

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number: **001-39048**

AvePoint, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

83-4461709

(I.R.S. Employer Identification No.)

525 Washington Blvd, Suite 1400

Jersey City, NJ 07310

(Address of principal executive offices) (Zip Code)

(201) 793-1111

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.0001 per share	AVPT	The Nasdaq Global Select Market
Warrants, each whole warrant exercisable for one share of Common Stock at an exercise price of \$11.50 per share	AVPTW	The Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

As of the last business day of the Registrant’s most recently completed second fiscal quarter, the aggregate market value of the Registrant’s voting and non-voting common stock held by non-affiliates of the Registrant was \$732,740,941.44 based on the closing sale price as reported by Nasdaq. As of February 29, 2024, there were 184,010,832 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement for the 2024 Annual Meeting of Stockholders (the “*Proxy Statement*”) to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year ended December 31, 2023, are incorporated by reference into Part III.

AVEPOINT, INC.
FORM 10-K
For the Fiscal Year Ended December 31, 2023
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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this “Annual Report”) of AvePoint, Inc. (hereinafter referred to as the “Company,” “AvePoint,” “we,” “us” and “our”) includes estimates, projections, statements relating to our business plans, objectives, and expected operating results that may constitute “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 (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements, as well as descriptions of the risks and uncertainties that could cause actual results and events to differ materially, may appear throughout this Annual Report, including in the following sections: “Business” (Part I, Item 1 of this Annual Report), “Risk Factors” (Part I, Item 1A of this Annual Report), “Management’s Discussion and Analysis of Financial Condition and Results of Operations” (Part II, Item 7 of this Annual Report), and “Quantitative and Qualitative Disclosures about Market Risk” (Part II, Item 7A of this Annual Report). These risks and uncertainties also include, but are not limited to, those described from time to time in the Company’s reports filed with the Securities and Exchange Commission (“SEC”).

These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “plan,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. All statements that address operating performance, events, or developments that we expect or anticipate will occur in the future — including statements relating to volume growth, sales, earnings, and statements expressing general views about future operating results — are forward-looking statements. These forward-looking statements are, by their nature, subject to significant risks and uncertainties, and are based on the beliefs of, as well as assumptions made by and information currently available to, our management. Our management believes that these forward-looking statements are reasonable as and when made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. Readers should evaluate all forward-looking statements made in the context of these risks and uncertainties. The important factors referenced above may not contain all of the factors that are important to investors.

In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. We undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise, except as required by law. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements as well as other cautionary statements that are made from time to time in our other SEC filings and public communications.

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ITEM 1. BUSINESS

Company Overview

AvePoint provides a cloud-native data management software platform that organizations rely on to manage and protect critical data, optimize IT operations, achieve meaningful cost savings, and efficiently secure the digital workplace. Companies around the world have now fully adopted a hybrid work model, and they are now tasked with delivering a seamless and secure workplace experience for knowledge workers, centered around an extensive portfolio of Software-as-a-Service (“**SaaS**”) solutions and productivity applications.

The adoption of this portfolio of solutions is a substantial and ongoing challenge for most organizations, which for decades had used only a small number of multi-purpose on-premises applications to drive business outcomes. However, to deliver an efficient digital workplace today, companies must manage this range of applications – and the associated explosive growth and sprawl of critical data – with a platform offering that is well governed, fit for purpose, easy to use and built on automation.

In addition, many organizations are beginning to realize the potential of generative artificial intelligence (“**AI**”) to drive competitive advantage and value creation, including (1) extracting greater value from complex datasets, (2) making more informed business decisions, (3) reducing employee workloads, and (4) improving the overall customer experience. While these data-driven improvements are expected to lead to stronger revenue growth and operational efficiency, successfully leveraging this new technology is in turn dependent on first addressing data management challenges that all organizations face. Specifically, for AI-driven projects to succeed, companies must apply robust strategies across the data estate to manage the information lifecycle, properly govern and secure their data, and ensure its compliance. These are the core business problems that AvePoint has been solving for more than two decades, and why we believe AvePoint is well positioned to be a key enabler of generative AI adoption within enterprises in the coming years.

AvePoint’s Confidence Platform empowers organizations – of all sizes, in all regions, and across all industries – to optimize and secure the solutions that most commonly establish and underpin the digital workplace. As our customers seek to rapidly reduce costs, improve productivity and make more informed business decisions, they depend on our platform for data-driven insights, critical business intelligence and ongoing operational value through automation.

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Platform Overview

The AvePoint Confidence Platform delivers a comprehensive set of SaaS solutions, empowering users in a variety of technology roles – including IT operations, development operations and cybersecurity – to monitor and secure the digital workplace.

Built on top of Platform-as-a-Service (“*PaaS*”) architecture, the AvePoint Confidence Platform offers modularity and combines cloud services architecture with tailored, industry-specific functionality to address critical operational challenges and the ongoing management of data, as organizations leverage a variety of third-party cloud vendors, including Microsoft, Salesforce, Google, AWS, Box, DropBox and others. To drive modernization efforts, the platform also provides extensions to the functionality of existing cloud services as well as new applications, all while leveraging the common underlying SaaS services for data, process, user experience and integration.

The AvePoint Confidence Platform, and the applications that it powers, is organized into three interconnected suites of functionality—each targeting a core set of business drivers and customer needs. Those suites are:

- **The Control Suite.** Focused on the governance and management of the digital workplace, the Control Suite provides a ready-made framework for automated governance and policy enforcement. This allows infrastructure and operations teams to protect business-critical information across collaborative workspaces.
- **The Resilience Suite.** Focused on security and enhanced data protection, the Resilience Suite enables organizations to efficiently and effectively comply with data protection regulations, preserve critical records, and ensure business continuity. This provides regulatory, audit, and risk management teams with the assurance that the organization is meeting its compliance obligations.
- **The Modernization Suite.** Focused on employee productivity and experience, the Modernization Suite transforms legacy data to allow it use by modern SaaS platforms and transforms legacy business processes into modern end-user business applications. It empowers modernization and change management teams to drive digital transformation with AI ready solutions across the organization, and to measure and accelerate the impact of this transformation on employee experience and engagement.

Built with security and scale in mind, AvePoint’s cloud-native platform is available across 14 global data centers. Our multi-tenant architecture is designed to immediately provide customers the latest enhancements and upgrades, and the platform is ISO 27001:2013, ISO 27017:2015 and ISO 27701:2019 certified, has achieved compliance with HITRUST CSF v11.0.1, and has received systems and organization controls (“*SOC*”) 2 Type II accreditation and FedRAMP (Moderate) Authorization.

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Within each suite are a number of products addressing critical customer needs. Our products are typically licensed according to the number of users, while some include a consumption-based component. Lastly, because our platform is built upon a common data engine and common data layer, the purchase of products from multiple suites provides an incremental benefit to customers in the form of more intelligent and relevant data insights and automation.

- **The Control Suite** contains products which offer the following capabilities:
 - *Operationalize collaborative workspaces*: centralize the management of SaaS solutions and productivity applications, with the flexibility to configure and delegate control for different end-users;
 - *Regulatory compliance automation*: Implement, enforce, and prove that access and configuration policies across collaborative workspaces comply with internal or regulatory requirements;
 - *Access and risk management*: gain insight into who has access to critical data and where the company is at risk; and
 - *Cost optimization*: maximize the return on SaaS subscription investments through real-time management and allocation of entitlements;
- **The Resilience Suite** contains products which offer the following capabilities:
 - *Backup-as-a-Service*: support workloads in cloud Infrastructure-as-a-Service and PaaS, including protection against ransomware, accidental deletions and user error in a variety of SaaS applications, as well as support for a range of on-premises workloads;
 - *Data classification*: automate data tagging, classification and protection to prevent loss;
 - *Storage optimization*: archive stale content from active systems to reduce costs and improve workspace quality and user experience; and
 - *Information lifecycle management*: manage information and ensure compliance, optimize cloud storage, streamline processes, and unlock data driven insights.
- **The Modernization Suite** contains products which offer the following capabilities:
 - *Data modernization and restructuring*: seamlessly move and transform legacy data to allow its use by modern SaaS platforms, and ensure that unstructured data can be easily restructured to reflect ongoing changes in the business;
 - *Process modernization*: transform manual processes with built-in data insights and process automation for Line of Business and role-based applications; and
 - *Workforce transformation measurement*: enable employees to thrive in the digital workplace by ensuring organizational leaders understand employee engagement and sentiment.

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Our Growth Strategy

Our aggressive pursuit of the large market opportunity we see includes the following growth strategies:

- ***Expand the AvePoint Confidence Platform Offerings.*** We have built a differentiated platform that enables organizations to integrate modern applications, and our goal is to continually invest in technologies that improve the digital workplace experience. We plan to introduce new and adjacent products to extend our current operational and data management story and to improve the functionality of existing products and features, with a particular focus on AI ready solutions that transform and enrich data. We will also continue investing to support Microsoft, Salesforce, Google, AWS, Box, DropBox and other ecosystems for our customers, many of whom leverage multiple cloud vendors.
- ***Expand our Market Presence.*** The market we are targeting is rapidly growing and largely unpenetrated. We sell to organizations of all sizes, in all regions of the world, and across a broad array of industries. While historically we primarily focused on larger, more highly regulated enterprises, the offering of our platform as a SaaS solution makes it more accessible to and in demand from small and medium-sized organizations. We intend to drive new customer growth by leveraging our global partner ecosystem and through the expansion of our direct sales force both in regions where we have an established presence and in new markets where cloud adoption is growing.
- ***Increase Customer Lifetime Value with Customer Success.*** We constantly seek to increase customer satisfaction, decrease time to value, reduce customer churn and set up successful land and expand opportunities. To do so, we have made significant investments in our customer success program and in technology which provides additional telemetry to enhance our understanding of how customers use our solutions, which we believe will deepen our relationships with existing customers.
- ***Grow and Cultivate our Partner and Channel Network.*** We believe that building and cultivating strategic relationships with partners will enable us to penetrate those markets in which we previously lacked presence and those in which we have a presence that can be expanded. Our partner and channel network today touches all aspects of our business, but we believe there is a particular opportunity with our small and mid-sized customers and prospects. We expect that the continued scaling of this ecosystem will be a critical component of our ability to drive profitable growth going forward.
- ***Opportunistically Pursue Strategic Acquisitions and Investments.*** While the large majority of our current offerings were built organically, we expect that acquisitions and investments will be an important growth driver for our business. We completed four acquisitions in 2022, and we expect to continue acquiring and investing in businesses and technologies or entering into joint ventures and strategic alliances as part of our long-term business strategy. This may include acquiring or investing in complementary products, technologies, and/or businesses that incorporate enhanced functionality into and complement our existing product offerings, reduce the time or costs required to develop new technologies, augment our engineering workforce, improve our internal business and operating systems, and enhance our technological capabilities.

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Sales, Marketing and Customers

Sales

Our global go-to-market strategy allows us to efficiently sell to and serve the needs of organizations across market segments and geographies. This strategy, which combines the expertise of our highly-trained direct sales force with the leverage of valuable indirect routes to the market, including our strong partner ecosystem, has created a powerful and differentiated go-to-market approach. In addition, our increased investments in our customer success program positions us to continue expanding within our existing customer base, which we believe remains a significant growth opportunity.

Our direct sales force is organized by geography and customer size.

In addition, we employ a number of indirect routes to market, which include the following:

- **Channel Ecosystem.** We leverage the resources of our partner and channel community across customers of all segments. We expect that partner sourced revenue will account for a growing portion of our revenue for the foreseeable future.
- **Partner Marketplaces.** Our solutions are available in more than 100 marketplaces around the world through our distribution and marketplace partners. We leverage marketplaces to create operational efficiencies with automation in procurement and provisioning, and to grow and scale our acquisition of the small business market, primarily through managed service providers (“*MSPs*”).
- **Microsoft Partnership.** We are a top global partner of Microsoft with a holistic alliance that incorporates technology, sales, and marketing initiatives to ensure that we enable organizations worldwide to maximize their Microsoft Cloud investments.

These collective efforts are supported by our customer success team, which employs a proactive relationship-focused approach designed to ensure that our valued customers get the care they need to rapidly deploy, and receive value from, their technology investment in the AvePoint Confidence Platform.

Marketing

Our global marketing organization focuses on enhancing the AvePoint brand, establishing trust and capturing mindshare, and building awareness and demand generation through multi-platform campaigns that leverage our expertise, content, technical resources and customer stories. These campaigns are tailored to ensure that they reach customers at any stage of their buying journey, from a prospect assessing market trends and seeking broader strategic insights, to an existing customer with whom we can build incremental loyalty and to whom we can sell a more comprehensive set of solutions. We rely on multiple marketing and sales automation tools, as well as product and industry specific criteria, to efficiently identify and market to the correct individuals at companies in each customer segment, and constantly seek to refine and optimize our approach through the review of multiple performance metrics and ongoing feedback from our sales teams.

Customers

We sell to organizations of all sizes, in all regions of the world, and across a broad array of industries. Our customers are located in more than 100 countries and, as of December 31, 2023, numbered more than 21,000.

We classify our customer base by size and geography:

- **Small Business (“*SMB*”) segment.** Companies with fewer than 500 user seats.
- **Mid-Market segment.** Companies with greater than 500 but fewer than 5,000 user seats.
- **Enterprise segment.** Companies with greater than 5,000 user seats.
- **Geography.** Classification is based on the customer’s billing address and is divided into (1) North America; (2) Europe, the Middle East, and Africa (“*EMEA*”); and (3) Asia-Pacific (“*APAC*”).

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Research And Development

We constantly seek to develop new offerings, drive improvements to our existing offerings, and enhance support of our existing customer deployments. We leverage agile development methodologies and work with the latest technologies, resulting in a dynamic, state of the art, automated software development process that has allowed us to quickly deliver high-quality products and services and adapt to market changes and new requirements. We believe delivering and expanding product functionality is critical to enhancing the success of new and existing customers while new product development further reinforces our breadth of solutions.

Intellectual Property

We rely on a combination of trade secrets, copyrights, and trademarks to establish and protect our intellectual property rights. We also rely on contractual protections, such as license, assignment, and confidentiality agreements, and technical measures. We pursue the registration of domain names, trademarks, and service marks in the United States and in various jurisdictions outside the United States. We control access to and use of our proprietary technology and other confidential information through the use of internal and external controls, including contractual protections with employees, contractors, customers, and partners, and our software is protected by U.S. and international intellectual property laws. We require our employees, consultants, and other third parties to enter into confidentiality and proprietary rights agreements and control access to software, documentation, and other proprietary information. Our policy is to require employees and independent contractors to sign agreements assigning to us any inventions, trade secrets, works of authorship, developments, and other processes generated by them on our behalf and agreeing to protect our confidential information. In addition, we generally enter into confidentiality agreements with our vendors and customers.

Competition

While certain companies offer products with features similar to those embedded in our individual solutions and with which we compete in certain tactical use cases, we do not believe that any company offers the same breadth of functionalities that we offer in a single integrated platform. Unlike traditional vendors primarily focused on data management, data governance, or migration, we provide a spectrum of SaaS solutions and productivity applications for the digital workplace.

The competition we see is primarily standalone point solutions that aim to replicate the value provided by our suites or one of the products contained therein. We believe our platform offering provides a meaningful competitive advantage, due to breadth of functionality, ease of use, scalability, rigor of security protocols, integration with third-party applications and data sources, time to value and total cost of ownership.

Seasonality

Our quarterly revenue can fluctuate and does not necessarily grow sequentially when measuring any one fiscal quarter's revenue against another. Historically, our third and fourth quarters have been our highest revenue quarters, however those results are not necessarily indicative of future quarterly revenue or full year results. Additionally, the timing of new product and service introductions can significantly impact revenue. Lastly, the mix of revenues in any given quarter can cause fluctuations in our reported results, due to differing revenue recognition principles, as discussed further below. Our operating expenses have historically increased in connection with the expansion of our business, which we expect will continue.

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Human Capital Resources

The success of our people is the success of our Company, making our talent strategy a core focus of our operations. We received accolades designating us as a “best place to work” in 2023. Our key human capital objectives in managing our business includes attracting and developing top talent, engaging our team in an environment where they thrive, and integrating diversity, equity, and inclusion principles into our core operating practices.

Our values are long-held beliefs that guide the behaviors of our global teams and are foundational to our present and future success. These are not ‘statements on a wall’ but a true representation of how we act as a team:

- **Agility:** We value quick, informed decision-making to meet and exceed customer expectations. We subscribe to a growth mindset, which contributes to our entrepreneurial and learning spirit.
- **Passion:** Drive and energy are contagious here; we are not just going through the motions. We do things that are impactful and, as a result, amplify our customers’ success.
- **Teamwork:** We are invested in the success of our colleagues, partners, customers, and communities. We do this by promoting global collaboration and taking pride in helping, sharing, mentoring, and coaching each other.



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Team

As of December 31, 2023, we had 2,543 employees globally. A large percentage of our employees have technical and professional backgrounds and undergraduate and/or advanced degrees. Our professional staff includes programmers, data and computer scientists, electrical and mechanical engineers, software and hardware specialists, project managers, sales and marketing professionals, attorneys, and CPAs. None of our employees are represented by a labor union with respect to their employment. We are not aware of any employment circumstances that are likely to disrupt our work efforts. See the section titled “*Risk Factors*” (Part I, Item 1A of this Annual Report) for a discussion of the risks related to the loss of key personnel or our inability to attract and retain qualified personnel.

Recruitment and Internal Mobility

We want to attract a pool of diverse and exceptional candidates and support their career growth once they join our team. We seek to hire based on talent, providing opportunities for capable workers from various backgrounds to learn valuable skills in critical operations such as business development, sales, customer support, and customer service. In our evaluation and career development efforts, we emphasize internal mobility opportunities as a core strategy to drive professional development. Our goal is a long-term, upward-bound career for every colleague, which also drives our retention efforts. Our talent acquisition team directly recruits highly skilled and talented people, and we encourage and incentivize employee referrals for open positions.

Rewards

We strive to provide globally a competitive suite of pay, comprehensive benefits, and services. We incentivize performance through a combination of competitive base pay, performance-based cash incentives and long-term incentives in the form of equity. We believe this combination fosters a strong sense of ownership, aligns the interests of employees with our stockholders, and increases stockholder value and our overall success.

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Environmental, Social and Governance Matters

We recognize the importance of environmental, social and governance (“**ESG**”) matters and how they impact our customers, employees, community partners, and stockholders. We believe appropriately prioritizing ESG issues is an important component of corporate social responsibility and comprehensive fiscal management. In addition, we believe that strong ESG programs and practices are critical to attracting the best talent, executing on our corporate strategies, maintaining a robust supplier and channel partner base, and innovating to meet our consumers’ evolving expectations.

In 2023, our internal ESG Committee, chartered by the Nominating and Corporate Governance Committee of AvePoint’s Board of Directors (the “**Board**”), began meeting to address ESG priorities. The ESG Committee was divided into sub-committees to address each element of ESG matters and each subcommittee set forth goals for 2023. The disclosure below describes the goals of our ESG program to allow our stakeholders to be informed about our progress and future direction.

1. Environmental

Across our twenty-five offices, we strive to reduce our environmental footprint, operate more efficiently, and engage our personnel in social initiatives that directly impact their lives. To fulfill our aim of integrating environmental sustainability into everything we do, we have implemented numerous projects across our operations to limit our environmental impact, such as implementing paperless campaigns, the encouragement of recycling and elimination of paper products, the sourcing of office resources from sustainable sources, and the recycling of physical IT assets. In addition, we also strive to make operational decisions with attention to environmental impact and have LEED certified offices in the United States and maintain other energy certifications and maximization projects in our offices abroad.

As a software company, we were an early mover to transition from traditional on-premises software solutions to software-as-a-service and hybrid deployments. Not only does cloud computing help meet the needs of our customers, but it also has tremendous benefits to the environment, including greater energy efficiency, lower carbon emissions, and reduced carbon footprints. In furtherance of our goals to reduce unnecessary use, we review the data on the environmental impact of physical server providers and only use server providers who publish such data.

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2. Social

As a global company, we have a tremendous opportunity – and responsibility – to do good. We strive to exemplify our core values of agility, passion and teamwork every day to ensure the success of our colleagues, customers, partners, and stakeholders as well as make a positive impact in the communities where we live and work. To do this, we are committed to creating and empowering access to a variety of opportunities:

Philanthropy.

As a global organization, we strive to create pathways to success for individuals and communities through education. At the heart of our work—volunteering, partnerships, donations, and advocacy—is the vision of a world where everyone, no matter where they live, which resources they have, or what challenging circumstances they face, has a path to self-reliance and resilience. We empower our people to volunteer as individuals and as teams in support of community not-for-profit groups around the world. Our partners range from organizations that advance education for underrepresented minorities across our industry, to those that champion public policies aimed at fostering innovation and growth. In 2023, we continued our partnership with Girls Who Code, an organization that is committed to building the largest pipeline of future female engineers and has engaged over 500,000 girls, women, and nonbinary individuals through in-person programming. We also continued to work with Voices for Innovation, which enables us to champion policies that enable technology to address societal challenges, including protecting data privacy, strengthening cyber defenses, and ensuring people have affordable and accessible high speed internet.

Inclusion, Diversity, Equity and Allyship

Our organization is proud to employ talent from many different backgrounds, experiences, and identities. Diversity and inclusion drive our success and is at the core of how we hire, communicate and collaborate to deliver value and excellence. We are committed to fostering an environment where people can bring their whole selves to work and feel a sense of belonging. Through our employee resource groups, internal mobility opportunities across the countries in which we operate, and external partnerships with underrepresented minority networks, we continue to work toward creating a workforce that represents the diversity of our customers and communities. In 2023, through our IDEA (Inclusion, Diversity, Equity and Allyship) Committee, we continued to support the growth and impact our employee resource groups have in driving greater awareness and understanding within our company as well as make a positive impact in our local communities. We furthered our commitment to inclusion through initiatives such as providing a scholarship for an underrepresented student to pursue higher education at Virginia Commonwealth University, a minority-serving institution, leading philanthropic efforts to aid the National Center for Children and Families, and expanding our Women in Technology employee resource group globally to open new chapters in our EMEA and APAC offices.

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Supporting Agents of Change: Our Talent

We are committed to investing in our people and nurturing a growth mindset across our organization. Our talent development philosophy builds upon the idea that business growth and success come from a culture of collaboration and creativity, and that our people should feel empowered to craft their careers, make an impact, and own their futures. Our portfolio of learning and development programs equips our leaders and managers with the skills and confidence to lead high-performing teams, and supports our individual contributors with the tools and resources to contribute impactfully in their roles from the moment they join AvePoint.

Responsible Use of Artificial Intelligence

At AvePoint, we recognize that AI continues to rapidly transform the business landscape. As such, we are committed to the safe, ethical, and responsible use of AI both within our company and for the broader technology industry. We have implemented robust training, policies, and procedures to ensure our employees are educated on the responsible use of AI. Further demonstrating our commitment, AvePoint is a founding member of the AI Trust Foundation, a non-profit membership organization designed to be the leading voice for promoting beneficial AI through education and outreach at all levels of society. Through internal governance and external collaboration, we aim to set the standard for acceptable and responsible use of AI.

3. Corporate Governance

Social Responsibility Support from the Top

At AvePoint, our corporate governance practices support our core values of agility, passion, and teamwork. These practices provide a framework for the proper operation of our company, consistent with our stockholders' best interests and the requirements of law.

We are committed to managing our affairs consistent with the highest principles of business ethics and with the corporate governance requirements of both Nasdaq and applicable law. In keeping with these principles:

- A majority of our Board members are independent of AvePoint and its management;
- All members of our three Board committees—the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee—are independent of AvePoint and its management;
- We have a transparent and publicly available Code of Ethics and Business Conduct that outlines our corporate policies to which all employees, officers and directors must adhere;
- We have a corporate compliance training program which requires and monitors trainings given on an annual basis; and
- The charters of our Board committees clearly establish their respective roles and responsibilities.

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Management of Corporate Governance Resources

In 2023, we took significant steps to reinforce our commitment to corporate governance and ethical practices, aligning with our strategic priorities. We first undertook a comprehensive review of our corporate governance policies, ensuring they were in line with current industry standards and regulatory requirements. This thorough examination laid the groundwork for subsequent enhancements and developments.

One notable outcome of this review was the complete overhaul of our corporate governance site, a crucial resource for stakeholders seeking insight into the company's policies and procedures. By making our extensive list of policies publicly available at a designated web address, <https://ir.avepoint.com/governance/governance-documents/default.aspx>, we demonstrated transparency and accountability, fostering trust and confidence among investors, customers, and the broader community.

In addition, we introduced several new policies aimed at addressing emerging issues and reflecting our values. These included a Gifting Policy, Global Human Rights Policy, Supplier Diversity Policy, Environmental Policy Statement, and a Compensation Recovery Policy. Each of these policies underscored our commitment to responsible business practices, social responsibility, and environmental stewardship.

In tandem with these policy developments, we updated our Code of Ethics and Business Conduct to incorporate additional key policies and mechanisms for reporting violations. This ensures that employees and other stakeholders are equipped with clear guidelines and avenues for addressing ethical concerns, thereby promoting integrity and accountability throughout the organization.

Recognizing the importance of ongoing education and awareness, we introduced a new training program focused on the giving and receiving of gifts and business courtesies. By providing employees with guidance on navigating potentially sensitive situations, the company aimed to mitigate risks and uphold its ethical standards in all business dealings. In addition, we prioritized accessibility and relevance in our corporate compliance trainings, revising and simplifying the content to make it more applicable to employees at all levels and the compliance issues they may encounter. This approach aimed to empower all employees to understand and adhere to company policies, furthering our goal of fostering a culture of compliance and ethical conduct across the organization.

Our initiatives in 2023 underscored our commitment to robust corporate governance, ethical business practices, and employee empowerment. By proactively reviewing, updating, and communicating its policies, the company demonstrated its dedication to transparency, accountability, and responsible stewardship in pursuit of its strategic objectives.

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Earning the World's Trust

As a global company which is responsible to employees, stockholders and customers, our vision for AvePoint is to build an environment in which we earn trust and confidence every day through enabling collaboration and innovation through our commitment to privacy, security, and transparency.

Commitment to powering proactive data security programs

We understand the importance of security and operational risk management and are committed to providing organizations with relevant metrics which help them make decisions that are proactive rather than reactive. When done in conjunction with policies, education and measurement, organizations can balance collaboration and transparency with data protection and privacy. We seek to earn trust not just with robust security and privacy practices, but with the way we operate and organize our business.

Aligning to clear privacy principles

We have a policy of transparency regarding our data collection, use, retention and sharing practices. It is our commitment to implement appropriate technical security measures to protect all AvePoint stakeholders and manage third party risk. We use this foundation and discipline to develop market-leading privacy and security products and deliver world class customer service. Our software, processes and services have obtained industry-leading security and privacy certifications.

We have obtained three ISO certifications that attest to our compliance with the highest standards of information security and privacy. These certifications are based on the ISO 27001, ISO 27017, and ISO 27701 standards, which cover the requirements for an information security management system (ISMS), cloud security, and privacy information management system (PIMS), respectively. Further attestations include SOC 2 Type II, compliance with HITRUST CSF v11.0.1., Information Security Registered Assessors (IRAP) Program, FedRAMP, and more.

Our achievement of these certifications and attestations showcases our dedication to protecting personal data and complying with privacy regulations. This certification solidifies our position as a trusted partner for organizations seeking robust privacy information management systems. By adopting ISO standards, we empower businesses to navigate privacy requirements across jurisdictions effectively, ensuring the security of sensitive information and fostering trust in the digital realm.

We also seek to align our supply chain to similar standards of privacy and security. To that end, we have implemented a rigorous program to assess the privacy and security policies and procedures of our own vendors and suppliers so that our stakeholders receive a consistent approach to privacy and security matters.

Advancing cybersecurity

Cybersecurity is a central challenge for companies around the world as they continue on the digital transformation. Ransomware attacks have become one of the top security threats for organizations, especially as increased collaboration can lead to more vulnerabilities. The cost to recover stolen data can be millions of dollars, in addition to substantial reputational damage. AvePoint Ransomware Detection, and its Ransomware Warranty for MSPs, which primarily serves small business clients, gives assurance that companies will be protected.

Strengthening our offerings by first strengthening ourselves

We have built a resilient, scalable and secure IT environment by investing in complementary industry leading technology and security solutions, in addition to utilizing our own software platform. In addition, we have built a corporate culture in which privacy and security are enablers of productivity, collaboration and trust; we balance the free flow of information with the risk of inappropriate access and/or disclosure; and we implement a risk-based approach to privacy and security that will allow us to maintain not only legal and regulatory compliance in the jurisdictions in which we operate, but also to facilitate business and innovation at AvePoint.

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Compliance with Material Government Regulations

We are subject to many U.S. federal and state and foreign laws and regulations that involve matters central to our business, including laws and regulations that involve data privacy and data protection, intellectual property, advertising, marketing, health and safety, competition, consumer protection, taxation, anti-bribery, anti-money laundering and corruption, economic or other trade prohibitions or sanctions, environmental protection regulations, and securities law compliance. Our business may also be affected by the adoption of any new or existing laws or regulations or changes in laws or regulations that adversely affect our business. Many relevant laws and regulations are still evolving and may be interpreted, applied, created or amended in a manner that could harm our business, and new laws and regulations may be enacted, including in connection with the restriction or prohibition of certain content or business activities.

We are subject to certain U.S. federal, state, local and foreign laws and regulations regarding data privacy and the collection, storage, sharing, use, processing, disclosure and protection of personal information and other data from users, employees or business partners, including the GDPR, CCPA, and VCDPA. These laws expand the rights of individuals to control how their personal data is processed, collected, used and shared, create new regulatory and operational requirements for processing personal data, increase requirements for security and confidentiality and provide for significant penalties for non-compliance. There are also a number of legislative proposals recently enacted or pending before the U.S. Congress, various state legislatures and foreign governments concerning content regulation and data protection that could affect us. These and other laws and regulations that may be enacted, or new interpretation of existing laws and regulations, may require us to modify our data processing practices and policies and to incur substantial costs in order to comply.

In addition, we are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “*FCPA*”). The FCPA prohibits corporations and individuals from engaging in improper activities to obtain or retain business or to influence a person working in an official capacity. It prohibits, among other things, providing, directly or indirectly, anything of value to any foreign government official, or any political party or official thereof, or candidate for political influence to improperly influence such person. Similar laws exist in other countries, such as the UK, that restrict improper payments to persons in the public or private sector. Many countries have laws prohibiting these types of payments within the respective country. Historically, technology companies have been the target of FCPA and other anti-corruption investigations and penalties. We are further subject to U.S. and foreign laws and regulations that restrict our activities in certain countries and with certain persons. These include the economic sanctions regulations administered by the U.S. Treasury Department’s Office of Foreign Assets Control and the export control laws administered by the U.S. Commerce Department’s Bureau of Industry.

The foregoing description does not include an exhaustive list of the laws and regulations governing or impacting our business. See the discussion contained in the “*Risk Factors*” section (Part I, Item 1A of this Annual Report) for information regarding how actions by regulatory authorities or changes in legislation and regulation in the jurisdictions in which we operate may have a material adverse effect on our business.

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Information About Our Executive Officers

Name	Age	Position
Xunkai Gong	61	Executive Chairman and Director
Tianyi Jiang	49	Chief Executive Officer and Director
Brian Michael Brown	51	Chief Legal and Compliance Officer, Secretary, and Director
James Caci	59	Chief Financial Officer

Xunkai Gong was appointed as our Executive Chairman and a director in July of 2021. Prior to that, Mr. Gong had served as our predecessor company's Chairman and Co-Chief Executive Officer alongside Dr. Jiang from 2008 to 2021, Chief Executive Officer from 2001 to 2008 and director from 2001 to 2021. Mr. Gong holds a master's degree in computer engineering from the University of the Chinese Academy of Sciences, a master's degree in computer science from Southern University and Agricultural and Mechanical College at Baton Rouge, and a bachelor's degree in electrical and electronics engineering from Dalian University of Technology.



Kai Gong



Tianyi Jiang (TJ)

Tianyi Jiang was appointed as our Chief Executive Officer and a director in July of 2021. Prior to that, Dr. Jiang served as our predecessor company's Co-Chief Executive Officer alongside Mr. Gong from 2008 to 2021 and director from 2005 to 2021. Dr. Jiang holds a doctorate and a master's degree in Data Mining from New York University, in addition to a bachelor's degree and a master's degree in Electrical and Computer Engineering from Cornell University.

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Brian Michael Brown was appointed as our Chief Legal and Compliance Officer, Secretary of the Board and a director in July of 2021. Prior to that, Mr. Brown served as our predecessor company's General Counsel and Chief Operating Officer from 2004 to 2021 and director from 2008 to 2021. Mr. Brown holds a bachelor's degree from the University of Michigan and a Juris Doctor from Michigan State University.



Brian Brown



Jim Caci

James Caci was appointed as our Chief Financial Officer in August of 2021 and previously served as our predecessor company's Chief Financial Officer from 2010 to 2013. From April 2020 to August of 2021, Mr. Caci held the position of Chief Financial Officer at Brand Value Accelerator, LLC, an industry leading digital commerce services firm. From March 2016 to April 2020, Mr. Caci served as the Chief Financial Officer of Nicopure Labs. Mr. Caci brings more than 25 years of experience leading the strategic finance operations at both public and privately held SaaS and IT service companies. Mr. Caci holds a bachelor's degree from Montclair State University and is a certified public accountant.

Additional information regarding our Executive Officers is set forth in the Proxy Statement to be filed in connection with our 2024 Annual Meeting of Stockholders within 120 days after the end of the fiscal year ended December 31, 2023.

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Corporate Information

Our principal executive offices are located at 525 Washington Blvd, Suite 1400, Jersey City, NJ 07310, and our telephone number is (201) 793-1111. Our principal operating offices are located at Riverfront Plaza, West Tower, 901 E Byrd St, Suite 900, Richmond, VA 23219 and our telephone number for that office is (804) 372-8080. All correspondence should be directed to our principal operating offices in Richmond, Virginia.

“AvePoint,” the “A” logo, the “Pyramid” logo, “DocAve,” “MaivenPoint,” and all other names, logos, and icons identifying AvePoint and/or AvePoint’s products and services and our other registered and common law trade names, trademarks, and service marks are property of AvePoint, Inc. This Annual Report contains additional trade names, trademarks, and service marks of others, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this Annual Report may appear without the ® or ™ symbols but those references are not intended to indicate that AvePoint will not assert, to the fullest extent under the applicable law, our rights to these trademarks, service marks, and trade names.

Available Information

Our Internet address is <https://www.avepoint.com/>. At our Investor Relations website, <https://ir.avepoint.com/>, we make available free of charge a variety of information for investors. Our goal is to maintain the Investor Relations website as a portal through which investors can easily find or navigate to pertinent information about us, including, but not limited to:

- Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after we electronically file that material with or furnish it to the SEC at www.sec.gov.
- Announcements of investor conferences, speeches, presentations, and events at which our executives discuss our products, services, competitive strategies, and other aspects of our business.
- Press releases on quarterly results, product and service announcements, legal developments, and national and international news.
- Corporate governance information including our articles of incorporation, bylaws, governance guidelines, committee charters, code of ethics and business conduct, whistleblower “open door” policy for reporting accounting and legal allegations, global corporate social responsibility initiatives, and other governance-related policies.
- Other news and announcements that we may post from time to time that investors might find useful or interesting, including news with respect to our business strategies, financial results, and metrics for investors.

In addition to these channels, we use social media to communicate to the public. It is possible that the information we post on social media could be deemed to be material to investors. We encourage investors, the media, and others interested in AvePoint to review the information we post on the social media channels listed on our Investor Relations website.

The information found on our main website or our Investor Relations website is not part of this or any other report we file with, or furnish to, the SEC, for the purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act except as shall be expressly set forth by specific reference in such filing, and you should not consider any information contained on, or that can be accessed through, our website as part of this Annual Report or in deciding whether to purchase our common stock.

2021 Consummation of the Apex Business Combination

AvePoint, Inc., incorporated as a New Jersey corporation on July 24, 2001 (“*Legacy AvePoint*”), was redomiciled as a Delaware corporation in 2006, and changed its name to “AvePoint Operations, Inc.” in June 2021. On July 1, 2021, Legacy AvePoint and certain members of Apex Technology Acquisition Corporation (“*Apex*”) consummated the transactions contemplated by a business combination agreement (the “*Apex Business Combination*”) and a number of qualified institutional buyers and accredited investors consummated their respective purchases of shares as contemplated by related subscription agreements, with Apex being renamed “AvePoint, Inc.” On July 2, 2021, shares of common stock were officially listed under the ticker “AVPT” on the Nasdaq Global Select Market. Subsequent to the consummation of the Apex Business Combination, on July 26, 2021, Legacy AvePoint’s successor by merger AvePoint US LLC merged with and into AvePoint, Inc. with AvePoint surviving.

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ITEM 1A. RISK FACTORS

Certain factors may have a material adverse effect on our business, financial condition, and results of operations. You should consider carefully the risks and uncertainties described below, in addition to other information contained in this Annual Report, including our consolidated financial statements and related notes. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. If any of the following risks actually occurs, our business, financial condition, results of operations, and future prospects could be materially and adversely affected. In that event, the trading price of our common stock could decline, and you could lose part or all of your investment.

Risks Related to Our Business

Our success depends on our technology partners. In particular, our technical advantages are highly dependent on our partnership with Microsoft and other major software providers. Should Microsoft or these other providers acquire competitors that heavily overlap with our capabilities, or develop competing features, we may lose customer acquisition momentum and fail to secure renewals or growth targets.

The significant majority of our customers choose to integrate their products and services with, or as an enhancement of, third-party solutions such as infrastructure, platforms or applications, in particular from Microsoft. The functionality and popularity of our products and services depend largely on our ability to integrate our platform with third-party solutions, in particular Microsoft's Azure, SharePoint, and Office 365. We are dependent on technology partner solutions for several major categories of our offerings, including data management, migration, governance, protection and backup. As a result, our customers' satisfaction with our products are highly dependent on their perception of, and satisfaction with, our third-party providers and their respective offerings. We will continue to depend on various third-party relationships to sustain and grow our business. Third-party providers may change the features of their solutions, alter their governing terms, or end the solutions' availability altogether. They may restrict our ability to add, customize or integrate systems, functionality and customer experiences. Any such changes could limit or terminate our ability to use these third-party solutions and provide our customers with the full range of our products and services. Our business would be negatively impacted if we fail to retain these relationships for any reason, including due to third parties' failure to support or secure their technology or integrations; errors, bugs, or defects in their technology; or changes in our products and services. Any such failure, as well as a prolonged disruption, a cybersecurity event or any other negative event affecting our third-party providers and leading to customer dissatisfaction, could harm our relationship with our customers, our reputation and brand, our revenue, our business, and our results of operations.

Strategic technology partners and third parties may not be successful in building integrations, co-marketing our products and services to provide significant volume and quality of lead referrals or continue to work with us as their respective products evolve. Identifying, negotiating and documenting relationships with additional strategic technology partners require significant resources. Integrating third-party technology can be complex, costly and time-consuming. Third parties may be unwilling to build integrations. We may be required to devote additional resources to develop integrations for our own products. Strategic technology partners or providers of solutions with which we have integrations may decide to compete with us or enter into arrangements with our competitors, resulting in such partners or providers withdrawing support for our integrations. Our agreements with our partners are generally non-exclusive, meaning our partners may offer products from several different companies to their customers. Specifically, Microsoft and other major platform providers could end partnerships, cease marketing our offerings, with limited or no notice and with little or no penalty, or decide to purchase strong competition, or incorporate our capabilities into native solutions. Any of these developments would negatively impact our business.

Microsoft and other cloud platform providers may furthermore introduce functionality that competes with our products and services, as a result of an acquisition, or their own development. Additionally, we rely heavily on our early access to preview Microsoft technology, which enables our product strategy and development teams to anticipate future opportunities as well as validate our current direction. While Microsoft introduces competitive features as a premium option, some customers will choose a simpler first-party solution to their problem, even at a greater cost to them. Microsoft and other cloud providers may also choose to make it difficult for third party providers like us to continue making the necessary application programming interface ("**API**") calls to provide their solutions, as illustrated by an increase in API "throttling" in recent years or API quotas provided by Salesforce.

