

REFINITIV

# DELTA REPORT

## 10-Q

ICORECONNECT INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1612
CHANGES	147
DELETIONS	623
ADDITIONS	842

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

FORM 10-Q

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

For the quarterly period ended **September 30, 2023** **March 31, 2024**

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: **001-41309**

**iCoreConnect Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**86-2462502**

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

**529 E. Crown Point Road, Suite 250, Ocoee, FL 34761**

(Address of principal executive offices) (Zip Code)

**(888) 810-7706**

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	ICCT	The NASDAQ Stock Market LLC

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 ☐

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 (\$323.405 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 ☐  
Non-accelerated Filer ☒  
Emerging growth company ☒

Accelerated filer ☐  
Smaller reporting 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of **November 20, 2023** **May 15, 2024** there were **8,951,472** **10,240,398** shares of the registrant's common stock outstanding.

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iCoreConnect Inc.  
FORM 10-Q QUARTERLY REPORT  
FOR THE QUARTER ENDED **SEPTEMBER 30, 2023** **MARCH 31, 2024**  
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iCoreConnect Inc.  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**AS OF SEPTEMBER 30, 2023 (UNAUDITED) AND DECEMBER 31, 2022**

	As of			
	September 30, 2023 (unaudited)	December 31, 2022	March 31, 2024 (unaudited)	December 31, 2023
<b>ASSETS</b>				
Cash	\$ 457,389	\$ 196,153	\$ 138,031	\$ 1,219,358
Accounts receivable, net	597,658	414,809	512,148	563,905
Prepaid expenses and other current assets	963,779	480,706	719,347	1,725,062
<b>Total current assets</b>	<b>2,018,826</b>	<b>1,091,668</b>	<b>1,369,526</b>	<b>3,508,325</b>
Property and equipment, net	200,450	74,194	188,895	202,421
Right of use lease asset - operating	1,182,810	944,487	1,060,267	1,122,412
Software development costs, net	779,725	531,061	1,125,368	903,412
Acquired technology, net	16,783	79,428	6,792,028	-
Customer relationships, net	3,343,919	2,350,380	2,729,920	2,980,412
Forward purchase agreement	7,377,265	-	5,784,556	5,484,556
Goodwill	1,484,966	1,484,966	1,484,966	1,484,966
<b>Total long-term assets</b>	<b>14,385,918</b>	<b>5,464,516</b>	<b>19,166,000</b>	<b>12,178,179</b>
<b>TOTAL ASSETS</b>	<b>\$ 16,404,744</b>	<b>\$ 6,556,184</b>	<b>\$ 20,535,526</b>	<b>\$ 15,686,504</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>				
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Accounts payable and accrued expenses	\$ 4,947,916	\$ 2,336,174	\$ 4,894,053	\$ 3,243,338
Operating lease liability, current portion	243,187	169,417	240,705	241,945
Notes payable, current portion	3,695,428	4,279,531	6,388,603	4,720,454
Related party notes payable			572,127	550,975
Deferred revenue	111,531	13,847	180,712	119,598
<b>Total current liabilities</b>	<b>8,998,062</b>	<b>6,798,969</b>	<b>12,276,200</b>	<b>8,876,310</b>
Long-term debt, net of current maturities	-	1,449,261	1,195,432	1,420,137
Operating lease liability, net of current portion	1,002,234	809,458	886,014	945,889
<b>Total long-term liabilities</b>	<b>1,002,234</b>	<b>2,258,719</b>	<b>2,081,446</b>	<b>2,366,026</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 10,000,296</b>	<b>\$ 9,057,688</b>	<b>14,357,646</b>	<b>11,242,336</b>
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>				
<b>STOCKHOLDERS' EQUITY</b>				

Preferred Stock par value \$0.0001; 40,000,000 shares authorized; Issued and Outstanding: 3,617,651 as of September 30, 2023 and 0 as of December 31, 2022	362	-		
Common Stock par value \$0.0001; 100,000,000 shares authorized; Issued and Outstanding: 8,373,132 as of September 30, 2023 and 6,076,078 as of December 31, 2022	838	608		
Preferred Stock par value \$0.0001; 40,000,000 shares authorized; Issued and Outstanding: 4,376,709 as of March 31, 2024 and 3,755,209 as of December 31, 2023			438	376
Common Stock par value \$0.0001; 100,000,000 shares authorized; Issued and Outstanding: 10,240,398 as of March 31, 2024 and 10,068,477 as of December 31, 2023			1,024	1,007
Additional paid-in-capital	113,828,297	80,359,848	126,386,147	119,481,543
Accumulated deficit	(107,425,049)	(82,861,960)	(120,209,729)	(115,038,758)
<b>TOTAL STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>6,404,448</b>	<b>(2,501,504)</b>		
<b>TOTAL STOCKHOLDERS' EQUITY</b>			<b>6,177,880</b>	<b>4,444,168</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 16,404,744</b>	<b>\$ 6,556,184</b>		
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>			<b>\$ 20,535,526</b>	<b>\$ 15,686,504</b>

