherent uncertainties surrounding the successful development of the in-process research and development, the expected profitability levels of such technology, and the uncertainty of technological advances that could potentially impact the estimates. Pumatech assumes the pricing model for the resulting product of the acquired in process research and technology to be standard within its industry. Pumatech, however, did not take into consideration any consequential amount of expense reductions from integrating the acquired in-process technology with other existing in-process or completed technology. Therefore, the valuation assumptions do not include significant anticipated cost savings.

The key assumptions underlying the valuation of acquired in-process research and development from Synchrologic are as follows:

Project names: Version upgrade of Data Sync, File Sync, E-mail accelerator and Systems Management products

Percent completed as of acquisition date: 60%-70%

Estimated costs to complete technology at acquisition date: \$3,000,000

Risk-adjusted discount rate: 22%

First period expected revenue: calendar year 2004

The in-process research and development of \$2,422,000 is charged to operations on the acquisition date. The in-process research and development charge has not been included in the accompanying unaudited pro forma combined condensed statement of operations as it represents a non-recurring charge directly related to the acquisition.

A preliminary estimate of \$52,242,000 has been allocated to goodwill. Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired. In accordance with Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*, goodwill will not be amortized but will be tested for impairment at least annually. The preliminary purchase price allocation for Synchrologic is subject to revision as more detailed analysis is completed and additional information on the fair values of Synchrologic's assets and liabilities becomes available. Any change in the fair value of the net assets of Synchrologic will change the amount of the purchase price allocable to goodwill. Additionally, changes in the total purchase consideration will also change the amount of goodwill recorded. Final purchase accounting adjustments may therefore differ materially from the pro forma adjustments presented here.

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Other than the distribution agreement entered into by Pumatech and Synchrologic concurrently with their execution of the merger agreement, there were no historical transactions between Pumatech and Synchrologic.

The pro forma adjustments do not reflect any integration adjustments such as restructuring costs to be incurred in connection with the merger or operating efficiencies and cost savings that may be achieved with respect to the combined entity as these costs are not directly attributable to the merger agreement.

### **3. PURCHASE PRICE SPONTANEOUS TECHNOLOGY, INC.**

On September 17, 2003, Pumatech consummated the acquisition of substantially all of the assets of Spontaneous Technology, Inc. of Salt Lake City, Utah, a provider of enterprise secure Virtual Private Network (sVPN) software designed to extend existing corporate applications to most wireless devices. The following represents the preliminary allocation of the purchase price over the historical net book values of the acquired assets and assumed liabilities of Spontaneous Technology as of June 30, 2003, and is for illustrative purposes

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**NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED**

**FINANCIAL STATEMENTS (Continued)**

only. Actual fair values will be determined as more detailed analysis is completed and additional information on the fair values of Spontaneous Technology's assets and liabilities becomes available.

The unaudited pro forma combined condensed financial statements reflect an estimated purchase price of approximately \$3,299,000, consisting of (a) a total of 869,260 shares of Pumatech common stock valued at \$2,999,000 (using a fair value per share of \$3.45) and (b) estimated direct transaction costs of \$300,000. The preliminary fair market value of Pumatech's common stock issued in the acquisition was determined using the five-trading-day average price surrounding the date the acquisition was announced of \$3.45 per share, less estimated registration costs. The number of shares of Pumatech common stock issued was determined using the average price of Pumatech's common stock for ten consecutive trading days ended three business days prior to the date of acquisition. There are approximately 225,000 additional shares held in escrow that are contingently issuable upon the satisfaction of a pre-acquisition clause. Additionally, depending upon Pumatech's revenues associated with sales of Pumatech's products, including certain technology of Spontaneous Technology, during the period ending September 30, 2004, Pumatech may be required to issue additional shares of Pumatech common stock to Spontaneous Technology having a value of up to \$7,000,000. The unaudited pro forma combined condensed financial statements do not reflect any of this contingent consideration. The final purchase price will be determined at the end of the period ending September 30, 2004 based on the following terms included in the acquisition agreement:

The number of shares to be issued, or the adjusted earnout amount, is the lesser of:

- (a) incremental earnout revenue minus incremental seller royalties, and
- (b) \$7,000,000 minus incremental seller royalties.

The incremental earnout revenue is the greater of:

- (a) four times the sum of the following revenue during the six months ending September 30, 2004:
  - (1) 100% of the revenue derived from licensing or selling Spontaneous Technology's products;
  - (2) 100% of the revenue derived from licensing or selling Spontaneous Technology's product features based exclusively upon its intellectual property that are offered as optional add-on functionality for Pumatech's products and for which a stated additional fee is charged;
  - (3) 20% of the total revenue derived from licensing or selling of products that incorporate both Pumatech's and Spontaneous Technology's intellectual property but for which no separate customer pricing exists for the portion of the product based on Spontaneous Technology's intellectual property;

and,

(b) eight times the sum of revenue (1), (2) and (3), as described above, during the three months ending September 30, 2004.