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Although we typically receive significant advance notice of new product releases from Microsoft, Microsoft does not always preview their technology with us or other partners and, as a result, it is possible that we may not receive advance notice of changes in features and functionality of new technologies with which our products will need to interoperate. If this was to happen, there could be an increased risk of product incompatibility. Any failure of our products and services to operate effectively with solutions could result in customer dissatisfaction and harm to our business, and could reduce the demand for our products and services. If we are unable to respond to these changes or failures in a cost-effective manner, our products and services may become less marketable, less competitive, or obsolete, and the results of our operations may be negatively impacted.

We have a strategic technology partnership with Microsoft for the collaboration to co-sell and co-market our products and services to new customers. If our relationships with our strategic technology partners, such as Microsoft, are disrupted or if the co-sell and co-market program was ended for any reason, we may receive less revenue and incur costs to form other revenue-generating strategic technology partnerships.

We have experienced strong growth in recent periods, and our recent growth rates may not be indicative of our future growth.

We have experienced strong growth in recent periods. In future periods, we may not be able to sustain revenue growth consistent with recent history, or at all. We believe our revenue growth and our ability to manage such growth depend on several factors, including, but not limited to, our ability to do the following:

- Effectively recruit, integrate, train and motivate a large number of new employees, including our sales force, technical solutions professionals, customer success managers and engineers, while retaining existing employees, maintaining the beneficial aspects of our corporate culture and effectively executing our business plan;
- Attract new customers and retain and increase sales to existing customers;
- Maintain and expand our relationships with our partners, including effectively managing existing channel partnerships and cultivating new ones;
- Successfully implement our products and services, increase our existing customers' use of our products and services, and provide our customers with excellent customer support and the ability of our partners to do the same;
- Develop our existing products and services and introduce new products or new functionality to our products and services;
- Expand into new market segments and internationally;
- Earn revenue share and customer referrals from our partner ecosystem;
- Improve our key business applications and processes to support our business needs;
- Enhance our internal controls to ensure timely and accurate reporting of all of our operations and financial results;
- Protect and further develop our strategic assets, including our intellectual property rights; and
- Make sound business decisions considering the scrutiny associated with operating as a public company.

We may not accomplish any of these objectives and, as a result, it is difficult for us to forecast our future revenue or revenue growth. If our assumptions are incorrect or change in reaction to changes in our market, or if we are unable to maintain consistent revenue or revenue growth, we may not be able to maintain similar growth rates in the future. You should not rely on our revenue for any prior periods as any indication of our future revenue or revenue growth.

Furthermore, these activities will require significant investments and allocation of valuable management and employee resources, and our growth will continue to place significant demands on our management and our operational and financial infrastructure. There are no guarantees we will be able to grow our business in an efficient or timely manner, or at all. Moreover, if we do not effectively manage the growth of our business and operations, the quality of our software could suffer, which could negatively affect the AvePoint brand, results of operations and overall business.

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Our future revenue and operating results will be harmed if we are unable to acquire new customers, expand sales to our existing customers, or develop new functionality for our products and services that achieves market acceptance.

To continue to grow our business, it is important that we continue to acquire new customers to purchase and use our products and services. Our success in adding new customers depends on numerous factors, including our ability to: (1) offer compelling products and services, (2) execute our sales and marketing strategy, (3) attract, effectively train and retain new sales, marketing, professional services, and support personnel in the markets we pursue, (4) develop or expand relationships with partners, IT consultants, systems integrators resellers and other third parties, strengthening our network, (5) expand into new geographies, including internationally, and market segments, (6) efficiently onboard new customers on to our product offerings, and (7) provide additional paid services that fulfill the needs and complement the capabilities of our customers and their partners.

Our future success also depends, in part, on our ability to sell additional products, more functionality and/or adjacent services to our current customers, and the success rate of such endeavors is difficult to predict, especially with regard to any new products or lines of business that we may introduce from time to time. Our ability to increase sales to existing customers depends on several factors, including their experience with implementing and using our products and services, their ability to integrate our products and services with other technologies, and our pricing model. Sales to existing customers may require increasingly costly marketing and sales efforts that are targeted at senior management, and if these efforts are not successful, our business and operating results may suffer.

In addition, as an increasing amount of our business may move to our cloud-based products and services and the use of consumption-based pricing models may represent a greater share of our revenue, our revenue may be less predictable or more variable than our historical revenue from perpetual or time period-based subscription pricing models. Moreover, a consumption-based subscription pricing model may ultimately result in lower total cost to our customers over time or may cause our customers to limit usage in order to stay within the limits of their existing subscriptions, reducing overall revenue or making it more difficult for us to compete in our markets.

Our ability to predict the rate of customer renewals and the impact these renewals will have on our revenue or operating results is limited.

Our ability to maintain or increase revenue depends in part on our ability to retain existing customers, in particular that our customers renew their subscriptions with us on the same or more favorable terms. Our customers have no obligation to renew their contracts for AvePoint products after the expiration of either the initial or renewed subscription period, and in the normal course of business, some customers elect not to renew. Our customers may renew for fewer elements of our products, for shorter renewal terms or on different pricing terms, including lower-cost offerings of our products. Our customers' renewal rates may decline or fluctuate as a result of a number of factors, including their level of satisfaction with our pricing or our products and their ability to continue their operations and spending levels, mix of customer base, decreases in the number of users at our customers, competition, pricing increases or changes, and deteriorating general economic conditions, including as a result of the ongoing military conflicts where the outcome is not possible to predict. If our customers do not renew their subscriptions for our products on similar pricing terms, our revenue may decline and our business could suffer. In addition, over time the average term of our contracts could change based on renewal rates or for other reasons. Further, acquisitions of our customers may lead to the cancellation of our contracts with such customers or by the acquiring companies, thereby reducing the number of our existing and potential customers.

If we fail to adapt and respond effectively to rapidly changing technology, evolving industry standards, and changing customer needs or preferences, our products and services may become less competitive.

The market in which we operate is characterized by the exponential growth in data generated and managed by enterprises, rapid technological advances, changes in customer requirements, including customer requirements driven by changes to legal, regulatory and self-regulatory compliance mandates, frequent new product introductions and enhancements and evolving industry standards in computer hardware and software technology. As a result, we must continually change and improve our products in response to changes in operating systems, application software, computer and communications hardware, networking software, data center architectures, programming tools and computer language technology. Moreover, the technology in our products is especially complex because it needs to effectively identify and respond to a user's data retention, security and governance needs, while minimizing the impact on database and file system performance. If we are unable to develop and sell new technology, features, and functionality for our products and services that satisfy our customers and that keep pace with rapid technological and industry change, our revenue and operating results could be harmed. If new technologies emerge that deliver competitive solutions at lower prices, more efficiently, more conveniently, or more securely, they could adversely impact our ability to compete. Our products and services must also integrate with a variety of network, hardware, mobile, and software platforms and technologies. We need to continuously modify and enhance our platform to adapt to changes and innovation in these technologies. If businesses widely adopt new technologies in areas covered by our products and services, we would have to develop new functionality for our products and services to work with such new technologies. This development effort may require significant engineering, marketing and sales resources, all of which would affect our business and operating results.

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Any failure of our products and services to operate effectively with future technologies could reduce the demand for our products and services. We cannot guarantee that it will be able to anticipate future market needs and opportunities, extend our technological expertise and develop new products or expand the functionality of our current products in a timely and cost-effective manner, or at all. Even if we can anticipate, develop and introduce new products and expand the functionality of our current products, there can be no assurance that enhancements or new products will achieve widespread market acceptance. If we fail to anticipate market requirements or stay abreast of technological changes, we may be unable to successfully introduce new products, expand the functionality of our current products or convince our existing and potential customers of the value of our products in light of new technologies. Accordingly, our business, results of operations and financial condition could be harmed.

Our success with SMB customers depends in part on our resale and distribution partnerships. Our business would be harmed if we fail to maintain or expand partner relationships.

We leverage the sales and referral resources of resale and referral partners through a variety of programs, and we also rely on distribution partners, especially for our SMB market acquisition. We expect that sales to partners will account for a substantial portion of our revenue for the foreseeable future. Our ability to achieve revenue growth and expand our SMB acquisition in the future will depend in part on our success in maintaining successful relationships with our partners. Our agreements with our partners are generally non-exclusive, meaning our partners may offer customers the products of several different companies. If our partners do not effectively market and sell our software, choose to use greater efforts to market and sell their own products or those of others, or fail to meet the needs of our customers, our ability to grow our business, sell our software and maintain our reputation may be harmed. Our contracts with our partners generally allow us to terminate our agreements for any reason. The loss of a substantial number of our partners, the possible inability to replace them, the failure to recruit additional partners or the removal of our products and services from several major distribution partner's resale platforms could harm our results of operations. If we are unable to effectively utilize, maintain and expand these relationships, our revenue growth would slow, we would need to devote additional resources to the development, sales, and marketing of our products and services, and our financial results and future growth prospects would be harmed.

Unfavorable conditions in our industry or the global economy, or reductions in IT spending, could limit our ability to grow our business and negatively affect our results of operations.

Our results of operations may vary based on the impact of changes in our industry or the global economy on it or our customers. The revenue growth and potential profitability of our business depend on our current and prospective customers' ability and willingness to invest money in information technology services, which in turn is dependent upon their overall economic health. Current or future economic uncertainties or downturns could harm our business and results of operations. Negative conditions in the global economy or individual markets, including changes in gross domestic product growth, financial and credit market fluctuations, political turmoil, natural catastrophes, warfare and terrorist attacks on the United States, Europe, Australia, the Asia Pacific region or elsewhere, could cause a decrease in business investments, including spending on IT and negatively affect our business. Continuing uncertainty in the global economy makes it extremely difficult for us and our customers to forecast and plan future business activities accurately, and could cause our customers to reevaluate decisions to purchase our products and services or to delay their purchasing decisions, which could lengthen our sales cycles.

To the extent our products and services are perceived by our existing and potential customers as costly, or too difficult to launch or migrate to, it would negatively affect our growth. Our revenue may be disproportionately affected by delays or reductions in general IT spending. Competitors may respond to market conditions by lowering prices and attempting to lure away our customers. In addition, consolidation in certain industries may result in reduced overall spending on our products and services. We have a significant number of customers in the financial services, the public sector and the pharmaceutical and manufacturing industries. A substantial downturn in any of these industries, or a reduction in public sector spending, may cause enterprises to react to worsening conditions by reducing their capital expenditures in general or by specifically reducing their spending on information technology. Customers may delay or cancel information technology projects, choose to focus on in-house development efforts or seek to lower their costs by renegotiating maintenance and support agreements. To the extent purchases of licenses for our software are perceived by our existing and potential customers to be discretionary, our revenue may be disproportionately affected by delays or reductions in general information technology spending. We cannot predict the timing, strength, or duration of any economic slowdown, instability or recovery, generally or within any particular industry. If the economic conditions of the general economy or markets in which we operate worsen from present levels, our business, results of operations and financial condition could be harmed.

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Failure to effectively develop and expand our marketing and sales capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our products and services. If we are not able to generate traffic to our website through digital marketing, our ability to attract new customers may be impaired.

Our ability to increase our customer base and achieve broader market acceptance of our products and services will depend on our ability to expand our marketing and sales operations. We plan to continue expanding our sales force and strategic partners, both domestically and internationally. We also have dedicated, and plans to further dedicate, significant resources to sales and marketing programs, including search engine and other online advertising. The effectiveness of our online advertising may continue to vary due to competition for key search terms, changes in search engine use, and changes in search algorithms used by major search engines and other digital marketing platforms. Another major investment is in marketing technology to better connect our systems and data among sales, product, and marketing, in order to create a more seamless user experience. Our business and operating results will be harmed if our sales and marketing efforts do not generate a corresponding increase in revenue. We may not achieve anticipated revenue growth from expanding our sales force if we are unable to hire, develop, and retain talented sales personnel, if our new sales personnel are unable to achieve desired productivity levels in a reasonable period of time, or if our sales and marketing programs are not effective.

If the cost of marketing our products and services over search engines or other digital marketing platforms increases, our business and operating results could be harmed. Competitors also may bid on the search terms that we use to drive traffic to our website. Such actions could increase our marketing costs and result in decreased traffic to our website. Furthermore, search engines and digital marketing platforms may change their advertising policies from time to time. If these policies delay or prevent us from advertising through these channels, it could result in reduced traffic to our website and subscriptions to our products and services. New search engines and other digital marketing platforms may develop, particularly in certain jurisdictions, that reduce traffic on existing search engines and digital marketing platforms. If we are not able to achieve prominence through advertising or otherwise, it may not achieve significant traffic to our website through these new platforms and our business and operating results could be harmed.

We depend on third-party data hosting and transmission services. Increases in cost, interruptions in service, latency, or poor service from our third-party data center providers could impair the delivery of our platform. This could result in customer dissatisfaction, damage to our reputation, loss of customers, limited growth, and reduction in revenue.

We currently serve the majority of our SaaS offerings from third-party data center hosting facilities in different geographical locations that are operated by Microsoft. Our products and services, in particular SaaS offerings, are deployed to multiple data centers within these geographies, with additional geographies available for disaster recovery. Our operations depend, in part, on our third-party providers' protection of these facilities from natural disasters, power or telecommunications failures, criminal acts, or similar events. If any third-party facility's arrangement is terminated, or our service lapses, we could experience interruptions in our platform, latency, as well as delays and additional expenses in arranging new facilities and services.

A significant portion of our operating costs are from our third-party data hosting and transmission services. If the costs for such services increase due to vendor consolidation, regulation, contract renegotiation or otherwise, we may not be able to increase the fees for our products and services to cover the changes. As a result, our operating results may be significantly worse than forecasted. Our failure to achieve or maintain sufficient and performant data transmission capacity could significantly reduce demand for our products and services.

Seasonal or singular events may significantly increase the traffic on our own and the used third-party's servers and the usage volume of our products. Despite precautions taken at the used data centers, spikes in usage volume, a natural disaster, an act of terrorism, vandalism or sabotage, closure of a facility without adequate notice, or other unanticipated problems (such as the military conflict between Russia and Ukraine) could result in lengthy interruptions or performance degradation of our platform. Our own and third party data centers may also be subject to national or local administrative actions, changes in government regulations, including, for example, the impact of global economic and other sanctions like those levied in response to the Russia-Ukraine crisis, changes to legal or permitting requirements and litigation to stop, limit or delay operations. Any damage to, or failure of, the systems of our third-party providers could result in interruptions to our products and services. Even with current and planned disaster recovery arrangements, our business could be harmed. If we experience damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. These factors in turn could further reduce our revenue, subject us to liability, cause us to issue credits, or cause customers to terminate their subscriptions, any of which could harm our business. If we incur such losses or liabilities, we might be unable to recover significant amounts from our third-party providers (even if they were primarily or solely responsible) because of restrictive liability and indemnification terms.

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If there are interruptions or performance problems associated with our technology or infrastructure, our existing customers may experience service outages, and our new customers may experience delays in using our products and services.

Our continued growth depends, in part, on the ability of our existing and potential customers to access our products and services 24 hours a day, seven days a week, without interruption or performance degradation. We have experienced, and may in the future experience, disruptions, outages, and other performance problems with our infrastructure. These can be due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, denial-of-service attacks, or other security-related incidents, any of which may be recurring. As we continue to add customers, expand geographically, and enhance our products' and/or services' functionality, the additional scale may increase complexity and our average uptime for future periods may decrease. We may not be able to identify the cause or causes of these performance problems promptly. If our products and services are unavailable or if our customers are unable to access our products and services within a reasonable amount of time, our business would be harmed. Any outage of our products and services would impair the ability of our customers to engage in their own business operations, which would negatively impact our brand, reputation and customer satisfaction. We provide service credits to our customers for downtime they experience using our SaaS products. Any downtime or malfunction could require us to issue a significant amount of service credits to customers. Issuing a significant amount of service credits would negatively impact our financial position.

We depend on services from various third parties to maintain our infrastructure and any disruptions to these services, including from causes outside our control, would significantly impact our products and services. In the future, these services may not be available to us on commercially reasonable terms, or at all. Loss of any of these services could decrease our products' and/or services' functionality until we develop equivalent technology or, if equivalent technology is available from another party, we identify, obtain and integrate it into our infrastructure. If we do not accurately predict our infrastructure capacity requirements, our customers could experience service shortfalls. We may also be unable to address capacity constraints, upgrade our systems, and develop our technology and network architecture to accommodate actual and anticipated technology changes.

Any of the above circumstances or events may harm our reputation, cause customers to terminate their agreements with us, impair our ability to grow our customer base, subject us to financial liabilities, and otherwise harm our business, results of operations, and financial condition.

Risks Related to Our Operations and Financial Condition

Our operations will continue to increase in complexity as we grow, which will create management challenges.

Our business has experienced strong growth and is complex. This growth is expected to continue, and our operations will be increasingly complex. To manage this growth, we will make substantial investments to improve our operational, financial, and management controls as well as our reporting systems and procedures. We may not be able to implement and scale improvements to our systems and processes in a timely or efficient manner or in a manner that does not negatively affect our operating results. For example, we may not be able to effectively monitor certain extraordinary contract requirements or individually negotiated provisions as the number of customers continues to grow. Our systems and processes may not prevent or detect all errors, omissions, or fraud. We may have difficulty managing improvements to our systems, processes and controls or in connection with third-party software. This could impair our ability to provide our products and services to our customers, causing us to lose customers, limiting products and services to less significant updates, or increasing technical support costs. If we are unable to manage this complexity, our business, operations, operating results and financial condition may suffer.

As our customer base continues to grow, we will need to expand our services and other personnel and maintain and enhance our partnerships to provide a high level of customer service.

We will also need to manage our sales processes as our sales personnel and partner network continue to grow and become more complex, and as we continue to expand into new geographies and market segments. If we do not effectively manage this increasing complexity, the quality of our platform and customer service could suffer, and we may not be able to adequately address competitive challenges. These factors could impair the ability to attract and retain customers and expand customers' use of our products and services.

If we fail to maintain or grow our brand recognition, our ability to expand our customer base will be impaired and our financial condition may suffer.

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We believe enhancing the AvePoint brand and maintaining our reputation in the information technology industry will be critical for the continued acceptance of our existing and future products and services, attracting new customers to our products and services, and retaining existing customers. The importance of brand recognition will increase as competition in our market increases. Successfully maintaining our brand will depend largely on the effectiveness of our marketing efforts, the ability to provide high-quality, innovative, reliable and useful products and services to meet the needs of our customers at competitive prices, the ability to be responsive to customer concerns and provide high quality customer support, training and professional services, the ability to maintain our customers' trust, the ability to continue to develop new functionality and products, and the ability to successfully differentiate our products and services.

Additionally, partners' performance may affect the AvePoint brand and reputation if customers do not have a positive experience. Brand promotion activities may not generate customer awareness or yield increased revenue. Even if they do, any increased revenue may not offset the expenses incurred in building our brand. Furthermore, independent industry analysts may provide reviews of our products and services, as well as other products available in the market, and perception of our products and services in the marketplace may be significantly influenced by these reviews. If these reviews are negative, or less positive than reviews about other products available in the market, the AvePoint brand may be harmed. Furthermore, negative publicity relating to events or activities attributed to employees, partners or others associated with any of these parties, may tarnish our reputation and reduce the value of our brand. Damage to reputation and loss of brand equity may reduce demand for our products and harm our business, results of operations and financial condition. Any attempts to rebuild our reputation and restore the value of our brand may be costly and time consuming, and such efforts may not ultimately be successful. If we fail to successfully promote and maintain our brand, we may fail to attract enough new customers or retain existing customers to realize a sufficient return on our brand-building efforts, and our business could suffer.

If we fail to offer high quality support, our business and reputation could suffer.

Our customers have historically relied on our personnel for support related to our products, in particular SaaS products. High-quality support will continue to be important for the renewal and expansion of agreements with our existing customers. The importance of high-quality support will increase as we expand our business and pursue new customers. If we do not help our customers quickly resolve issues and provide effective ongoing support, our ability to sell new products and services to existing and new customers could suffer and our reputation with existing or potential customers could be harmed.

If our products and services do not effectively interoperate with our customers' existing or future IT infrastructures or do not operate as effectively when accessed through mobile devices, customers may not be satisfied, which could harm our business.

Our success will depend in part on the interoperability of our products and services with third-party operating systems, applications, data, web browsers and devices that have not developed and does not control. Due to the continuing rapid growth of the use of mobile devices in business operations, this also includes third-party mobile devices and mobile operating systems. Any changes in such operating systems, applications, data, web browsers or devices that degrade the functionality of our products and services or give preferential treatment to competitive services could harm the adoption and usage of our products and services. We may not be successful in adapting our products and services to operate effectively with these operating systems, applications, data or devices. Effective mobile functionality is a part of our long-term development and growth strategy. If customers have difficulty accessing and using our products and services (including on mobile devices) or if our products and services cannot connect a broadening range of applications, data and devices, then customer growth and retention may be harmed and our business and operating results could be harmed.

Being a global company may create a variety of operational challenges.

Our international operations will involve a variety of risks, including:

- Changes in a country's or region's political or economic conditions;
- Economic uncertainty around the world and adverse effects arising from economic interdependencies across countries and regions;
- The need to adapt and localize products and services for specific countries;
- Greater difficulty in receiving payments from different geographies, including difficulties associated with currency fluctuations, transfer of funds, longer payment cycles and collecting accounts receivable, especially in emerging markets;

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- Potential changes in trade relations arising from policy initiatives implemented by the current administration or by a successor administration;
- Compliance with foreign laws and regulations and the risks and costs of non-compliance with such laws and regulations;
- Unexpected changes in laws, regulatory requirements, taxes, or trade laws;
- More stringent regulations relating to privacy and data security and the unauthorized use of, or access to, commercial and personal information, particularly in Europe;
- Differing labor regulations, especially in Europe, where labor laws are generally more advantageous to employees as compared to the United States, including deemed hourly wage and overtime regulations in these locations;
- Challenges inherent in efficiently managing an increased number of employees over large geographic distances (including in a work-from-home environment), including the need to implement appropriate systems, policies, benefits, and compliance programs;
- Difficulties in managing a business in new markets with diverse cultures, languages, customs, legal systems, alternative dispute systems, and regulatory systems;
- Increased travel, real estate, infrastructure, and legal compliance costs associated with international operations;
- Currency exchange rate fluctuations and the resulting effect on revenue and expenses, and the cost and risk of entering into hedging transactions if we elect to do so in the future;
- Limitations on the ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries;
- Laws and business practices favoring local competitors or general preferences for local vendors;
- limited or insufficient intellectual property protection or difficulties enforcing our intellectual property;
- Political instability or terrorist activities;
- Exposure to liabilities under anti-corruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “*FCPA*”), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the UK Bribery Act of 2010, the UK Proceeds of Crime Act 2002, and similar laws and regulations in other jurisdictions;
- Compliance with laws and regulations for foreign operations, import and export control laws, tariffs, trade barriers, economic sanctions and other regulatory or contractual limitations on the ability to sell our software in certain foreign markets, and the risks and costs of non-compliance;
- Heightened risks of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results and result in restatements of financial statements and irregularities in financial statements; and
- Adverse tax burdens and foreign exchange controls that could make it difficult to repatriate earnings and cash.

In addition, certain of our customer or resellers may operate in, or have dealings with, countries subject to sanctions or embargos imposed by the U.S. government, foreign governments, or the United Nations or other international organizations. These sanctions or embargos may result from the multiple ongoing conflicts where the outcomes and consequences are not possible to predict, but could include regional instability and geopolitical shifts, and could materially adversely affect global trade, currency exchange rates, regional economies and the global economy. These conflicts and any actions taken in response could increase our costs, disrupt our supply chain, reduce our sales and earnings, impair our ability to raise additional capital when needed on acceptable terms, if at all, or otherwise adversely affect our business, financial condition, and results of operations. These conflicts and any actions taken in response could also result in the aforementioned impacts on the business of our customers, resellers or any other service providers on which we rely.

Any of these risks could harm our international operations, reduce our revenue from outside the United States or increase our operating costs, harming our business, results of operations and financial condition and growth prospects. There can be no assurance that all of our employees, independent contractors and partners will comply with the formal policies we will implement, or applicable laws and regulations. Violations of laws or key control policies by employees, independent contractors and partners could result in delays in revenue recognition, financial reporting misstatements, fines, penalties or the prohibition of the importation or exportation of our software and services and could harm our business and results of operations. If we invest substantial time and resources to expand our international operations and is unable to do so successfully, our business and operating results will suffer.

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We are exposed to fluctuations in currency exchange rates, which could negatively our revenue and earnings.

We conduct a significant number of transactions and hold cash in currencies other than the U.S. Dollar. Changes in the values of major foreign currencies relative to the U.S. Dollar may significantly affect our total assets, revenue, operating results and cash flows, which are reported in U.S. Dollars.

We may acquire or invest in companies, which may divert management's attention and result in additional dilution to stockholders. We may be unable to integrate acquired businesses and technologies successfully or achieve the expected benefits of such acquisitions.

We may evaluate and consider potential strategic transactions, including acquisitions of, or investments in, businesses, technologies, services, products, and other assets in the future. An acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products, personnel, or operations of the acquired companies. Key personnel of the acquired companies may choose not to work for us, their software may not be easily adapted, or we may have difficulty retaining the customers of any acquired business due to changes in ownership, management, or otherwise. We may also experience difficulties integrating personnel of the acquired company into our business and culture. Acquisitions may also disrupt our business, divert our resources and require significant management attention that would otherwise be available for development of our existing business. The anticipated benefits of any acquisition, investment, or business relationship may not be realized or we may be exposed to unknown risks or liabilities.

We intend to continue investing in research and development, and to the extent such research and development investments do not translate into new products or material enhancements to our products, or if we do not use those investments efficiently, our business and results of operations would be harmed.

A key element of our strategy will be to invest significantly in our research and development efforts to develop new products and enhance our existing products to address additional applications and markets. If we do not spend our research and development budget efficiently or effectively on compelling innovation and technologies, our business may be harmed and we may not realize the expected benefits of our strategy. Moreover, research and development projects can be technically challenging and expensive. The nature of these research and development cycles may cause us to experience delays between the time we incur expenses associated with research and development and the time we are able to offer compelling products and generate revenue, if any, from such investment. Additionally, anticipated customer demand for a product or service being developed could decrease after the development cycle has commenced, and we would nonetheless be unable to avoid substantial costs associated with the development of any such product or service. If we expend a significant amount of resources on research and development and our efforts do not lead to the successful introduction or improvement of products that are competitive in our current or future markets, it would harm our business and results of operations.

If our products and services fail to perform properly, or if we fail to develop enhancements to resolve performance issues, we could lose customers, become subject to performance or warranty claims, or incur significant costs.

Our operations will be dependent upon our ability to prevent system interruption. The applications underlying our products and services are inherently complex and may contain material defects or errors, which may cause disruptions in availability or other performance problems. Also, our software will be installed and used in a variety of computing environments with different operating system management software, and equipment and networking configurations, which may cause errors or failures of our software or other aspects of the computing environment into which it is deployed. In addition, deployment of our software into computing environments may expose undetected errors, compatibility issues, failures or bugs in our software. While we have not historically experienced any defects, errors, disruptions in service, cyber-attacks, or other performance problems with our software that materially influenced our sales performance, there is no assurance that such defects, problems or events will not occur in the future, whether in connection with the day-to-day operation, upgrades or otherwise. Any of these occurrences could result in loss of customers, lost or delayed market acceptance and sales of our products and services, delays in payment by customers, injury to our reputation and brand, legal claims, including warranty and service claims, diversion of resources, including through increased service and warranty expenses or financial concessions, and increased insurance costs.

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We may discover defects in our products and services that could result in data unavailability, unauthorized access, loss, corruption, or other harm to our customers' data. Despite testing we may not be able to detect and correct defects or errors before release. Consequently, we or our customers may discover defects or errors after our products and services have been deployed. We expect to implement bug fixes and upgrades as part of our regularly scheduled system maintenance. If we do not complete this maintenance according to schedule or if customers are otherwise dissatisfied with the frequency and/or duration of our maintenance services and related system outages, customers could terminate their contracts, delay or withhold payment, or cause us to issue credits, make refunds, or pay penalties. The costs incurred or delays resulting from the correction of defects or errors in our software or other performance problems may be substantial and could harm our operating results. Moreover, customers could incorrectly implement or inadvertently misuse our software, which could result in customer dissatisfaction and adversely impact the perceived utility of our products as well as our brand. Any of these real or perceived errors, compatibility issues, failures or bugs in our software could result in negative publicity, reputational harm, loss of or delay in market acceptance, loss of competitive position or claims by customers for losses sustained by them. In such an event, we may be required, or may choose, for customer relations or other reasons, to expend additional resources in order to help correct the problem.

Risks Related to Data Privacy and Cybersecurity

To the extent our security measures are compromised, our products and services may be perceived as not being secure. This may result in customers curtailing or ceasing their use of our products and services, our reputation being harmed, the incurrence of significant liabilities, and harm to our results of operations and growth prospects.

Our operations may, in some cases, involve the storage, transmission and other processing of customer data or information. Cyberattacks and other malicious internet-based activity continue to increase, and cloud-based platform providers of services are expected to continue to be targeted. Threats include traditional computer "hackers," malicious code (such as viruses and worms), phishing attacks, employee theft or misuse and denial-of-service attacks. Sophisticated nation-states and nation-state supported actors now engage in such attacks, including advanced persistent threat intrusions. The growth in state sponsored cyber activity, including the increased rate of cyberattacks arising from the Russia-Ukraine crisis and the risk that these cyberattacks could spread globally, showcases the increasing sophistication of cyber threats and could dramatically expand the global threat landscape. While no single company can thwart a nation state attack, we work to implement and continuously improve security-aware software development, operational management, and threat-mitigation practices that are essential to the strong protection of services and data. AvePoint has decades-long experience building enterprise software and running online services around the world. We implement a robust defense-in-depth security strategy based on the principle of "assume breach." We work to continuously strengthen threat detection, response, and defense, conduct continuous security monitoring, and practice security incident response to validate and improve the security of our software and services. Rigorous third-party audits verify that we adhere to strict security controls such as the ones contained in the ISO/IEC 27001 standard mandate. We are audited once a year for ISO/IEC 27001, 27017 and 27701 compliance by a third-party accredited certification body, which provides independent validation that security controls are in place and operating effectively.

We have security measures in place designed to protect us and our customers' confidential and sensitive information and prevent data loss, but such measures cannot provide absolute security and may not be effective to prevent a security breach, including as a result of employee error, theft, misuse or malfeasance, third-party actions, unintentional events or deliberate attacks by cyber criminals, any of which may result in someone obtaining unauthorized access to our customers' data, our data, our intellectual property and/or other confidential or sensitive business information. Importantly, the scope of our internal information controls and security measures is limited to the scope of our information security management system ("

ISMS"). All of the legal entities (and each of their respective employees) within our global corporate structure are contractually bound to the ISMS, but failure by any of our subsidiaries or affiliates (or employees thereof) to abide by the terms and conditions imposed by our ISMS could result in increased vulnerabilities, decreased integrity of our assets, and ultimately, liability, loss of business, and loss of customer confidence.

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The ISMS applies to the use of information, network resources, and electronic and computing devices to conduct business or interact with internal networks and business systems, whether owned or leased by us, our employees, or a third party. All employees, contractors, consultants, as well as our affiliates and subsidiaries are responsible for exercising good judgment regarding appropriate use of information, electronic devices, and network resources in accordance with the ISMS, as well as local laws and regulation. While we have policies and procedures to address global compliance with the ISMS, our employees and agents could violate these policies and applicable law, for which we may be ultimately held responsible. We are taking further steps to assess globally managed departmental systems to ensure ISMS standards are maintained. Based on the results of that analysis, if, as, and when necessary, we will subsequently implement a remediation plan that will include tools, training, and education to ensure (A) repeatable procedures are being implemented that protect the confidentiality, availability, and integrity of assets from threats and vulnerabilities in accordance with the ISMA standards and protocols, and (B) that vulnerability testing is being performed, measured, and documented across our global operations landscape.

Outside of the ISMS and the internal security measures and data protections we have developed (and continue to improve), third parties may attempt to fraudulently induce employees, contractors or users to disclose information, including user names and passwords, to gain access to our customers' data, our data or other confidential or sensitive information, and we may be the target of email scams that attempt to acquire personal information or our assets. Because techniques used to sabotage or obtain unauthorized access to systems change frequently and generally are not recognized until successfully launched against a target, we may be unable to anticipate these techniques, react in a timely manner or implement adequate preventative measures. We devote significant financial and personnel resources to implement and maintain security measures; however, such resources may not be sufficient, and as cyber-security threats develop, evolve and grow more complex over time, it may be necessary to make significant further investments to protect our data and infrastructure. If our security measures are compromised as a result of third-party action, employee or customer error, malfeasance, stolen or fraudulently obtained log-in credentials, or otherwise, our reputation and business could be damaged and we could incur significant liability. As we rely on third-party and public-cloud infrastructure, it depends in part on third-party security measures to protect against unauthorized access, cyberattacks, and the mishandling of customer data. A cybersecurity event could have significant costs, including regulatory enforcement actions, litigation, litigation indemnity obligations, remediation costs, network downtime, increases in insurance premiums, and reputational damage. These risks, as well as the number and frequency of cybersecurity events globally, may also be heightened during times of geopolitical tension or instability between countries, including, for example, the ongoing military conflict between Russia and Ukraine, from which a number of recent cybersecurity events have been alleged to have originated.

We store confidential company information and sensitive data, including personal information of our customers and employees, which may in turn contain third-party personal or other confidential information. If the security of this information is compromised or is otherwise accessed without authorization, our reputation may be harmed, and we may be exposed to liability and loss of business.

We may in some cases transmit or store personal and other confidential information of our partners, customers, and third parties (e.g. if the customer uses our products to create backups of their information) on storage space owned or provided by us. While we have in the past taken, and intend to take, steps to protect personal information and other confidential information that we have access to, including information we may obtain through our customer support services or customer usage of our products, we will not proactively monitor (or may not even be able to access) the content that our customers upload or process otherwise or the information provided to us through the use of our products and services. Therefore, we will not control the substance of the content on our storage space owned or provided by us, which may include personal or other confidential information.

We will also use third-party service providers and sub-processors to help us deliver services to our customers. Such service providers and sub-processors may store personal information and/or other confidential information. Such information may be the target of unauthorized access or subject to security breaches as a result of third-party action, exploitation of artificial intelligence, employee error, malfeasance or otherwise. Any of these could result in the loss of information, litigation, indemnity obligations, damage to our reputation and other liability or harm our business, financial condition, and results of operations. Because the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Even if such a data breach did not arise out of our action or inaction, or if it were to affect one or more of our competitors or customers' competitors, rather than us, the resulting concern could negatively affect our customers and our business. Concerns regarding data privacy and security may cause some customers to stop using our products and services and fail to renew their subscriptions. In addition, failures to meet our customers' expectations with respect to security and confidentiality of their data and information could damage our reputation and affect our ability to retain customers, attract new customers, and grow our business.

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Our potential failure to comply with legal or contractual requirements around the security of personal information could lead to significant fines and penalties, as well as claims by customers, affected data subjects, or other stakeholders. These proceedings or violations could force us to spend money in defense or settlement of these proceedings, result in the imposition of monetary liability or injunctive relief, divert management's time and attention, increase our costs of doing business, and harm our reputation and the demand for our platform. If credit card information is stored in our systems or transmitted, stored or otherwise processed via our products and services and our security measures fail to protect credit card information adequately, we could be liable to our partners, the payment card associations, our customers or affected credit card holders. We could be subject to fines and face regulatory or other legal action, and our customers could end their relationships with us. The limitations of liability in our contracts may not be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim.

Insurers could deny coverage as to any future claim. We seek to cap the liability to which we are exposed in the event of losses or harm to our customers, including those resulting from security incidents, but we cannot be certain that we will obtain these caps or that these caps, if obtained, will be enforced in all instances. The successful assertion of one or more large claims against us, or changes in insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could harm our business, financial condition, and results of operations. Furthermore, the cybersecurity insurance we maintain may be inadequate or may not be available in the future on acceptable terms, or at all. In addition, our policy may not cover our remediation expenses or any claim against us for loss of data or other indirect or consequential damages. Defending any suit based on or related to any data loss or system disruption, regardless of its merit and available insurance coverage, could be costly and divert management's attention.

We will also be subject to federal, state, and foreign laws regarding cybersecurity and the protection of data. Many jurisdictions have enacted laws requiring companies to notify individuals of security breaches involving certain types of personal information. Our agreements with certain customers and partners will require us to notify them of certain security incidents. Some jurisdictions and customers require us to safeguard personal information or confidential information using specific measures. If we fail to observe these requirements, our business, operating results, and financial condition could be harmed.

Successful cyberattacks or data breaches at other technology companies, service providers, retailers, and other participants within our industry, whether or not we are impacted, could lead to a general loss of customer confidence that could negatively affect us, including harming the market perception of the effectiveness of our security measures, which could result in reduced use of our products and services.

Our industry is prone to cyber-attacks by third parties seeking unauthorized access to our data or users' data or to disrupt our and our counterparts' within the industry respective ability to provide service. Our products and services (and those of our partners and competitors within the industry) involve the collection, storage, processing, and transmission of a large amount of data. Any failure by those institutions and participants in our industry to prevent or mitigate security breaches and improper access to or disclosure of data or user data, including personal information, content, or payment information from users, or information from marketers, could result in the loss, modification, disclosure, destruction, or other misuse of such data, which could indirectly harm our business and reputation and diminish our competitive position within the market generally. In addition, computer malware, viruses, social engineering (such as spear phishing attacks), scraping, and general hacking continue to be prevalent in our industry, and while we anticipate that such events may occur on our systems in the future, the impact on those within our industry has already adversely impacted the market's perception of the effectiveness of our and our partners' security measures and countermeasures. Such breaches and attacks on our counterparts within the industry and within our market may cause, among other things, interruptions to the provision of service, degradation of the user experience, the loss of user confidence and trust in our products, or result in financial harm to us.

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Risks Related to Intellectual Property

We will rely on third-party proprietary and open source software for our products and services. The inability to obtain third-party licenses for such software, obtain them on favorable terms, or adhere to the license terms for such software or any errors or failures caused by such software could harm our business, results of operations and financial condition.

Some of our offerings will include software or other intellectual property licensed from third parties. It may be necessary in the future to renew licenses relating to various aspects of these applications or to seek new licenses for existing or new applications. Necessary licenses may not be available on acceptable terms or under open source licenses permitting redistribution in commercial offerings, if at all. The inability to obtain certain licenses or other rights or to obtain such licenses or rights on favorable terms could result in delays in product releases until equivalent technology can be identified, licensed or developed, if at all, and integrated into our products and services, which could harm our business, results of operations and financial condition. Third parties may allege that additional licenses are required for our use of their software or intellectual property, which it may be unable to obtain on commercially reasonable terms or at all. The inclusion in our offerings of software or other intellectual property licensed from third parties on a non-exclusive basis could limit our ability to differentiate our offerings from those of our competitors. Failure to properly adhere to the license terms for software or other intellectual property might have negative effects, such as revocation of the license grant, penalties, added license fees or other liabilities. To the extent that our products and services depend upon the successful operation of third-party software, any undetected errors or defects in such third-party software could impair the functionality of our products and services, delay new feature introductions, result in a failure of products and services, and injure our reputation.

A significant portion of our products will incorporate open source software, and we expect to incorporate open source software into other offerings or products in the future. Such open source software is generally licensed by its authors or other third parties under open source licenses. Little legal precedent governs the interpretation of these licenses; therefore, the potential impact of these terms on our business is unknown and may result in unanticipated obligations regarding our technologies. If a distributor of open source software were to allege that we had not complied with our license, we could be required to incur significant legal expenses. In addition, if the license terms for the open source code change we may be forced to re-engineer our software or incur additional costs. If we combine our proprietary software with open source software or utilizes open source software in a certain manner, under some open source licenses, we could be in breach of the license if we did not release the source code of our proprietary software. Releasing the source code could substantially help competitors develop products that are similar to or better than ours and could help malevolent actors detect security weaknesses to develop and deploy attacks, including malware, against our products and systems.

