

Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name American Virtual Cloud Technologies, Inc.		2 Issuer's employer identification number (EIN) 81-2402421	
3 Name of contact for additional information Thomas King	4 Telephone No. of contact (404) 239-2863	5 Email address of contact info@avctechnologies.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1720 Peachtree Street, Suite 629		7 City, town, or post office, state, and ZIP code of contact Atlanta, GA 30309	
8 Date of action 09/30/2022		9 Classification and description Common Stock, par value \$0.0001 per share	
10 CUSIP number 030382204	11 Serial number(s) N/A	12 Ticker symbol AVCT	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ At the start of trading on the Nasdaq on September 30, 2022, the 'Effective Date', the Issuer affected a one-for-fifteen reverse stock split of its shares of common stock ("Common Stock"). The CUSIP number changed to 030382204.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ At the effective date of September 30, 2022, the number of shares of Common Stock held by each stockholder were reduced by dividing the number of shares held immediately before the reverse stock split by the one-for-fifteen exchange ratio. No fractional shares were issued in connection with the reverse stock split. Instead, the Issuer paid cash in lieu of any fractional interest in a share to which such stockholder would otherwise be entitled as a result of the reverse stock split.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Post-split (new) basis per share = Pre-split (old) basis per share multiplied by fifteen (15). While the basis 'per share' is impacted, the basis of the stockholder's total investment remains unchanged.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The reverse stock split is a non-taxable recapitalization pursuant to Section 368(a)(1)(E) of the Internal Revenue Code. Section 354(a)(1) provides that, in relevant part, no gain or loss shall be recognized if stock in a corporation is exchanged solely for stock in such corporation. Section 358(a) provides that, in relevant part, the tax basis of stock in a corporation received in an exchange will be the same as the tax basis in the stock exchanged. Tax treatment of the receipt of cash in lieu of fractional shares is tested under Section 302 and will depend on each stockholder's specific facts and circumstances.

18 Can any resulting loss be recognized? ▶ Generally, not except for stockholders receiving cash in lieu of fractional shares that qualify for sale or exchange treatment pursuant to the tests under Section 302 may qualify for loss recognition where the tax basis allocated to the fractional shares was greater than the cash payments received for those shares, subject to other relevant provisions of the Internal Revenue Code regarding loss recognition limitations.

A stockholder of the Issuer's Common Stock who receives cash in lieu of a fractional share of the Issuer's Common Stock pursuant to the reverse stock split should recognize a capital gain or loss in an amount equal to the difference between the amount of cash received and the holder's tax basis in the shares of the Issuer's Common Stock surrendered that is allocable to such share of the Issuer's Common Stock. Such capital gain or loss should be a long-term capital gain or loss if the stockholder's holding period for the Issuer's Common Stock surrendered exceeded one year at the effective date of the reverse stock split.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year in which the reverse stock split occurred is 2022. The par value of the Issuer's Common Stock did not change as a result of the reverse stock split.

The tax treatment of a stockholder may vary depending upon the particular facts and circumstances of the stockholder. Each stockholder is urged to consult with the stockholder's own tax advisor with respect to the consequences of the reverse stock split

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

DocuSigned by: Thomas King
Signature ▶  Date ▶ 11/14/2022
Print your name ▶ THOMAS KING Title ▶ CHIEF OF STAFF

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	MAHER ZMOROD		10/25/2022		P01352278
	Firm's name ▶ UHY ADVISORS NY, INC.	Firm's EIN ▶ 14-1555429		Phone no. (212) 381-4700	
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