The incremental seller royalties is the aggregate amount of royalties paid or payable by Pumatech to third parties for third-party technology included in Spontaneous Technology's products during the one-year period following the date of the acquisition.

Pumatech did not acquire certain assets nor assume certain liabilities pursuant to the acquisition agreement.

**Table of Contents****NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED****FINANCIAL STATEMENTS (Continued)**

Under the purchase method of accounting, the total estimated purchase price was allocated to Spontaneous Technology's net tangible and intangible assets based upon their estimated fair value as of the acquisition date. Based upon the estimated purchase price of the acquisition and review of the net assets acquired and net liabilities assumed, the preliminary purchase price allocation, is as follows (in thousands):

Tangible assets acquired	\$ 372
Liabilities assumed	(1,497)
In-process research and development	469
Developed technology	889
Patents	168
Customer base	499
Goodwill	2,399
	<hr/>
	\$ 3,299
	<hr/>

The allocation of purchase price was based on a preliminary valuation of assets to be acquired and liabilities to be assumed determined with the assistance of an independent appraiser. This allocation was generally based on the fair value of these assets determined using the income approach.

A preliminary estimate of \$168,000 has been allocated to patents, an intangible asset with an estimated useful life of 48 months, and a preliminary estimate of \$889,000 has been allocated to developed technology, an intangible asset with an estimated useful life of 48 months. In addition, a preliminary estimate of \$499,000 has been allocated to customer base, an intangible asset with an estimated useful life of 48 months, and was valued using the relief from royalty method.

As of the acquisition date, technological feasibility of the in-process technology had not been established and the technology had no alternative future use. Accordingly, Pumatech expensed the in-process research and development at the date of the acquisition.

The amount of the purchase price allocated to in-process research and technology was based on established valuation techniques used in the high-technology software industry. The fair value assigned to the acquired in-process research and development was determined using the income approach, which discounts expected future cash flows to present value. The key assumptions used in the valuation include, among others, expected completion date of the in-process projects identified as of the acquisition date, estimated costs to complete the projects, revenue contributions and expense projections assuming the resulting product has entered the market, and discount rate based on the risks associated with the development life cycle of the in-process technology acquired. The discount rate used in the present value calculations are normally obtained from a weighted-average cost of capital analysis, adjusted upward to account for the inherent uncertainties surrounding the successful development of the in-process research and development, the expected profitability levels of such technology, and the uncertainty of technological advances that could potentially impact the estimates. Pumatech assumes the pricing model for the resulting product of the acquired in process research and technology to be standard within its industry. Pumatech, however, did not take into consideration any consequential amount of expense reductions from integrating the acquired in-process technology with other existing in-process or completed technology. Therefore, the valuation assumptions do not include significant anticipated cost savings.

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The key assumptions underlying the valuation of acquired in-process research and development from Spontaneous Technology are as follows (in thousands):

Project names: Version upgrade of Spontaneous Technology's secure Virtual Private Network (sVPN)

Percent completed as of acquisition date: 60%



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**NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED**

**FINANCIAL STATEMENTS (Continued)**

Estimated costs to complete technology at acquisition date: \$125,000

Risk-adjusted discount rate: 22%

First period expected revenue: calendar year 2004

The in-process research and development of \$469,000 is charged to operations on the acquisition date. The in-process research and development charge has not been included in the accompanying unaudited pro forma condensed combined statement of operations as it represents a non-recurring charge directly related to the acquisition.

A preliminary estimate of \$2,399,000 has been allocated to goodwill. Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired. In accordance with Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*, goodwill will not be amortized but will be tested for impairment at least annually. The preliminary purchase price allocation for Spontaneous Technology is subject to revision as more detailed analysis is completed and additional information on the fair values of Spontaneous Technology's assets and liabilities becomes available. Any change in the fair value of the net assets of Spontaneous Technology will change the amount of the purchase price allocable to goodwill. Final purchase accounting adjustments may therefore differ materially from the pro forma adjustments presented here.

There were no historical transactions between Pumatech and Spontaneous Technology.

**4. PURCHASE PRICE STARFISH SOFTWARE, INC.**

On March 27, 2003, Pumatech acquired Starfish Software, Inc. for a purchase price of approximately \$1.8 million for the Starfish common stock outstanding upon the effective date of the acquisition.

The unaudited pro forma combined condensed statement of operations for the year ended July 31, 2003 is presented as if the transaction had been consummated on August 1, 2002. The unaudited pro forma combined statement of operations for the year ended July 31, 2003 combines the results of operations of Pumatech for the year ended July 31, 2003 and Starfish Software's results of operations for the eight months ended February 28, 2003. Since the acquisition took place on March 27, 2003, four months of Starfish Software results are included in the consolidated Pumatech results for the year ended July 31, 2003.

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The unaudited pro forma combined condensed financial statements reflect an estimated purchase price of approximately \$1.8 million. Under the terms of the stock purchase agreement, Pumatech initially paid a total of \$1,501,000 in cash, subject to further adjustment based on actual working capital as of the closing date. Pumatech further paid \$178,000 based on subsequent adjustments made to Starfish Software's working capital.