If we are unable to protect our intellectual property, the value of our brands and other intangible assets may be diminished, and our business may be adversely affected.

We rely and expect to continue to rely on a combination of confidentiality, assignment, and license agreements with our employees, consultants, and third parties with whom we have relationships, as well as trademark, copyright, patent, trade secret, and domain name protection laws, to protect our proprietary rights. Third parties may knowingly or unknowingly infringe our proprietary rights, third parties may challenge proprietary rights held by us, and pending and future trademark and patent applications may not be approved. In addition, effective intellectual property protection may not be available in every country in which we operate or intend to operate our business. In any or all of these cases, we may be required to expend significant time and expense in order to prevent infringement or to enforce our rights. Although we have generally taken measures to protect our proprietary rights, there can be no assurance that others will not offer products or concepts that are substantially similar to ours and compete with our business.

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Risks Related to Financial Reporting

Our management has identified material weaknesses in our internal control over financial reporting and we may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our financial statements or cause us to fail to meet our periodic reporting obligations.

We are a public company, and our management is required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. Prior to the consummation of the Apex Business Combination, we were a private company with limited accounting and financial reporting personnel and other resources with which to address our internal controls and procedures. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. We determined that we had material weaknesses in the design and implementation of control activities to address the completeness and accuracy of certain information relevant for control owners to perform their control activities over financial accounting, reporting and disclosures. With the oversight of senior management and our audit committee, we implemented actions under a remediation plan which include (A) enhancement of the design of controls that address the completeness and accuracy of reports being utilized in the execution of internal controls and (B) continuous evaluation of the assignment of responsibilities associated with the performance of control activities and consider hiring additional resources, obtaining third party assistance, and providing additional training to existing resources. We have continued the implementation of this plan and believe the measures described above will remediate the material weaknesses identified and strengthen our internal control over financial reporting. We are committed to continuing to improve our internal control processes and will continue to diligently and vigorously review our financial reporting controls and procedures.

While we continue to implement our plan to remediate the material weaknesses described above, we cannot predict the success of such plan or the outcome of our assessment of these plans at this time. If our steps are insufficient to remediate the material weaknesses successfully and otherwise establish and maintain an effective system of internal control over financial reporting, the reliability of our financial reporting, investor confidence in us, and the value of our common stock could be materially and adversely affected. We can give no assurance that the implementation of this plan will remediate these deficiencies in internal control or that additional material weaknesses or significant deficiencies in our internal control over financial reporting will not be identified in the future. Our failure to implement and maintain effective internal control over financial reporting could result in errors in our financial statements that could result in a restatement of our financial statements, causing us to fail to meet our reporting obligations.

As a public company, we are obligated to develop and maintain proper and effective internal control over financial reporting in order to comply with Section 404 of the Sarbanes-Oxley Act. We may not complete our analysis of our internal control over financial reporting in a timely manner, these internal controls may not be determined to be effective, and our independent registered public accounting firm may issue an adverse opinion, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. We aim to comply with and perform the evaluations needed to comply with Section 404 of the Sarbanes-Oxley Act (“SOX”). In addition to our remediation efforts described in the previous risk factor under the heading “*Our management has identified material weaknesses in our internal control over financial reporting and we may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our financial statements or cause us to fail to meet our periodic reporting obligations,*” we may need to undertake various additional costly and time-consuming actions, such as implementing new internal controls and procedures and hiring accounting or internal audit staff, which may adversely affect our business, financial condition and results of operations. We may not be able to complete our evaluation, testing and any required remediation in a timely manner. If we are unable to assert that our internal control over financial reporting is effective and our independent registered public accounting firm is unable to attest to management’s assessment of the effectiveness of our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline, and we may be subject to investigation or sanctions by the SEC.

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Item 1A

We are required, pursuant to Section 404 of SOX, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting as of December 31, 2023. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting, including the existing material weakness, if not remediated. We are also required to disclose changes made in our internal control and procedures on a quarterly basis. In addition, our independent auditor is required to attest to management's assessment of the effectiveness of our internal control over financial reporting.

Additionally, the existence of any material weakness, including our existing material weaknesses identified by management previously, or any significant deficiency requires management to devote significant time and incur significant expense to remediate any such material weaknesses or significant deficiencies and management may not be able to remediate any such material weaknesses or significant deficiencies in a timely manner. The existence of any material weakness in our internal control over financial reporting could also result in errors in our financial statements that could require us to restate our financial statements, cause us to fail to meet our reporting obligations and cause shareholders to lose confidence in our reported financial information, all of which could materially and adversely affect our business and stock price.

PART I
Items 1B and 1C

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

At AvePoint, cybersecurity risk management is an important part of our overall risk management efforts. We have a policy of transparency regarding our data collection, use, retention and sharing practices, and it is our commitment to implement appropriate technical security measures to protect all AvePoint stakeholders and manage third party risk.

Our operations may, in some cases, involve the storage, transmission and other processing of customer data or information. Cyberattacks and other malicious internet-based activity continue to increase, and cloud-based platform providers of services are expected to continue to be targeted. Threats include traditional computer “hackers,” malicious code (such as viruses and worms), phishing attacks, employee theft or misuse and denial-of-service attacks, and use of AI. We have experienced cyberattacks in the past, and although immaterial, there can be no guarantee that in the future such cyberattacks will not be material. We believe we are a particularly attractive target because of our prominence and scale, the types and volume of personal data and content on our systems, and the evolving nature of our products and services. We maintain an information security program that is comprised of policies and controls designed to mitigate cybersecurity risk. However, at any given time, we face known and unknown cybersecurity risks and threats that are not fully mitigated, and we continuously work to enhance our information security program and risk management efforts.

We use a risk management framework based on applicable laws and regulations and informed by industry standards and industry-recognized practices, for managing cybersecurity risks within our products and services, infrastructure, and corporate resources. To identify and assess risks from cybersecurity threats, we evaluate a variety of developments including threat intelligence, first- and third-party vulnerabilities, evolving regulatory requirements, and observed cybersecurity incidents, among others. We regularly conduct risk assessments to evaluate the maturity and effectiveness of our systems and processes in addressing cybersecurity threats and to identify any areas for remediation and opportunities for enhancements. We also engage third-party security experts and consultants to assist with assessment and enhancement of our cybersecurity risk management processes, as well as benchmarking against industry practices. In addition, we maintain a privacy risk management program to assess privacy risks related to how we are collecting, using, sharing, and storing user data, which is subject to assessment by an independent, third-party privacy assessor. We have certified against, and demonstrated conformance to, the International Organization for Standardization’s (“*ISO*”) information security management system audit using the 27701:2019 framework for the first time, and the 27001:2013, 27701:2019, and 27017:2015 frameworks. Successfully achieving these four certifications demonstrates our prioritization of security and privacy for both us and our customers and we believe shows that we have proper company-wide processes for managing operations, and maintaining people and information assets, information systems, and the associated processes that enable corporate operations. Our four ISO certifications add to the company’s overall resiliency strategy and commitment to security for all customers, which includes other accreditations including SOC 2 Type II, compliance with HITRUST CSF v11.0.1., CSA STAR, IRAP, FedRAMP and StateRAMP.

PART I
Item 1C

Our privacy and security program dictates a governance structure whereby we:

- Regularly engage senior management on data privacy and security issues;
- Align policies, procedures, and technical controls to demonstrate our process and our commitment to our customers and users;
- Train each of our employees on all privacy and security expectations;
- Conduct regular phishing email simulations for employees and contractors with access to corporate email systems to enhance awareness and responsiveness to such possible threats;
- Maintain a robust cybersecurity incident response plan, which provides a framework for handling cybersecurity incidents based on, among other factors, the potential severity of the incident and facilitates cross-functional coordination across AvePoint;
- Periodically run tabletop exercises to simulate a response to a cybersecurity incident and use the findings to improve our processes and technologies;
- Maintain cybersecurity insurance and regularly review our policy and levels of coverage based on current risks;
- Monitor emerging data protection and cybersecurity laws, and implement changes to our processes, systems and offerings designed to comply, and through policy, practice and contract (as applicable) require employees, as well as third parties who provide services on our behalf, to treat customer information and data with care;
- Complete several cyber-specific audits per year; and
- Engage consultants and other third parties in connection with our cybersecurity practices.

Our internal audit function provides independent assessment and assurance on the overall operations of our cybersecurity and privacy programs and the supporting control frameworks. These processes support informed risk-based decision-making and prioritization of cybersecurity countermeasures and risk mitigation strategies. Our risk mitigation strategies include a broad variety of technical and operational measures, as well as annual cybersecurity and privacy training for all of our employees.

In addition, we maintain specific policies and practices governing our third-party security risks, including our third-party assessment (“*TPA*”) process. Under our TPA process, we gather information from certain third parties who contract with AvePoint and share or receive data, or have access to or integrate with our systems, in order to help us assess potential risks associated with their security controls. We also generally require third parties to maintain security controls to protect our confidential information and data, and notify us of material data breaches that may impact our data.

PART I
Item 1C

Our Chief Risk, Privacy and Information Security Officer (“*CISO*”) leads the company’s privacy, data protection and security program. An expert in cyber and data security trends, our CISO has over twenty years of experience in the data protection field, was a founding member of the Women Leading Privacy Advisory Board and former member of the Education Advisory Board for the International Association of Privacy Professionals (IAPP) and in 2023, was named a finalist for the Women in IT Awards in the Security Leader of the Year category, included in the SIA Women in Security Power Forum 100 and named a Top Global CISO by Cyber Defense Magazine. In addition, our CISO oversees teams across the company supporting our security and privacy functions of identify, prevent, detect, respond, and recover. These teams are comprised of personnel with a broad range of experience across the private and public sectors, the technology industry, and different geographic regions. Our cybersecurity teams monitor the prevention, detection, mitigation, and remediation of cybersecurity incidents through a variety of technical and operational measures, and regularly report to our CISO. Our CISO reports directly to our Chief Executive Officer and is a member of the company’s senior management team, and is responsible for identifying, assessing, and managing material cybersecurity risks on an ongoing basis, establishing processes to ensure that such potential cybersecurity risk exposures are monitored, putting in place appropriate mitigation measures, and maintaining cybersecurity policies and procedures. Additionally, our CISO and Chief Compliance Officer regularly update our senior leadership team, our Nominating and Corporate Governance Committee, and the full Board, on the company’s privacy and cybersecurity program, including privacy and cybersecurity risks, incidents, and mitigation strategies.

Disclosure of the Board’s Roles and Responsibilities

Our Board of Directors oversees risks from cybersecurity threats using a multi-faceted approach that involves the Nominating and Corporate Governance Committee and various executive roles. Additionally, our CISO and Chief Compliance Officer regularly report on cybersecurity matters to the Board, as discussed above.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee oversees risks associated with data privacy and information security, which encompasses cybersecurity. Our CISO and Chief Compliance Officer, among other executives, provide periodic reports to our Nominating and Corporate Governance Committee and also meet with our Nominating and Corporate Governance Committee to discuss any material events when they arise. The periodic reports are designed to keep our Nominating and Corporate Governance Committee abreast of the Company’s cybersecurity practices, as well as risks and trends in cybersecurity threats. Our Nominating and Corporate Governance Committee also has discussions with management focused on evaluating our exposure to cybersecurity risks and cybersecurity practices in place to mitigate such risks. These discussions enable our Nominating and Corporate Governance Committee to be informed of the steps management is taking to detect, monitor and manage cybersecurity risks. These reports to our Nominating and Corporate Governance Committee typically include information on any incidents that have occurred, how they were managed, and any changes to the risk profile of the Company. Our Nominating and Corporate Governance Committee seeks these updates to facilitate proactive governance and to address emerging cybersecurity issues with management.

In 2023, we did not identify any privacy or cybersecurity threats that materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced undetected cybersecurity incidents. For additional information about these risks, see Part I, Item 1A, “Risk Factors” in this Annual Report on Form 10-K.

PART I
Items 2, 3, and 4

ITEM 2. PROPERTIES

We and our subsidiaries are obligated under various non-cancelable operating leases for office space. The initial terms of the leases expire on various dates through 2030. As of December 31, 2023, we had approximately 271,713 square feet of leased office space across the United States, Australia, China, France, Germany, Japan, Netherlands, the Philippines, Singapore, South Africa, South Korea, Sweden, Switzerland, the United Kingdom, and Vietnam.

The table below shows a summary of the square footage of our office and other facilities owned and leased domestically and internationally as of December 31, 2023:

Location	(Square feet in thousands)	Owned	Leased	Total
U.S.		—	49.8	49.8
International		16.4	221.9	238.3
Total		<u>16.4</u>	<u>271.7</u>	<u>288.1</u>

Our Principal Offices

Our principal corporate headquarters are located in Jersey City, New Jersey, United States, and consist of approximately 15,467 square feet under a lease that expires in 2030. Our principal operating offices are located in Richmond, Virginia, United States, where we lease approximately 11,965 square feet under a lease that expires in 2027.

Use of Facilities

We use our principal corporate headquarters primarily for our executive management, information technology, human resources, and marketing teams, as well as for certain of data privacy and security teams. We use our principal operating headquarters for our finance, accounting, legal, general administration, certain information technology, support, data privacy and security, and sales teams. Our other facilities across the globe are used for some or all of the aforementioned operating purposes, as well as for research and development, customer support, data storage, accounts receivable and payable, and other administrative and operational purposes.

Additional Space

We believe that our current facilities are adequate to meet our needs for the immediate future and that suitable additional space will be available to accommodate any expansion of our operations as needed.

ITEM 3. LEGAL PROCEEDINGS

In the normal course of our business, we may be involved in various claims, negotiations, and legal actions. Except for such claims that arise in the normal course of business, as of and for the fiscal quarter and the fiscal year ended December 31, 2023, we are not a party to any material asserted, ongoing, threatened, or pending claims, suits, assessments, proceedings, or other litigation.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II
Item 5

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is traded on the Nasdaq Global Select Market (the “*Nasdaq*”) under the symbol “AVPT,” and our public warrants are traded on the Nasdaq under the symbol “AVPTW”.

Current Stockholder and Common Stock Information

On February 29, 2024, there were 184,010,832 shares of common stock issued and outstanding held of record by thirteen holders, and 17,905,000 warrants outstanding held of record by two holders. This figure does not include a substantially greater number of beneficial holders of our common stock and public warrants whose shares (or warrants to purchase shares) are held by banks, brokers, and other financial institutions.

Dividend Policy

We currently intend to retain all available funds and any future earnings to fund the development and growth of our business and, therefore, we do not anticipate paying any dividends in the foreseeable future. Any future determination to pay dividends is at the discretion of our Board, subject to compliance with covenants in current and future agreements governing our and our subsidiaries’ indebtedness, and will depend on our results of operations, financial condition, capital requirements, and other factors that our Board may deem relevant. Except as noted in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” (Part II, Item 7 of this Annual Report) below, there are currently no contractual restrictions on our ability to pay dividends in cash or shares.

Securities Authorized for Issuance Under Equity Compensation Plans

See “*Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*” (Part III, Item 12 of this Annual Report) and “*Note 15 — Stock-Based Compensation*” (Part II, Item 8 of this Annual Report) for more information.

PART II
Items 5 and 6

Issuer Purchaser of Equity Securities

On March 17, 2022, we announced that our Board authorized a new share repurchase program (the “*Share Repurchase Program*”) for us to buy back shares of our common stock. Under the Share Repurchase Program, we have the authority to buy up to \$150 million of our common stock via acquisitions in the open market or privately negotiated transactions. The Share Repurchase Program will remain open for a period of three years from the date of authorization. Purchases made pursuant to the Share Repurchase Program may be conducted in compliance with Exchange Act Rule 10b-18 and/or Exchange Act Rule 10b5-1. Purchases made pursuant to the Share Repurchase Program will be conducted in compliance with all other applicable legal, regulatory, and internal policy requirements, including our Insider Trading Policy. We are not obligated to make purchases of, nor are we obligated to acquire any particular amount of, common stock under the Share Purchase Program. The Share Repurchase Program may be suspended or discontinued at any time.

The following table presents information with respect to common stock shares repurchased under the Share Repurchase Program during the period from October 1, 2023 to December 31, 2023:

Period	Total number of shares purchased ⁽¹⁾	Average price paid per share ⁽²⁾	Total number of shares purchased as part of the Share Repurchase Program	Approximate dollar value of shares that may yet be purchased under the Share Repurchase Program ⁽³⁾
October 1, 2023 - October 31, 2023	577,145	\$7.0953	577,145	\$92,333,439
November 1, 2023 - November 30, 2023	27,306	\$7.5507	27,306	\$92,127,260
December 1, 2023 - December 31, 2023	130,930	\$8.3304	130,930	\$91,036,562

(1) All shares reported herein, including shares repurchased to satisfy employee taxes on vesting RSUs, were purchased pursuant to the publicly announced Share Repurchase Program.

(2) Average price paid per share includes costs associated with the repurchases, but excludes the 1% excise tax on stock repurchases enacted by the Inflation Reduction Act of 2022.

(3) The maximum remaining dollar value of shares that may yet be purchased under the Share Repurchase Program is reduced by the aggregate price paid for share purchases in addition to any fees, commissions, or other costs that may arise as a result of the purchases.

ITEM 6. RESERVED

PART II
Item 7

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations (“**MD&A**”) summarizes the significant factors affecting the consolidated operating results, financial condition, liquidity and cash flows of our Company as of and for the periods presented below. The MD&A should be read in conjunction with the other sections of this Annual Report on Form 10-K, including our audited, consolidated financial statements and related notes contained in Part II, Item 8. Financial Statements and Supplementary Data, and the discussion of risk factors that may affect future results in Part I, Item 1.A. Risk Factors. This section generally discusses the results of our operations for the year ended December 31, 2023 compared to the year ended December 31, 2022. For a discussion of the year ended December 31, 2022 compared to the year ended December 31, 2021, please refer to Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2022.

2023 Business Highlights

- Total annual recurring revenue (“**ARR**”) increased 23% year-over-year to \$264.5 million as of December 31, 2023. On a foreign exchange (“**FX**”) adjusted basis, total ARR increased 24% year-over-year;
- Total revenue increased 17% year-over-year to \$271.8 million;
- SaaS revenue increased 37% year-over-year to \$161.0 million;
- GAAP operating loss was \$15.4 million dollars, or a GAAP operating margin of (5.6)%, representing year-over-year margin improvement of more than 1,200 basis points. Non-GAAP operating income was \$22.2 million dollars, or a non-GAAP operating margin of 8.1%, representing year-over-year margin expansion of over 930 basis points; and
- Cash flow from operations was \$34.7 million, compared to \$(0.8) million for the year ended December 31, 2022.

Overview

AvePoint provides a cloud-native data management software platform that organizations rely on to manage and protect critical data, optimize IT operations, achieve meaningful cost savings, and efficiently secure the digital workplace. Companies around the world have now fully adopted a hybrid work model, and they are now tasked with delivering a seamless and secure workplace experience for knowledge workers, centered around an extensive portfolio of Software-as-a-Service (“**SaaS**”) solutions and productivity applications.

The adoption of this portfolio of solutions is a substantial and ongoing challenge for most organizations, which for decades had used only a small number of multi-purpose on-premises applications to drive business outcomes. However, to deliver an efficient digital workplace today, companies must manage this range of applications – and the associated explosive growth and sprawl of critical data – with a platform offering that is well governed, fit for purpose, easy to use and built on automation.

In addition, many organizations are beginning to realize the potential of generative artificial intelligence (“**AI**”) to drive competitive advantage and value creation, including (1) extracting greater value from complex datasets, (2) making more informed business decisions, (3) reducing employee workloads, and (4) improving the overall customer experience. While these data-driven improvements are expected to lead to stronger revenue growth and operational efficiency, successfully leveraging this new technology is in turn dependent on first addressing data management challenges that all organizations face. Specifically, for AI-driven projects to succeed, companies must apply robust strategies across the data estate to manage the information lifecycle, properly govern and secure their data, and ensure its compliance. These are the core business problems that AvePoint has been solving for more than two decades, and why we believe AvePoint is well positioned to be a key enabler of generative AI adoption within enterprises in the coming years.

AvePoint’s Confidence Platform empowers organizations – of all sizes, in all regions, and across all industries – to optimize and secure the solutions that most commonly establish and underpin the digital workplace. As our customers seek to rapidly reduce costs, improve productivity and make more informed business decisions, they depend on our platform for data-driven insights, critical business intelligence and ongoing operational value through automation.

PART II
Item 7

Key Business Metric

Our management reviews the following key business metric to measure our performance, identify trends affecting our business, formulate business plans, make strategic decisions, and effectively allocate resources. We believe that both management and investors benefit from referring to this metric to evaluate progress against our growth strategies and gain additional transparency into performance trends.

Annual Recurring Revenue

	December 31,		Change
	2023	2022	%
Total ARR (\$ in mil)	\$ 264.5	\$ 214.7	23.2%

We calculate ARR at the end of a particular period as the annualized sum of contractually obligated Annual Contract Value (“*ACV*”) from SaaS, term license and support, and maintenance revenues from all active customers.

As of December 31, 2023, and December 31, 2022, total ARR was \$264.5 million and \$214.7 million, respectively, representing growth of 23.2%. Adjusted for FX, total ARR increased 24.0% year-over-year.

Growth in ARR is driven by both new business and the expansion of existing business. ARR should be viewed independently of revenue and deferred revenue and is not intended to be combined with or replace these items. ARR is not a forecast of future revenue, and the active contracts at the end of a reporting period used in calculating ARR may or may not be extended or renewed by our customers.

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Item 7

Components of Results of Operations

Revenue We generate revenue from four primary sources: SaaS, term license and support, services, and maintenance.

SaaS revenues are generated from our cloud-based solutions. Term license and support revenues are generated from the sales of on-premise or hybrid licenses which include a distinct support component. Both SaaS and term license and support revenues are primarily billed annually. SaaS and term license and support are generally sold per user license or based upon the amount of data protected. SaaS revenue is recognized ratably over the term of the contract. For term license and support revenue, the license component is generally recognized upfront at the point in time when the software is made available to the customer to download and use, and the support component is recognized ratably over the term of the contract.

Services revenue includes revenue generated from implementation, training, consulting, license customization and managed services. These revenues are recognized by applying a measure of progress, such as labor hours, to determine the percentage of completion of each contract. These offerings are not inherently recurring in nature and as such are subject to more period-to-period volatility than other elements of our business. Services revenue from managed services are recognized ratably or on a straight-line basis over the contract term.

Maintenance revenue is a result of selling on-going support for legacy perpetual licenses. It also includes recurring professional services such as technical account management. Maintenance revenue is recognized ratably over the term of the maintenance agreement, which is typically one year.

Cost of Revenue Cost of SaaS and cost of term license and support consists of all direct costs to deliver and support our SaaS and term license and support products, including salaries, benefits, stock-based compensation and related expenses, overhead, third-party hosting fees related to our cloud services, depreciation and amortization. We recognize these expenses as they are incurred. We expect that these costs will increase in absolute dollars but may fluctuate as a percentage of SaaS and term license and support revenue from period to period.

Cost of maintenance consists of all direct costs to support our legacy perpetual license products, including salaries, benefits, stock-based compensation and related expenses, overhead, depreciation and amortization. We recognize these expenses as they are incurred. We expect that cost of maintenance revenue will decrease in absolute dollars as maintenance revenue declines but may fluctuate as a percentage of maintenance revenue.

Cost of services consists of salaries, benefits, stock-based compensation and related expenses for our services organization, overhead, IT necessary to provide services for our customers, depreciation and amortization. We recognize these expenses as they are incurred.

PART II
Item 7

<u>Gross Profit and Gross Margin</u>	<p>Gross profit is revenue less cost of revenue, and gross margin is gross profit as a percentage of revenue.</p> <p>Gross profit has been and will continue to be affected by various factors, including the mix of our revenue, the costs associated with third-party cloud-based hosting services for our cloud-based subscriptions, and the extent to which we expand our customer support and services organizations. We expect that our gross margin will fluctuate from period to period depending on the interplay of these various factors.</p>
<u>Sales and Marketing</u>	<p>Sales and marketing expenses consist primarily of personnel-related expenses for sales, marketing and customer success personnel, stock-based compensation expense, sales commissions, marketing programs, travel-related expenses, overhead costs, depreciation and amortization. We focus our sales and marketing efforts on creating sales leads and establishing and promoting our brand. Incremental sales commissions for new customer contracts are deferred and amortized ratably over the estimated period of our relationship with such customers. We plan to continue our investment in sales and marketing by hiring additional sales and marketing personnel, executing our go-to-market strategy globally, and building our brand awareness.</p>
<u>General and Administrative</u>	<p>General and administrative expenses consist primarily of personnel-related expenses for finance, legal and compliance, human resources, and IT personnel, as well as stock-based compensation expense, external professional services, overhead costs, other administrative functions, depreciation and amortization. Our general and administrative expenses have increased as a result of operating as a public company, including costs to comply with the rules and regulations applicable to companies listed on a national securities exchange, costs related to compliance and reporting obligations pursuant to the rules and regulations of the SEC, and increased expenses for insurance, investor relations, and professional services.</p>
<u>Research and Development</u>	<p>Research and development expenses consist primarily of personnel-related expenses incurred for our engineering and product and design teams, as well as stock-based compensation expense, overhead costs, depreciation and amortization. We have a geographically dispersed research and development presence in the United States, China, Singapore and Vietnam. We believe this provides a strategic advantage, allowing us to invest efficiently in both new product development and increasing our existing product capabilities. We believe delivering expanding product functionality is critical to enhancing the success of existing customers while new product development further reinforces our breadth of software solutions.</p>
<u>Other (Expense) Income, net</u>	<p>Other (expense) income, net consists primarily of fair value adjustments on earn-out and warrant liabilities, realized gain/loss for securities, and of foreign currency remeasurement gains/losses.</p>
<u>Income Taxes</u>	<p>We are subject to income taxes in the U.S. (federal and state) and numerous foreign jurisdictions. Tax laws, regulations, administrative practices, principles, and interpretations in various jurisdictions may be subject to significant change, with or without notice, due to economic, political, and other conditions. The foreign jurisdictions in which we operate have different statutory tax rates than those of the United States. Accordingly, our effective tax rate could be affected by the relative proportion of foreign to domestic income, use of foreign tax credits, changes in the valuation of our deferred tax assets and liabilities, applicability of any valuation allowances, and changes in tax laws in jurisdictions in which we operate.</p>

PART II
Item 7

Results of Operations

The below period-to-period comparison of operating results are not necessarily indicative of results for future periods.

Comparison of the Years Ended December 31, 2023, and December 31, 2022

Revenue

The components of AvePoint's revenue during the years ended December 31, 2023 and 2022 were as follows:

	Year Ended December 31,		Change	
	2023	2022	Amount	%
	(in thousands, except percentages)			
Revenue:				
SaaS	\$ 160,961	\$ 117,180	\$ 43,781	37.4%
Term license and support	52,744	57,214	(4,470)	(7.8)%
Services	44,795	41,283	3,512	8.5%
Maintenance	13,325	16,662	(3,337)	(20.0)%
Total revenue	<u>\$ 271,825</u>	<u>\$ 232,339</u>	<u>\$ 39,486</u>	<u>17.0%</u>

Total revenue increased 17.0% to \$271.8 million for the year ended December 31, 2023, primarily as a result of an increase in SaaS revenue. For the year ended December 31, 2023, SaaS revenue increased 37.4% to \$161.0 million, as we continued to see strong customer demand for this offering. The increase in SaaS revenue was partially offset by an expected decrease in both term license and support and maintenance revenue. Term license and support revenue is expected to continue declining as some existing customers are moving from on-prem term license subscriptions to SaaS subscriptions. Maintenance revenue is expected to continue declining as revenues from the sales of legacy perpetual licenses are immaterial. As a result, there will be limited opportunities to sell maintenance contracts to new customers. At the same time, some existing maintenance customers have transitioned and will continue to transition to SaaS and term licenses, which will continue the decline in maintenance revenue. Lastly, services revenue is expected to fluctuate as the offerings are not inherently recurring in nature.

Revenue by geographic area during the years ended December 31, 2023 and 2022 was as follows:

	Year Ended December 31,		Change	
	2023	2022	Amount	%
	(in thousands, except percentages)			
North America	\$ 118,490	\$ 102,025	\$ 16,465	16.1%
EMEA	81,753	71,635	10,118	14.1%
APAC	71,582	58,679	12,903	22.0%
Total	<u>\$ 271,825</u>	<u>\$ 232,339</u>	<u>\$ 39,486</u>	<u>17.0%</u>

For the year ended December 31, 2023, North America revenues increased 16.1% to \$118.5 million, driven by a 29.2%, or \$15.9 million, increase in SaaS revenue and a \$2.2 million combined increase in services revenue and term license and support revenue, partially offset by a \$1.6 million decrease in maintenance revenue. EMEA revenues increased by 14.1% to \$81.8 million, driven by a 43.7%, or \$18.1 million, increase in SaaS revenue, partially offset by a \$8.0 million combined decrease in term license and support, services and maintenance revenue. APAC revenues increased 22.0% to \$71.6 million, driven by a 45.9%, or \$9.7 million increase in SaaS revenue and a 20.9%, or \$4.9 million, increase in services revenue, partially offset by a \$1.7 million combined decrease in term license and support and maintenance revenue.

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Non-GAAP Financial Measures

In addition to our financial results determined in accordance with GAAP, we disclose non-GAAP cost of revenue, non-GAAP gross profit, non-GAAP gross margin, non-GAAP sales and marketing expense, non-GAAP general and administrative expense, non-GAAP research and development expense, non-GAAP operating income and non-GAAP operating margin.

We believe these non-GAAP measures aid investors by providing additional insight into our operational performance and into trends affecting our business. Management uses these non-GAAP financial measures to understand and compare operating results across accounting periods, for internal budgeting and forecasting purposes, and to evaluate financial performance.

Non-GAAP financial measures should not be considered as an alternative to operating income, operating margin or any other performance measures derived in accordance with GAAP as measures of performance. Non-GAAP financial measures should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP.

Cost of Revenue, Gross Profit, and Gross Margin

Cost of revenue, gross profit, and gross margin during the years ended December 31, 2023 and 2022 were as follows:

	Year Ended December 31,		Change	
	2023	2022	Amount	%
	(in thousands, except percentages)			
Cost of revenue:				
SaaS	\$ 35,924	\$ 27,313	\$ 8,611	31.5%
Term license and support	1,946	2,006	(60)	(3.0)%
Services	38,807	36,037	2,770	7.7%
Maintenance	783	920	(137)	(14.9)%
Total cost of revenue	<u>\$ 77,460</u>	<u>\$ 66,276</u>	<u>\$ 11,184</u>	<u>16.9%</u>
Gross profit	194,365	166,063	28,302	17.0%
Gross margin	71.5%	71.5%	—	—
GAAP cost of revenue	\$ 77,460	\$ 66,276	\$ 11,184	16.9%
Stock-based compensation expense	(3,161)	(2,640)	(521)	19.7%
Amortization of acquired intangible assets	(964)	(617)	(347)	56.2%
Non-GAAP cost of revenue	<u>\$ 73,335</u>	<u>\$ 63,019</u>	<u>\$ 10,316</u>	<u>16.4%</u>
Non-GAAP gross profit	198,490	169,320	29,170	17.2%
Non-GAAP gross margin	73.0%	72.9%	—	—

Cost of revenue increased 16.9% to \$77.5 million for the year ended December 31, 2023, driven by a \$6.6 million increase in aggregated hosting costs and a \$4.1 million increase in personnel costs. Both hosting and personnel costs increased to support the larger number of AvePoint software licenses used by customers.

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Operating Expenses

Sales and Marketing

Sales and marketing expenses during the years ended December 31, 2023 and 2022 were as follows:

	Year Ended December 31,		Change	
	2023	2022	Amount	%
	(in thousands, except percentages)			
Sales and marketing	\$ 112,105	\$ 110,638	\$ 1,467	1.3%
Percentage of revenue	41.2%	47.6%	—	—
GAAP sales and marketing	\$ 112,105	\$ 110,638	\$ 1,467	1.3%
Stock-based compensation expense	(9,518)	(11,393)	1,875	(16.5)%
Amortization of acquired intangible assets	(492)	(338)	(154)	45.6%
Non-GAAP sales and marketing	\$ 102,095	\$ 98,907	\$ 3,188	3.2%
Non-GAAP percentage of revenue	37.6%	42.6%	—	—

Sales and marketing expenses increased 1.3% to \$112.1 million for the year ended December 31, 2023, primarily due to a \$0.9 million increase in personnel costs and a \$0.6 million increase in travel costs. The minimal increase in overall sales and marketing expenses reflects the Company's enhanced focus on cost management as well as the continued scaling of the Company's channel partner strategy.

General and Administrative

General and administrative expenses during the years ended December 31, 2023 and 2022 were as follows:

	Year Ended December 31,		Change	
	2023	2022	Amount	%
	(in thousands, except percentages)			
General and administrative	\$ 61,271	\$ 65,132	\$ (3,861)	(5.9)%
Percentage of revenue	22.5%	28.0%	—	—
GAAP general and administrative	\$ 61,271	\$ 65,132	\$ (3,861)	(5.9)%
Stock-based compensation expense	(19,338)	(19,398)	60	(0.3)%
Non-GAAP general and administrative	\$ 41,933	\$ 45,734	\$ (3,801)	(8.3)%
Non-GAAP percentage of revenue	15.4%	19.7%	—	—

General and administrative expenses decreased 5.9% to \$61.3 million for the year ended December 31, 2023. The decrease in overall general and administrative expenses reflects the Company's enhanced focus on cost management.

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Research and Development

Research and development expenses during the years ended December 31, 2023 and 2022 were as follows:

	Year Ended December 31,		Change	
	2023	2022	Amount	%
	(in thousands, except percentages)			
Research and development	\$ 36,340	\$ 31,359	\$ 4,981	15.9%
Percentage of revenue	13.4%	13.5%	—	—
GAAP research and development	\$ 36,340	\$ 31,359	\$ 4,981	15.9%
Stock-based compensation expense	(4,031)	(3,787)	(244)	6.4%
Non-GAAP research and development	\$ 32,309	\$ 27,572	\$ 4,737	17.2%
Non-GAAP percentage of revenue	11.9%	11.9%	—	—

Research and development expenses increased 15.9% to \$36.3 million for the year ended December 31, 2023, primarily driven by a \$4.3 million increase in personnel costs, as the Company continues to invest in the development of new offerings and enhancements to existing offerings.

Income Tax Provision

Income tax provision during the years ended December 31, 2023 and 2022 was as follows:

	Year Ended December 31,		Change	
	2023	2022	Amount	%
	(in thousands, except percentages)			
Income tax expense	\$ 2,887	\$ 5,038	\$ (2,151)	(42.7)%

Income tax expense for the year ended December 31, 2023 was \$2.9 million as compared to \$5.0 million for the year ended December 31, 2022. The effective tax rate, which equals the income tax provision divided by pretax loss from continuing operations, was (15.5)% for the year ended December 31, 2023, compared to (15.0)% for the year ended December 31, 2022. The change in effective tax rates for the year ended December 31, 2023, as compared to the year ended December 31, 2022, was primarily due to the mix of pre-tax income (loss) results by jurisdictions taxed at different rates than 21%, a permanent item recorded for stock-based compensation and changes in the valuation allowance in the U.S. and certain foreign jurisdictions.

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Non-GAAP Operating Income (loss) and Non-GAAP Operating Margin

The following table presents a reconciliation of non-GAAP operating income from the most comparable GAAP measure, operating income, for the periods presented:

	Year Ended December 31,	
	2023	2022
	(in thousands, except percentages)	
GAAP operating loss	\$ (15,351)	\$ (41,066)
GAAP operating margin	(5.6)%	(17.7)%
Add:		
Stock-based compensation	36,048	37,218
Amortization of acquired intangible assets	1,456	955
Non-GAAP operating income (loss)	<u>\$ 22,153</u>	<u>\$ (2,893)</u>
Non-GAAP operating margin	8.1%	(1.2)%

Non-GAAP operating income and non-GAAP operating margin are non-GAAP financial measures that our management uses to assess our overall performance. We define non-GAAP operating income as GAAP operating income plus stock-based compensation and the amortization of acquired intangible assets. We define non-GAAP operating margin as non-GAAP operating income divided by revenue. We believe non-GAAP operating income and non-GAAP operating margin provide our management and investors consistency and comparability with our past financial performance and facilitate period-to-period comparisons of operations, as these metrics eliminate the effects of stock-based compensation, which has had historical volatility from period to period due to marked-to-market securities, and of acquired intangible assets, which are unrelated to current operations and are neither comparable to the prior period nor predictive of future results. The elimination of the effect of variability caused by stock-based compensation expense and the amortization of acquired intangible assets, both of which are non-cash expenses, provides a better representation as to the overall operating performance of the company. We use non-GAAP financial measures (a) to evaluate our historical and prospective financial performance and trends as well as our performance relative to our peers, (b) to set and approve spending budgets, (c) to allocate resources, (d) to measure operational profitability and the accuracy of forecasting, and (e) to assess financial discipline over operational expenditures.

GAAP operating margin for the years ended December 31, 2023 and 2022 was (5.6)% and (17.7)% respectively. Non-GAAP operating margin for the years ended December 31, 2023 and 2022 was 8.1% and (1.2)%, respectively. The increase in non-GAAP operating margin was primarily attributable to the Company's enhanced focus on expense management and continued scaling of the Company's channel partner strategy.

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Liquidity and Capital Resources

As of December 31, 2023, we had \$223.2 million in cash and cash equivalents, \$3.7 million in short-term investments and no outstanding debt.

Our short-term liquidity needs primarily include working capital for sales and marketing, research and development, and continued innovation. Our long-term capital requirements will depend on many factors, including our growth rate, levels of revenue, the expansion of sales and marketing activities, market acceptance of our platform, the results of business initiatives, and the timing of new product introductions. Refer to “*Note 12 - Commitments and Contingencies*” for more information regarding the purchase commitments.

On November 3, 2023, the Company entered into a new (i) Loan and Security Agreement (the “*Loan Agreement*”), (ii) a Pledge Agreement (the “*Pledge Agreement*”) and (iii) a Revolving Note (the “*Revolving Note*”) with HSBC Bank USA, National Association (“*HSBC*”), replacing the Company’s previous line of credit with HSBC Venture Bank USA, Inc.

The Loan Agreement provides for a revolving line of credit of up to \$30.0 million, with an additional \$20.0 million accordion feature for additional capital which the Company may draw upon at its request. Borrowings under the line bear interest at a rate equal to term SOFR plus 3.00% to 3.25% depending on the Consolidated Total Leverage Ratio (as defined in the Loan Agreement). The line carries an annual unused fee ranging from 0.50% to 0.55% depending on the Consolidated Total Leverage Ratio. The proceeds of borrowings under the Loan Agreement will be used for general corporate purposes. Currently, there is no outstanding balance under the revolving line of credit. The Company, on a consolidated basis with its subsidiaries, is required to maintain a minimum Consolidated Fixed Charge Coverage Ratio (as defined in the Loan Agreement) as well as a maximum Consolidated Total Leverage Ratio, tested by HSBC each quarter. Pursuant to the Loan Agreement, the Company pledged, assigned and granted HSBC a security interest in all shares of its subsidiaries, future proceeds, and assets as security for its obligations under the Loan Agreement. The line will mature on November 3, 2026.

As of December 31, 2023, the Company was compliant with all covenants and had no borrowings outstanding under the Loan Agreement.

We believe that our existing cash and cash equivalents, our cash flows from operating activities, and our borrowing capacity under our Loan Agreement will be sufficient to meet our working capital and capital expenditure needs and debt service obligations for at least the next twelve months. In the future, we may attempt to raise additional capital through equity or debt financing. The sale of additional equity would be dilutive to our stockholders. Additional debt financing could result in increased debt service obligations and more restrictive financial and operational covenants.

Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated.

	Year Ended	
	December 31,	
	2023	2022
	(in thousands)	
Net cash provided by (used in) operating activities	\$ 34,694	\$ (774)
Net cash used in investing activities	(5,648)	(21,452)
Net cash used in financing activities	(33,667)	(17,148)

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Operating Activities

Net cash provided by operating activities for the year ended December 31, 2023, was \$34.7 million, reflecting our net loss of \$21.5 million, adjusted for non-cash items of \$58.6 million and net cash outflows of \$2.4 million from changes in our operating assets and liabilities. The main considerations for non-cash items were stock-based compensation, which reflects ongoing compensation charges for the entity's equity- and pre-merger liability-classified awards, operating lease right-of-use asset expense and mark to market adjustments on earnout and warrant liabilities. The main considerations of changes in operating assets and liabilities that resulted in cash outflows related to an increase in deferred contract costs and operating lease liabilities. This was partially offset by cash inflows related to an increase in deferred revenue that is partially offset by an increase in accounts receivable as a result of business growth.

Net cash used in operating activities for the year ended December 31, 2022, was \$0.8 million, reflecting our net loss of \$38.7 million, adjusted for non-cash items of \$46.2 million and net cash outflows of \$8.3 million from changes in our operating assets and liabilities. The main considerations for non-cash items were stock-based compensation, which reflects ongoing compensation charges for the entity's equity- and pre-merger liability-classified awards, operating lease right-of-use asset expense and mark to market adjustments on earnout and warrant liabilities. The main considerations of changes in operating assets and liabilities that resulted in cash outflows related to an increase in deferred contract costs and operating lease liabilities. This was partially offset by cash inflows related to an increase in deferred revenue that is partially offset by an increase in accounts receivable as a result of business growth, and an increase in accrued expenses primarily due to personnel related expenses.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2023, was \$5.6 million, consisting of \$2.1 million of purchases of property and equipment, as well as \$2.6 million in maturities of short-term investments and \$3.5 million in the purchase of investments.

Net cash used in investing activities for the year ended December 31, 2022, was \$21.5 million, consisting of \$18.6 million in acquisitions and \$3.9 million of purchases of property and equipment, as well as \$183.5 million in maturities of short-term investments and \$180.9 million in the purchase of investments.

Financing Activities

Net cash used in financing activities for the year ended December 31, 2023, was \$33.7 million. The primary driver of cash flows from financing activities was due to \$39.0 million in purchases of common stock, partially offset by \$5.6 million of proceeds from the exercising of stock options.

Net cash used in financing activities for the year ended December 31, 2022, was \$17.1 million. The primary driver of cash flows from financing activities was due to \$19.9 million in purchases of common stock, partially offset by \$2.8 million of proceeds from the exercising of stock options.

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Indebtedness

Credit Facility

We maintain a line of credit under the Loan Agreement with HSBC, as lender. See “*Note 9 – Line of Credit*” in Part II, Item 8 “*Financial Statements and Supplementary Data*” of this Annual Report.

The Loan Agreement provides for a revolving line of credit of up to \$30.0 million, with an additional \$20.0 million accordion feature for additional capital we may draw upon at our request. Borrowings under the line bear interest at a rate equal to term SOFR plus 3.00% to 3.25% depending on the Consolidated Total Leverage Ratio. The line carries an unused fee ranging from 0.50% to 0.55% depending on the Consolidated Total Leverage Ratio. Any proceeds of borrowings under the Loan Agreement will be used for general corporate purposes.

On a consolidated basis with our subsidiaries, we are required to maintain a minimum Consolidated Fixed Charge Coverage Ratio as well as a maximum Consolidated Total Leverage Ratio, tested by HSBC each quarter. Pursuant to the Loan Agreement, we pledged, assigned, and granted HSBC a security interest in all shares of our subsidiaries, future proceeds, and certain assets as security for our obligations under the Loan Agreement. Our line of credit under the Loan Agreement will mature on November 3, 2026.

To date, we are in compliance with all covenants under the Loan Agreement. We have not at any time, including as of and for the fiscal year ending as of December 31, 2023, borrowed under the Loan Agreement. The description of the Loan Agreement is qualified in its entirety by the full text of such agreement, a copy of which is attached as an exhibit to this Annual Report.

Leasing Obligations

We are obligated under various non-cancelable operating leases for office space. The initial terms of the leases expire on various dates through 2030. During the years ended December 31, 2023 and 2022, total rent expense for facilities amounted to \$6.8 million and \$6.8 million, respectively. As of December 31, 2023, letters of credit have been issued in the amount of \$1.0 million as security for operating leases. The letters of credit are secured by certificates of deposit.

Operating Segment Information

We operate in one segment. Our products and services are sold throughout the world, through direct and indirect sales channels. Our chief operating decision maker (the “**CODM**”) is our Chief Executive Officer. The CODM makes operating performance assessment and resource allocation decisions on a global basis. The CODM does not receive discrete financial information about asset allocation, expense allocation, or profitability by product or geography. See “*Note 17 – Segment Information*” (Part II, Item 8 of this Annual Report) for more information.

Critical Accounting Estimates

Preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. We also make estimates and assumptions on the reported revenue generated and reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that our management believes are reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

While our significant accounting policies are described in more detail in the section titled “*Note - 2 Summary of Significant Accounting Policies*” (Part II, Item 8 of this Annual Report), we believe the following critical accounting policies are most important to understanding and evaluating our reported financial results.

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Item 7

Revenue Recognition

We derive revenue from four primary sources: SaaS, term license and support, services, and maintenance. Many of our contracts with customers include multiple performance obligations. Our products and services generally do not require a significant amount of integration or interdependency; therefore, our products and services are generally not combined. We allocate the transaction price for each contract to each performance obligation based on the relative standalone selling price (“*SSP*”) for each performance obligation within each contract.

We use judgment in determining the SSP for products and services. For substantially all performance obligations except term licenses, we are able to establish the SSP based on the observable prices of products or services sold separately in comparable circumstances to similar customers. We typically establish an SSP range for our products and services which is reassessed on a periodic basis or when facts and circumstances change. Term licenses are sold only as a bundled arrangement that includes the rights to a term license and support. In determining the SSP of license and support in a term license arrangement, we utilize observable inputs and consider the value relationship between support and term license when compared to the value relationship between support and perpetual licenses, the average economic life of our products, and software renewals rates. Using a combination of the relative fair value method or the residual value method, the SSP of the performance obligations in an arrangement is allocated to each performance obligation within a sales arrangement.

Company Earn-Out Shares

In evaluation of the Company Earn-Out Shares and Company Earn-Out RSUs, management determined that the Company Earn-Out Shares represent derivatives to be marked to market at each reporting period, while the Company Earn-Out RSUs represent equity under ASC 718. Refer to “*Note 15 — Stock-Based Compensation*” for more information regarding the Company Earn-Out RSUs.

In order to capture the market conditions associated with the Company Earn-Out Shares, the Company applied an approach that incorporated a Monte Carlo simulation, which involved random iterations that took different future price paths over the Sponsor Earn-Out Shares’ contractual life based on the appropriate probability distributions. The fair value was determined by taking the average of the fair values under each Monte Carlo simulation trial. The Monte Carlo model requires highly subjective assumptions including the expected volatility of the price of our common stock, and the expected term of the earn-out shares.

Economic Conditions, Challenges, and Risks

The markets for software and cloud-based services are dynamic and highly competitive. Our competitors are developing new software while also deploying competing cloud-based services for consumers and businesses. Customer preferences evolve rapidly, and choices in hardware, products, and devices can and do influence how users access services in the cloud, and in some cases, the user’s choice of which suite of cloud-based services to use. We must continue to evolve and adapt to keep pace with this changing environment. The investments we are making in infrastructure, research and development, marketing, and geographic expansion will continue to increase our operating costs and may decrease our operating margins.

Our success is highly dependent on our ability to attract and retain qualified employees. We hire a mix of university and industry talent worldwide. We compete for talented individuals globally by offering an exceptional working environment, broad customer reach, scale in resources, the ability to grow one’s career across many different products and businesses, and competitive compensation and benefits.

Additionally, demand for our software and service is correlated to global macroeconomic and geopolitical factors, which remain dynamic and currently include multiple ongoing conflicts where the outcomes and consequences are not possible to predict, but could include regional instability and geopolitical shifts, and could materially adversely affect global trade, currency exchange rates, regional economies and the global economy. These in turn could increase our costs, disrupt our supply chain, reduce our sales and earnings, impair our ability to raise additional capital when needed on acceptable terms, if at all, or otherwise adversely affect our business, financial condition, and results of operations.

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Our international operations provide a significant portion of our total revenues and expenses. Many of these revenues and expenses are denominated in currencies other than the U.S. dollar. As a result, changes in foreign exchange rates may significantly affect revenue and expenses. Refer to the section titled “*Risk Factors*” (Part I, Item 1A of this Annual Report) for a discussion of these factors and other risks.

Seasonality

Our quarterly revenue fluctuates and does not necessarily grow sequentially when measuring any one fiscal quarter’s revenue with another (e.g. comparing the fourth fiscal quarter of fiscal year 2022 with the first fiscal quarter of fiscal year 2023). Historically, our third and fourth quarters have been our highest revenue quarters, however those results are not necessarily indicative of future quarterly revenue or full year results. Higher third and fourth quarter revenue is driven primarily by increased sales resulting from our customers’ fiscal year ends. Additionally, new product and service introductions (including the timing of those introductions) can significantly impact revenue. Revenue can also be affected when customers anticipate a product introduction. Our operating expenses have generally increased sequentially due to increases in personnel in connection with the expansion of our business.

Recently Issued and Adopted Accounting Pronouncements

For information about recent accounting pronouncements, see Note 2 to the consolidated financial statements of this Annual Report.

PART II
Item 7A

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Interest Rate Risk

We had cash and cash equivalents, marketable securities, and short-term deposits of \$226.9 million as of December 31, 2023. We hold cash and cash equivalents, marketable securities, and short-term deposits for working capital purposes. Our cash and cash equivalents are held in cash deposits and money market funds. Due to the short-term nature of these instruments, we believe that it does not have any material exposure to changes in the fair value of our investment portfolio due to changes in interest rates. Declines in interest rates, however, would reduce our future interest income. The effect of a hypothetical 10% change in interest rates would not have a material negative impact on our consolidated financial statements. As of December 31, 2023, we had no outstanding obligations under our line of credit with HSBC under the Loan Agreement. To the extent we enter into other long-term debt arrangements in the future, we would be subject to fluctuations in interest rates which could have a material impact on our future financial condition and results of operation.

Foreign Currency Exchange Risk

Fluctuations in foreign currencies impact the amount of total assets and liabilities that we report for our foreign subsidiaries upon the translation of these amounts into U.S. Dollars. In particular, the amount of cash, cash equivalents and marketable securities that we report in U.S. Dollars for a significant portion of the cash held by these subsidiaries is subject to translation variance caused by changes in foreign currency exchange rates as of the end of each respective reporting period, the offset to which is substantially recorded to accumulated other comprehensive income on our consolidated balance sheets and is also presented as a line item in its consolidated statements of comprehensive income.

If overall foreign currency exchange rates in comparison to the U.S. Dollar uniformly would have been weaker by 10% as of December 31, 2023, and December 31, 2022, the amount of cash, cash equivalents and marketable securities AvePoint would have reported in U.S. Dollars would have decreased by approximately \$3.4 million and \$2.7 million, respectively, assuming constant foreign currency cash, cash equivalents and marketable securities balances.

Concentration of Credit Risk

We deposit our cash with financial institutions, and, at times, such balances may exceed federally insured limits. Additionally, no customer accounted for more than 10% of billings for the years ended December 31, 2023 and 2022, and no customers made up more than 10% of accounts receivable for the years ended December 31, 2023 and 2022.

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Item 8

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of AvePoint, Inc and its subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of AvePoint, Inc. and subsidiaries (the “Company”) as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive loss, mezzanine equity and stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 29, 2024, expressed an adverse opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition – Determination of Standalone Selling Prices — Refer to Note 2 to the financial statements

Critical Audit Matter Description

The Company's revenue is derived from four primary sources: SaaS, term license and support, services, and maintenance. Many of the Company's contractual arrangements with customers include multiple performance obligations. For such arrangements with multiple performance obligations, the Company allocates the aggregate transaction price to each performance obligation based on the relative standalone selling price (“SSP”) for each performance obligation. The Company applies judgment in determining SSP for each performance obligation.

Term licenses are sold only as a bundled arrangement that includes the rights to a term license and support. In determining the SSP of license and support in a term license arrangement, management utilizes observable inputs and considers the value relationship between support and term license when compared to the value relationship between support and perpetual licenses, the average economic life of their products, and software renewal rates.

For substantially all of the Company's other contractual arrangements with multiple performance obligations, the Company determines SSP based on the observable prices of products or services sold separately in comparable circumstances to similar customers. The Company typically establishes an SSP range for its products and services which is reassessed on a periodic basis or when facts and circumstances change. We identified the determination of SSP for products and services as a critical audit matter due to the judgement by management involved in the determination of SSP, which in turn led to a high degree of auditor judgment, subjectivity, and effort in performing audit procedures and evaluating audit evidence related to management's determination of SSP.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Company's SSP determinations included the following, among others:

- We tested the effectiveness of controls over revenue recognition, which included controls associated with the Company's methodology to determine SSP and the underlying data utilized in the application of the methodology.
- We evaluated the appropriateness of the Company's methodology to determine SSP in accordance with ASC 606, *Revenue from Contracts with Customers*.
- We tested the accuracy of inputs utilized by the Company to determine SSP, which included selecting a sample of the Company's transactional data used to determine SSP and agreeing relevant information to source documents.

- We tested the completeness of the Company's transactional data used to determine SSP by selecting a sample of previously recorded sales and agreeing relevant information into such transactional data.
- We tested the mathematical accuracy of management's calculations to determine SSP.

/s/ Deloitte & Touche LLP

New York, New York
February 29, 2024

We have served as the Company's auditor since 2021.

AvePoint, Inc. and Subsidiaries
Consolidated Balance Sheets
(In thousands, except par value)

	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 223,162	\$ 227,188
Short-term investments	3,721	2,620
Accounts receivable, net of allowance of \$926 and \$725, respectively	85,877	66,474
Prepaid expenses and other current assets	12,824	10,013
Total current assets	325,584	306,295
Property and equipment, net	5,118	5,537
Goodwill	19,156	18,904
Intangible assets, net	10,546	11,079
Operating lease right-of-use assets	13,908	15,855
Deferred contract costs	54,675	48,553
Other assets	13,595	9,310
Total assets	\$ 442,582	\$ 415,533
Liabilities, mezzanine equity, and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,384	\$ 1,519
Accrued expenses and other current liabilities	53,766	47,784
Current portion of deferred revenue	121,515	93,405
Total current liabilities	176,665	142,708
Long-term operating lease liabilities	9,383	11,348
Long-term portion of deferred revenue	7,741	8,085
Earn-out shares liabilities	18,346	6,631
Other liabilities	5,603	3,607
Total liabilities	217,738	172,379
Commitments and contingencies (Note 12)		
Mezzanine equity		
Redeemable noncontrolling interest	6,038	14,007
Total mezzanine equity	6,038	14,007
Stockholders' equity		
Common stock, \$0.0001 par value; 1,000,000 shares authorized, 184,652 and 185,278 shares issued and outstanding as of December 31, 2023 and 2022, respectively	18	19
Additional paid-in capital	667,881	665,715
Treasury stock	—	(21,666)
Accumulated other comprehensive income	3,196	2,006
Accumulated deficit	(460,496)	(416,927)
Noncontrolling interest	8,207	—
Total stockholders' equity	218,806	229,147
Total liabilities, mezzanine equity, and stockholders' equity	\$ 442,582	\$ 415,533

See accompanying notes.

AvePoint, Inc. and Subsidiaries
Consolidated Statements of Operations
(In thousands, except per share amounts)

	For the Year Ended December 31,		
	2023	2022	2021
Revenue:			
SaaS	\$ 160,961	\$ 117,180	\$ 85,580
Term license and support	52,744	57,214	50,970
Services	44,795	41,283	31,919
Maintenance	13,325	16,662	23,440
Total revenue	<u>271,825</u>	<u>232,339</u>	<u>191,909</u>
Cost of revenue:			
SaaS	35,924	27,313	19,118
Term license and support	1,946	2,006	963
Services	38,807	36,037	30,950
Maintenance	783	920	1,970
Total cost of revenue	<u>77,460</u>	<u>66,276</u>	<u>53,001</u>
Gross profit	194,365	166,063	138,908
Operating expenses:			
Sales and marketing	112,105	110,638	100,868
General and administrative	61,271	65,132	59,390
Research and development	36,340	31,359	32,141
Total operating expenses	<u>209,716</u>	<u>207,129</u>	<u>192,399</u>
Loss from operations	(15,351)	(41,066)	(53,491)
Other (expense) income, net	(3,263)	7,416	20,703
Loss before income taxes	<u>(18,614)</u>	<u>(33,650)</u>	<u>(32,788)</u>
Income tax expense	2,887	5,038	457
Net loss	<u>\$ (21,501)</u>	<u>\$ (38,688)</u>	<u>\$ (33,245)</u>
Net income attributable to noncontrolling interest	(224)	(2,942)	(1,974)
Net loss attributable to AvePoint, Inc.	<u>\$ (21,725)</u>	<u>\$ (41,630)</u>	<u>\$ (35,219)</u>
Deemed dividends on preferred stock	—	—	(32,928)
Net loss available to common stockholders	<u>\$ (21,725)</u>	<u>\$ (41,630)</u>	<u>\$ (68,147)</u>
Basic and diluted loss per share	<u>\$ (0.12)</u>	<u>\$ (0.23)</u>	<u>\$ (0.48)</u>
Basic and diluted shares used in computing loss per share	182,257	181,957	141,596

See accompanying notes.

AvePoint, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Loss
(In thousands)

	For the Year Ended December 31,		
	2023	2022	2021
Net loss	\$ (21,501)	\$ (38,688)	\$ (33,245)
Other comprehensive income (loss) net of taxes			
Unrealized gain on available-for-sale securities	100	—	—
Foreign currency translation adjustments	1,104	(250)	463
Total other comprehensive income (loss)	1,204	(250)	463
Total comprehensive loss	\$ (20,297)	\$ (38,938)	\$ (32,782)
Comprehensive income attributable to noncontrolling interest	(238)	(3,003)	(1,911)
Total comprehensive loss attributable to AvePoint, Inc.	<u>\$ (20,535)</u>	<u>\$ (41,941)</u>	<u>\$ (34,693)</u>

See accompanying notes.

AvePoint, Inc. and Subsidiaries
Consolidated Statements of Mezzanine Equity and Stockholders' Equity
For the Year Ended December 31, 2023, 2022 and 2021
(In thousands, except share amounts)

	Redeemable Noncontrolling Interest Amount	Total Mezzanine Equity Amount	Common Stock		Additional Paid-In Capital	Treasury Stock		Accumulated Deficit	Accumulated Other Comprehensive Income	Noncontrolling Interest	Total Stockholders' Equity
			Shares	Amount		Shares	Amount				
Balance, December 31, 2022	\$ 14,007	\$ 14,007	185,277,588	\$ 19	\$ 665,715	4,189,750	\$ (21,666)	\$ (416,927)	\$ 2,006	\$ —	\$ 229,147
Proceeds from exercise of options	—	—	2,840,716	—	5,569	—	—	—	—	—	5,569
Common stock issued upon vesting of restricted stock units	—	—	3,253,130	—	—	—	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	36,048	—	—	—	—	—	36,048
Accretion of redeemable noncontrolling interest	212	212	—	—	—	—	—	(212)	—	—	(212)
Reclassification of redeemable noncontrolling interest in MaivenPoint Pte. Ltd. (1)	(8,148)	(8,148)	—	—	—	—	—	—	—	8,148	8,148
Reclassification of earn-out RSUs to earn-out shares	—	—	—	—	(567)	—	—	—	—	—	(567)
Repurchase of common stock	—	—	(6,719,032)	—	—	6,719,032	(39,063)	—	—	—	(39,063)
Retirement of common stock	—	—	—	(1)	(38,884)	(10,908,782)	60,729	(21,844)	—	—	—
Comprehensive income (loss):											
Net income (loss)	(38)	(38)	—	—	—	—	—	(21,513)	—	50	(21,463)
Unrealized gain on available-for-sale securities	—	—	—	—	—	—	—	—	100	—	100
Foreign currency translation adjustments	5	5	—	—	—	—	—	—	1,090	9	1,099
Balance, December 31, 2023	\$ 6,038	\$ 6,038	184,652,402	\$ 18	\$ 667,881	—	\$ —	\$ (460,496)	\$ 3,196	\$ 8,207	\$ 218,806

AvePoint, Inc. and Subsidiaries
Consolidated Statements of Mezzanine Equity and Stockholders' Equity
For the Year Ended December 31, 2023, 2022 and 2021
(In thousands, except share amounts)

	Redeemable Noncontrolling Interest Amount	Total Mezzanine Equity Amount	Common Stock		Additional Paid-In Capital	Treasury Stock		Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity
			Shares	Amount		Shares	Amount			
Balance, December 31, 2021	\$ 5,210	\$ 5,210	181,821,767	\$ 18	\$ 625,056	143,564	\$ (1,739)	\$ (375,297)	\$ 2,317	\$ 250,355
Proceeds from exercise of options	—	—	1,799,665	—	2,818	—	—	—	—	2,818
Common stock issued upon vesting of restricted stock units	—	—	1,784,993	—	—	—	—	—	—	—
Common stock issued upon acquisition	—	—	324,845	—	1,517	—	—	—	—	1,517
Common stock issued for canceled officer awards	—	—	3,592,504	1	(1)	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	37,210	—	—	—	—	37,210
Issuance of redeemable noncontrolling interest in MaivenPoint Pte. Ltd. (1)	5,794	5,794	—	—	—	—	—	—	—	—
Reclassification of earn-out RSUs to earn-out shares	—	—	—	—	(885)	—	—	—	—	(885)
Repurchase of common stock	—	—	(4,046,186)	—	—	4,046,186	(19,927)	—	—	(19,927)
Comprehensive income (loss):										
Net loss	—	—	—	—	—	—	—	(38,688)	—	(38,688)
Net income attributable to and accretion of redeemable noncontrolling interest	2,942	2,942	—	—	—	—	—	(2,942)	—	(2,942)
Foreign currency translation adjustments	61	61	—	—	—	—	—	—	(311)	(311)
Balance, December 31, 2022	<u>\$ 14,007</u>	<u>\$ 14,007</u>	<u>185,277,588</u>	<u>\$ 19</u>	<u>\$ 665,715</u>	<u>4,189,750</u>	<u>\$ (21,666)</u>	<u>\$ (416,927)</u>	<u>\$ 2,006</u>	<u>\$ 229,147</u>

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AvePoint, Inc. and Subsidiaries
 Consolidated Statements of Mezzanine Equity and Stockholders' Equity
 For the Year Ended December 31, 2023, 2022 and 2021
 (In thousands, except share amounts)

	Convertible Preferred Stock		Redeemable Common Shares Amount	Share Based Awards Amount	Redeemable Noncontrolling Interest Amount	Total Mezzanine Equity Amount	Common Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount					Shares	Amount					
Balance, December 31, 2020	42,000,592	\$ 183,390	\$ 25,074	\$ 1,489	\$ 3,061	\$ 213,014	100,068,469	\$ 12	\$ 105,159	\$ —	\$ (299,789)	\$ 1,791	\$ (192,827)
Reclassification of share-based awards to mezzanine equity	—	—	—	206	—	206	—	—	(206)	—	—	—	(206)
Reclassification of common shares to mezzanine equity	—	—	6,872	—	—	6,872	—	—	—	—	—	—	—
Remeasurement of redemption value of common shares	—	—	7,361	—	—	7,361	—	—	—	—	(7,361)	—	(7,361)
Proceeds from exercise of options	—	—	—	—	—	—	5,141,331	—	8,242	—	—	—	8,242
Common stock issued upon vesting of restricted stock units	—	—	—	—	—	—	170,852	—	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	—	—	—	—	46,475	—	—	—	46,475
Remeasurement of redemption value of convertible preferred stock	—	32,928	—	—	—	32,928	—	—	—	—	(32,928)	—	(32,928)
Issuance of redeemable noncontrolling interest in MaivenPoint Pte. Ltd. (1)	—	—	—	—	238	238	—	—	515	—	—	—	515
Conversion of convertible preferred stock	(42,000,592)	(216,318)	—	—	—	(216,318)	28,500,592	3	85,390	—	—	—	85,393
Reclassification of redeemable common shares from mezzanine to permanent equity	—	—	(39,307)	—	—	(39,307)	—	—	39,307	—	—	—	39,307
Reclassification of share-based awards from liabilities and mezzanine equity to permanent equity	—	—	—	(1,695)	—	(1,695)	—	—	41,152	—	—	—	41,152
Merger and recapitalization, net of transaction costs	—	—	—	—	—	—	47,940,523	3	299,736	—	—	—	299,739
Reclassification of earn-out RSUs to earn-out shares	—	—	—	—	—	—	—	—	(714)	—	—	—	(714)
Reclassification of Apex shares purchased prior to the Business Combination	—	—	—	—	—	—	—	—	—	(1,739)	—	—	(1,739)
Comprehensive income (loss):													
Net loss	—	—	—	—	—	—	—	—	—	—	(33,245)	—	(33,245)
Net income attributable to and accretion of redeemable noncontrolling interest	—	—	—	—	1,974	1,974	—	—	—	—	(1,974)	—	(1,974)
Foreign currency translation adjustments	—	—	—	—	—	(63)	—	—	—	—	—	526	526
Balance, December 31, 2021	—	\$ —	\$ —	\$ —	\$ 5,210	\$ 5,210	181,821,767	\$ 18	\$ 625,056	\$ (1,739)	\$ (375,297)	\$ 2,317	\$ 250,355

(1) Formerly AvePoint EduTech Pte. Ltd.

See accompanying notes.

AvePoint, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(In thousands)

	For the Year Ended December 31,		
	2023	2022	2021
Operating activities			
Net loss	\$ (21,501)	\$ (38,688)	\$ (33,245)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	4,687	3,494	1,238
Operating lease right-of-use assets expense	6,234	5,945	—
Foreign currency remeasurement loss	—	835	1,308
Stock-based compensation	36,048	37,218	59,508
Deferred income taxes	(864)	3,701	(175)
Other	1,068	(607)	(755)
Change in value of earn-out and warrant liabilities	11,454	(4,402)	(21,233)
Changes in operating assets and liabilities:			
Accounts receivable	(19,448)	(14,388)	(8,243)
Prepaid expenses and other current assets	(2,773)	(2,108)	(5,914)
Deferred contract costs and other assets	(7,687)	(9,596)	(8,890)
Accounts payable, accrued expenses, operating lease liabilities and other liabilities	609	(2,553)	10,626
Deferred revenue	26,867	20,375	10,805
Net cash provided by (used in) operating activities	34,694	(774)	5,030
Investing activities			
Maturities of investments	2,620	183,554	—
Purchases of investments	(3,497)	(180,969)	(916)
Cash paid in business combinations and asset acquisitions, net of cash acquired	—	(18,572)	—
Capitalization of internal-use software	(1,434)	(1,612)	—
Purchase of property and equipment	(2,087)	(3,853)	(2,461)
Investment in notes	(1,250)	—	—
Net cash used in investing activities	(5,648)	(21,452)	(3,377)
Financing activities			
Proceeds from recapitalization of Apex shares, net of transaction fees of \$49,990	—	—	441,573
Redemption of redeemable convertible preferred stock	—	—	(130,925)
Redemption of Legacy AvePoint common stock	—	—	(106,169)
Purchase of common stock	(39,036)	(19,927)	(1,628)
Payment of net cash settlement for management options	—	—	(7,530)
Proceeds from stock option exercises	5,569	2,818	5,566
Proceeds from sale of common shares of subsidiary	—	—	753
Repayments of finance leases	(64)	(39)	(25)
Payments of debt issuance costs	(136)	—	—
Payments of transaction fees by Legacy AvePoint	—	—	(2,998)
Net cash (used in) provided by financing activities	(33,667)	(17,148)	198,617
Effect of exchange rates on cash	595	(1,655)	(1,165)
Net (decrease) increase in cash and cash equivalents	(4,026)	(41,029)	199,105
Cash and cash equivalents at beginning of period	227,188	268,217	69,112
Cash and cash equivalents at end of period	\$ 223,162	\$ 227,188	\$ 268,217
Supplemental disclosures of cash flow information			
Income taxes paid	\$ 6,112	\$ 3,320	\$ 4,037
Contingent considerations in business combination	\$ —	\$ 5,635	\$ —
Common stock issued in business combination	\$ —	\$ 1,517	\$ —
Loan to certain acquiree shareholders	\$ —	\$ 235	\$ —

See accompanying notes.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

1. Nature of Business and Organization

AvePoint, Inc., incorporated as a New Jersey corporation on July 24, 2001 (“*Legacy AvePoint*”), was redomiciled as a Delaware corporation in 2006, and changed its name to “AvePoint Operations, Inc.” in June 2021. On July 1, 2021, Legacy AvePoint and certain members of Apex Technology Acquisition Corporation (“*Apex*”) consummated the transactions contemplated by a business combination agreement (the “*Apex Business Combination*”) and a number of qualified institutional buyers and accredited investors consummated their respective purchases of shares as contemplated by related subscription agreements, with Apex being renamed “AvePoint, Inc.” On July 2, 2021, shares of common stock were officially listed under the ticker “AVPT” on the Nasdaq Global Select Market. Subsequent to the consummation of the Apex Business Combination, on July 26, 2021, Legacy AvePoint’s successor by merger AvePoint US LLC merged with and into AvePoint, Inc. with AvePoint, Inc. (hereinafter referred to as “*AvePoint*”, the “*Company*”, “*we*”, “*us*”, or “*our*”) surviving.

Our principal corporate headquarters are located in Jersey City, New Jersey, and our principal operating headquarters are located in Richmond, Virginia. We have additional offices across North America, Europe, Asia, Australia and the Middle East.

AvePoint generates revenue by providing a cloud-native data management software platform that organizations rely on to manage and protect critical data, optimize IT operations, achieve meaningful cost savings, and efficiently secure the digital workplace; as well as providing customized business solutions, technical support, and services.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and include the consolidated accounts of AvePoint, Inc. and its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Recently Adopted Accounting Guidance

In January 2016, the Financial Accounting Standards Board (“**FASB**”) issued Accounting Standard Update (“**ASU**”) 2016-13, Financial Instruments — Credit Losses on Financial Instruments which replaces incurred loss methodology to estimate credit losses on financial instruments with a methodology that reflects expected credit losses. This amendment affects entities holding financial assets that are not accounted for at fair value through net income including trade receivables. Subsequently FASB issued ASU 2020-02 which deferred the adoption date. The amendments in this ASU are effective for Emerging Growth Company entities, which elected to take advantage of the extended transition period, for fiscal years beginning after December 15, 2022. Early application of the amendments is permitted. The Company adopted the standard on January 1, 2023. The adoption of the standard did not have a material impact on its consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, “Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity’s Own Equity (Subtopic 815 — 40)” (“**ASU 2020-06**”). ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity’s own equity. The ASU is part of the FASB’s simplification initiative, which aims to reduce unnecessary complexity in GAAP. The Company adopted the standard on January 1, 2023. The adoption of the standard did not have a material impact on its consolidated financial statements.

Comparative Data

Certain amounts from prior periods that were presented separately have now been grouped to conform to the current period presentation, including:

- The reclassification of perpetual license revenue to be included in maintenance revenue on the consolidated statements of operations for the years ended December 31, 2022 and 2021.
- The reclassification of gain (loss) on earn-out and warrant liabilities to be included in other (expense) income, net on the consolidated statements of operations for the years ended December 31, 2022 and 2021.
- The reclassification of interest income (expense), net to be included in other (expense) income, net on the consolidated statements of operations for the years ended December 31, 2022 and 2021.
- The reclassification of depreciation and amortization to be included in cost of revenue, sales and marketing, general and administrative and research and development on the consolidated statements of operations for the years ended December 31, 2022 and 2021.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Business Combination

When we consummate a business combination, the assets acquired, and the liabilities assumed are recognized separately from goodwill at their acquisition date fair values. Goodwill as of the acquisition date is measured as the excess of the fair value of consideration transferred over the acquisition date fair value of the net identifiable assets acquired. While best estimates and assumptions are used to accurately value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill as we obtain new information about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. Upon the earlier of the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, any subsequent adjustments are recorded in the consolidated statements of operations. Acquisition-related costs were immaterial and were expensed as incurred. Pro forma historical results of operations related to the business combinations closed in 2022 have not been presented because they are not material to our consolidated financial statements, either individually or in aggregate.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. We base our estimates and assumptions on historical experience and on various other assumptions that we believe are reasonable under the circumstances. The amounts of assets and liabilities reported in our consolidated balance sheets and the amounts of revenue and expenses reported for each of its periods presented are affected by estimates and assumptions, which are used for, but not limited to, the accounting for determination of standalone selling price for revenue recognition, allowance for doubtful accounts, deferred contract costs, valuation of goodwill and other intangible assets, income taxes and related reserves, stock-based compensation, purchase price in a business combination, and earn-out liabilities. Actual results and outcomes may differ from management's estimates and assumptions due to risks and uncertainties.

Foreign Currency

The Company has foreign operations where the functional currency has been determined to be the local currency, in accordance with FASB ASC 830, *Foreign Currency Matters*. Adjustments resulting from translating such foreign functional currency assets and liabilities into U.S. dollars, based on current exchange rates, are recorded as a component of accumulated other comprehensive income in the Company's consolidated balance sheets. Revenue and expenses are translated using average rates prevailing during the period. Transaction gains and losses arising from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in other (expense) income, net in the Company's consolidated statements of operations.

Cash and Cash Equivalents

The Company maintains cash with several high credit-quality financial institutions. The Company considers all investments available with original maturities of three months or less to be cash equivalents. These investments are not subject to significant market risk. The Company maintains its cash and cash equivalents in bank accounts which, at times, exceed the federally insured limits. The Company has not experienced any losses in such accounts. The Company maintains cash balances used in operations at entities based in countries which impose regulations that limit the ability to transfer cash out of the country. As of December 31, 2023 and 2022, the Company's cash balances at these entities were \$13.1 million and \$10.8 million, respectively.

Based on our intentions regarding our investments in U.S. treasury bills, we classify these investments as available-for-sale. We carry these securities at fair value, and report the unrealized gains and losses, net of taxes, as a component of stockholders' equity, except for any unrealized losses determined to be related to credit losses, which we record within non-operating income, net in the accompanying consolidated statements of operations.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Short-Term Investments

Short-term investments consist mainly of certificates of deposit held by financial institutions which have an initial maturity of greater than three months but less than or equal to one year at period end.

Prepaid Expenses and Other Current Assets

The prepaid expenses balances as of December 31, 2023 and 2022 were \$7.6 million and \$7.1 million, respectively.

Property and Equipment

Property and equipment are stated at cost and depreciated on a straight-line basis over the shorter of their estimated useful lives or related contract terms beginning in the year the asset was placed into service.

We depreciate computer equipment and software generally over a period of three years. We amortize leasehold improvements over the shorter of the remaining lease term or the estimated useful lives of the assets. We depreciate furniture and fixture generally over a period of seven years. We depreciate buildings over a period of forty years. We depreciate office equipment generally over a period of five years. Depreciation and amortization for buildings, information technology assets, leasehold improvements, and furniture and fixtures commences once they are ready for our intended use.

Normal repair and maintenance costs are expensed as incurred. We write off depreciated assets that are no longer in service.

We evaluate long-lived assets, which include leasehold improvements and equipment subject to depreciation and amortization, for impairment whenever events or changes in business circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss will be recognized when the aggregate of estimated undiscounted future cash flows expected to result from the use and the eventual disposition of the long-lived assets less than its carrying amount. Impairment, if any, is determined based on the fair value of the long-lived asset.

There were no impairment charges recognized during the years ended December 31, 2023, 2022 and 2021, respectively.

Goodwill

Goodwill represents the excess of the fair value of consideration transferred over the fair value of net identifiable assets acquired.

We review goodwill for impairment at least annually or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable. We have elected to first assess the qualitative factors to determine whether it is more likely than not that the fair value of our single reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative goodwill impairment test. If we determine that it is more likely than not that its fair value is less than its carrying amount, then the quantitative goodwill impairment test will be performed. The quantitative goodwill impairment test identifies goodwill impairment and measures the amount of goodwill impairment loss to be recognized by comparing the fair value of our single reporting unit with its carrying amount. If the fair value exceeds its carrying amount, no further analysis is required; otherwise, any excess of the goodwill carrying amount over the implied fair value is recognized as an impairment loss, and the carrying value of goodwill is written down to fair value.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Intangible Assets, net

Intangible assets primarily consist of customer related assets and acquired software and technology. Typical customer related assets include order backlogs and customer relationships. Intangible assets that have finite useful lives are amortized over their useful lives on a straight-line basis, which range from one year to ten years. We evaluate the recoverability of intangible assets periodically by considering events or circumstances that may warrant revised estimates of useful lives or that indicate the asset may be impaired.

Leases

The Company adopted ASC 842, *Leases*, on January 1, 2022, using the modified retrospective approach and has elected not to restate comparative periods and record a cumulative-effect adjustment as of the effective date. ASC 842 requires companies to generally recognize on the balance sheet operating and finance lease liabilities and corresponding right-of-use (“*ROU*”) assets.

The Company elected the package of practical expedients permitted under the transition guidance within the new standard, which allowed the Company to carry forward its historical assessments of whether a contract contains a lease, lease classification and initial direct costs. The Company elected not to use hindsight in determining the lease term. The Company made the following other transition considerations and elections under ASC 842: (i) not to separate non-lease components for all classes of underlying assets, including under Leases (“*ASC 840*”) for the purpose of transition measurement; (ii) apply accounting similar to ASC 840 for operating lease with term of 12 months or less at the commencement date; (iii) consider remaining lease term as of the date of initial application in determining the incremental borrowing rate to be used to discount minimum rental payments for operating leases in transition.

Leases are classified as either operating or finance leases based on certain criteria. This classification determines the timing and presentation of expenses on the income statement, as well as the presentation of the related cash flows and balance sheet. Operating leases are recorded on the balance sheet beginning January 1, 2022, as operating lease right-of-use assets, accrued expenses and other liabilities, and long-term operating lease liabilities. The Company currently has no material finance leases.

ROU assets and related liabilities are recorded at lease commencement based on the present value of the lease payments over the expected lease term. Lease payments include future increases unless the increases are based on changes in an index or rate. If the rate implicit in the leases was not readily determinable, the Company’s incremental borrowing rate is used to calculate ROU assets and related liabilities. The incremental borrowing rate is determined based on the Company’s estimated credit rating, the term of the lease, the economic environment where the asset resides and full collateralization. Lease terms include periods under options to extend or terminate the lease when it is reasonably certain that we will exercise that option. We generally use the base, non-cancelable, lease term when determining the lease assets and liabilities. Operating lease expense is recognized on a straight-line basis over the lease term and is allocated within operating expenses in the consolidated statements of operations.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Deferred Contract Costs

We defer sales commissions that are considered to be incremental and recoverable costs of obtaining or renewing SaaS, term license and support, service, perpetual license and maintenance contracts. The initial commissions are amortized over the anticipated period of asset benefit. We have structured commissions plans such that the commission rate paid on renewal contracts are less than those paid on the initial contract; therefore, it is determined that the renewal commissions are not commensurate with the initial commission, which are related to future contracts with a customer. The renewal commissions are amortized over the average renewal term. We determine the anticipated period of asset benefit and the average renewal term utilizing a portfolio approach, considering our customer contracts, the duration of our relationships with our customers, and the useful life of our technology. Changes in the anticipated period of asset benefit or the average renewal term are recognized on a prospective basis upon occurrence. No impairment was recorded for the years ended December 31, 2023, 2022 and 2021.