The accompanying notes are an integral part of these to the condensed consolidated financial statements

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iCoreConnect Inc.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (UNAUDITED)

					Three Months Ended	
	Three Months Ended		Nine Months Ended		March 31,	March 31,
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	2024 (unaudited)	2023 (unaudited)
Revenue, net	\$ 2,004,853	\$ 1,888,768	\$ 5,701,372	\$ 5,943,818	\$ 2,723,363	1,840,371
Cost of sales	517,875	517,660	1,493,357	1,773,173	513,097	491,449
Gross profit	1,486,978	1,371,108	4,208,015	4,170,645	2,210,266	1,348,922
Expenses						
Selling, general and administrative	3,589,655	2,151,651	9,189,829	6,445,585	4,519,898	2,411,071
Depreciation and amortization	320,427	286,622	900,936	1,000,722	732,553	288,909
Total operating expenses	3,910,082	2,438,273	10,090,765	7,446,307	5,252,451	2,699,980
Loss from operations	(2,423,104)	(1,067,165)	(5,882,750)	(3,275,662)	(3,042,185)	(1,351,058)
Other income (expense)						
Other income (expenses)						
Interest expense	(478,437)	(216,523)	(1,007,120)	(561,395)	(226,467)	(257,913)
Finance charges	(370,852)	(14,888)	(792,930)	(400,888)	(1,302,697)	(80,063)
Change in fair value of forward purchase agreement	(419,407)	-	(419,407)	-	300,000	-
Other income (expense)	-	(103,400)	13,778	(193,393)		
Total other expense, net	(1,268,696)	(334,811)	(2,205,679)	(1,155,676)		
Income taxes					(54,000)	-
Other expense					(397,621)	-
Total other expenses					(1,680,785)	(337,976)

Net loss	\$ (3,691,800)	\$ (1,401,976)	\$ (8,088,429)	\$ (4,431,338)	(4,722,970)	(1,689,034)
Preferred dividend	(218,516)	-	(218,516)	-	(448,000)	-
Net loss attributable to common stockholders	\$ (3,910,316)	\$ (1,401,976)	\$ (8,306,945)	\$ (4,431,338)	\$ (5,170,970)	\$ (1,689,034)
Net loss per share available to common stockholders, basic and diluted	\$ (0.54)	\$ (0.24)	\$ (1.23)	\$ (0.77)	(0.51)	\$ (0.26)
Weighted average number of shares, basic and diluted	7,260,195	5,777,806	6,744,143	5,762,324	10,100,426	6,490,738

The accompanying notes are an integral part of these to the condensed consolidated financial statements

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iCoreConnect Inc.  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**  
**FOR THE NINE THREE MONTHS ENDED SEPTEMBER 30, MARCH 31, 2024 AND 2023 AND 2022 (UNAUDITED)**

	Common stock		Preferred Stock		Additional Paid In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)	Common stock		Preferred Stock	
	Shares	Amount	Shares	Amount				Shares	Amount	Shares	Amount
<b>Balances at January 1, 2022 (as previously reported)</b>	167,493,479	\$ 167,493	-	-	\$ 83,633,061	\$ (82,795,263)	\$ 1,005,291				
Retroactive application of reverse capitalization (Note 3)	(161,880,406)	(166,932)			166,932	(10,243,017)	(10,243,017)				
<b>Balances at January 1, 2022</b>	5,613,073	561	-	-	83,799,993	(93,038,280)	(9,237,726)				
Stock issued for cash	158,273	16	-	-	349,984		350,000				
Origination fee in convertible debt agreement					300,000		300,000				
Stock compensation expense	-	-			255,697		255,697				
Net loss	-	-			-	(1,542,235)	(1,542,235)				
<b>Balances at March 31, 2022</b>	5,771,346	\$ 577	-	-	84,705,674	(94,580,515)	(9,874,264)				