**Table of Contents****NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED****FINANCIAL STATEMENTS (Continued)**

The Starfish Software acquisition has been accounted for as a purchase business combination. The purchase price of \$1,831,000 (including acquisition costs of \$152,000) was assigned to the fair value of the assets acquired, including the following (in thousands):

Tangible assets acquired	\$ 1,133
Liabilities assumed	(986)
In-process research and development	406
Developed technology	675
Patents	202
Trademarks	52
Customer base	278
Existing contracts	71
	<hr/>
	\$ 1,831
	<hr/>

The allocation of purchase price was based on the valuation of assets acquired and liabilities assumed determined with the assistance of an independent appraiser. This allocation was generally based on the fair value of these assets determined using the income approach.

Of the total purchase price, \$1,278,000 was allocated to amortizable intangibles included in the above list. The amortizable intangible assets are being amortized using the straight-line method over the estimated useful life of the respective assets of nine months to four years.

As of the acquisition date, technological feasibility of the in-process technology had not been established and the technology had no alternative future use. Accordingly, Pumatech expensed the in-process research and development at the date of the acquisition.

The amount of the purchase price allocated to in-process research and technology was based on established valuation techniques used in the high-technology software industry. The fair value assigned to the acquired in-process research and development was determined using the income approach, which discounts expected future cash flows to present value. The key assumptions used in the valuation include, among others, expected completion date of the in-process projects identified as of the acquisition date, estimated costs to complete the projects, revenue contributions and expense projections assuming the resulting product have entered the market, and discount rate based on the risks associated with the development life cycle of the in-process technology acquired. The discount rate used in the present value calculations are normally obtained from a weighted-average cost of capital analysis, adjusted upward to account for the inherent uncertainties surrounding the successful development of the in-process research and development, the expected profitability levels of such technology, and the uncertainty of technological advances that could potentially impact the estimates. Pumatech assumes the pricing model for the resulting product of the acquired in-process research and technology to be standard within its industry. Pumatech, however, did not take into consideration any consequential amount of expense reductions from integrating the acquired in-process technology with other existing in-process or completed technology. Therefore, the valuation assumptions do not include significant anticipated cost savings.

The key assumptions underlying the valuation of acquired in-process research and development from Starfish Software are as follows:

Project name: Mercury platform technology

Percent completed as of acquisition date: 70%

Estimated costs to complete technology at acquisition date: \$375,000

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**NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED**

**FINANCIAL STATEMENTS (Continued)**

Risk-adjusted discount rate: 30%

First period expected revenue: calendar year 2004

Subsequent to the acquisition of Starfish Software, there have been no significant developments related to the current status of the acquired in-process research and development project that would result in material changes to the assumptions.

The in-process research and development of \$406,000 is charged to operations on the acquisition date. The in-process research and development charge has not been included in the accompanying unaudited pro forma condensed combined statement of operations as it represents a non-recurring charge directly related to the acquisition.

There were no historical transactions between Pumatech and Starfish Software.

**5. PRO FORMA ADJUSTMENTS**

The accompanying unaudited pro forma combined condensed financial statements have been prepared assuming the transactions described above were completed on July 31, 2003 for balance sheet purposes and as of August 1, 2002 for statement of operations purposes.

The unaudited pro forma combined condensed balance sheet gives effect to the following pro forma adjustments:

- (a) Represents the recognition of the customer contract intangible asset of \$3,487,000, the patent intangible asset of \$1,320,000, developed technology intangible asset of \$10,493,000 and goodwill of \$52,242,000 created in the acquisition of Synchrologic.
- (b) Represents the elimination of existing goodwill (\$1,830,000) and other assets (\$252,000) and recognition of the customer contract intangible asset of \$499,000, the patent intangible asset of \$168,000, the developed technology asset of \$889,000 and goodwill of \$2,399,000 created in the acquisition of Spontaneous Technology.
- (c) Represents the following adjustments to accounts payable and accrued expenses (in thousands):

Accrual for Pumatech's Synchrologic transaction costs	\$ 650
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Accrual for Pumatech's Spontaneous Technology transaction costs	\$ 300
Accrual for Pumatech's restructuring costs	\$ 645
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Net change in accounts payable and accrued expenses	\$ 1,595
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- (d) Represents an adjustment to convert the historical convertible debt of Spontaneous Technology to preferred stock upon acquisition (\$2,250,000).
- (e) Represents the adjustment of Synchrologic's deferred revenue to estimated fair value.
- (f) Represents the adjustment of Spontaneous Technology's deferred revenue to estimated fair value and a write off of deferred revenue where no legal performance obligations exist post-closing, including amounts deferred under SOP 97-2.

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**NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED**

**FINANCIAL STATEMENTS (Continued)**

(g) Represents the following adjustments to stockholders' equity (in thousands):