Amortization of deferred contract costs of \$19.0 million, \$13.4 million and \$9.5 million for the years ended December 31, 2023, 2022 and 2021, respectively, is included as a component of sales and marketing expenses in our consolidated statements of operations. Deferred contract costs recognized as a contract asset on our balance sheet was \$54.7 million and \$48.6 million as of December 31, 2023 and 2022, respectively.

Software Development Costs

Costs incurred in the development of new software products and enhancements to existing software products to be accounted for under software revenue recognition guidance are accounted for in accordance with ASC 985-20, Costs of Software to be Sold, Leased, or Marketed, or ASC 985-20. These costs, consisting primarily of salaries and related payroll costs, are expensed as incurred until technological feasibility has been established. After technological feasibility is established, costs are capitalized in accordance with ASC 985-20. The Company's primary on-premises product is DocAve, which is within the scope of subtopic 985-20. DocAve has been available for sale since 2002. Typically, the economic life of software produced is less than five years. As such, any costs subject to capitalization under ASC 985-20 would be fully amortized at this time. As a result, no internally generated software development costs have been capitalized as of December 31, 2023 and 2022.

We account for costs to develop or obtain internal-use software and implementation costs incurred in hosting arrangements in accordance with ASC 350-40, Internal-Use Software, or ASC 350-40. We also account for costs of significant upgrades and enhancements resulting in additional functionality under ASC 350-40. These costs are primarily software purchased for internal use, purchased software licenses, implementation costs, and development costs related to our hosted product, which is accessed by customers on a subscription basis. Costs incurred for maintenance, training, and minor modifications or enhancements are expensed as incurred. Internal-use software is amortized on a straight-line basis over its estimated useful life, which is generally three years. Management evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets. Internally developed software costs required to be capitalized as defined by the accounting guidance are not material to our consolidated financial statements.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Revenue Recognition

We derive revenue from four primary sources: SaaS, term license and support, services, and maintenance.

Our sources of revenue mainly include:

- SaaS and term license and support revenue includes revenue from the sale of SaaS and term license and support, versions of our software and related customer support. SaaS revenue is recognized ratably over the term of the contract. Term license revenue includes distinct on-premises license and support performance obligations. The license is generally recognized upfront at the point in time when the software is made available to the customer to download and use, and the support is recognized ratably over the term of the contract.
- Services revenue includes revenue derived primarily from the implementation of software, training, consulting, and migrations. We also offer license customization and managed services. Services revenue from implementation, training, consulting, migration, and license customization is recognized by applying a measure of progress, such as labor hours to determine the percentage of completion of each contract. Services revenue from managed services is recognized ratably on a straight-line basis over the contract term.
- Maintenance revenue includes revenue from sales of perpetual license and related post-contract support. Perpetual license revenue is recognized upfront upon delivery of the licensed product and/or the utility that enables the customer to access authorization keys, provided that an enforceable contract has been received. While perpetual license revenues today are immaterial, our perpetual licenses are typically sold with post-contract support (“*PCS*”), which includes unspecified technical enhancements and customer support. Revenue from PCS is classified as maintenance revenue and is recognized ratably over the term of the contract, which is typically one year, as we satisfy the PCS performance obligation.

In rare cases when the software and the related when-and-if available updates are critical to the combined utility of the software, the Company has determined this to be one performance obligation and revenue is recognized ratably over the license term.

Term license and perpetual license revenue recognized at point in time was \$31.4 million, \$40.0 million and \$39.7 million for the years ended December 31, 2023, 2022 and 2021, respectively. The remaining revenue amount is recognized over time.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

ASC 606, *Revenue from Contracts with Customers*, is a single standard for revenue recognition that applies to all of our SaaS, term license and support, services, perpetual license and maintenance arrangements and generally requires revenue to be recognized upon the transfer of control of promised goods or services provided to its customers, reflecting the amount of consideration it expects to receive for those goods or services. Pursuant to ASC 606, revenue is recognized upon the application of the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, the contractual performance obligations are satisfied.

Our revenue arrangements generally include standard warranty or service level provisions that its arrangements will perform and operate in all material respects as defined in the respective agreements, the financial impacts of which have historically been and are expected to continue to be insignificant. Our arrangements generally do not include a general right of return relative to the delivered products or services. We recognize revenue net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

Many of our contracts include multiple performance obligations. Our products and services generally do not require a significant amount of integration or interdependency; therefore, the Company's products and services are generally not combined. We allocate the transaction price for each contract to each performance obligation based on the relative standalone selling price ("*SSP*") for each performance obligation within each contract.

We use judgment in determining the SSP for products and services. For substantially all performance obligations except term licenses, we are able to establish the SSP based on the observable prices of products or services sold separately in comparable circumstances to similar customers. We typically establish an SSP range for our products and services which is reassessed on a periodic basis or when facts and circumstances change. Term licenses are sold only as a bundled arrangement that includes the rights to a term license and support.

In determining the SSP of license and support in a term license arrangement we utilize observable inputs and consider the value relationship between support and term license when compared to the value relationship between support and perpetual licenses, the average economic life of our products and software renewal rates. Using a combination of the relative fair value method or the residual value method, the SSP of the performance obligations in an arrangement is allocated to each performance obligation within a sales arrangement.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

We utilize indirect sales channels which leverage Channel Partners. These deals are executed in one of two ways:

1. **Channel Partner as Customer**

In the first form of these arrangements, the Channel Partner purchases the products from us at a discounted price and resells the products to end users at a price determined by the Channel Partner. In this scenario, the Channel Partner is the entity that has contracted with us and therefore is determined to be our customer. We recognize revenue when control of the goods and/or services are transferred to the customer. In this first form of the sales transaction, revenue recognition occurs upon transfer to the Channel Partner (acting as reseller) or as directed by the Channel Partner (acting as reseller) to its customer.

2. **End User as Customer**

In the second form, we bill the end user, and the Channel Partner receives a commission. Upon analysis of deals executed through the second form of these channels, we determined that the end user represents our customer due to the fact that the end user purchased goods and/or services that are outputs of our ordinary activities. Consequently, Channel Partners utilized in deals executed through this second model are deemed to be agents of the transaction. In this second form of these arrangements, we recognize revenue upon transfer of the goods and/or services to the end user, and amortize the commission over the anticipated period of asset benefit.

The timing of revenue recognition may differ from the timing of invoicing to our customers. We record an unbilled receivable when revenue is recognized prior to invoicing. Current unbilled receivables are included in accounts receivable, net in the consolidated balance sheets. Long-term unbilled receivables that are expected to be billed more than twelve months after the period end are included within other assets in the consolidated balance sheets. We record deferred revenue in the consolidated balance sheets when cash is collected or invoiced before revenue is earned. Our standard payment terms are generally net 30 days. Invoices for SaaS, term license and support and maintenance are generally issued annually in advance or when the license is made available for customer use. Invoices for license contracts are generally issued when the license is available for the customer for download. Services are generally invoiced in advance or as the services are performed.

Total deferred revenue as of December 31, 2022 was \$101.5 million, of which \$87.0 million was recognized as revenues for the year ended December 31, 2023.

The opening and closing balances of the Company's accounts receivable, net, deferred revenue and deferred contract costs are as follows:

	<u>Accounts receivable (1)</u>	<u>Deferred revenue</u>	<u>Deferred contract costs</u>
		(in thousands)	
Balance, December 31, 2022	73,348	101,490	48,553
Balance, December 31, 2023	94,067	129,256	54,675

(1) Accounts receivable is inclusive of accounts receivable, net of allowance for doubtful accounts, current unbilled receivables and long-term unbilled receivables. Long-term unbilled receivables are included in other assets on the consolidated balance sheets. As of December 31, 2023 and 2022, the allowance for doubtful accounts was not material.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

No customer accounted for more than 10% of revenue for the years ended December 31, 2023, 2022 and 2021, and no customer accounted for more than 10% of accounts receivable as of December 31, 2023 and 2022.

As of December 31, 2023, transaction price allocated to remaining performance obligations, which includes deferred revenue and amounts that will be invoiced and recognized as revenue in future periods, was \$307.4 million, of which \$254.2 million is related to SaaS and term license and support revenue. We expect to recognize approximately 63% of the total transaction price allocated to remaining performance obligations over the next twelve months and the remainder thereafter.

Stock-Based Compensation

Stock-based compensation represents the cost related to stock-based awards granted to employees. To date, we have issued both stock options and restricted stock units (“*RSUs*”). With respect to equity-classified awards, the Company measured stock-based compensation cost at the grant date based on the estimated fair value of the award and recognizes the cost as expense ratably over the requisite service period. With respect to liability-classified awards, the Company measures stock-based compensation cost at the grant date and at each reporting period based on the estimated fair value of the award. Stock-based compensation cost is recognized ratably over the requisite service period, net of actual forfeitures in the period.

We estimate the fair value of stock options using the Black-Scholes valuation model. The Black-Scholes model requires highly subjective assumptions in order to derive the inputs necessary to calculate the fair value of stock options. To estimate the expected term of stock options, the Company considered contractual terms of the options, including the vesting and expiration periods, as well as historical option exercise data and current market conditions to determine an estimated expected term. The Company’s historical experience is too limited to be able to reasonably estimate expected term. Expected volatility is based on historical volatility of a group of peer entities. Dividend yields are based upon historical dividend yields. Risk-free interest rates are based on the implied yields currently available on U.S. Treasury zero coupon issues with a remaining term equal to the expected term.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the difference between financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled.

We recognize liabilities for uncertain tax positions taken or expected to be taken in income tax returns. Accrued interest and penalties related to unrecognized tax benefits are recognized as part of the provision for income taxes. Judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and unrecognized tax benefits. In determining the need for a valuation allowance, the historical and projected financial performance of the operation that is recording a net deferred tax asset is considered along with any other pertinent information.

The Financial Accounting Standards Board Staff Q&A, Topic 740 No. 5, Accounting for Global Intangible Low-Taxed Income (“*GILTI*”), states that an entity can make an accounting policy election to either recognize deferred taxes for temporary differences expected to reverse as GILTI in future years or provide for the tax expense related to GILTI in the year the tax is incurred. We have elected to recognize the tax on GILTI as a period expense in the period the tax is incurred.

Our valuation allowances are primarily the result of uncertainties regarding the future realization of tax attributes recorded in various jurisdictions. The measurement of deferred tax assets is reduced by a valuation allowance if, based upon available evidence, it is more likely than not that the deferred tax assets will not be realized. We have evaluated the realizability of our deferred tax assets in each jurisdiction by assessing the adequacy of expected taxable income, including the reversal of existing temporary differences, historical and projected operating results and the availability of prudent and feasible tax planning strategies. In assessing our valuation allowance as of December 31, 2023, we considered all available evidence, including the magnitude of recent and current operating results, the duration of statutory carryforward periods, our historical experience utilizing tax attributes prior to their expiration dates, the historical volatility of operating results of these jurisdictions and our assessment regarding the sustainability of their profitability. The weight we give to any particular item is, in part, dependent upon the degree to which it can be objectively verified. Valuation allowances recorded against deferred tax assets increased by a net \$1.8 million.

For additional information regarding our income taxes, refer to “*Note 10 - Income Taxes*”.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Noncontrolling Interest

Noncontrolling Interest is recognized as equity in the Company's consolidated balance sheets, is reflected in net income attributable to noncontrolling interest in the consolidated statements of operations and comprehensive loss and is captured within the net income (loss) in the consolidated statements of mezzanine equity and stockholders' equity. Noncontrolling interests represent ownership interests in the Company's subsidiaries held by third parties. Redeemable noncontrolling interest is measured at the higher of its redeemable value and net income (loss) allocated to the redeemable noncontrolling interest, and is included in mezzanine equity on the consolidated balance sheets. At each reporting period, we increase the carrying amount of the redeemable noncontrolling interest by periodic accretions using the interest method so that the carrying amount will equal the redemption amount on the date that the put option becomes exercisable. These adjustments are recorded as net income attributable to noncontrolling interest on the consolidated statements of operations. Upon expiration of the underlying put option, the redeemable noncontrolling interest is reclassified to equity on the consolidated balance sheets.

As of December 31, 2023 and 2022, the Company controlled and owned 73.82% of MaivenPoint Pte. Ltd. ("**MaivenPoint**").

AEPL PTE. LTD. ("AEPL**"), an unaffiliated investor**

As part of AEPL's investment in MaivenPoint, the Company granted AEPL a put option which allows AEPL to cause the Company to repurchase AEPL's shares in MaivenPoint at any time between December 24, 2022, and December 24, 2023, at a price equal to AEPL's initial investment of approximately \$8.3 million. Consequently, the Company records redeemable noncontrolling interest as mezzanine equity in its consolidated balance sheets. On December 24, 2023, the put option expired. As of December 31, 2023 and 2022, AEPL owned 23.20% of MaivenPoint.

I-Access Solutions Pte. Ltd. ("I-Access**")**

On February 18, 2022, (the "**I-Access Closing Date**"), MaivenPoint consummated its acquisition of all of the ordinary shares of I-Access, a Singapore limited company. As a result, I-Access became a wholly owned subsidiary of MaivenPoint. The acquisition was made pursuant to a share purchase agreement, dated as of January 31, 2022, (the "**Share Purchase Agreement**"), by and among MaivenPoint and the former I-Access shareholders. As part of the transaction price, MaivenPoint granted I-Access a put option which allows I-Access to cause MaivenPoint to repurchase its shares on February 18, 2024, at a price equal to approximately \$5.9 million. Consequently, the Company records redeemable noncontrolling interest as mezzanine equity in its consolidated balance sheets. As of December 31, 2023 and 2022, former I-Access shareholders owned 2.98% of MaivenPoint and such shares were included in redeemable noncontrolling interest on the Company's consolidated balance sheets.

Treasury Stock Retirement

We account for treasury stock transactions under the cost method. For each reacquisition of common stock, the number of shares and the acquisition price for those shares is added to the existing treasury stock count and total value, respectively. We periodically retire treasury shares that we acquire through share repurchases and return those shares to the status of authorized but unissued. When treasury shares are retired, we allocate the excess of the repurchase price over the par value of shares acquired between additional paid-in capital and accumulated deficit. The portion allocated to additional paid-in capital is limited to the pro rata portion of additional paid-in capital for the retired treasury shares. Any further excess of the repurchase price is allocated to accumulated deficit.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Recent Accounting Pronouncements

Recently issued accounting pronouncements not yet effective

In November 2023, the FASB issued ASU 2023-07, “Improvements to Reportable Segment Disclosures (Topic 280)” (“**ASU 2023-07**”). ASU 2023-07 is intended to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The amendment in this ASU is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Adoption of the ASU should be applied retrospectively to all prior periods presented in the financial statements. Early adoption is also permitted. We are currently evaluating the impact ASU 2023-08 will have on our consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU No. 2023-09, “Improvements to Income Tax Disclosures (Topic 740)” (“**ASU 2023-09**”). ASU 2023-09 requires disaggregated information about a reporting entity’s effective tax rate reconciliation as well as additional information on income taxes paid. The amendment in this ASU is effective on a prospective basis for annual periods beginning after December 15, 2024. Early adoption is also permitted. We are currently evaluating the impact ASU 2023-09 will have on our consolidated financial statements and related disclosures.

3. Business Combination

Apex Technology Acquisition Corporation

The Apex Business Combination was accounted for as a reverse recapitalization as Legacy AvePoint was determined to be the accounting acquirer under ASC 805, *Business Combination*. This determination was primarily based on Legacy AvePoint comprising the ongoing operations of the combined entity, Legacy AvePoint’s senior management comprising the majority of the senior management of the combined company and the prior stockholders of Legacy AvePoint having a majority of the voting power of the combined entity. In connection with the Apex Business Combination, the outstanding shares of Legacy AvePoint’s preferred stock were redeemed for cash and shares of AvePoint’s common stock and the outstanding shares of Legacy AvePoint’s common stock were converted into AvePoint’s common stock, representing a recapitalization, and the net assets of the Company were acquired at historical cost, with no goodwill or intangible assets recorded. Operations and assets and liabilities of the Company prior to the Apex Business Combination in these financial statements are those of Legacy AvePoint. As a result, these financial statements represent the continuation of Legacy AvePoint and the historical stockholders’ deficiency. The accumulated deficit of Legacy AvePoint has been carried forward after the Apex Business Combination.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

The following transactions occurred in connection with the Apex Business Combination which impacted our mezzanine equity and permanent equity accounts:

- Shares of Legacy AvePoint common stock were cancelled and converted into 103,831,523 shares of our common stock, par value \$0.0001 per share.
- \$106.2 million was paid to holders of Legacy AvePoint common stock in exchange for 10,602,105 shares of common stock (as converted).
- Shares of Apex Class A common stock were cancelled and converted into 34,982,628 shares of our common stock.
- Shares of Apex Class B common stock were cancelled and converted into 9,560,000 shares of our common stock.
- Apex entered into subscription agreements with certain investors, whereby 14,000,000 shares of our common stock were sold at \$10.00 per share for an aggregate purchase price of \$140.0 million.
- A portion of Legacy AvePoint preferred stock was cancelled and converted into 28,500,592 shares of our common stock. The remaining preferred stock was redeemed for \$130.9 million.
- Options to purchase Legacy AvePoint common stock (other than certain options held by certain executives and options issued to certain international employees) were cancelled and converted into an option to purchase our common stock with the same terms and conditions (including vesting and exercisability terms) applicable to the corresponding former Legacy AvePoint options.
- Options to purchase Legacy AvePoint common stock issued to certain international employees were cancelled and converted into an option to purchase our common stock with the same terms and conditions with the exception of fully vested options which incurred an additional month of vesting following the Apex Business Combination to comply with local regulations.
- Legacy AvePoint Officer Awards, as defined in “Note 15 — Stock-Based Compensation,” were cancelled. Refer to “Note 15 — Stock-Based Compensation” for more information.
- Put options on Legacy AvePoint Modified Options and Modified Common Stock, as defined in “Note 15 — Stock-Based Compensation”, were cancelled. Refer to “Note 15 — Stock-Based Compensation” for more information.
- We entered into earn-out agreements to issue additional shares if certain share price milestones are achieved. Refer to “Note 13 — Company Earn-Out and Warrant Liabilities” for more information.
- We assumed public and private placement warrants from Apex. Refer to “Note 13 — Company Earn-Out and Warrant Liabilities” for more information.

As a result of the Apex Business Combination, we received net cash consideration of \$204.5 million. Legacy AvePoint and Apex incurred costs that are considered direct and incremental costs associated with the transaction. These costs amounted to \$56.2 million and were treated as a reduction of additional paid-in capital.

Cash flows provided to or paid by Legacy AvePoint or Apex in connection with the Apex Business Combination are included in our consolidated statements of cash flows as financing activities. Our purchase of shares of Apex common stock prior to the Apex Business Combination is included in our consolidated statements of cash flows as a financing cash outflow. The shares purchased are recorded as treasury stock.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

I-Access Acquisition

On the I-Access Closing Date, MaivenPoint consummated its acquisition of all of the ordinary shares of I-Access. As a result, I-Access became a wholly-owned subsidiary of MaivenPoint. The acquisition was made pursuant to the Share Purchase Agreement, by and among MaivenPoint and the former I-Access shareholders. The Company, through its subsidiary MaivenPoint, completed the acquisition of I-Access to further expand its SaaS solutions for corporate learning and development. The fair value of the transaction consideration totaled approximately \$7.1 million, consisting of: \$1.5 million in cash, and contingent consideration measured at a fair value of \$5.6 million on the I-Access Closing date. The above-mentioned contingent consideration consists of:

- (i) 2.98% of MaivenPoint common shares (of those, 292,440 shares were issued on the I-Access Closing Date and 30,252 shares were held in escrow pending distribution pursuant to the Adjustment for Guaranteed Minimum Revenue (as defined below));
- (ii) a put option which allows sellers to cause MaivenPoint to repurchase the shares of MaivenPoint for approximately \$5.9 million, upon 24 months from Acquisition Close Date or the occurrence of certain triggering events which are in the control of the Company; and
- (iii) earnout in MaivenPoint shares held in escrow at a fair value equal to revenue surplus above the agreed guaranteed minimum revenue amount, of up to approximately \$0.7 million, or the return of MaivenPoint shares at a fair value equal to the revenue shortfall below the agreed guaranteed minimum revenue amount, of up to approximately \$0.7 million (together, the “***Adjustment for Guaranteed Minimum Revenue***”). In the event of a revenue shortfall, all shares held in escrow would have been returned to MaivenPoint.

On April 15, 2022, the Company implemented a management changeover. As a result, pursuant to the terms of the Share Purchase Agreement, the Adjustment for Guaranteed Minimum Revenue was cancelled and the 292,440 MaivenPoint shares issued as consideration on the I-Access Closing Date, the 30,252 MaivenPoint shares held in escrow, the put option on MaivenPoint shares and the earnout in MaivenPoint shares were no longer contingent and were reclassified to mezzanine equity and included in redeemable noncontrolling interest.

The acquisition-related costs totaled \$0.3 million and are recognized as an expense within general and administrative in the consolidated statements of operations.

Prior to being reclassified to mezzanine equity, the contingent consideration was liability classified and was measured at fair value on the I-Access Closing Date and remeasured on the date the Adjustment for Guaranteed Minimum Revenue was cancelled. The fair value of the contingent consideration was estimated using a combination of multiple valuation methods, including discounted cash flows method, guideline public company method, and the Black-Scholes option-pricing model with the following weighted-average assumptions as of February 18, 2022, and April 15, 2022:

	February 18, 2022	April 15, 2022
Expected life (in years)	2.08	1.93
Expected volatility	50%	50%
Risk-free rate	1.23%	1.83%
Dividend	0%	0%

The contingent consideration fair value estimated on the I-Access Closing Date and the date the Adjustment for Guaranteed Minimum Revenue was cancelled was \$5.6 million and \$5.8 million, respectively. During the year ended December 31, 2022, the change in the fair value of \$0.2 million is included within general and administrative on the consolidated statements of operations. The financial results of I-Access have been included in our consolidated financial statements since the date of the acquisition. The I-Access business is reported within our reportable segment. In accordance with ASC 805-740, the Company established a deferred tax liability with an offset to goodwill in connection with the accounting for the opening balance sheet of the I-Access acquisition as a result of book-to-tax differences primarily related to the technology and software intangibles and customer related assets.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

The following table summarizes the final fair value of assets acquired and liabilities assumed as of the acquisition date:

	Purchase Consideration Allocation
	(in thousands)
Accounts receivable, net	\$ 429
Prepaid expenses and other current assets	72
Property and equipment	22
Goodwill	3,950
Technology and software	2,750
Customer related assets	909
Other assets	997
Accrued expenses and other liabilities	(718)
Current portion of deferred revenue	(230)
Other non-current liabilities	(1,072)
Total purchase consideration	\$ 7,109

The goodwill, which is generally not tax-deductible, is attributed to intangible assets that do not qualify for separate recognition, including the assembled workforce of the acquired business and the synergies expected to arise as a result of the acquisitions.

Intangible assets primarily relate to acquired technology and software and customer related assets. The acquired definite-lived intangible assets are being amortized over an estimated useful life of: (i) 10 years for technology and software on a straight-line basis; and (ii) 1 to 10 years for customer related assets on a straight-line basis. The estimated fair values of identifiable intangible assets were determined using the relief from royalty method which is based on the premise that the only value that a purchaser of the assets receives is the exemption from paying a royalty for its use over its remaining useful life. Some of the significant assumptions inherent in the development of such asset valuations include revenues, royalty rate, contributory asset charges, discount rate, useful life, as well as other factors.

Essential Acquisition

On August 25, 2022, the Company acquired all of the issued and outstanding equity interest in Essential Co. Ltd., a South Korea-based software solutions provider that will advance the Company's ability to enable organizations to accelerate data-driven digital transformation, for a total valuation of \$3.0 million with most of the value allocated to goodwill. The resulting goodwill is *not* deductible for income tax purposes.

tyGraph Companies Acquisition

On September 12, 2022, the Company consummated its acquisition of all of the outstanding shares of tyGraph Incorporated ("**tyGraph US**"), and AvePoint Ontario Ltd. ("**AvePoint Ontario**", a wholly-owned subsidiary of AvePoint) consummated its acquisition of all of the outstanding shares of tyGraph Ltd. ("**tyGraph Canada**" and, collectively with tyGraph US, the "**tyGraph Companies**"). On September 12, 2022, tyGraph Canada was merged with and into AvePoint Ontario, with AvePoint Ontario surviving. As a result, the tyGraph Companies became wholly-owned subsidiaries of AvePoint. The acquisition was made pursuant to a share purchase agreement, by and among AvePoint, AvePoint Ontario and the former tyGraph Companies shareholders. The Company completed the acquisition of the tyGraph Companies to further expand its SaaS solutions for providing robust analytics capabilities that enable organizations to uncover workplace engagement. The fair value of the transaction consideration totaled approximately \$15.3 million, consisting of: \$13.8 million in cash, and 324,845 of shares in the Company measured at a fair value of \$1.5 million on the closing date. The above-mentioned cash consideration consisted of:

- (i) the cash purchase price of \$13.5 million;
 - (ii) the entire outstanding principal and interest of the loans made to certain tyGraph Companies shareholders which was approximately \$0.2 million;
- and
- (iii) unpaid transaction costs incurred by the tyGraph Companies as of the open of business on the closing date which was approximately \$0.1 million.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

The acquisition-related costs incurred by the Company totaled \$0.4 million and are recognized as an expense within general and administrative in the consolidated statements of operations.

The financial results of the tyGraph Companies have been included in our consolidated financial statements since the date of the acquisition. The tyGraph Companies businesses are reported within our reportable segment. In accordance with ASC 805-740, the Company established a deferred tax liability with an offset to goodwill in connection with the accounting for the opening balance sheet of the tyGraph Companies acquisition as a result of book-to-tax differences primarily related to the technology and software intangibles and customer related assets.

The following table summarizes the final fair value of assets acquired and liabilities assumed as of the acquisition date:

	Purchase Consideration Allocation
	(in thousands)
Accounts receivable, net	\$ 449
Prepaid expenses and other current assets	262
Property and equipment	30
Goodwill	12,193
Customer related assets	3,868
Technology and software	2,552
Other assets	219
Accounts payable	(93)
Accrued expenses and other liabilities	(342)
Current portion of deferred revenue	(2,079)
Other non-current liabilities	(1,724)
Total purchase consideration	<u>\$ 15,335</u>

The goodwill, which is generally not tax-deductible, is attributed to intangible assets that do not qualify for separate recognition, including the assembled workforce of the acquired business and the synergies expected to arise as a result of the acquisition.

Intangible assets primarily relate to acquired technology and software and customer related assets. The acquired definite-lived intangible assets are being amortized over an estimated useful life of: (i) 6 years for technology and software on a straight-line basis; and (ii) 10 years for customer related assets on a straight-line basis. The estimated fair values of identifiable intangible assets were determined using the relief from royalty method which is based on the premise that the only value that a purchaser of the assets receives is the exemption from paying a royalty for its use over its remaining useful life. Some of the significant assumptions inherent in the development of such asset valuations include revenues, royalty rate, contributory asset charges, discount rate, useful life, as well as other factors.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

4. Goodwill

The changes in the carrying amounts of goodwill were as follows:

	Goodwill
	(in thousands)
Balance as of December 31, 2022	\$ 18,904
Acquisitions	—
Effect of foreign currency translation	252
Balance as of December 31, 2023	\$ 19,156

During the years ended December 31, 2023 and 2022, goodwill was not impaired.

5. Intangible Assets, net

Intangible assets consist of acquired intangible assets and internally-developed software. Amortization expense for intangible assets was \$2.1 million and \$1.4 million for the years ended December 31, 2023 and 2022, respectively. There was no amortization expense for intangible assets for the year ended December 31, 2021.

A summary of the balances of the Company's intangible assets as of December 31, 2023 and 2022 is presented below:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount December 31, 2023	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount December 31, 2022	Useful Life
			(in thousands)				(in years)
Technology and software, net	7,976	(1,758)	6,218	6,842	(777)	6,065	3.0-10.0
Customer related assets, net	4,546	(640)	3,906	4,799	(477)	4,322	10.0
Content, net	843	(421)	422	830	(138)	692	3.0
Total	\$ 13,365	\$ (2,819)	\$ 10,546	\$ 12,471	\$ (1,392)	\$ 11,079	

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

As of December 31, 2023, estimated future amortization expense for the intangible assets reflected above was as follows:

Year Ending December 31:

	(in thousands)
2024	\$ 2,328
2025	1,946
2026	1,451
2027	1,161
2028	1,016
Thereafter	2,644
Total intangible assets subject to amortization	<u>\$ 10,546</u>

6. Accounts Receivable, Net

Accounts receivable, net, consists of the following components:

	December 31, 2023	December 31, 2022
	(in thousands)	
Trade receivables	\$ 60,508	\$ 47,046
Current unbilled receivables	26,295	20,153
Allowance for doubtful accounts	(926)	(725)
	<u>\$ 85,877</u>	<u>\$ 66,474</u>

Long-term unbilled receivables were \$8.2 million and \$6.9 million as of December 31, 2023 and 2022, respectively, and were included in other assets on the consolidated balance sheets.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

7. Property and Equipment, Net

Property and equipment, net, consists of the following:

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
	(in thousands)	
Computer equipment	\$ 6,633	\$ 6,079
Leasehold improvements	4,206	3,823
Furniture and fixtures	1,320	1,316
Building	707	725
Office equipment	390	493
Software	294	347
	<u>13,550</u>	<u>12,783</u>
Less accumulated depreciation and amortization	(8,432)	(7,246)
	<u>\$ 5,118</u>	<u>\$ 5,537</u>

Depreciation and amortization expense was \$2.6 million, \$2.1 million and \$1.2 million for the years ended December 31, 2023, 2022 and 2021, respectively.

8. Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consists of the following components:

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
	(in thousands)	
Accrued compensation	\$ 27,820	\$ 26,585
Current operating lease liabilities	5,337	5,392
Indirect taxes	4,540	3,638
Cloud service fees	3,827	2,285
Professional service fees	2,469	1,464
Accrued partner expenses	1,681	1,445
Income taxes payable	2,053	1,055
Other	6,039	5,920
	<u>\$ 53,766</u>	<u>\$ 47,784</u>

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

9. Line of Credit

The Company maintains a loan and security agreement (the “*Loan Agreement*”) with HSBC Bank USA, National Association (“*HSBC*”), as lender, for a revolving line of credit of up to \$30.0 million, with an accordion feature that provides up to \$20.0 million of additional borrowing capacity the Company may draw upon at its request. The line bears interest at a rate equal to term SOFR plus 3.00% to 3.25% depending on the Consolidated Total Leverage Ratio (as defined in the Loan Agreement). The line carries an unused fee ranging from 0.50% to 0.55% depending on the Consolidated Total Leverage Ratio. The line will mature on November 3, 2026. We are required to maintain a minimum Consolidated Fixed Charge Coverage Ratio (as defined in the Loan Agreement) as well as a maximum Consolidated Total Leverage Ratio, tested by the bank each quarter. The Company pledged, assigned and granted the bank a security interest in all shares of its subsidiaries, future proceeds and assets (except for excluded assets, including material intellectual property) as security for the performance of the loan and security agreement obligations. As of December 31, 2023, the Company is compliant with all covenants under the line and had no borrowings outstanding under the line of credit.

The Company has not at any time, including as of December 31, 2023, and for the fiscal year ended December 31, 2023, borrowed under the Loan Agreement.

10. Income Taxes

Pretax loss resulting from domestic and foreign operations is as follows:

	Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
Domestic	\$ (31,398)	\$ (17,081)	\$ (23,583)
Foreign	12,784	(16,569)	(9,205)
Pretax loss from continuing operations	<u>\$ (18,614)</u>	<u>\$ (33,650)</u>	<u>\$ (32,788)</u>

The components of the provision (benefit) for income taxes consists of the following:

	Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
Current income tax expense:			
Federal	\$ 3,188	\$ 1,937	\$ 467
State and local	(1,121)	668	(881)
Foreign	1,691	(1,478)	1,117
Total current income tax expense	3,758	1,127	703
Deferred income tax expense (benefit):			
Federal	—	2,370	89
State and local	—	(820)	(12)
Foreign	(871)	2,361	(323)
Total deferred income tax expense (benefit)	(871)	3,911	(246)
Total income tax expense	<u>\$ 2,887</u>	<u>\$ 5,038</u>	<u>\$ 457</u>

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

The reconciliation of the amounts at the U.S. federal statutory income tax rate to the company's effective income tax rate is as follows:

	Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
U.S. federal statutory tax rate	\$ (3,909)	\$ (7,067)	\$ (6,886)
State and local income taxes, net	(2,077)	(292)	(962)
Stock-based compensation	3,117	(51)	10,865
Executive compensation limitation	449	3,566	—
Fair value of earnout liability	2,165	(828)	(3,946)
GILTI inclusion, net	1,940	—	—
Foreign-derived intangible income deduction	(1,534)	—	—
Transaction costs	—	125	(2,209)
Change in valuation allowance	1,794	12,844	3,085
Deferred rate change	2,076	—	—
Foreign rate differential	(1,107)	(2,066)	440
Return-to-provision adjustments	274	(1,029)	(196)
Permanent differences	(343)	29	334
Other, net	42	(193)	(68)
Total	<u>\$ 2,887</u>	<u>\$ 5,038</u>	<u>\$ 457</u>

The Company's effective tax rate differed from the U.S. federal statutory rate primarily due to mix of pre-tax income (loss) results by jurisdictions taxed at different rates than 21%, a permanent item recorded for the executive compensation limitation, and changes in valuation allowance in certain foreign jurisdictions.

Deferred income taxes are provided for the tax effect of temporary differences between the financial reporting basis and the tax basis of assets and liabilities. Significant components of the Company's deferred tax assets and (liabilities) are as follows:

	December 31,	December 31,
	2023	2022
	(in thousands)	
Deferred Tax Assets:		
Net operating loss carryforwards	\$ 9,634	\$ 13,775
Deferred revenue	8,653	4,301
Compensation and benefits	6,996	6,567
Research and development expenses	11,086	6,169
Lease liability	2,518	3,622
Foreign tax credits	—	270
Fair value of earnout liability	305	93
Other	26	457
Total Deferred Tax Assets	<u>39,218</u>	<u>35,254</u>
Less: Valuation allowance	<u>(22,469)</u>	<u>(20,808)</u>
Deferred Tax Assets, net	16,749	14,446
Deferred Tax Liabilities:		
Property and equipment	(178)	(197)
Amortization	(2,395)	(2,595)
Commissions	(11,543)	(8,384)
Prepaid subscription	(1,569)	(836)
Unbilled receivable	(435)	(1,489)
Right-of-use assets	(2,290)	(3,402)
Total Deferred Tax Liability	<u>(18,410)</u>	<u>(16,903)</u>
Net Deferred Tax Liabilities	<u>\$ (1,661)</u>	<u>\$ (2,457)</u>

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Deferred tax assets are included within the consolidated balance sheets as follows:

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
	(in thousands)	
Deferred Tax Assets, net	\$ 1,738	\$ 488
Deferred Tax Liabilities	(3,399)	(2,945)
Net Deferred Tax Liabilities	<u>\$ (1,661)</u>	<u>\$ (2,457)</u>

As of December 31, 2023, the Company had net operating loss (“**NOL**”) carryforwards for state and local income tax of \$14.5 million, which may offset future taxable income. The state NOL carryforwards begin to expire in 2026. The Company also has foreign NOL carryforwards of approximately \$41.2 million, which will expire beginning 2024 and NOL carryforward periods vary from 6 years to indefinite period.

Under the provisions of the Internal Revenue Code, the U.S. NOL carryforwards are subjected to review and possible adjustment by the Internal Revenue Service and state tax authorities. NOL and tax credit carryforwards may become subject to an annual limitation in the event of a 50% cumulative change in the ownership interest of significant stockholders over a three-year period in excess of 50%, as defined under Sections 382 and 383 of the Internal Revenue Code, as well as similar state tax provisions. This could limit the amount of NOLs that the Company can utilize annually to offset future taxable income or tax liabilities. The amount of the annual limitation, if any, will be determined based on the value of the Company immediately prior to the ownership change. The Company may have experienced an ownership change prior to December 31, 2023, however, the Company does not believe its NOL carryforwards would be limited under IRC Section 382. The Company could experience an ownership change in the future which could limit the utilization of certain NOL carryforwards.

ASC 740-10-30-5 requires that a valuation allowance be established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. In making this assessment, management considered all available positive and negative evidence, including the level of historical taxable income, future reversals of existing temporary differences, tax planning strategies, and projected future taxable income. On the basis of this evaluation, a valuation allowance of \$22.5 million and \$20.8 million was recorded as of December 31, 2023 and 2022, respectively, against certain jurisdictions’ net deferred tax assets for which it is more likely than not that the tax benefit will not be realized.

As of December 31, 2023, the Company did not provide any foreign withholding taxes related to its foreign subsidiaries’ undistributed earnings, as such earnings have been retained and are intended to be indefinitely reinvested to fund ongoing operations of the foreign subsidiaries. It is not practicable to estimate the amount of taxes that would be payable upon remittance of these earnings, because such tax, if any, is dependent upon circumstances existing if and when remittance occurs.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

A reconciliation of the beginning and ending amounts of unrecognized tax benefits, excluding interest and penalties is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
		(in thousands)	
Beginning balance	\$ 141	\$ 1,088	\$ 5,369
Additions based on tax positions related to the current year	—	—	—
Reduction for tax positions of prior years	—	(12)	(4,281)
Reduction for settlements	—	(935)	—
Expiration of applicable statute of limitations	(7)	—	—
Ending balance	<u>\$ 134</u>	<u>\$ 141</u>	<u>\$ 1,088</u>

The Company recognizes accrued interest and penalties related to unrecognized tax benefits as part of the provision for income taxes. As of December 31, 2023 and 2022, the Company had \$0.2 million and \$0.2 million, respectively, of accrued interest and penalties associated with unrecognized tax benefits. These amounts were included in other non-current liabilities in their respective years. As of December 31, 2023, and December 31, 2022, the total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate was not material.

The Company files income tax returns in the U.S. federal jurisdiction, various state and foreign jurisdictions. The tax years 2019 through 2022 generally remain open for examination for federal, state and local tax purposes. The tax years 2013 through 2022 are open and subject to audit by foreign jurisdictions.

11. Leases

The Company is obligated under various non-cancelable operating leases primarily for office space. The initial terms of the leases expire on various dates through 2030. We determine if an arrangement is a lease at inception.

The components of the Company's operating lease expense are reflected in the consolidated statements of operations as follows:

	<u>Year Ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
		(in thousands)
Lease liability cost	\$ 6,978	\$ 5,945
Short-term lease expenses (1)	777	1,760
Variable lease cost not included in the lease liability (2)	477	261
Total lease cost	<u>\$ 8,232</u>	<u>\$ 7,966</u>

(1) Short-term lease expenses include rent expenses from leases of 12 months or less on the transition date or lease commencement.

(2) Variable lease cost includes common area maintenance, property taxes, and fluctuations in rent due to a change in an index or rate.

Our lease agreements generally contain lease and non-lease components. Non-lease components primarily include payments for maintenance and utilities. We elected to combine fixed payments for non-lease components, for all classes of underlying assets, with our lease payments and account for them together as a single lease component which increases the amount of our lease assets and liabilities.

During the year ended December 31, 2023, ROU assets obtained in exchange for new operating lease liabilities amounted to \$4.3 million.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Other information related to operating leases is as follows:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Cash paid for amounts included in the measurement of the lease liability:		
Operating cash flows from operating leases	\$ 7,190	\$ 5,626

As of December 31, 2023 and 2022, our operating leases had weighted average remaining lease terms of 3.8 years and 4.4 years, respectively, and weighted average discount rates of 5.6% and 5.1%, respectively.

The maturity schedule of the operating lease liabilities as of December 31, 2023, is as follows:

Year Ending December 31:

	(in thousands)	
2024	\$	5,998
2025		4,073
2026		2,513
2027		1,721
2028		789
Thereafter		1,212
Total future lease payments		16,306
Less: Present value adjustment		(1,586)
Present value of future lease payments (1)	\$	14,720

(1) Includes the current portion of operating lease liabilities of \$5.3 million, which is reflected in accrued expenses and other liabilities in the consolidated balance sheets.

As of December 31, 2023, letters of credit have been issued in the amount of \$1.0 million as security for operating leases. The letters of credit are secured by certificates of deposit.

During the year ended December 31, 2021, total rent expenses amounted to \$6.4 million.

The future minimum rental payments under ASC 840 for all long-term non-cancelable property leases as of December 31, 2021, were as follows:

Year Ending December 31:

	(in thousands)	
2022	\$	5,680
2023		3,808
2024		2,428
2025		1,840
2026		1,438
Thereafter		2,960
	\$	18,154

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

12. Commitments and Contingencies

Purchase Commitments

The Company has outstanding unconditional purchase commitments to procure licenses to use IT software from suppliers. These agreements are negotiated in consideration of the volume of transactions with select suppliers and the associated required transaction volumes are expected to be met through the normal course of business.

In July 2022, the Company signed an unconditional purchase commitment related to the use of Microsoft Office 365 in the amount of \$6.1 million payable in three installments during 2022, 2023, and 2024. During the year ended December 31, 2022, the Company paid \$1.9 million related to the July 2022 agreement. During the year ended December 31, 2023, the Company paid \$2.0 million related to the July 2022 agreement.

In December 2022, the Company signed an unconditional purchase commitment in the amount of \$96.0 million to purchase IT solutions over a three-year term. Under this agreement, payments are made upon access to the service and any remaining obligations due at the end of the three-year term in December 2025. Given the Company's history of procuring similar products, it is expected that cash payments to the supplier will occur in 2023 through 2025 with any remaining amounts coming due in 2025. During the year ended December 31, 2023, the Company paid \$21.7 million related to the December 2022 agreement.

The Company is obligated to make the following future minimum payments under the non-cancelable terms of these contracts as of December 31, 2023:

Years ending December 31,

	(in thousands)
2024	\$ 2,213
2025	74,263
2026	—
2027	—
2028	—
Thereafter	—
	<u>\$ 76,476</u>

Legal Proceedings

In the normal course of its business, the Company may be involved in various claims, negotiations and legal actions. Except for such claims that arise in the normal course of business, as of December 31, 2023, the Company was not a party to any other litigation for which a material claim is reasonably possible, probable or estimable.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Guarantees

In the normal course of business, customers in certain geographies or in highly regulated sectors occasionally require contingency agreements, which are secured by certificates of deposit. As of December 31, 2023, letters of credit have been issued in the amount of \$3.4 million, as security for the agreements. These agreements have not had a material effect on our results of operations, financial position or cash flow.

13. Company Earn-Out and Warrant Liabilities

Company Earn-Out

Certain holders of common stock and certain holders of options shall be issued additional shares of AvePoint's common stock, as follows:

- 1,000,000 shares of AvePoint's common stock, in the aggregate, if at any time from July 1, 2021 through July 1, 2028 (a) AvePoint's stock price is greater than or equal to \$12.50 over any 20 Trading Days within any 30-day trading period or (b) the Company consummates a subsequent transaction, which results in the stockholders of the Company having the right to exchange their shares for cash, securities or other property having a value equaling or exceeding \$12.50 per share;
- 1,000,000 shares of AvePoint's common stock, in the aggregate, if at any time from July 1, 2021 through July 1, 2028 (a) AvePoint's stock price is greater than or equal to \$15.00 over any 20 Trading Days within any 30-day trading period or (b) the Company consummates a subsequent transaction, which results in the stockholders of the Company having the right to exchange their shares for cash, securities or other property having a value equaling or exceeding \$15.00 per share;
- 1,000,000 shares of AvePoint's common stock, in the aggregate, if at any time from July 1, 2021 through July 1, 2028 (a) AvePoint's stock price is greater than or equal to \$17.50 over any 20 Trading Days within any 30-day trading period or (b) the Company consummates a subsequent transaction, which results in the stockholders of the Company having the right to exchange their shares for cash, securities or other property having a value equaling or exceeding \$17.50 per share.

The rights described above are hereafter referred to as the "***Company Earn-Out Shares***". To the extent that any portion of the Company Earn-Out Shares that would otherwise be issued to a holder of options that remain unvested at the date of the milestones described above, then in lieu of issuing the applicable Company Earn-Out Shares, the Company shall instead issue an award of RSUs of the Company for a number of shares of AvePoint's common stock equal to such portion of the Company Earn-Out Shares issuable with respect to the unvested options (the "***Company Earn-Out RSUs***"). In evaluation of the Company Earn-Out Shares and Company Earn-Out RSUs, management determined that the Company Earn-Out Shares represent derivatives to be marked to market at each reporting period, while the Company Earn-Out RSUs represent equity under ASC 718. Refer to "***Note 15 — Stock-Based Compensation***" for more information regarding the Company Earn-Out RSUs.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

In order to capture the market conditions associated with the Company Earn-Out Shares, the Company applied an approach that incorporated a Monte Carlo simulation, which involved random iterations that took different future price paths over the Sponsor Earn-Out Shares' contractual life based on the appropriate probability distributions. The fair value was determined by taking the average of the fair values under each Monte Carlo simulation trial. The Monte Carlo model requires highly subjective assumptions including the expected volatility of the price of our common stock, and the expected term of the earn-out shares. Significant increases or decreases to these inputs in isolation could result in a significantly higher or lower liability. Under this approach, the fair value of the Company Earn-Out Shares on July 1, 2021, was determined to be \$29.6 million. The fair value was remeasured as of December 31, 2023 and 2022, and was determined to be \$18.3 million and \$6.6 million, respectively, and included in the earn-out shares' liabilities in the consolidated balance sheets. As a result, \$11.1 million loss, \$4.3 million gain and \$20.3 million gain was recognized during the years ended December 31, 2023, 2022 and 2021, respectively, and included as other (expense) income, net in the consolidated statements of operations. We estimated the earn-out shares fair value using a Monte Carlo model with the following significant unobservable assumptions:

	December 31, 2023	December 31, 2022	July 1, 2021
Term (in years)	4.50	5.50	7.00
Volatility	55.00%	55.00%	40.00%

Private Warrants to Acquire Common Stock

On July 1, 2021, the Company granted 405,000 private placement warrants with a 5-year term and strike price of \$11.50 per share. Management has determined that the private placements warrants are to be classified as liabilities to be marked to market at each reporting period.

The private placement warrants are non-transferable and any transfer to an unrelated party would cause the warrants to be converted into public warrants. Consequently, the fair value of the private placement warrants is equivalent to the quoted price of the publicly traded warrants. Under this approach, the fair value of the private placement warrants on July 1, 2021, was determined to be \$1.4 million. The fair value was remeasured as of December 31, 2023 and 2022, and was determined to be \$0.5 million and \$0.2 million, respectively, and included in the other non-current liabilities in the consolidated balance sheets. As a result, \$0.3 million loss, \$0.2 million gain, and \$0.9 million gain was recognized during the years ended December 31, 2023, 2022 and 2021, respectively, and included as other (expense) income, net in the consolidated statements of operations.

14. Mezzanine Equity and Stockholders' Equity

The Company has one class of capital stock: common stock. The following summarizes the terms of the Company's capital stock.

Common Stock

Pursuant to the Company's restated Articles of Incorporation, the Company is authorized to issue up to 1,000,000,000 shares of common stock at \$0.0001 par value. There were 184,652,402 and 185,277,588 shares issued and outstanding, including treasury shares, if any, as of December 31, 2023 and 2022, respectively. Each share of common stock is entitled to one vote. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when declared by the Company's Board of Directors. The Company's Board of Directors has not declared common stock dividends since inception. During the year ended December 31, 2023, the Company repurchased 6,719,032 shares and retired 10,908,782 shares. The shares were returned to the status of authorized but unissued shares. As a result, common stock amount, additional paid-in capital, and accumulated deficit in the consolidated balance sheet were reduced by \$0.0 million, \$38.9 million, and \$21.8 million, respectively.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Share Repurchase Program

On March 17, 2022, the Company announced that its Board of Directors authorized a new share repurchase program (the “**Share Repurchase Program**”) for the Company to buy back shares of its common stock. Under the Share Repurchase Program, the Company has the authority to buy up to \$150 million of common stock via acquisitions in the open market or privately negotiated transactions. The Share Repurchase Program will remain open for a period of three years from the date of authorization and may be suspended or discontinued at any time. The Company is not obligated to make purchases of, nor is it obligated to acquire any particular amount of, common stock under the Share Repurchase Program. During the years ended December 31, 2023 and 2022, the Company purchased 6,719,032 and 4,046,186 shares, respectively, at an average price of \$5.81 and \$4.92 per share, respectively.

Sponsor Earn-Out Shares

On July 1, 2021 the Company modified the terms of 2,916,700 shares of common stock (“**Sponsor Earn-Out Shares**”) then held by Apex’s sponsor, such that such shares will be subject to the following vesting provisions:

- 100% of the Sponsor Earn-Out Shares shall vest and be released if at any time through July 1, 2028, AvePoint’s stock price is greater than or equal to \$15.00 (as adjusted for share splits, share capitalization, reorganizations, recapitalizations and the like) over any 20 trading days within any 30-day trading period; and
- 100% of the remaining Sponsor Earn-Out Shares that have not previously vested shall vest and be released if at any time through July 1, 2028, the Company consummates a subsequent transaction.

The Sponsor Earn-Out Shares are currently outstanding and receive all benefits of regular shares with the exception of the fact that the shares are held in escrow and restricted from transfer until the vesting conditions described above are met. Consequently, the shares are classified as equity. No Sponsor Earn-Out Shares have vested as of December 31, 2023.

Public Warrants to Acquire Common Stock

On July 1, 2021, the Company issued 17,500,000 public warrants with an exercise price of \$11.50. Each warrant entitles the registered holder to purchase one share of AvePoint’s common stock and the warrants are exercisable from the date of issuance through July 1, 2026. The public warrants are equity classified and its fair value, based on the publicly traded warrants, was \$59.3 million on July 1, 2021, and included in the additional paid-in capital on the consolidated balance sheets. As of December 31, 2023 and 2022, all 17,500,000 warrants remain outstanding.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Redeemable Noncontrolling Interest

On December 24, 2020, AEPL, an unaffiliated entity, acquired a redeemable noncontrolling interest in MaivenPoint through the contribution of \$7.5 million. As of December 31, 2020, AvePoint owned a 77.78% interest in MaivenPoint and AEPL owned a 22.22% interest in MaivenPoint.

On February 11, 2021, AEPL acquired additional redeemable noncontrolling interest in MaivenPoint through the contribution of \$0.8 million. At the transaction closing date, AvePoint owned a 76.09% interest in MaivenPoint and AEPL owned a 23.91% interest in MaivenPoint. As part of AEPL's initial and subsequent investment in MaivenPoint, the Company granted AEPL a put option which allows AEPL to cause the Company to repurchase AEPL's shares in MaivenPoint at any time between December 24, 2022, and December 24, 2023, at a price equal to AEPL's initial and subsequent investment amounts.

On February 18, 2022, MaivenPoint consummated the acquisition of 100% of the equity in I-Access for an aggregate purchase price of approximately \$7.1 million. The negotiated transaction consideration includes MaivenPoint issuing shares and rights for shares which both also subject to a guaranteed minimum revenue provision (the "**GMR**"), and granting the former I-Access shareholders a put option which allows sellers to cause MaivenPoint to repurchase the shares of MaivenPoint for approximately \$5.9 million, upon 24 months from Acquisition Close Date or the occurrence of certain triggering events which are in the control of the Company. Under the GMR the former I-Access shareholders may have earned additional shares or return shares base on a revenue surplus and shortfall outcome.

On April 15, 2022, the Company implemented a management changeover. As a result, pursuant to the terms of the Share Purchase Agreement, the GMR was cancelled and the 292,440 MaivenPoint shares issued as consideration on the I-Access Closing Date, the 30,252 MaivenPoint shares held in escrow, and the put option on MaivenPoint shares were no longer contingent, reclassified to mezzanine equity and included in redeemable noncontrolling interest. From the date the GMR was cancelled to December 31, 2023, AvePoint owned a 73.82% interest in MaivenPoint, AEPL owned a 23.20% interest in MaivenPoint and the former I-Access shareholders owned a 2.98% interest in MaivenPoint.

On December 24, 2023, the put option granted to AEPL expired. The redeemable noncontrolling interest owned by AEPL was reclassified to equity and is presented in the Stockholders' equity section of the consolidated balance sheets for the year ended December 31, 2023.

During February 2024, certain of the former I-Access shareholders submitted notices of exercise of the put option of approximately \$5.5 million.

The roll forward of the balance of the redeemable noncontrolling interest is as follows:

	Redeemable Noncontrolling Interest		
	Year Ended December 31,		
	2023	2022	2021
		(in thousands)	
Beginning balance	\$ 14,007	\$ 5,210	\$ 3,061
Issuance of redeemable noncontrolling interest	—	5,794	238
Reclassification of redeemable noncontrolling interest	(8,148)	—	—
Net loss attributable to redeemable noncontrolling interest	(38)	(401)	(847)
Other comprehensive income (loss) attributable to redeemable noncontrolling interest	5	61	(63)
Adjustment to present redemption value	212	3,343	2,821
Ending balance	<u>\$ 6,038</u>	<u>\$ 14,007</u>	<u>\$ 5,210</u>

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

15. Stock-Based Compensation

The Company maintains the 2021 Equity Incentive Plan (the “**2021 Plan**”). As of December 31, 2023, 23,202,700 shares remained for future issuance under the 2021 Plan. To date, the Company has issued only stock options, restricted stock and restricted stock units to employees, directors and consultants.

Stock-based compensation was included in the following line items in the consolidated statements of operations:

	Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
Cost of revenue	\$ 3,161	\$ 2,640	\$ 3,477
Sales and marketing	9,518	11,393	15,906
General and administrative	19,338	19,398	24,063
Research and development	4,031	3,787	16,062
Total stock-based compensation	<u>\$ 36,048</u>	<u>\$ 37,218</u>	<u>\$ 59,508</u>

Total tax benefit related to vested or exercised awards during the years ended December 31, 2023, 2022 and 2021 was \$2.5 million, \$2.2 million and \$0.03 million, respectively.

Stock Options

The compensation costs for stock option awards are accounted for in accordance with ASC 718, *Compensation-Stock Compensation*. Stock options vest over a four-year service period and expire on the tenth anniversary of the date of award.

Certain of the Company’s stock option awards (the “**Officer Awards**”) included a provision that required the Company to redeem the vested portion of options at fair value in cash upon a separation of service initiated by the Company or upon death or disability of the holder. The Company determined that the redemption feature required the Officer Awards to be classified in mezzanine equity prior to the Apex Business Combination. For share-based payment arrangements with employees, the amount presented in mezzanine equity at each balance sheet date was based on the redemption provisions of the instrument and adjusted for the proportion of consideration received in the form of employee services. The shares underlying the Officer Awards were puttable to the Company upon certain conditions, such as death or disability of the Officer Awards recipients, which the Company determined was not probable; therefore, the Company reclassified the grant-date intrinsic value to mezzanine equity as the awards vested. The Officer Awards were cancelled in 2021, concurrent with the Apex Business Combination. In exchange for the cancellation of the Officer Awards, the Company agreed to deliver to the holders of the Officer Awards a fixed amount of shares equal to the amount of shares the holders would have received if the Officer Awards were exercised on the date of the Apex Business Combination in a net share settlement scenario. The cancelled Officer Awards were treated as modification of the original awards under ASC 718; however, no incremental value exists as a result of the modification. As a result of the cancellation of the original Officer Awards, the \$1.7 million mezzanine balance was reclassified to permanent equity on July 1, 2021, and the Company recognized \$3.5 million in previously unrecognized compensation costs. As a result, the Company issued 3,592,504 shares in July 2022.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

The Company's stock option awards granted to certain international employees (the "*Legacy International Options*") contained a performance condition that stated that the awards are only exercisable if the Company's common shares are publicly traded. When the exercise contingency was resolved upon completion of the Apex Business Combination, the Legacy International Options were cancelled and replaced with new awards with substantially the same terms and conditions (the "*International Options*"). Prior to the Apex Business Combination, no compensation expense related to the Legacy International Options was recognized, as the exercise contingency was not deemed probable until the occurrence of the Apex Business Combination. Had the exercise contingency been deemed probable, the Legacy International Options would have been classified as liabilities. After the Apex Business Combination vested International Options can be exercised utilizing broker-assisted settlements; therefore, the International Options are classified as equity. As a result of this change in classification, the Company calculated the fair value of the awards on July 1, 2021, for purposes of compensation expense. In accordance with ASC 718, all previously unrecognized compensation since the grant date was immediately recognized upon resolution of the exercise contingency. As a result, in 2021 the Company recognized a one-time charge of \$24.3 million in previously unrecognized compensation costs.

In 2020, the Company granted certain executives stock option awards that contain both service and performance vesting conditions (the "*Time and Performance Based Options*"). The Time and Performance Based Options were granted in three tranches (the "*Time-Based Options*," the "*Performance-Based I Options*," and the "*Performance-Based II Options*"). The Time-Based Option vests over a four-year period, subject to the grantee's continuous service with the Company. The Performance-Based I Option vests contingent upon the Company meeting certain performance goals. These goals were considered met in 2021. The Performance-Based II Option vests contingent upon the grantee achieving certain goals. These goals were considered met on January 1, 2021. Both the Performance-Based I Option and Performance-Based II Option are subject to the grantee's continuous service to the company.

The weighted-average grant date fair value of options granted in the years ended December 31, 2023, 2022 and 2021 was \$2.49, \$2.71 and \$4.09, respectively. The Company calculates the expected term using the "simplified" method, which is the simple average of the vesting period and the contractual term. The simplified method is applied as the Company does not have sufficient historical data to provide a reasonable basis for an estimate of the expected term. Expected volatility is based on historical and implied volatility of a group of peer entities over a similar expected term. Dividend yields are based upon historical dividend yields. Risk-free interest rates are based on the implied yields currently available on U.S. Treasury zero coupon issues with a remaining term equal to the expected term.

The Company estimated the grant date fair value of these stock options using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2023	2022	2021
Expected term (in years)	6.11	6.11	6.11
Expected volatility	59.19%	45.18%	43.31%
Risk-free rate	3.63%	2.16%	0.94%
Dividend yield	—	—	—

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

A summary of the Company's stock option activity during the year ended December 31, 2023 is as follows:

	<u>Stock Options</u>	<u>Weighted-Average Exercise Price</u>	<u>Weighted-Average Remaining Contractual Life</u>
Balance, January 1, 2023	29,167,803	\$ 4.05	6.53
Granted	1,125,374	4.22	—
Exercised	(2,840,716)	1.96	—
Forfeited or expired	(260,276)	7.03	—
Balance, December 31, 2023	<u>27,192,185</u>	<u>\$ 4.25</u>	<u>5.91</u>

As of December 31, 2023, the following table summarizes information about outstanding and exercisable stock options:

<u>Exercise Price</u>	<u>Outstanding</u>			<u>Exercisable</u>		
	<u>Stock Options</u>	<u>Weighted- Average Contractual Life</u>	<u>Weighted- Average Exercise Price</u>	<u>Stock Options</u>	<u>Weighted- Average Contractual Life</u>	<u>Weighted- Average Exercise Price</u>
\$ 0.16 - \$ 1.34	5,401,719	2.68	\$ 1.28	5,401,719	2.68	\$ 1.28
\$ 1.52 - \$ 1.89	4,051,290	4.74	1.61	4,051,290	4.74	1.61
\$ 3.90 - \$ 9.64	17,739,176	7.16	5.75	11,785,430	6.93	5.44
	<u>27,192,185</u>	<u>5.91</u>	<u>\$ 4.25</u>	<u>21,238,439</u>	<u>5.43</u>	<u>\$ 3.65</u>

As of December 31, 2023, there was \$15.7 million in unrecognized compensation costs related to all non-vested options. This unrecognized stock-based compensation cost is expected to be recognized over a weighted-average period of approximately 1.7 years.

As of December 31, 2023, the Company had 27,192,185 options outstanding and 21,238,439 options exercisable with intrinsic values of \$115.5 million and \$101.2 million, respectively. During the year ended December 31, 2023, 2,840,716 options were exercised, with a total intrinsic value of \$11.8 million. During the year ended December 31, 2022, 1,799,665 options were exercised, with a total intrinsic value of \$6.6 million. During the year ended December 31, 2021, 5,141,331 options were exercised, with a total intrinsic value of \$40.0 million. Total cash received from exercise of options during the years ended December 31, 2023, 2022 and 2021 was \$5.6 million, \$2.8 million and \$5.6 million, respectively.

Restricted Stock Units

In addition to Stock Options granted under the 2021 Plan, 6,752,588 RSUs were granted under the 2021 Plan in 2023. The compensation costs for stock option awards are accounted for in accordance with ASC 718, Compensation-Stock Compensation. RSUs vest over a four-year service period from the grant date and are measured at the fair market value of the underlying stock at the grant date.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

A summary of the Company's RSU activity during the year ended December 31, 2023 is as follows:

	Unvested Restricted Stock Units	
	Number of Shares	Weighted-Average Grant-Date Fair Value
Unvested as of December 31, 2022	8,392,543	\$ 7.10
Granted	6,752,588	4.38
Vested	(3,253,130)	7.02
Forfeited	(1,189,412)	5.94
Unvested as of December 31, 2023	<u>10,702,589</u>	<u>\$ 5.54</u>

The per share weighted-average grant date fair value of RSUs granted during the years ended December 31, 2023, 2022 and 2021 was \$4.38, \$5.55 and \$9.64, respectively.

The total fair value of shares vested during the years ended December 31, 2023, 2022 and 2021 was \$18.9 million, \$8.2 million and \$9.5 million, respectively.

As of December 31, 2023, there was \$52.4 million in unrecognized compensation costs specific to the non-vested RSUs under the 2021 Plan. This unrecognized stock-based compensation cost is expected to be recognized over a weighted-average period of approximately 2.5 years.

Company Earn-Out RSUs

The compensation costs for Company Earn-Out RSUs are accounted for in accordance with ASC 718, *Compensation-Stock Compensation*. In order to capture the market conditions associated with the Company Earn-Out RSUs, the Company applied an approach that incorporated a Monte Carlo simulation, which involved random iterations that took different future price paths over the Sponsor Earn-Out RSUs' contractual life based on the appropriate probability distributions. The fair value was determined by taking the average of the fair values under each Monte Carlo simulation trial. Under this approach, the grant-date fair value of the Company Earn-Out RSUs on July 1, 2021, was determined to be \$2.5 million. The stock options underlying the Earn-Out RSUs vest over a four-year period and expire on the tenth anniversary of the date of award. If the contingent milestones of the Earn-Out RSUs are not met by the seventh anniversary of the Apex Business Combination, the holders of the underlying stock options will not receive the Earn-Out RSUs. For the years ended December 31, 2023, 2022 and 2021, the Company recorded stock-based compensation expense of \$0.9 million, \$0.9 million and \$0.4 million, respectively, related to these Earn-Out RSUs.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

Put and Call Options

On December 26, 2019, the Company granted put options to certain of the Company's management, to request a redemption of 3,113,170 shares of common stock ("**Modified Common Stock**") or 5,148,777 shares underlying options to acquire common stock ("**Modified Options**", collectively, "**Eligible Shares**") during the period from March 25, 2025, to April 26, 2025 (the "**Settlement Period**") or, if earlier, the 30 day period following a Qualifying Termination for a redemption price per share equal to the fair market value, as determined by AvePoint's Board of Directors; provided, that if a redemption request is delivered following a Qualifying Termination, the Company shall pay the redemption price during the Settlement Period unless the holders of Series C Preferred Stock consent to the payment of the redemption price by the Company within the 30 day period following the Qualifying Termination. In addition, the Company has a right to purchase all or any portion of the Eligible Shares at any time for a purchase price per share equal to the fair market value.

Mezzanine equity classification is required if stock awards that would otherwise qualify for equity classification are subject to contingent redemption features that are not solely within the control of the issuer. The Company remeasured the Modified Common Stock at each balance sheet date based on the fair value of the Company's shares and such remeasurements are reflected as an adjustment of the value in mezzanine equity. In 2019, the Company recorded a one-time stock-based compensation expense of \$0.5 million, related to Modified Common Stock. These costs have been recorded in operating expenses in the consolidated statements of operations.

In connection with the Apex Business Combination, the agreements creating the Modified Common Stock and Modified Options were terminated. As a result, the \$39.3 million mezzanine balance and the \$49.7 million liability balance were reclassified to permanent equity on July 1, 2021.

The fair values of Modified Options were estimated using a Black-Scholes option-pricing model with the following weighted-average assumptions on July 1, 2021:

	July 1, 2021
Expected term (in years)	4.10
Expected volatility	34.44%
Risk-free rate	0.79%
Dividend yield	—

For the year ended December 31, 2021, the Company recorded stock-based compensation expenses of \$11.8 million, related to these options. These costs have been recorded in costs of revenue and operating expenses in the consolidated statements of operations.

During 2021, 1,365,503 options included in Modified Options were exercised. As a result of exercises of the Modified Options during 2021, \$15.4 million of the liability balance related to Modified Options was reclassified to liability-classified outstanding shares within the six months from the time of exercise. During 2021, \$6.9 million of the liability balance for these outstanding shares was reclassified to mezzanine equity as a result of the completion of six months from the time of the exercise of 690,474 options. As of July 1, 2021, the Apex Business Combination date, the liability balance related to this Modified Common Stock was \$49.7 million. For the year ended December 31, 2022, the Company recorded stock-based compensation expense of \$1.2 million, related to this Modified Common Stock.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

16. Fair Value Measurements

Fair value is defined by ASC 820, *Fair Value Measurement* (ASC 820) as the price that would be received upon selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 — Unobservable inputs for the asset or liability.

	Year Ended December 31, 2023			Total
	Level 1	Level 2	Level 3	
(in thousands)				
Assets				
Cash Equivalents:				
Certificates of deposit (1)	\$ —	\$ 1,533	\$ —	\$ 1,533
Money market funds	—	4,423	—	4,423
U.S. treasury bills	—	171,841	—	171,841
Short term investments:				
Certificates of deposit (1)	—	3,721	—	3,721
Other assets:				
Notes receivables (3)	—	—	1,840	1,840
Total	\$ —	\$ 181,518	\$ 1,840	\$ 183,358
Liabilities:				
Earn-out shares liabilities:				
Earn-out shares (2)	\$ —	\$ —	\$ 18,346	\$ 18,346
Other non-current liabilities:				
Warrant liabilities (2)	—	533	—	533
Total	\$ —	\$ 533	\$ 18,346	\$ 18,879

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

	Year Ended December 31,			
	2022			
	(in thousands)			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Cash Equivalents:				
Certificates of deposit (1)	\$ —	\$ 1,693	\$ —	\$ 1,693
Money market funds	—	188,769	—	188,769
Short term investments:				
Certificates of deposit (1)	—	2,620	—	2,620
Other assets:				
Certificates of deposit (1)	—	162	—	162
Total	<u>\$ —</u>	<u>\$ 193,244</u>	<u>\$ —</u>	<u>\$ 193,244</u>
Liabilities:				
Earn-out shares liabilities:				
Earn-out shares (2)	\$ —	\$ —	\$ 6,631	\$ 6,631
Other non-current liabilities:				
Warrant liabilities (2)	—	227	—	227
Total	<u>\$ —</u>	<u>\$ 227</u>	<u>\$ 6,631</u>	<u>\$ 6,858</u>

(1) The majority of certificates of deposit are foreign deposits.

(2) Refer to “*Note 13 - Company Earn-Out and Warrant Liabilities*” for further details.

(3) Other assets include yielding loan notes to Lumens Capital Partners, Ltd. (“*LCP*”) with a total commitment of up to \$5.0 million and maturities of greater than twelve months. See “*Note 21 - Subsequent Events*” for more information. The notes bear interest at an annual rate equal to 8%. During the years ended December 31, 2023 and 2022, new notes receivables issued were \$1.3 million and \$0.5 million, respectively. Fair values are based on discounted future cash flows using current interest rates offered for similar notes to third parties with similar credit ratings for the same remaining maturities.

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

The following table summarizes the Company's available-for-sale securities measured at fair value as of December 31, 2023.

	Year Ended December 31, 2023			
	(in thousands)			
	Amortized Cost	Fair Value	Gross unrealized gains	Gross unrealized losses
U.S. treasury bills	\$ 171,815	\$ 171,841	\$ 26	\$ —
Total	<u>\$ 171,815</u>	<u>\$ 171,841</u>	<u>\$ 26</u>	<u>\$ —</u>

The contractual maturity of the available-for-sale securities held as of December 31, 2023 was within one year.

The following table presents the reconciliation in Level 3 instruments which consisted of earn-out shares liabilities which were measured on a recurring basis for the year ended December 31, 2023.

	Year Ended December 31, 2023
	(in thousands)
Opening balance	\$ 6,631
Total gains or losses from the period	
Included in other (expense) income, net	11,148
Reclass from Earnout-RSU	567
Closing balance	<u>\$ 18,346</u>

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

17. Segment information

The Company operates in one segment. Its products and services are sold throughout the world, through direct and indirect sales channels. The Company's chief operating decision maker (the "**CODM**") is the Chief Executive Officer. The CODM makes operating performance assessment and resource allocation decisions on a global basis. The CODM does not receive discrete financial information about asset allocation, expense allocation or profitability by product or geography.

Revenue by geography is based upon the billing address of the customer. All transfers between geographic regions have been eliminated from consolidated revenue. The following table sets forth revenue by geographic area:

	Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
Revenue:			
North America	\$ 118,490	\$ 102,025	\$ 83,034
EMEA	81,753	71,635	58,285
APAC	71,582	58,679	50,590
Total revenue	<u>\$ 271,825</u>	<u>\$ 232,339</u>	<u>\$ 191,909</u>

The following table sets forth revenue generated by countries which represent more than 10% of total consolidated revenue:

	Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
Revenue:			
United States	\$ 115,799	\$ 100,870	\$ 83,034
Germany	35,775	30,625	23,574
Singapore	30,974	21,915	16,580
Japan	22,547	21,348	23,360

The following table sets forth property and equipment, net held within the United States, China and foreign countries:

	December 31,	December 31,
	2023	2022
	(in thousands)	
Property and equipment, net:		
United States	\$ 1,137	\$ 1,279
China	1,915	2,982
Other	2,066	1,276
Total property and equipment, net	<u>\$ 5,118</u>	<u>\$ 5,537</u>

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

18. Other (expense) income, net

Other (expense) income, net is disaggregated as follows:

	Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
(Loss) gain on earn-out and warrant liabilities	\$ (11,454)	\$ 4,497	\$ 21,233
Interest income (expense), net	26	(40)	102
Profits on securities	8,895	2,811	16
Foreign currency exchange (loss) gain, net	(778)	112	(877)
Other, net	48	36	229
Other (expense) income, net	<u>\$ (3,263)</u>	<u>\$ 7,416</u>	<u>\$ 20,703</u>

19. Loss Per Share

Basic loss per share available to the Company's common shareholders ("**EPS**") is computed by dividing net loss by the weighted average number of common shares outstanding for the period. In computing diluted EPS, the Company adjusts the denominator, subject to anti-dilution requirements, to include the dilution from potential shares of common stock resulting from outstanding share-based payment awards, warrants, earn-outs and the conversion of convertible preferred shares. The Company applies the two-class method in calculating loss per share. The Company's Sponsor Earn-Out Shares described in "Note 14 — Mezzanine Equity and Stockholders' Equity" are considered participating securities and have no contractual obligation to shares in the loss of the Company. As such, the weighted-average impact of these shares is excluded from the calculation of loss per share below. As losses were incurred during all periods presented, no earnings per share exists for the Sponsor Earn-Out Shares.

	Year Ended December 31,		
	2023	2022	2021
	(in thousands, except per share amounts)		
Loss per share available to common stockholders, excluding sponsor earn-out stockholders			
Numerator:			
Net loss	\$ (21,501)	\$ (38,688)	\$ (33,245)
Net income attributable to noncontrolling interest	(224)	(2,942)	(1,974)
Net loss attributable to AvePoint, Inc.	<u>\$ (21,725)</u>	<u>\$ (41,630)</u>	<u>\$ (35,219)</u>
Deemed dividends on preferred stock	—	—	(32,928)
Total net loss available to common stockholders	<u>\$ (21,725)</u>	<u>\$ (41,630)</u>	<u>\$ (68,147)</u>
Denominator:			
Weighted average common shares outstanding	182,257	181,957	141,596
Effect of dilutive securities	—	—	—
Weighted average diluted shares	<u>182,257</u>	<u>181,957</u>	<u>141,596</u>
Basic and diluted loss per share available to common stockholders, excluding sponsor earn-out stockholders	<u>\$ (0.12)</u>	<u>\$ (0.23)</u>	<u>\$ (0.48)</u>

AvePoint, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (continued)

To arrive at net loss available to common stockholders, the Company deducted net income attributable to the noncontrolling interest in MaivenPoint and deemed dividends, which related to the redemption, extinguishment, and remeasurement of preferred stock.

For the years ended December 31, 2023, 2022 and 2021, the Company's potentially dilutive securities were deemed to be anti-dilutive given the Company's net loss position. As such, basic loss per share is equal to diluted loss per share for the periods presented.

The following potentially dilutive securities outstanding have been excluded from the computation of diluted weighted-average shares outstanding because such securities have an antidilutive impact due to losses reported:

	Year Ended December 31,		
	2023	2022	2021
		(in thousands)	
Stock options	27,192	29,168	30,480
Restricted stock units	10,703	8,493	5,167
Warrants	17,905	17,905	17,905
Company Earn-Outs	3,000	3,000	3,000
Total potentially dilutive securities	<u>58,800</u>	<u>58,566</u>	<u>56,552</u>

20. Related Party Transactions

The Company has entered into indemnification agreements with its Executive Officers and directors. These agreements, among other things, require AvePoint to indemnify its directors and Executive Officers to the fullest extent permitted by Delaware law, specifically the Delaware General Corporation Law (as the same exists or may hereafter be amended) for certain expenses, including attorneys' fees, judgments, fines, and settlement amounts incurred by a director or officer in any action or proceeding arising out of their services as one of the Company's directors or officers or any other company or enterprise to which the person provides services at the Company's request.

21. Subsequent Events

The following material subsequent events occurred since the date of the most recent balance sheet period reported.

Growth Equity Fund

On February 28, 2024 the Company entered into an agreement with LCP to form the A3 Ventures Fund 1, L.P. (the "***A3V Fund***"). The A3V Fund will focus its investments in companies in the growth equity phase, as well as mature cashflow generating businesses with strong growth potential; and located in established enterprise software markets that map to LCP's and the Company's professional expertise and geographical footprint. The Company has committed \$50.0 million to the A3V Fund, which will be called as needed for portfolio investments and to pay fees and expenses of the A3V Fund. Other institutional investors and/or high net worth individuals will also be allowed to commit capital to the A3V Fund.

PART II
Items 9 and 9A

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer (in his capacity as “**Principal Executive Officer**”) and our Chief Financial Officer (in his capacity as “**Principal Financial and Accounting Officer**”), we conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e)) under the Exchange Act, as of the end of the period covered by this Annual Report. Based upon that evaluation, our Principal Executive Officer and Principal Financial and Accounting Officer concluded that our disclosure controls and procedures were not effective as of December 31, 2023, due to the material weakness described below.

Notwithstanding such material weakness in internal control over financial reporting, our Principal Executive Officer and Principal Financial and Accounting Officer have concluded that our audited consolidated financial statements included in this Annual Report present fairly, in all material respects, our financial position, results of operations, and cash flows for the periods presented in conformity with U.S. generally accepted accounting principles (“**GAAP**”).

Previously Disclosed Material Weaknesses

During fiscal years 2021 and 2022, with the oversight of the Audit Committee of the Board of Directors, the Company began in 2021 implementing a remediation plan (the “**Remediation Plan**”), to address the material weaknesses identified in 2021 and remained as of December 31, 2022. The Remediation Plan coincided with and is incorporated into our overarching Sarbanes-Oxley Act of 2002 compliance implementation plan, include, but are not limited to:

- the hiring of personnel with technical accounting and financial reporting experience to further enhance our ability to accurately and expediently respond to increased accounting and financial complexities, and to aid in further identification and oversight with respect to disclosure control activities in response;
- the engagement of external consultants in the assistance of the evaluation of complex accounting matters; and
- the establishment of formalized internal controls to review and maintain segregation of duties between appropriate control operators.

As a result of the above remediation efforts, we consider the following previously disclosed material weaknesses to be remediated as of December 31, 2023:

- the identification, review and accounting for nonroutine transactions and/or complex accounting transactions; and
- segregation of duties with respect to the processing of financial transactions.

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Despite the progress discussed above, during 2022 and 2023 we were unable to remediate all of the material weaknesses that were identified in the prior year as our initial design of certain controls, particularly around ensuring accuracy and completeness of the information used in a control, upon testing were determined insufficient. Newly designed controls required additional time to demonstrate operating effectiveness.

While we believe that our efforts have improved our internal control over financial reporting and resulted in the remediation of certain of the material weaknesses identified as of December 31, 2022, remediation of the material weakness identified as of December 31, 2023 will require further validation and testing of the design and operating effectiveness of internal controls over a sustained period of financial reporting cycles.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Our system of internal control was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with GAAP. Management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "**COSO framework**"). Based on management's assessment, our principal executive officer and principal financial and accounting officer concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2023, due to the material weakness described below.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis.

The Company has identified deficiencies in a principle associated with the control activities component of the COSO framework. These control deficiencies constitute a material weakness in the aggregate, related to selecting and developing control activities that contribute to the mitigation of risks and support the achievement of objectives. Specifically, the Company did not design and implement control activities to address the accuracy and completeness of certain information that is relevant for control owners to perform their control activities over financial accounting, reporting and disclosures.

The Company's independent registered public accounting firm, Deloitte & Touche LLP, who audited the consolidated financial statements included in this Annual Report on Form 10-K issued an adverse opinion on the effectiveness of the Company's internal control over financial reporting. Deloitte & Touche LLP's report appears on page 109 of this Annual Report on Form 10-K.

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2024 Remediation Plan

Our management has been and continues to be committed to remediating this material weakness and has identified and implemented several steps to enhance our internal controls over financial reporting. We have implemented a remediation plan (the “**2024 Remediation Plan**”), which includes actions not limited to:

- enhance the design of controls that address the accuracy and completeness of reports being utilized in the execution of internal controls; and
- establishing additional training related to address the accuracy and completeness of data used controls and the level of documentation required to evidence control activities.

We have implemented documented policies and procedures for, and are in the process of testing the implementation and operating effectiveness of, the newly designed controls. The material weakness in our internal control over financial reporting will not be considered remediated until the newly designed controls operate for a sufficient period of time. In addition, we may discover additional material weaknesses that require additional time and resources to remediate, and we may decide to take additional measures to address the material weaknesses or modify the remediation steps described above.

Changes in Internal Control Over Financial Reporting

Other than described above, there have been no changes in our internal control over financial reporting during the quarter ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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Items 9A

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of AvePoint, Inc and its subsidiaries

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of AvePoint, Inc. and subsidiaries (the “*Company*”) as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, because of the effect of the material weakness identified below on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated February 29, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Material Weakness

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management’s assessment:

The Company has identified deficiencies in a principle associated with the control activities component of the COSO Framework. These control deficiencies constitute a material weakness in the aggregate related to selecting and developing control activities that contribute to the mitigation of risks and support the achievement of objectives. Specifically, the Company did not design and implement control activities to address the accuracy and completeness of certain information that is relevant for control owners to perform their control activities over financial accounting, reporting and disclosures.

This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements as of and for the year ended December 31, 2023, of the Company, and this report does not affect our report on such financial statements.

/s/ Deloitte & Touche LLP

New York, New York
February 29, 2024

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ITEM 9B. OTHER INFORMATION

On December 8, 2023, James Caci, Chief Financial Officer of the Company, entered into a Rule 10b5-1 trading arrangement (the “*Caci 10b5-1 Plan*”). The Caci 10b5-1 Plan is intended to satisfy the affirmative defense of Rule 10b5-1(c). The Caci 10b5-1 Plan provides for the sale of up to 110,215 shares of the Company’s common stock from time to time between March 20, 2024 and December 8, 2025. Due to the pricing conditions set forth in the Caci 10b5-1 Plan, the number of shares actually sold under the plan may be less than the maximum number of shares that can be sold. The Caci 10b5-1 Plan will expire on December 8, 2025, or earlier if all shares under the plan are sold prior to that date.

Growth Equity Fund

The Company formed AvePoint Ventures, LLC (“*APV*”), a wholly owned subsidiary, for the sole purpose of investing in A3 Ventures Fund 1, L.P., a Cayman Islands exempted limited partnership (the “*A3V Fund*”) formed and managed by Lumens Capital Partners, Ltd., a Singapore-based private fund adviser (collectively with its affiliates, “*LCP*”). On February 28, 2024 the Company entered into an agreement with APV and A3V Fund. APV shall serve as the cornerstone investor for the A3V Fund, which will focus its investments in companies (a) in the growth equity phase (i.e., “Series B” equity offerings and onwards) as well as mature cashflow generating businesses with strong growth potential; and (b) located in established enterprise software markets that map to LCP’s and the Company’s professional expertise and geographical footprint – in particular, USA, England, France, Germany, Japan, South Korea, Singapore, and Australia.

The A3V Fund will seek primarily controlling stakes in such portfolio companies, whether through equity, debt, or hybrid investments. LCP will manage the A3V Fund, and lead in the selection, monitoring and guidance of investments, seeking to enhance capital efficiency and business discipline through the scaling process until exit. APV shall assist LCP in managing the portfolio companies, using its professional expertise, as well as its software development and technology resources and platforms. In consideration for its participation in the A3V Fund as a cornerstone investor, APV will receive a portion of any performance allocations to be received by LCP in addition to any profits on its capital investments. APV will be entitled to appoint a representative to the limited partner advisory committee and will have certain consent rights with respect to fundamental matters regarding LCP and the A3V Fund. Other institutional investors and/or high net worth individuals will also be allowed to commit capital to the A3V Fund.

APV has committed US \$50 million to the A3V Fund, which will be called as needed for portfolio investments and to pay fees and expenses of the A3V Fund.

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ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

A list of our Executive Officers and biographical information appears in Part I, Item 1 of this Annual Report. Information about our directors may be found in our Proxy Statement to be filed in connection with our 2024 Annual Meeting of Stockholders (the “*Proxy Statement*”) within 120 days after the end of fiscal year ended December 31, 2023. The information required by this item is hereby incorporated by reference to the sections of the Proxy Statement under the captions “Corporate Governance,” “Election of Directors,” and “Named Executive Officers.”

We have adopted the AvePoint, Inc. Code of Ethics and Business Conduct (the “*Code*”), a code of ethics that applies to our employees, officers, and directors (including our Principal Executive Officer and Principal Financial and Accounting Officer) and is a “Code of Ethics for Senior Financial Officers” as defined by applicable rules of the SEC. The Code is publicly available on our Investor Relations website at <https://ir.avepoint.com/>. Information contained on or accessible through this website is not a part of this Annual Report, and the inclusion of such website address in this Annual Report is an inactive textual reference only. If we make any substantive amendments to the Code or grant any waiver, including any implicit waiver, from a provision of the code to our Executive Officers or directors, we will disclose the nature of the amendment or waiver on our Investor Relations website or in a report on Form 8-K to the extent required by applicable rules and exchange requirements.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is hereby incorporated by reference to the sections of the Proxy Statement under the captions, “Elements of Executive Compensation” and “Non-Employee Director Compensation.”

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is hereby incorporated by reference to the sections of the Proxy Statement under the captions “Security Ownership.”

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is hereby incorporated by reference to the sections of the Proxy Statement under the captions “Transactions with Related Persons” and “Board Leadership Structure.”

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is hereby incorporated by reference to the section of the Proxy Statement under the caption “Independent Registered Public Accounting Firm.”

PART IV**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**a. Financial Statements and Schedules

Our consolidated financial statements can be found in Part II, Item 8 of this Annual Report. Financial statement schedules have been omitted because they are not required, not applicable, or the required information is included in the consolidated financial statements or notes thereto.

b. Exhibits

The following documents are filed as part of, furnished with, or incorporated by reference into, this Annual Report, in each case as indicated therein.

Exhibit Index

Exhibit Number	Description	Schedule/ Form	Incorporated by Reference			Filed Herewith
			File No.	Exhibit	Filing Date	
2.1	Business Combination Agreement and Plan of Reorganization, dated November 23, 2020, by and among Apex, Merger Subs and AvePoint.	Form 8-K	001-39048	2.1	March 9, 2021	
2.2	Amendment No. 1 to Business Combination Agreement and Plan of Reorganization, dated December 30, 2020, by and among Apex, Merger Subs and AvePoint.	Form 8-K	001-39048	2.1	December 30, 2020	
2.3	Amendment No. 2 to Business Combination Agreement and Plan of Reorganization, dated March 8, 2021, by and among Apex, Merger Subs and AvePoint.	Form 8-K	001-39048	2.1	March 9, 2021	
2.4	Amendment No. 3 to Business Combination Agreement and Plan of Reorganization, dated May 18, 2021, by and among Apex, Merger Subs and AvePoint.	Form 10-Q	001-39048	10.3	May 19, 2021	
2.5	Agreement and Plan of Merger, dated as of July 23, 2021, by and between AvePoint, Inc. and AvePoint US, LLC	Form 8-K	001-39048	2.1	July 30, 2021	
3.1	Amended and Restated Certificate of Incorporation of AvePoint, Inc.	Form 8-K	001-39048	3.1	July 7, 2021	
3.2	Amended and Restated Bylaws of AvePoint, Inc.	Form 10-K	001-39048	3.2	March 31, 2023	
4.1	Specimen Common Stock Certificate.	Form S-4/A	333-252712	4.4	May 20, 2021	
4.2	Specimen Warrant Certificate.	Form S-1	333-233299	4.3	August 30, 2019	
4.3	Description of Capital Stock	Form 10-K	001-39048	4.3	March 31, 2023	

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10.1	<u>Warrant Agreement, dated September 16, 2019, by and between Continental Stock Transfer & Trust Company and Apex.</u>	Form 8-K	001-39048	4.1	September 20, 2019
10.1	<u>Form of PIPE Subscription Agreement</u>	Form 8-K	001-39048	10.7	November 23, 2020
10.2	<u>Form of Amendment No. 1 to PIPE Subscription Agreements</u>	Form S-4	333-252712	10.15	May 20, 2021
10.3	<u>Form of Lock-Up Agreement</u>	Form 8-K	001-39048	10.3	November 23, 2020
10.4	<u>Amended and Restated Registration Rights Agreement, dated July 1, 2021, by and among AvePoint and certain stockholders of AvePoint.</u>	Form 8-K	001-39048	10.4	July 7, 2021
10.5†	<u>Form of Indemnification Agreement.</u>	Form S-4	333-252712	10.29	May 20, 2021
10.6†	<u>AvePoint 2006 Equity Incentive Plan.</u>	Form 8-K	001-39048	10.6	July 7, 2021
10.7†	<u>Form of Stock Option Grant Package under AvePoint 2006 Equity Incentive Plan.</u>	Form 8-K	001-39048	10.7	July 7, 2021
10.8†	<u>Form of RSU Grant Package under 2006 Equity Incentive Plan.</u>	Form 8-K	001-39048	10.8	July 7, 2021
10.9†	<u>AvePoint 2016 Equity Incentive Plan.</u>	Form S-4	333-252712	10.15	February 4, 2021
10.10†	<u>Form of Stock Option Grant Notice under AvePoint 2016 Equity Incentive Plan.</u>	Form S-4	333-252712	10.16	February 4, 2021
10.11†	<u>Form of Stock Option Agreement under 2016 Equity Incentive Plan.</u>	Form S-4	333-252712	10.17	February 4, 2021
10.12†	<u>AvePoint 2021 Equity Incentive Plan.</u>				
10.13†	<u>Form of Stock Option Grant Package under AvePoint 2021 Equity Incentive Plan.</u>	Form 8-K	001-39048	10.13	July 7, 2021
10.14†	<u>Form of RSU Grant Package under AvePoint 2021 Equity Incentive Plan.</u>	Form 8-K	001-39048	10.14	July 7, 2021
10.15†	<u>AvePoint 2021 Employee Stock Purchase Plan.</u>	Form S-4	333-252712	10.19	February 4, 2021
10.16+^	<u>Loan and Security Agreement, dated April 7, 2020, by and between HSBC Ventures USA Inc. and AvePoint, Inc.</u>	Form S-4	333-252712	10.24	February 4, 2021

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10.17+^	Limited Consent and First Amendment to Loan and Security Agreement, dated July 1, 2021, by and among AvePoint Operations Inc. (f/k/a AvePoint, Inc.), HSBC Ventures USA Inc. and AvePoint US, LLC.	Form 8-K	001-39048	10.21	July 7, 2021
10.18+^	Assignment and Assumption Agreement, dated July 1, 2021, by and among AvePoint Operations, Inc. (f/k/a AvePoint, Inc.), HSBC Ventures USA Inc. and AvePoint US, LLC.	Form 8-K	001-39048	10.22	July 7, 2021
10.19+^	Pledge Agreement, dated July 1, 2021, by and between AvePoint, Inc. and HSBC Ventures USA Inc.	Form 8-K	001-39048	10.23	July 7, 2021
10.20+^	Limited Guaranty, dated July 1, 2021, by and between AvePoint, Inc. and HSBC Ventures USA Inc.	Form 8-K	001-39048	10.24	July 7, 2021
10.21+^	Assignment and Assumption Agreement, dated as of July 23, 2021, by and among AvePoint, Inc., AvePoint US, LLC, and HSBC Ventures USA Inc.	Form 8-K	001-39048	10.1	July 30, 2021
10.22+^	Limited Consent and Waiver to Loan and Security Agreement, dated as of July 23, 2021, by and among AvePoint, Inc., AvePoint US, LLC, AvePoint Public Sector, Inc., AvePoint Holdings USA, LLC, and HSBC Ventures USA Inc.	Form 8-K	001-39048	10.2	July 30, 2021
10.23+^	Second Amendment to Loan and Security Agreement, dated October 31, 2021, by and among AvePoint, Inc., AvePoint Public Sector, Inc., AvePoint Holdings USA, LLC, and HSBC Ventures USA Inc.	Form 8-K	001-39048	10.8	November 1, 2021
10.24+^	Annex A to Second Amendment to Loan and Security Agreement, dated October 31, 2021, by and among AvePoint, Inc., AvePoint Public Sector, Inc., AvePoint Holdings USA, LLC, and HSBC Ventures USA Inc.	Form 8-K	001-39048	10.9	November 1, 2021
10.25†	Employment Agreement, dated January 1, 2021, by and between AvePoint and Xunkai Gong.	Form S-4	333-252712	10.21	February 4, 2021
10.26†	Employment Agreement, dated January 1, 2021, by and between AvePoint and Tianyi Jiang.	Form S-4	333-252712	10.22	February 4, 2021
10.27†	Employment Agreement, dated January 1, 2021, by and between AvePoint and Brian Brown.	Form S-4	333-252712	10.23	February 4, 2021
10.28†	Employment Agreement, dated August 10, 2021, by and between AvePoint and James Caci.	Form 8-K	001-39048	10.1	August 16, 2021
10.29	2022 Performance-Based Annual Incentive Plan	Form 10-K	001-39048	10.29	March 31, 2023
10.30	Loan and Security Agreement, dated November 3, 2023, by and between AvePoint, Inc. and HSBC Bank USA, National Association.	Form 8-K	001-39048	10.1	November 6, 2023
10.31	Pledge Agreement, dated November 3, 2023, by and between AvePoint, Inc. and HSBC Bank USA, National Association.	Form 8-K	001-39048	10.2	November 6, 2023
10.32	Revolving Note, dated November 3, 2023, by and between AvePoint, Inc. and HSBC Bank USA, National Association.	Form 8-K	001-39048	10.3	November 6, 2023

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21.1	List of Subsidiaries.	X
23.1	Consent of Deloitte and Touche LLP, independent registered public accounting firm.	X
24.1	Power of Attorney (included in the signature page hereto).	
31.1	Certification of Principal Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X
31.2	Certification of Principal Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X
97.1	Compensation Recovery Policy.	X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X
104.1	Cover Page Interactive Data File (embedded within the Inline XBRL and contained in Exhibit 101).	X

** Furnished herewith. Any exhibit furnished herewith (including the certifications furnished in Exhibit 32.1 and Exhibit 32.2 hereto) are deemed to accompany this Annual Report on Form 10-K and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference.

+ Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601. We agree to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

† Indicates a management contract or compensatory plan, contract or arrangement.

^ Certain portions of this Exhibit will be omitted because they are not material and would likely cause competitive harm to us if disclosed.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned; thereunto duly authorized.

AVEPOINT, INC.

Date: February 29, 2024

/s/ Tianyi Jiang

Name: Tianyi Jiang

Title: Chief Executive Officer
(Principal Executive Officer)

Date: February 29, 2024

/s/ James Caci

Name: James Caci

Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Tianyi Jiang and Brian Michael Brown, and each of them, as his or her true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, for such individual in any and all capacities, to do any and all acts and things and to execute in his or her name (whether on behalf of AvePoint, Inc. (the "**Company**") or as an officer or director of the Company, or otherwise) any and all instruments and to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Xunkai Gong</u> Xunkai Gong	Executive Chairman and Director	February 29, 2024
<u>/s/ Tianyi Jiang</u> Tianyi Jiang	Chief Executive Officer and Director (<i>Principal Executive Officer</i>)	February 29, 2024
<u>/s/ James Caci</u> James Caci	Chief Financial Officer (<i>Principal Financial and Accounting Officer</i>)	February 29, 2024
<u>/s/ Brian Michael Brown</u> Brian Michael Brown	Chief Legal and Compliance Officer, Secretary, and Director	February 29, 2024
<u>/s/ Janet Schijns</u> Janet Schijns	Director	February 29, 2024
<u>/s/ Jeff Teper</u> Jeff Teper	Director	February 29, 2024
<u>/s/ John Ho</u> John Ho	Director	February 29, 2024
<u>/s/ Jeff Epstein</u> Jeff Epstein	Director	February 29, 2024

AVEPOINT, INC.
2021 EQUITY INCENTIVE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: JULY 1, 2021

APPROVED BY THE STOCKHOLDERS: JUNE 30, 2021

1. General.

(a) **Plan Purpose.** The Company, by means of the Plan, seeks to secure and retain the services of Employees, Directors and Consultants, to provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate, and to provide a means by which such persons may be given an opportunity to benefit from increases in value of the Common Stock through the granting of Awards.

(b) **Available Awards.** The Plan provides for the grant of the following Awards: (i) Incentive Stock Options; (ii) Nonstatutory Stock Options; (iii) SARs; (iv) Restricted Stock Awards; (v) RSU Awards; (vi) Performance Awards; and (vii) Other Awards.

(c) **Adoption Date; Effective Date.** The Plan will come into existence on the Adoption Date, but no Award may be granted prior to the Effective Date.

2. Shares Subject to the Plan.

(a) **Share Reserve.** Subject to adjustment in accordance with Section 2(c) and any adjustments as necessary to implement any Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Awards will not exceed 30,273,164 shares. In addition, subject to any adjustments as necessary to implement any Capitalization Adjustments, such aggregate number of shares of Common Stock will automatically increase on January 1 of each year for a period of ten years commencing on January 1, 2022 and ending on (and including) January 1, 2031, in an amount equal to 1.0% of the total number of shares of Common Stock outstanding on December 31 of the preceding year; provided, however, that the Board may act prior to January 1st of a given year to provide that the increase for such year will be a lesser number of shares of Common Stock.

(b) **Aggregate Incentive Stock Option Limit.** Notwithstanding anything to the contrary in Section 2(a) and subject to any adjustments as necessary to implement any Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options is 30,273,164 shares.

(c) Share Reserve Operation.

(i) **Limit Applies to Common Stock Issued Pursuant to Awards.** For clarity, the Share Reserve is a limit on the number of shares of Common Stock that may be issued pursuant to Awards and does not limit the granting of Awards, except that the Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy its obligations to issue shares pursuant to such Awards. Shares may be issued in connection with a merger or acquisition as permitted by, as applicable, Nasdaq Listing Rule 5635(c), NYSE Listed Company Manual Section 303A.08, NYSE American Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

(ii) **Actions that Do Not Constitute Issuance of Common Stock and Do Not Reduce Share Reserve.** The following actions do not result in an issuance of shares under the Plan and accordingly do not reduce the number of shares subject to the Share Reserve and available for issuance under the Plan: (1) the expiration or termination of any portion of an Award without the shares covered by such portion of the Award having been issued, (2) the settlement of any portion of an Award in cash (i.e., the Participant receives cash rather than Common Stock), (3) the withholding of shares that would otherwise be issued by the Company to satisfy the exercise, strike or purchase price of an Award; or (4) the withholding of shares that would otherwise be issued by the Company to satisfy a tax withholding obligation in connection with an Award.

(iii) **Reversion of Previously Issued Shares of Common Stock to Share Reserve.** The following shares of Common Stock previously issued pursuant to an Award and accordingly initially deducted from the Share Reserve will be added back to the Share Reserve and again become available for issuance under the Plan: (1) any shares that are forfeited back to or repurchased by the Company because of a failure to meet a contingency or condition required for the vesting of such shares; (2) any shares that are reacquired by the Company to satisfy the exercise, strike or purchase price of an Award; and (3) any shares that are reacquired by the Company to satisfy a tax withholding obligation in connection with an Award.

3. Eligibility and Limitations.

(a) **Eligible Award Recipients.** Subject to the terms of the Plan, Employees, Directors and Consultants are eligible to receive Awards.

(b) **Specific Award Limitations.**

(i) **Limitations on Incentive Stock Option Recipients.** Incentive Stock Options may be granted only to Employees of the Company or a “parent corporation” or “subsidiary corporation” thereof (as such terms are defined in Sections 424(e) and (f) of the Code).

(ii) **Incentive Stock Option \$100,000 Limitation.** To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds \$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(iii) **Limitations on Incentive Stock Options Granted to Ten Percent Stockholders.** A Ten Percent Stockholder may not be granted an Incentive Stock Option unless: (1) the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant of such Option, and (2) the Option is not exercisable after the expiration of five years from the date of grant of such Option.

(iv) **Limitations on Nonstatutory Stock Options and SARs.** Nonstatutory Stock Options and SARs may not be granted to Employees, Directors and Consultants unless the stock underlying such Awards is treated as “service recipient stock” under Section 409A or unless such Awards otherwise comply with the requirements of Section 409A.

(c) **Non-Employee Director Compensation Limit.** The aggregate value of all compensation granted or paid, as applicable, to any individual for service as a Non-Employee Director with respect to any calendar year, including Awards granted and cash fees paid by the Company to such Non-Employee Director, will not exceed: (i) \$750,000 in total value, or (ii) in the event such Non-Employee Director is first appointed or elected to the Board during such calendar year, \$1,000,000 in total value, in each case, calculating the value of any equity awards based on the grant date fair value of such equity awards for financial reporting purposes.

4. Options and Stock Appreciation Rights.

Each Option and SAR will have such terms and conditions as determined by the Board. Each Option will be designated, in writing, as an Incentive Stock Option or Nonstatutory Stock Option at the time of grant; provided, however, that if an Option is not so designated or if an Option designated as an Incentive Stock Option fails to qualify as an Incentive Stock Option, then such Option will be a Nonstatutory Stock Option, and the shares purchased upon exercise of each type of Option will be separately accounted for. Each SAR will be denominated in shares of Common Stock equivalents. The terms and conditions of separate Options and SARs need not be identical; provided, however, that each Option Agreement and SAR Agreement will conform (through incorporation of provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

(a) **Term.** Subject to Section 3(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten years from the date of grant of such Award or such shorter period specified in the Award Agreement.

(b) **Exercise or Strike Price.** Subject to Section 3(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will not be less than 100% of the Fair Market Value on the date of grant of such Award. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than 100% of the Fair Market Value on the date of grant of such Award, if such Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Corporate Transaction and in a manner consistent with the provisions of Sections 409A and, if applicable, 424(a) of the Code.

(c) Exercise Procedure and Payment of Exercise Price for Options. In order to exercise an Option, the Participant must provide notice of exercise to the Plan Administrator in accordance with the procedures specified in the Option Agreement or otherwise provided by the Company. The Board has the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The exercise price of an Option may be paid, to the extent permitted by Applicable Law and as determined by the Board, by one or more of the following methods of payment to the extent set forth in the Option Agreement:

(i) by cash or check, bank draft or money order payable to the Company;

(ii) pursuant to a “cashless exercise” program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the Common Stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the exercise price to the Company from the sales proceeds;

(iii) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock that are already owned by the Participant free and clear of any liens, claims, encumbrances or security interests, with a Fair Market Value on the date of exercise that does not exceed the exercise price, provided that: (1) at the time of exercise, the Common Stock is publicly traded, (2) any remaining balance of the exercise price not satisfied by such delivery is paid by the Participant in cash or other permitted form of payment, (3) such delivery would not violate any Applicable Law or agreement restricting the redemption of the Common Stock, (4) any certificated shares are endorsed or accompanied by an executed assignment separate from certificate, and (5) such shares have been held by the Participant for any minimum period necessary to avoid adverse accounting treatment as a result of such delivery;

(iv) if the Option is a Nonstatutory Stock Option, by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value on the date of exercise that does not exceed the exercise price, provided that: (1) such shares used to pay the exercise price will not be exercisable thereafter, and (2) any remaining balance of the exercise price not satisfied by such net exercise is paid by the Participant in cash or other permitted form of payment; or

(v) in any other form of consideration that may be acceptable to the Board and permissible under Applicable Law.

(d) Exercise Procedure and Payment of Appreciation Distribution for SARs. In order to exercise any SAR, the Participant must provide notice of exercise to the Plan Administrator in accordance with the SAR Agreement. The appreciation distribution payable to a Participant upon the exercise of a SAR will not be greater than an amount equal to the excess of: (i) the aggregate Fair Market Value on the date of exercise of a number of shares of Common Stock equal to the number of Common Stock equivalents that are vested and being exercised under such SAR, over (ii) the strike price of such SAR. Such appreciation distribution may be paid to the Participant in the form of Common Stock or cash (or any combination of Common Stock and cash) or in any other form of payment, as determined by the Board and specified in the SAR Agreement.

(e) Transferability. Options and SARs may not be transferred to third party financial institutions for value. The Board may impose such additional limitations on the transferability of an Option or SAR as it determines. In the absence of any such determination by the Board, the following restrictions on the transferability of Options and SARs will apply, provided that except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration and provided, further, that if an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer:

(i) **Restrictions on Transfer.** An Option or SAR will not be transferable, except by will or by the laws of descent and distribution, and will be exercisable during the lifetime of the Participant only by the Participant; provided, however, that the Board may permit transfer of an Option or SAR in a manner that is not prohibited by applicable tax and securities laws upon the Participant’s request, including to a trust if the Participant is considered to be the sole beneficial owner of such trust (as determined under Section 671 of the Code and applicable state law) while such Option or SAR is held in such trust, provided that the Participant and the trustee enter into a transfer and other agreements required by the Company.

(ii) **Domestic Relations Orders.** Notwithstanding the foregoing, subject to the execution of transfer documentation in a format acceptable to the Company and subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to a domestic relations order.

(f) Vesting. The Board may impose such restrictions on or conditions to the vesting and/or exercisability of an Option or SAR as determined by the Board. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Options and SARs will cease upon termination of the Participant's Continuous Service.

(g) Termination of Continuous Service for Cause. Except as explicitly otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service is terminated for Cause, the Participant's Options and SARs will terminate and be forfeited immediately upon such termination of Continuous Service, and the Participant will be prohibited from exercising any portion (including any vested portion) of such Awards on and after the date of such termination of Continuous Service and the Participant will have no further right, title or interest in such forfeited Award, the shares of Common Stock subject to the forfeited Award, or any consideration in respect of the forfeited Award.

(h) Post-Termination Exercise Period Following Termination of Continuous Service for Reasons Other than Cause. Subject to Section 4(i), if a Participant's Continuous Service terminates for any reason other than for Cause, the Participant may exercise his or her Option or SAR to the extent vested, but only within the following period of time or, if applicable, such other period of time provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate; provided, however, that in no event may such Award be exercised after the expiration of its maximum term (as set forth in Section 4(a)):

(i) three months following the date of such termination if such termination is a termination without Cause (other than any termination due to the Participant's Disability or death);

(ii) 12 months following the date of such termination if such termination is due to the Participant's Disability;

(iii) 18 months following the date of such termination if such termination is due to the Participant's death; or

(iv) 18 months following the date of the Participant's death if such death occurs following the date of such termination but during the period such Award is otherwise exercisable (as provided in (i) or (ii) above).

Following the date of such termination, to the extent the Participant does not exercise such Award within the applicable Post-Termination Exercise Period (or, if earlier, prior to the expiration of the maximum term of such Award), such unexercised portion of the Award will terminate, and the Participant will have no further right, title or interest in the terminated Award, the shares of Common Stock subject to the terminated Award, or any consideration in respect of the terminated Award.

(i) Restrictions on Exercise; Extension of Exercisability. A Participant may not exercise an Option or SAR at any time that the issuance of shares of Common Stock upon such exercise would violate Applicable Law. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason other than for Cause and, at any time during the last thirty days of the applicable Post-Termination Exercise Period: (i) the exercise of the Participant's Option or SAR would be prohibited solely because the issuance of shares of Common Stock upon such exercise would violate Applicable Law, or (ii) the immediate sale of any shares of Common Stock issued upon such exercise would violate the Company's Trading Policy, then the applicable Post-Termination Exercise Period will be extended to the last day of the calendar month that commences following the date the Award would otherwise expire, with an additional extension of the exercise period to the last day of the next calendar month to apply if any of the foregoing restrictions apply at any time during such extended exercise period, generally without limitation as to the maximum permitted number of extensions); provided, however, that in no event may such Award be exercised after the expiration of its maximum term (as set forth in Section 4(a)).

(j) Non-Exempt Employees. No Option or SAR, whether or not vested, granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, will be first exercisable for any shares of Common Stock until at least six months following the date of grant of such Award. Notwithstanding the foregoing, in accordance with the provisions of the Worker Economic Opportunity Act, any vested portion of such Award may be exercised earlier than six months following the date of grant of such Award in the event of: (i) such Participant's death or Disability, (ii) a Corporate Transaction in which such Award is not assumed, continued or substituted, (iii) a Change in Control, or (iv) such Participant's retirement (as such term may be defined in the Award Agreement or another applicable agreement or, in the absence of any such definition, in accordance with the Company's then current employment policies and guidelines). This Section 4(j) is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay.

(k) Whole Shares. Options and SARs may be exercised only with respect to whole shares of Common Stock or their equivalents.

5. Awards Other Than Options and Stock Appreciation Rights.

(a) Restricted Stock Awards and RSU Awards. Each Restricted Stock Award and RSU Award will have such terms and conditions as determined by the Board; provided, however, that each Restricted Stock Award Agreement and RSU Award Agreement will conform (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

(i) Form of Award.

(1) Restricted Stock Awards: To the extent consistent with the Company's Bylaws, at the Board's election, shares of Common Stock subject to a Restricted Stock Award may be: (A) held in book entry form subject to the Company's instructions until such shares become vested or any other restrictions lapse, or (B) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. Unless otherwise determined by the Board, a Participant will have voting and other rights as a stockholder of the Company with respect to any shares subject to a Restricted Stock Award.

(2) RSU Awards: A RSU Award represents a Participant's right to be issued on a future date the number of shares of Common Stock that is equal to the number of restricted stock units subject to the RSU Award. As a holder of a RSU Award, a Participant is an unsecured creditor of the Company with respect to the Company's unfunded obligation, if any, to issue shares of Common Stock in settlement of such Award and nothing contained in the Plan or any RSU Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between a Participant and the Company or an Affiliate or any other person. A Participant will not have voting or any other rights as a stockholder of the Company with respect to any RSU Award (unless and until shares are actually issued in settlement of a vested RSU Award).

(ii) Consideration.

(1) Restricted Stock Awards: A Restricted Stock Award may be granted in consideration for: (A) cash or check, bank draft or money order payable to the Company, (B) services to the Company or an Affiliate, or (C) any other form of consideration as the Board may determine and permissible under Applicable Law.

(2) RSU Awards: Unless otherwise determined by the Board at the time of grant, a RSU Award will be granted in consideration for the Participant's services to the Company or an Affiliate, such that the Participant will not be required to make any payment to the Company (other than such services) with respect to the grant or vesting of the RSU Award, or the issuance of any shares of Common Stock pursuant to the RSU Award. If, at the time of grant, the Board determines that any consideration must be paid by the Participant (in a form other than the Participant's services to the Company or an Affiliate) upon the issuance of any shares of Common Stock in settlement of the RSU Award, such consideration may be paid in any form of consideration as the Board may determine and permissible under Applicable Law.

(iii) Vesting. The Board may impose such restrictions on or conditions to the vesting of a Restricted Stock Award or RSU Award as determined by the Board. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Restricted Stock Awards and RSU Awards will cease upon termination of the Participant's Continuous Service.

(iv) Termination of Continuous Service. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason, (1) the Company may receive through a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant under his or her Restricted Stock Award that have not vested as of the date of such termination, as set forth in the Restricted Stock Award Agreement and the Participant will have no further right, title or interest in the Restricted Stock Award, the shares of Common Stock subject to the Restricted Stock Award, or any consideration in respect of the Restricted Stock Award, and (2) any portion of his or her RSU Award that has not vested will be forfeited upon such termination and the Participant will have no further right, title or interest in the RSU Award, the shares of Common Stock issuable pursuant to the RSU Award, or any consideration in respect of the RSU Award.

(v) Dividends and Dividend Equivalents. Dividends or dividend equivalents may be paid or credited, as applicable, with respect to any shares of Common Stock subject to a Restricted Stock Award or RSU Award, as determined by the Board and specified in the Award Agreement.

(vi) Settlement of RSU Awards. A RSU Award may be settled by the issuance of shares of Common Stock or cash (or any combination thereof) or in any other form of payment, as determined by the Board and specified in the RSU Award Agreement. At the time of grant, the Board may determine to impose such restrictions or conditions that delay such delivery to a date following the vesting of the RSU Award.

(b) Performance Awards. With respect to any Performance Award, the length of any Performance Period, the Performance Goals to be achieved during the Performance Period, the other terms and conditions of such Award, and the measure of whether and to what degree such Performance Goals have been attained will be determined by the Board.

(c) Other Awards. Other Awards may be granted either alone or in addition to Awards provided for under Section 4 and the preceding provisions of this Section 5. Subject to the provisions of the Plan, the Board will have sole and complete discretion to determine the persons to whom, and the time or times at which, such Other Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Awards and all other terms and conditions of such Other Awards.

6. Adjustments upon Changes in Common Stock; Other Corporate Events.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board shall appropriately and proportionately adjust: (i) the class(es) and maximum number of shares of Common Stock subject to the Plan, (ii) the class(es) and maximum number of shares that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 2(b), and (iii) the class(es) and number of securities and exercise price, strike price or purchase price of Common Stock subject to outstanding Awards. The Board shall make such adjustments, and its determination shall be final, binding and conclusive. Notwithstanding the foregoing, no fractional shares or rights for fractional shares of Common Stock shall be created in order to implement any Capitalization Adjustment. The Board shall determine an appropriate equivalent benefit, if any, for any fractional shares or rights to fractional shares that might be created by the adjustments referred to in the preceding provisions of this Section.

(b) Dissolution or Liquidation. Except as otherwise provided in the Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Awards (other than Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company, notwithstanding the fact that the holder of such Award is providing Continuous Service; provided, however, that the Board may determine to cause some or all Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Awards have not previously expired or terminated) before the dissolution or liquidation is completed, but contingent on its completion.

(c) Corporate Transaction. The following provisions will apply to Awards in the event of a Corporate Transaction, unless otherwise provided in the instrument evidencing the Award or any other written agreement between the Company or any Affiliate and the Participant or, unless otherwise expressly provided by the Board, at the time of grant of an Award.

(i) Awards May Be Assumed. In the event of a Corporate Transaction, any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue any or all Awards outstanding under the Plan or may substitute similar awards for Awards outstanding under the Plan (including, but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Awards may be assigned by the Company to the successor of the Company (or the successor's parent company, if any), in connection with such Corporate Transaction. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of an Award or substitute a similar award for only a portion of an Award, or may choose to assume or continue the Awards held by some, but not all Participants. The terms of any assumption, continuation or substitution will be set by the Board.

(ii) Awards Held by Current Participants. In the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Awards or substitute similar awards for such outstanding Awards, then with respect to Awards that have not been assumed, continued or substituted and that are held by Participants whose Continuous Service has not terminated prior to the effective time of the Corporate Transaction (referred to as the “**Current Participants**”), the vesting of such Awards (and, with respect to Options and Stock Appreciation Rights, the time when such Awards may be exercised) will be accelerated in full to a date prior to the effective time of such Corporate Transaction (contingent upon the effectiveness of the Corporate Transaction) as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective time of the Corporate Transaction), and such Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and any reacquisition or repurchase rights held by the Company with respect to such Awards will lapse (contingent upon the effectiveness of the Corporate Transaction). With respect to the vesting of Performance Awards that will accelerate upon the occurrence of a Corporate Transaction pursuant to this subsection (ii) and that have multiple vesting levels depending on the level of performance, unless otherwise provided in the Award Agreement, the vesting of such Performance Awards will accelerate at 100% of the target level upon the occurrence of the Corporate Transaction in which the Awards are not assumed in accordance with Section 6(c)(i). With respect to the vesting of Awards that will accelerate upon the occurrence of a Corporate Transaction pursuant to this subsection (ii) and are settled in the form of a cash payment, such cash payment will be made no later than 30 days following the occurrence of the Corporate Transaction or such later date as required to comply with Section 409A of the Code.

(iii) Awards Held by Persons other than Current Participants. In the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Awards or substitute similar awards for such outstanding Awards, then with respect to Awards that have not been assumed, continued or substituted and that are held by persons other than Current Participants, such Awards will terminate if not exercised (if applicable) prior to the occurrence of the Corporate Transaction; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Awards will not terminate and may continue to be exercised notwithstanding the Corporate Transaction.

(iv) Payment for Awards in Lieu of Exercise. Notwithstanding the foregoing, in the event an Award will terminate if not exercised prior to the effective time of a Corporate Transaction, the Board may provide, in its sole discretion, that the holder of such Award may not exercise such Award but will receive a payment, in such form as may be determined by the Board, equal in value, at the effective time, to the excess, if any, of: (1) the value of the property the Participant would have received upon the exercise of the Award (including, at the discretion of the Board, any unvested portion of such Award), over (2) any exercise price payable by such holder in connection with such exercise.

(d) Appointment of Stockholder Representative. As a condition to the receipt of an Award under this Plan, a Participant will be deemed to have agreed that the Award will be subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on the Participant’s behalf with respect to any escrow, indemnities and any contingent consideration.

(e) No Restriction on Right to Undertake Transactions. The grant of any Award under the Plan and the issuance of shares pursuant to any Award does not affect or restrict in any way the right or power of the Company or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company’s capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, rights or options to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

7. Administration.

(a) Administration by Board. The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in Subsection (c) below.

(b) Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time: (1) which of the persons eligible under the Plan will be granted Awards; (2) when and how each Award will be granted; (3) what type or combination of types of Award will be granted; (4) the provisions of each Award granted (which need not be identical), including the time or times when a person will be permitted to receive an issuance of Common Stock or other payment pursuant to an Award; (5) the number of shares of Common Stock or cash equivalent with respect to which an Award will be granted to each such person; (6) the Fair Market Value applicable to an Award; and (7) the terms of any Performance Award that is not valued in whole or in part by reference to, or otherwise based on, the Common Stock, including the amount of cash payment or other property that may be earned and the timing of payment.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement, in a manner and to the extent it deems necessary or expedient, to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest, notwithstanding the provisions in the Award Agreement stating the time at which it may first be exercised or the time during which it will vest.

(v) To prohibit the exercise of any Option, SAR or other exercisable Award during a period of up to 30 days prior to the consummation of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the shares of Common Stock or the share price of the Common Stock including any Corporate Transaction, for reasons of administrative convenience.

(vi) To suspend or terminate the Plan at any time. Suspension or termination of the Plan will not Materially Impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant.

(vii) To amend the Plan in any respect the Board deems necessary or advisable; provided, however, that stockholder approval will be required for any amendment to the extent required by Applicable Law. Except as provided above, rights under any Award granted before amendment of the Plan will not be Materially Impaired by any amendment of the Plan unless: (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(viii) To submit any amendment to the Plan for stockholder approval.

(ix) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; provided however, that, a Participant's rights under any Award will not be Materially Impaired by any such amendment unless: (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(x) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(xi) To adopt such procedures and sub-plans as are necessary or appropriate to permit and facilitate participation in the Plan by, or take advantage of specific tax treatment for Awards granted to, Employees, Directors or Consultants who are foreign nationals or employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement to ensure or facilitate compliance with the laws of the relevant foreign jurisdiction).

(xii) To effect, at any time and from time to time, subject to the consent of any Participant whose Award is Materially Impaired by such action: (1) the reduction of the exercise price (or strike price) of any outstanding Option or SAR; (2) the cancellation of any outstanding Option or SAR and the grant in substitution therefor of: (A) a new Option, SAR, Restricted Stock Award, RSU Award or Other Award, under the Plan or another equity plan of the Company, covering the same or a different number of shares of Common Stock, (B) cash, and/or (C) other valuable consideration (as determined by the Board); or (3) any other action that is treated as a repricing under generally accepted accounting principles.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to another Committee or a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. Each Committee may retain the authority to concurrently administer the Plan with a Committee or subcommittee to which it has delegated its authority hereunder and may, at any time, revert in such Committee some or all of the powers previously delegated. The Board may retain the authority to concurrently administer the Plan with any Committee and may, at any time, revert in the Board some or all of the powers previously delegated.

(ii) Rule 16b-3 Compliance. To the extent an Award is intended to qualify for the exemption from Section 16(b) of the Exchange Act that is available under Rule 16b-3 of the Exchange Act, the Award will be granted by the Board or a Committee that consists solely of two or more Non-Employee Directors, as determined under Rule 16b-3(b)(3) of the Exchange Act and thereafter any action establishing or modifying the terms of the Award will be approved by the Board or a Committee, meeting such requirements to the extent necessary for such exemption to remain available.

(d) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board or any Committee in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

(e) Delegation to an Officer. The Board or any Committee may delegate to one or more Officers the authority to do one or both of the following: (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by Applicable Law, other types of Awards) and, to the extent permitted by Applicable Law, the terms thereof, and (ii) determine the number of shares of Common Stock to be subject to such Awards granted to such Employees; provided, however, that the resolutions or charter adopted by the Board or any Committee evidencing such delegation will specify the total number of shares of Common Stock that may be subject to the Awards granted by such Officer, and that such Officer may not grant an Award to himself or herself. Any such Awards will be granted on the applicable form of Award Agreement most recently approved for use by the Board or the Committee, unless otherwise provided in the resolutions approving the delegation authority. Notwithstanding anything to the contrary herein, neither the Board nor any Committee may delegate to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) the authority to determine the Fair Market Value.

8. Tax Withholding

(a) Withholding Authorization. As a condition to acceptance of any Award under the Plan, a Participant authorizes withholding from payroll and any other amounts payable to such Participant, and otherwise agrees to make adequate provision for (including), any sums required to satisfy any U.S. federal, state, local and/or foreign tax or social insurance contribution withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise, vesting or settlement of such Award, as applicable. Accordingly, a Participant may not be able to exercise an Award even though the Award is vested, and the Company shall have no obligation to issue shares of Common Stock subject to an Award, unless and until such obligations are satisfied.

(b) Satisfaction of Withholding Obligation. To the extent permitted by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any U.S. federal, state, local and/or foreign tax or social insurance withholding obligation relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; (v) by allowing a Participant to effectuate a "cashless exercise" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board, or (vi) by such other method as may be set forth in the Award Agreement.

(c) No Obligation to Notify or Minimize Taxes; No Liability to Claims. Except as required by Applicable Law the Company has no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Award. Furthermore, the Company has no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award and will not be liable to any holder of an Award for any adverse tax consequences to such holder in connection with an Award. As a condition to accepting an Award under the Plan, each Participant: (i) agrees to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from such Award or other Company compensation, and (ii) acknowledges that such Participant was advised to consult with his or her own personal tax, financial and other legal advisors regarding the tax consequences of the Award and has either done so or knowingly and voluntarily declined to do so. Additionally, each Participant acknowledges any Option or SAR granted under the Plan is exempt from Section 409A only if the exercise or strike price is at least equal to the “fair market value” of the Common Stock on the date of grant as determined by the Internal Revenue Service and there is no other impermissible deferral of compensation associated with the Award. Additionally, as a condition to accepting an Option or SAR granted under the Plan, each Participant agrees not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that such exercise price or strike price is less than the “fair market value” of the Common Stock on the date of grant, as subsequently determined by the Internal Revenue Service.

(d) Withholding Indemnification. As a condition to accepting an Award under the Plan, in the event that the amount of the Company’s and/or its Affiliate’s withholding obligation in connection with such Award was greater than the amount actually withheld by the Company and/or its Affiliates, each Participant agrees to indemnify and hold the Company and/or its Affiliates harmless from any failure by the Company and/or its Affiliates to withhold the proper amount.

9. Miscellaneous.

(a) Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

(b) Use of Proceeds from Sales of Common Stock. Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

(c) Corporate Action Constituting Grant of Awards. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action approving the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

(d) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Award unless and until: (i) such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, if applicable, and (ii) the issuance of the Common Stock subject to such Award is reflected in the records of the Company.

(e) No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or affect the right of the Company or an Affiliate to terminate at will and without regard to any future vesting opportunity that a Participant may have with respect to any Award: (i) the employment of an Employee with or without notice and with or without Cause, (ii) the service of a Consultant pursuant to the terms of such Consultant’s agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state or foreign jurisdiction in which the Company or the Affiliate is incorporated, as the case may be. Further, nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award will constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or service or confer any right or benefit under the Award or the Plan, unless such right or benefit has specifically accrued under the terms of the Award Agreement and/or Plan.

(f) Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board may determine, to the extent permitted by Applicable Law, to: (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of, or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

(g) Execution of Additional Documents. As a condition to accepting an Award under the Plan, the Participant agrees to execute any additional documents or instruments necessary or desirable, as determined in the Plan Administrator's sole discretion, to carry out the purposes or intent of the Award, or facilitate compliance with securities and/or other regulatory requirements, in each case at the Plan Administrator's request.

(h) Electronic Delivery and Participation. Any reference herein or in an Award Agreement to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access). By accepting any Award the Participant consents to receive documents by electronic delivery and to participate in the Plan through any on-line electronic system established and maintained by the Plan Administrator or another third party selected by the Plan Administrator. The form of delivery of any Common Stock (e.g., a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

(i) Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Law and any clawback policy that the Company otherwise adopts, to the extent applicable and permissible under Applicable Law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a Participant's right to voluntarily terminate employment upon a "resignation for good reason," or for a "constructive termination" or any similar term under any plan of, or agreement with, the Company.

(j) Securities Law Compliance. A Participant will not be issued any shares in respect of an Award unless either: (i) the shares are registered under the Securities Act; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Each Award also must comply with other Applicable Law governing the Award, and a Participant will not receive such shares if the Company determines that such receipt would not be in material compliance with Applicable Law.

(k) Transfer or Assignment of Awards; Issued Shares. Except as expressly provided in the Plan or the form of Award Agreement, Awards granted under the Plan may not be transferred or assigned by the Participant. After the vested shares subject to an Award have been issued, or in the case of Restricted Stock and similar awards, after the issued shares have vested, the holder of such shares is free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein, the terms of the Trading Policy and Applicable Law.

(l) Effect on Other Employee Benefit Plans. The value of any Award granted under the Plan, as determined upon grant, vesting or settlement, shall not be included as compensation, earnings, salaries, or other similar terms used when calculating any Participant's benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

(m) Deferrals. To the extent permitted by Applicable Law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may also establish programs and procedures for deferral elections to be made by Participants. Deferrals will be made in accordance with the requirements of Section 409A.

(n) **Section 409A.** Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A, and, to the extent not so exempt, in compliance with the requirements of Section 409A. If the Board determines that any Award granted hereunder is not exempt from, and is therefore subject to Section 409A, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement. Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes “deferred compensation” under Section 409A is a “specified employee” for purposes of Section 409A, no distribution or payment of any amount that is due because of a “separation from service” (as defined in Section 409A without regard to alternative definitions thereunder) will be issued or paid before the date that is six months and one day following the date of such Participant’s “separation from service” or, if earlier, the date of the Participant’s death, unless such distribution or payment can be made in a manner that complies with Section 409A, and any amounts so deferred will be paid in a lump sum on the day after such six-month period elapses, with the balance paid thereafter on the original schedule.

(o) **Choice of Law.** This Plan and any controversy arising out of or relating to this Plan shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to conflict of law principles that would result in any application of any law other than the law of the State of Delaware.

10. Covenants of the Company.

(a) **Compliance with Law.** The Company will seek to obtain from each regulatory commission or agency, as may be deemed to be necessary, having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell shares of Common Stock upon exercise or vesting of the Awards; provided, however, that this undertaking will not require the Company to register under the Securities Act the Plan, any Award or any Common Stock issued or issuable pursuant to any such Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary or advisable for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise or vesting of such Awards unless and until such authority is obtained. A Participant is not eligible for the grant of an Award or the subsequent issuance of Common Stock pursuant to the Award if such grant or issuance would be in violation of any Applicable Law.

11. Additional Rules for Awards Subject to Section 409A.

(a) **Application.** Unless the provisions of this Section of the Plan are expressly superseded by the provisions in the form of Award Agreement, the provisions of this Section shall apply and shall supersede anything to the contrary set forth in the Award Agreement for a Non-Exempt Award.

(b) **Non-Exempt Awards Subject to Non-Exempt Severance Arrangements.** To the extent a Non-Exempt Award is subject to Section 409A due to application of a Non-Exempt Severance Arrangement, the following provisions of this Subsection (b) apply.

(i) If the Non-Exempt Award vests in the ordinary course during the Participant’s Continuous Service in accordance with the vesting schedule set forth in the Award Agreement, and does not accelerate vesting under the terms of a Non-Exempt Severance Arrangement, in no event will the shares be issued in respect of such Non-Exempt Award any later than the later of: (i) December 31st of the calendar year that includes the applicable vesting date, or (ii) the 60th day that follows the applicable vesting date.

(ii) If vesting of the Non-Exempt Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with the Participant’s Separation from Service, and such vesting acceleration provisions were in effect as of the date of grant of the Non-Exempt Award and, therefore, are part of the terms of such Non-Exempt Award as of the date of grant, then the shares will be earlier issued in settlement of such Non-Exempt Award upon the Participant’s Separation from Service in accordance with the terms of the Non-Exempt Severance Arrangement, but in no event later than the 60th day that follows the date of the Participant’s Separation from Service. However, if at the time the shares would otherwise be issued the Participant is subject to the distribution limitations contained in Section 409A applicable to “specified employees,” as defined in Section 409A(a)(2)(B)(i) of the Code, such shares shall not be issued before the date that is six months following the date of such Participant’s Separation from Service, or, if earlier, the date of the Participant’s death that occurs within such six-month period.

(iii) If vesting of a Non-Exempt Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with a Participant's Separation from Service, and such vesting acceleration provisions were not in effect as of the date of grant of the Non-Exempt Award and, therefore, are not a part of the terms of such Non-Exempt Award on the date of grant, then such acceleration of vesting of the Non-Exempt Award shall not accelerate the issuance date of the shares, but the shares shall instead be issued on the same schedule as set forth in the Grant Notice as if they had vested in the ordinary course during the Participant's Continuous Service, notwithstanding the vesting acceleration of the Non-Exempt Award. Such issuance schedule is intended to satisfy the requirements of payment on a specified date or pursuant to a fixed schedule, as provided under Treasury Regulations Section 1.409A-3(a)(4).

(c) **Treatment of Non-Exempt Awards Upon a Corporate Transaction for Employees and Consultants.** The provisions of this Subsection (c) shall apply and shall supersede anything to the contrary set forth in the Plan with respect to the permitted treatment of any Non-Exempt Award in connection with a Corporate Transaction if the Participant was either an Employee or Consultant upon the applicable date of grant of the Non-Exempt Award.

(i) **Vested Non-Exempt Awards.** The following provisions shall apply to any Vested Non-Exempt Award in connection with a Corporate Transaction:

(1) If the Corporate Transaction is also a Section 409A Change in Control, then the Acquiring Entity may not assume, continue or substitute the Vested Non-Exempt Award. Upon the Section 409A Change in Control, the settlement of the Vested Non-Exempt Award will automatically be accelerated and the shares will be immediately issued in respect of the Vested Non-Exempt Award. Alternatively, the Company may instead provide that the Participant will receive a cash settlement equal to the Fair Market Value of the shares that would otherwise be issued to the Participant upon the Section 409A Change in Control.

(2) If the Corporate Transaction is not also a Section 409A Change in Control, then the Acquiring Entity must either assume, continue or substitute each Vested Non-Exempt Award. The shares to be issued in respect of the Vested Non-Exempt Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Corporate Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of the Fair Market Value of the shares made on the date of the Corporate Transaction.

(ii) **Unvested Non-Exempt Awards.** The following provisions shall apply to any Unvested Non-Exempt Award unless otherwise determined by the Board pursuant to Subsection (e) of this Section.

(1) In the event of a Corporate Transaction, the Acquiring Entity shall assume, continue or substitute any Unvested Non-Exempt Award. Unless otherwise determined by the Board, any Unvested Non-Exempt Award will remain subject to the same vesting and forfeiture restrictions that were applicable to the Award prior to the Corporate Transaction. The shares to be issued in respect of any Unvested Non-Exempt Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Corporate Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of Fair Market Value of the shares made on the date of the Corporate Transaction.

(2) If the Acquiring Entity will not assume, substitute or continue any Unvested Non-Exempt Award in connection with a Corporate Transaction, then such Award shall automatically terminate and be forfeited upon the Corporate Transaction with no consideration payable to any Participant in respect of such forfeited Unvested Non-Exempt Award. Notwithstanding the foregoing, to the extent permitted and in compliance with the requirements of Section 409A, the Board may in its discretion determine to elect to accelerate the vesting and settlement of the Unvested Non-Exempt Award upon the Corporate Transaction, or instead substitute a cash payment equal to the Fair Market Value of such shares that would otherwise be issued to the Participant, as further provided in Subsection (e)(ii) below. In the absence of such discretionary election by the Board, any Unvested Non-Exempt Award shall be forfeited without payment of any consideration to the affected Participants if the Acquiring Entity will not assume, substitute or continue the Unvested Non-Exempt Awards in connection with the Corporate Transaction.

(3) The foregoing treatment shall apply with respect to all Unvested Non-Exempt Awards upon any Corporate Transaction, and regardless of whether or not such Corporate Transaction is also a Section 409A Change in Control.

(d) **Treatment of Non-Exempt Awards Upon a Corporate Transaction for Non-Employee Directors.** The following provisions of this Subsection (d) shall apply and shall supersede anything to the contrary that may be set forth in the Plan with respect to the permitted treatment of a Non-Exempt Director Award in connection with a Corporate Transaction.

(i) If the Corporate Transaction is also a Section 409A Change in Control, then the Acquiring Entity may not assume, continue or substitute the Non-Exempt Director Award. Upon the Section 409A Change in Control, the vesting and settlement of any Non-Exempt Director Award will automatically be accelerated and the shares will be immediately issued to the Participant in respect of the Non-Exempt Director Award. Alternatively, the Company may provide that the Participant will instead receive a cash settlement equal to the Fair Market Value of the shares that would otherwise be issued to the Participant upon the Section 409A Change in Control pursuant to the preceding provision.

(ii) If the Corporate Transaction is not also a Section 409A Change in Control, then the Acquiring Entity must either assume, continue or substitute the Non-Exempt Director Award. Unless otherwise determined by the Board, the Non-Exempt Director Award will remain subject to the same vesting and forfeiture restrictions that were applicable to the Award prior to the Corporate Transaction. The shares to be issued in respect of the Non-Exempt Director Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Corporate Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of Fair Market Value made on the date of the Corporate Transaction.

(e) If the RSU Award is a Non-Exempt Award, then the provisions in this Section 11(e) shall apply and supersede anything to the contrary that may be set forth in the Plan or the Award Agreement with respect to the permitted treatment of such Non-Exempt Award:

(i) Any exercise by the Board of discretion to accelerate the vesting of a Non-Exempt Award shall not result in any acceleration of the scheduled issuance dates for the shares in respect of the Non-Exempt Award unless earlier issuance of the shares upon the applicable vesting dates would be in compliance with the requirements of Section 409A.

(ii) The Company explicitly reserves the right to earlier settle any Non-Exempt Award to the extent permitted and in compliance with the requirements of Section 409A, including pursuant to any of the exemptions available in Treasury Regulations Section 1.409A-3(j)(4)(ix).

(iii) To the extent the terms of any Non-Exempt Award provide that it will be settled upon a Change in Control or Corporate Transaction, to the extent it is required for compliance with the requirements of Section 409A, the Change in Control or Corporate Transaction event triggering settlement must also constitute a Section 409A Change in Control. To the extent the terms of a Non-Exempt Award provides that it will be settled upon a termination of employment or termination of Continuous Service, to the extent it is required for compliance with the requirements of Section 409A, the termination event triggering settlement must also constitute a Separation From Service. However, if at the time the shares would otherwise be issued to a Participant in connection with a "separation from service," such Participant is subject to the distribution limitations contained in Section 409A applicable to "specified employees," as defined in Section 409A(a)(2)(B)(i) of the Code, such shares shall not be issued before the date that is six months following the date of the Participant's Separation From Service, or, if earlier, the date of the Participant's death that occurs within such six month period.

(iv) The provisions in this Subsection (e) for delivery of the shares in respect of the settlement of a RSU Award that is a Non-Exempt Award are intended to comply with the requirements of Section 409A so that the delivery of the shares to the Participant, in respect of such Non-Exempt Award, will not trigger the additional tax imposed under Section 409A, and any ambiguities herein will be so interpreted.

12. Severability.

If all or any part of the Plan or any Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of the Plan or such Award Agreement not declared to be unlawful or invalid. Any Section of the Plan or any Award Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

13. Termination of the Plan.

The Board may suspend or terminate the Plan at any time. No Incentive Stock Options may be granted after the tenth anniversary of the earlier of: (i) the Adoption Date, or (ii) the date the Plan is approved by the Company's stockholders. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

14. Definitions.

As used in the Plan, the following definitions apply to the capitalized terms indicated below:

- (a) “ **Acquiring Entity** ” means the surviving or acquiring corporation (or its parent company) in connection with a Corporate Transaction.
- (b) “ **Adoption Date** ” means the date the Plan is first approved by the Board or Compensation Committee.
- (c) “ **Affiliate** ” means, at the time of determination, any “parent” or “subsidiary” of the Company as such terms are defined in Rule 405 promulgated under the Securities Act. The Board may determine the time or times at which “parent” or “subsidiary” status is determined within the foregoing definition.
- (d) “ **Applicable Law** ” means any applicable securities, federal, state, foreign, material local or municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, listing rule, regulation, judicial decision, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body (including under the authority of any applicable self-regulating organization such as the Nasdaq Stock Market, New York Stock Exchange, or the Financial Industry Regulatory Authority).
- (e) “ **Award** ” means any right to receive Common Stock, cash or other property granted under the Plan (including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a RSU Award, a SAR, a Performance Award or any Other Award).
- (f) “ **Award Agreement** ” means a written or electronic agreement between the Company and a Participant evidencing the terms and conditions of an Award. The Award Agreement generally consists of the Grant Notice and the agreement containing the written summary of the general terms and conditions applicable to the Award and which is provided, including through electronic means, to a Participant along with the Grant Notice.
- (g) “ **Board** ” means the Board of Directors of the Company (or its designee). Any decision or determination made by the Board shall be a decision or determination that is made in the sole discretion of the Board (or its designee), and such decision or determination shall be final and binding on all Participants.
- (h) “ **Capitalization Adjustment** ” means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Award after the date the Plan is adopted by the Board without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.
- (i) “ **Cause** ” has the meaning ascribed to such term in any written agreement between a Participant and the Company defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) the Participant’s dishonest statements or acts with respect to the Company or any Affiliate of the Company, or any current or prospective customers, suppliers, vendors or other third parties with which such entity does business; (ii) the Participant’s commission of: (A) a felony, or (B) any misdemeanor involving moral turpitude, deceit, dishonesty or fraud; (iii) the Participant’s failure to perform the Participant’s assigned duties and responsibilities to the reasonable satisfaction of the Company which failure continues, in the reasonable judgment of the Company, after written notice given to the Participant by the Company; (iv) the Participant’s gross negligence, willful misconduct or insubordination with respect to the Company or any affiliate of the Company; or (v) the Participant’s material violation of any provision of any agreement(s) between the Participant and the Company relating to noncompetition, nonsolicitation, nondisclosure and/or assignment of inventions. The determination that a termination of the Participant’s Continuous Service is either for Cause or without Cause will be made by the Board with respect to Participants who are executive officers of the Company and by the Company’s Chief Executive Officer with respect to Participants who are not executive officers of the Company. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by such Participant will have no effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.
- (j) “ **Change in Control** ” or “ **Change of Control** ” means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur: (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (C) solely because the level of Ownership held by any Exchange Act Person (the "**Subject Person**") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control shall be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either: (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the Acquiring Entity in such merger, consolidation or similar transaction, or (B) more than 50% of the combined outstanding voting power of the parent of the Acquiring Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

(iv) individuals who, on the date the Plan is adopted by the Board, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing or any other provision of this Plan: (A) the term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant shall supersede the foregoing definition with respect to Awards subject to such agreement; provided, however, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply, and (C) respect to any nonqualified deferred compensation that becomes payable on account of the Change in Control, the transaction or event described in clauses (i), (ii), (iii), (iv) or (v) also constitutes a Section 409A Change in Control if required in order for the payment not to violate Section 409A of the Code.

(k)“ **Code**” means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(l)“ **Committee**” means the Compensation Committee and any other committee of one or more Directors to whom authority has been delegated by the Board or Compensation Committee in accordance with the Plan.

(m)“ **Common Stock**” means the common stock of the Company.

(n)“ **Company**” means AvePoint, Inc., a Delaware corporation.

(o)“ **Compensation Committee**” means the Compensation Committee of the Board.

(p)“ **Consultant**” means any person, including an advisor, who is: (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a “Consultant” for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form S-8 Registration Statement under the Securities Act is available to register either the offer or the sale of the Company’s securities to such person.

(q)“ **Continuous Service**” means that the Participant’s service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant’s service with the Company or an Affiliate, will not terminate a Participant’s Continuous Service; provided, however, that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, such Participant’s Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party’s sole discretion, may determine whether Continuous Service will be considered interrupted in the case of: (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company’s leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law. In addition, to the extent required for exemption from or compliance with Section 409A, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of “separation from service” as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(r)“ **Corporate Transaction**” means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

- (i) a sale or other disposition of all or substantially all, as determined by the Board, of the consolidated assets of the Company and its Subsidiaries;
- (ii) a sale or other disposition of at least 50% of the outstanding securities of the Company;
- (iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or
- (iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

Notwithstanding the foregoing or any other provision of this Plan, (A) the term Corporate Transaction shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, (B) the definition of Corporate Transaction (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant shall supersede the foregoing definition with respect to Awards subject to such agreement; provided, however, that if no definition of Corporate Transaction or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply, and (C) respect to any nonqualified deferred compensation that becomes payable on account of the Corporate Transaction, the transaction or event described in clauses (i), (ii), (iii), (iv) or (v) also constitutes a Section 409A Change in Control if required in order for the payment not to violate Section 409A of the Code.

(s)“ **Director**” means a member of the Board.

(t)“ **determine**” or “**determined**” means as determined by the Board or the Committee (or its designee), in its sole discretion.

(u)“ **Disability**” means, with respect to a Participant, such Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as provided in Section 22(e)(3) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(v)“ **Effective Date**” means the effective date of this Plan, which is the date of the closing of the transactions contemplated by the Business Combination Agreement by and among Apex Technology Acquisition Corp., Athena Technology Merger Sub, Inc., Athena Technology Merger Sub 2, LLC, and AvePoint, Inc., dated as of November 23, 2020, provided that this Plan is approved by the Company’s stockholders prior to such date.

(w)“ **Employee**” means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an “Employee” for purposes of the Plan.

(x)“ **Employer**” means the Company or the Affiliate of the Company that employs the Participant.

(y)“ **Entity**” means a corporation, partnership, limited liability company or other entity.

(z)“ **Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(aa)“ **Exchange Act Person**” means any natural person, Entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that “Exchange Act Person” will not include: (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then outstanding securities.

(bb)“ **Fair Market Value**” means, as of any date, unless otherwise determined by the Board, the value of the Common Stock (as determined on a per share or aggregate basis, as applicable) determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value will be the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in a source the Board deems reliable.

(ii) If there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(iii) In the absence of such markets for the Common Stock, or if otherwise determined by the Board, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

(cc)“ **Governmental Body**” means any: (i) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (ii) federal, state, local, municipal, foreign or other government; (iii) governmental or regulatory body, or quasi-governmental body of any nature (including any governmental division, department, administrative agency or bureau, commission, authority, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or Entity and any court or other tribunal, and for the avoidance of doubt, any Tax authority) or other body exercising similar powers or authority; or (iv) self-regulatory organization (including the Nasdaq Stock Market, New York Stock Exchange, and the Financial Industry Regulatory Authority).

(dd)“ **Grant Notice**” means the notice provided to a Participant that he or she has been granted an Award under the Plan and which includes the name of the Participant, the type of Award, the date of grant of the Award, number of shares of Common Stock subject to the Award or potential cash payment right, (if any), the vesting schedule for the Award (if any) and other key terms applicable to the Award.

(ee)“ **Incentive Stock Option**” means an option granted pursuant to Section 4 of the Plan that is intended to be, and qualifies as, an “incentive stock option” within the meaning of Section 422 of the Code.

(ff)“ *Materially Impair*” means any amendment to the terms of the Award that materially adversely affects the Participant’s rights under the Award. A Participant’s rights under an Award will not be deemed to have been Materially Impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant’s rights. For example, the following types of amendments to the terms of an Award do not Materially Impair the Participant’s rights under the Award: (i) imposition of reasonable restrictions on the minimum number of shares subject to an Option or SAR that may be exercised, (ii) maintenance of the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iii) the change of the terms of an Incentive Stock Option in a manner that disqualifies, impairs or otherwise affects the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iv) clarification of the manner of exemption from, or the bringing of the Award into compliance with or qualifying it for an exemption from, Section 409A; or (v) compliance with other Applicable Laws.

(gg)“ *Non-Employee Director*” means a Director who either: (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act (“*Regulation S-K*”)), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a “non-employee director” for purposes of Rule 16b-3.

(hh)“ *Non-Exempt Award*” means any Award that is subject to, and not exempt from, Section 409A, including as the result of (i) a deferral of the issuance of the shares subject to the Award which is elected by the Participant or imposed by the Company or (ii) the terms of any Non-Exempt Severance Agreement.

(ii)“ *Non-Exempt Director Award*” means a Non-Exempt Award granted to a Participant who was a Director but not an Employee on the applicable grant date.

(jj)“ *Non-Exempt Severance Arrangement*” means a severance arrangement or other agreement between the Participant and the Company that provides for acceleration of vesting of an Award and issuance of the shares in respect of such Award upon the Participant’s termination of employment or separation from service (as such term is defined in Section 409A(a)(2)(A)(i) of the Code (and without regard to any alternative definition thereunder) (“*Separation from Service*”) and such severance benefit does not satisfy the requirements for an exemption from application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(4), 1.409A-1(b)(9) or otherwise.

(kk)“ *Nonstatutory Stock Option*” means any option granted pursuant to Section 4 of the Plan that does not qualify as an Incentive Stock Option.

(ll)“ *Officer*” means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(mm)“ *Option*” means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(nn)“ *Option Agreement*” means a written or electronic agreement between the Company and the Optionholder evidencing the terms and conditions of the Option grant. The Option Agreement includes the Grant Notice for the Option and the agreement containing the written summary of the general terms and conditions applicable to the Option and which is provided, including through electronic means, to a Participant along with the Grant Notice. Each Option Agreement will be subject to the terms and conditions of the Plan.

(oo)“ *Optionholder*” means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(pp)“ *Other Award*” means an award valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100% of the Fair Market Value at the time of grant) that is not an Incentive Stock Options, Nonstatutory Stock Option, SAR, Restricted Stock Award, RSU Award or Performance Award.

(qq)“ *Other Award Agreement*” means a written or electronic agreement between the Company and a holder of an Other Award evidencing the terms and conditions of an Other Award grant. Each Other Award Agreement will be subject to the terms and conditions of the Plan.

(rr)“ *Own,*” “*Owned,*” “*Owner,*” “*Ownership*” means that a person or Entity will be deemed to “Own,” to have “Owned,” to be the “Owner” of, or to have acquired “Ownership” of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(ss)“ *Participant*” means an Employee, Director or Consultant to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

(tt)“ *Performance Award*” means an Award that may vest or may be exercised or a cash award that may vest or become earned and paid contingent upon the attainment during a Performance Period of certain Performance Goals and which is granted under the terms and conditions of Section 5(b) pursuant to such terms as are approved by the Board. In addition, to the extent permitted by Applicable Law and set forth in the applicable Award Agreement, the Board may determine that cash or other property may be used in payment of Performance Awards. Performance Awards that are settled in cash or other property are not required to be valued in whole or in part by reference to, or otherwise based on, the Common Stock.

(uu)“ *Performance Criteria*” means the one or more criteria that the Board will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to establish such Performance Goals may be based on any one of, or combination of, the following as determined by the Board: earnings (including earnings per share and net earnings); earnings before interest, taxes and depreciation; earnings before interest, taxes, depreciation and amortization; total stockholder return; return on equity or average stockholder’s equity; return on assets, investment, or capital employed; stock price; margin (including gross margin); income (before or after taxes); operating income; operating income after taxes; pre-tax profit; operating cash flow; sales or revenue targets; increases in revenue or product revenue; expenses and cost reduction goals; improvement in or attainment of working capital levels; economic value added (or an equivalent metric); market share; cash flow; cash flow per share; share price performance; debt reduction; customer satisfaction; stockholders’ equity; capital expenditures; debt levels; operating profit or net operating profit; workforce diversity; growth of net income or operating income; billings; financing; regulatory milestones; stockholder liquidity; corporate governance and compliance; intellectual property; personnel matters; progress of internal research; progress of partnered programs; partner satisfaction; budget management; partner or collaborator achievements; internal controls, including those related to the Sarbanes-Oxley Act of 2002; investor relations, analysts and communication; implementation or completion of projects or processes; employee retention; number of users, including unique users; strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property); establishing relationships with respect to the marketing, distribution and sale of the Company’s products; supply chain achievements; co-development, co-marketing, profit sharing, joint venture or other similar arrangements; individual performance goals; corporate development and planning goals; and other measures of performance selected by the Board or Committee whether or not listed herein.

(vv) “**Performance Goals**” means, for a Performance Period, the one or more goals established by the Board for the Performance Period based upon the Performance Criteria. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the Board (i) in the Award Agreement at the time the Award is granted or (ii) in such other document setting forth the Performance Goals at the time the Performance Goals are established, the Board will appropriately make adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of items that are “unusual” in nature or occur “infrequently” as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of Common Stock of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company’s bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; and (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles. In addition, the Board may establish or provide for other adjustment items in the Award Agreement at the time the Award is granted or in such other document setting forth the Performance Goals at the time the Performance Goals are established. In addition, the Board retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for such Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Award Agreement or the written terms of a Performance Cash Award.

(ww) “**Performance Period**” means the period of time selected by the Board over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant’s right to vesting or exercise of an Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board.

(xx) “**Plan**” means this AvePoint, Inc. 2021 Equity Incentive Plan.

(yy) “**Plan Administrator**” means the person, persons, and/or third-party administrator designated by the Company to administer the day to day operations of the Plan and the Company’s other equity incentive programs.

(zz) “**Post-Termination Exercise Period**” means the period following termination of a Participant’s Continuous Service within which an Option or SAR is exercisable, as specified in Section 4(h).

(aaa) “**Restricted Stock Award**” or “**RSA**” means an Award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 5(a).

(bbb) “**Restricted Stock Award Agreement**” means a written or electronic agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. The Restricted Stock Award Agreement includes the Grant Notice for the Restricted Stock Award and the agreement containing the written summary of the general terms and conditions applicable to the Restricted Stock Award and which is provided, including by electronic means, to a Participant along with the Grant Notice. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

(ccc) “**RSU Award**” or “**RSU**” means an Award of restricted stock units representing the right to receive an issuance of shares of Common Stock which is granted pursuant to the terms and conditions of Section 5(a).

(ddd) “**RSU Award Agreement**” means a written or electronic agreement between the Company and a holder of a RSU Award evidencing the terms and conditions of a RSU Award. The RSU Award Agreement includes the Grant Notice for the RSU Award and the agreement containing the written summary of the general terms and conditions applicable to the RSU Award and which is provided, including by electronic means, to a Participant along with the Grant Notice. Each RSU Award Agreement will be subject to the terms and conditions of the Plan.

(eee) “**Rule 16b-3**” means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(fff) “**Rule 405**” means Rule 405 promulgated under the Securities Act.

(ggg) “**Section 409A**” means Section 409A of the Code and the regulations and other guidance thereunder.

(hhh) “**Section 409A Change in Control**” means a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company’s assets, as provided in Section 409A(a)(2)(A)(v) of the Code and Treasury Regulations Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder).

(iii) “**Securities Act**” means the Securities Act of 1933, as amended.

(jjj) “**Share Reserve**” means the number of shares available for issuance under the Plan as set forth in Section 2(a).

(kkk) “**Stock Appreciation Right**” or “**SAR**” means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 4.

(lll) “**SAR Agreement**” means a written or electronic agreement between the Company and a holder of a SAR evidencing the terms and conditions of a SAR grant. The SAR Agreement includes the Grant Notice for the SAR and the agreement containing the written summary of the general terms and conditions applicable to the SAR and which is provided, including by electronic means, to a Participant along with the Grant Notice. Each SAR Agreement will be subject to the terms and conditions of the Plan.

(mmm) “**Subsidiary**” means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

(nnn) “**Ten Percent Stockholder**” means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

(ooo) “**Trading Policy**” means the Company’s policy permitting certain individuals to sell Company shares only during certain "window" periods and/or otherwise restricts the ability of certain individuals to transfer or encumber Company shares, as in effect from time to time.

(ppp) “**Unvested Non-Exempt Award**” means the portion of any Non-Exempt Award that had not vested in accordance with its terms upon or prior to the date of any Corporate Transaction.

(qqq) “**Vested Non-Exempt Award**” means the portion of any Non-Exempt Award that had vested in accordance with its terms upon or prior to the date of a Corporate Transaction.

AvePoint, Inc.
List of Material Subsidiaries

Subsidiary	Jurisdiction
AvePoint AU Pty Ltd.	Australia
tyGraph Ltd.	Canada
AvePoint Beijing Technology Ltd.	China
AvePoint Technology Changchun Co. Ltd.	China
Shanghai AvePoint Software Technology Corporation Limited	China
AvePoint France*	France
AvePoint Deutschland GmbH	Germany
AvePoint Japan K.K.	Japan
AvePoint Korea Co. Ltd.	Korea
AvePoint Benelux*	Netherlands
AvePoint Manila**	Philippines
AvePoint Singapore Pte. Ltd.	Singapore
I-Access Solutions Pte. Ltd.	Singapore
MaivenPoint Pte. Ltd.	Singapore
AvePoint South Africa***	South Africa
AvePoint Sweden*	Sweden
AvePoint Switzerland*	Switzerland
AvePoint Holding Limited	United Kingdom
AvePoint UK, Ltd.	United Kingdom
Combined Knowledge Limited	United Kingdom
AvePoint Vietnam Company Ltd.	Vietnam
AvePoint Holdings USA, LLC	Virginia (United States)
AvePoint Public Sector, Inc.	Virginia (United States)
AvePoint Ventures, LLC	Virginia (United States)

* Branch office of AvePoint Deutschland GmbH

** Branch office of AvePoint Holdings USA, LLC

*** Branch office of AvePoint UK, Ltd.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-259617 on Form S-8 of our report dated February 29, 2024, relating to the financial statements of AvePoint, Inc. and the effectiveness of AvePoint, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2023.

/s/ Deloitte & Touche LLP

New York, New York
February 29, 2024

CERTIFICATIONS

I, Tianyi Jiang, certify that:

1. I have reviewed this Annual Report on Form 10-K of AvePoint, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 29, 2024

By: /s/ Tianyi Jiang
Tianyi Jiang
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, James Caci, certify that:

1. I have reviewed this Annual Report on Form 10-K of AvePoint, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 29, 2024

By: /s/ James Caci

James Caci
Chief Financial Officer
(Principal Financial and Accounting
Officer)

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the “*Exchange Act*”) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Tianyi Jiang, Chief Executive Officer of AvePoint, Inc. (the “*Company*”) hereby certifies that, to the best of his knowledge:

1. The Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the “*Report*”) fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: February 29, 2024

By: /s/ Tianyi Jiang

Tianyi Jiang
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the “*Exchange Act*”) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), James Caci, Chief Financial Officer of AvePoint, Inc. (the “*Company*”) hereby certifies that, to the best of his knowledge:

1. The Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the “*Report*”) fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: February 29, 2024

By: /s/ James Caci

James Caci
Chief Financial Officer
(Principal Financial and Accounting
Officer)

AVEPOINT, INC.
COMPENSATION RECOVERY POLICY

Approved: September 7, 2023

AvePoint, Inc., a Delaware corporation, (collectively with its subsidiaries and other affiliates, the “*Company*”) is committed to promoting high standards of honest and ethical business conduct and compliance with applicable laws, rules and regulations. As part of this commitment, the Company has adopted this Compensation Recovery Policy (this “*Policy*”). This Policy explains when the Company will be required to seek recovery of Incentive Compensation awarded or paid to a Covered Person and shall supersede and replace any prior clawback and/or compensation recovery policy(ies) of the Company. This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended, and the NASDAQ listing standards (the “*Clawback Rules*”) and will be interpreted accordingly.

The Compensation Committee will have full authority to administer this Policy. The Compensation Committee will, subject to the provisions of this Policy and the Clawback Rules, make such determinations and interpretations and take such actions in connection with this Policy as it deems necessary, appropriate or advisable. All determinations and interpretations made by the Compensation Committee will be final, binding and conclusive.

I. Definitions

“*Applicable Period*” means the three completed fiscal years of the Company immediately preceding the earlier of (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes (or reasonably should have concluded) that a Restatement is required or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement.

“*Board*” means the Board of Directors of the Company.

“*Compensation Committee*” means the Compensation Committee of the Board.

“*Covered Person*” means the Company’s officers for purposes of Section 16 under the Securities Exchange Act of 1934, as amended, (the “*Exchange Act*”) during any portion of the performance period of the Incentive Compensation. For the avoidance of doubt, a Covered Person may include a former officer that left the Company, retired, or transitioned to an employee role (including after serving as an officer in an interim capacity).

“*Effective Date*” means the date this Policy was approved by the Company’s Nominating and Corporate Governance Committee.

“*Excess Compensation*” means any amount of Incentive Compensation Received by a Covered Person that exceeds the amount of Incentive Compensation that otherwise would have been received had it been determined based on the restated financial information or properly calculated financial measure. Excess Compensation shall be calculated on a pre-tax basis.

“*Incentive Compensation*” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure, as determined in accordance with the Clawback Rules. Incentive Compensation generally does not include any base salaries; bonuses paid solely at the discretion of the Compensation Committee or Board that are not paid from a “bonus pool” that is determined by satisfying a financial reporting measure; bonuses paid solely upon satisfying one or more subjective standards and/or completion of a specified employment period; non-equity incentive plan awards earned solely upon satisfying one or more strategic measures or operational measures; or equity awards that vest solely based on the passage of time and/or attaining one or more non-financial reporting measures.

“Received” Incentive Compensation is deemed “Received” in the Company’s fiscal period during which the financial reporting measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

“Restatement” means an accounting restatement of any of the Company’s financial statements filed with the Securities and Exchange Commission under the Exchange Act, or the Securities Act of 1933, as amended, due to the Company’s material noncompliance with any financial reporting requirement under U.S. securities laws, regardless of whether the Company or Covered Person misconduct was the cause for such restatement. “Restatement” includes any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as “Big R” restatements), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as “little r” restatements).

II. Policy Statement

A. Scope

This Policy applies only to Covered Persons with Incentive Compensation who have received Excess Compensation due to a Restatement during the Applicable Period.

B. Miscalculation of Financial Reporting Measure Results

In the event of a Restatement, the Company will seek to recover, reasonably promptly, all Excess Compensation from a Covered Person. Such recovery, in the case of a Restatement, will be made without regard to any individual knowledge or responsibility related to the Restatement. Notwithstanding the foregoing, if the Company is required to undertake a Restatement, the Company will not be required to recover the Excess Compensation if the Compensation Committee determines such clawback would be impracticable, violate home country laws, and/or involve tax qualified retirement plans, as determined in accordance with the Clawback Rules. Any determination that clawback is not required shall be documented by the Compensation Committee or the Board.

If such Excess Compensation was not awarded or paid on a formulaic basis, the Company will seek to recover the amount that the Compensation Committee determines in good faith should be recouped.

C. Other Actions

The Compensation Committee may, subject to applicable law, seek recovery in the manner it chooses, including, but not limited to, by seeking reimbursement from the Covered Person of all or part of the compensation awarded or paid, by electing to withhold unpaid compensation, by set-off, or by rescinding or canceling unvested stock. The Company may enter into deferred payment plans with Covered Persons to effectuate clawback to avoid unreasonable economic hardship.

In the reasonable exercise of its business judgment under this Policy, the Compensation Committee may in its sole discretion determine whether and to what extent additional action is appropriate to address the circumstances surrounding a Restatement to minimize the likelihood of any recurrence and to impose such other discipline as it deems appropriate.

D. No Indemnification or Reimbursement

Notwithstanding the terms of any other policy, program, agreement or arrangement, in no event will the Company indemnify or reimburse a Covered Person for any loss under this Policy and in no event will the Company pay premiums on any insurance policy that would cover a Covered Person's potential obligations with respect to Excess Compensation under this Policy.

E. Other Claims and Rights

The remedies under this Policy are in addition to, and not in lieu of, any legal and equitable claims the Company may have or any actions that may be imposed by law enforcement agencies, regulators, administrative bodies, or other authorities. Further, the exercise by the Compensation Committee of any rights pursuant to this Policy will not impact any other rights that the Company may have with respect to any Covered Person subject to this Policy.

F. Amendment; Termination

The Board or the Compensation Committee may amend or terminate this Policy at any time.

G. Effectiveness

Except as otherwise determined in writing by the Compensation Committee, this Policy will apply to any Incentive Compensation that is Received by a Covered Person on or after the Effective Date. This Policy will survive and continue notwithstanding any termination of a Covered Person's employment with the Company.

H. Successors

This Policy shall be binding and enforceable against all Covered Persons and their successors, beneficiaries, heirs, executors, administrators, or other legal representatives.