Origination fee in convertible debt agreement	-				86,000	-	86,000		
Stock issued for conversion of debt	7,620	1			22,386		22,387		
Repurchase of common stock warrants	-				(45,000)		(45,000)		
Stock compensation expense	1,005	-			272,560	-	272,560		
Net loss	-	-			-	(1,487,127)	(1,487,127)		
<b>Balances at June 30, 2022</b>	<b>5,779,971</b>	<b>\$ 578</b>	<b>-</b>	<b>-</b>	<b>85,041,620</b>	<b>(96,067,642)</b>	<b>(11,025,444)</b>		
Origination fee in convertible debt agreement	-	-			14,888	-	14,888		
Stock compensation expense	(1,340)	-			255,257	-	255,257		
Net loss	-	-			-	(1,401,976)	(1,401,976)		
<b>Balances at September 30, 2022</b>	<b>5,778,631</b>	<b>578</b>	<b>-</b>	<b>-</b>	<b>85,311,765</b>	<b>(97,469,618)</b>	<b>(12,157,275)</b>		
<b>Balances at January 1, 2023 (as previously reported)</b>	<b>181,320,528</b>	<b>181,321</b>	<b>-</b>	<b>-</b>	<b>86,192,262</b>	<b>(88,875,087)</b>	<b>(2,501,504)</b>	<b>181,320,528</b>	<b>\$ 181,321 - \$</b>
Retroactive application of reverse capitalization (Note 3)	(175,244,450)	(180,713)			225,655	(10,243,017)	(10,198,075)	(175,244,450)	(180,713) -
<b>Balances at January 1, 2023</b>	<b>6,076,078</b>	<b>608</b>	<b>-</b>	<b>-</b>	<b>86,417,917</b>	<b>(99,118,104)</b>	<b>(12,699,579)</b>	<b>6,076,078</b>	<b>608 -</b>
Stock issued for cash	180,966	18			539,982		540,000	180,966	18
Origination fee in convertible debt agreement					80,063		80,063		

Stock issued for conversion of debt	236,502	24			685,309		685,333	236,502	24		
Stock compensation expense	5,027	1			272,982		272,983	5,027	1		
Net loss						(1,689,034)	(1,689,034)				
<b>Balance at March 31, 2023</b>	<b>6,498,573</b>	<b>\$ 651</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 87,996,253</b>	<b>\$ (100,807,138)</b>	<b>\$ (12,810,234)</b>	<b>6,498,573</b>	<b>\$ 651</b>	<b>-</b>	<b>\$</b>
Origination fee in convertible debt agreement					342,015		342,015				
Stock issued for conversion of debt	(6,832)	(1)			1		-				
Stock compensation expense	81,267	8			751,153		751,161				
Net loss						(2,707,595)	(2,707,595)				
<b>Balance at June 30, 2023</b>	<b>6,573,008</b>	<b>\$ 658</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 89,089,422</b>	<b>\$ (103,514,733)</b>	<b>\$ (14,424,653)</b>				
Issuance of Series A Preferred Stock on merger			3,782,191	378	17,846,920		17,847,298				
Common stock issued on conversion of convertible debt	1,163,266	116			5,062,048		5,062,164				
Common stock issued on exercise of warrants	117,301	12			(3,512)		(3,500)				
Common stock issued on exercise of options	198,378	20			(5,940)		(5,920)				
Conversion of Series A Preferred Stock to Common Stock	211,040	21	(211,040)	(21)			-				



Series A Preferred Stock issued for cash			46,500	5	464,995		465,000			
Origination fee in convertible debt agreement					370,852	-	370,852			
Stock compensation expense	70,139	7			410,750		410,757			
Stock issued for purchase of assets of Preferred Dental	40,000	4			399,996		400,000			
Modification of warrant agreement					1,987,460		1,987,460			
Merger transaction costs					(1,794,694)	-	(1,794,694)			
Net loss						(3,910,316)	(3,910,316)			
Balance at September 30, 2023	8,373,132	\$ 838	3,617,651	\$ 362	113,828,297	(107,425,049)	6,404,448			
Balances at January 1, 2024				10,068,477	\$ 1,007	3,755,209	\$ 376	\$ 119,481,543	\$ (115,038,758)	\$ 4,444,168
Origination fee in convertible debt agreement				85,174	8			181,996		182,004
Stock issued for purchase of Verifi Dental Limited						84,000	8	839,992		840,000
Stock issued for purchase of FeatherPay						480,000	48	4,799,952		4,800,000
Stock issued for the purchase of Teamworx						57,500	6	574,994		575,000
Stock compensation expense				86,747	9			507,670		507,679
Net loss				-	-			-	(5,170,970)	(5,170,970)
Balances at March 31, 2024				10,240,398	\$ 1,024	4,376,709	\$ 438	\$ 126,386,147	\$ (120,209,729)	\$ 6,177,880

The accompanying notes are an integral part of these to the condensed consolidated financial statements

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iCoreConnect Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (UNAUDITED)

	Three Months Ended			
	September 30,	September 30,	March 31,	March 31,
	2023	2022	2024	2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss	\$ (8,306,945)	\$ (4,431,338)	\$ (5,170,970)	(1,689,034)
Adjustments to reconcile net loss to net cash used in operating activities:				

Depreciation expense	13,753	16,788	13,526	5,733
Amortization expense	887,183	983,934	719,028	283,176
Finance fee	792,930	425,846	182,922	80,063
Change in allowance for doubtful accounts	130,439	137,676	123,797	35,982
Gain on sale of assets	(13,778)	-		
Stock compensation expense	1,434,900	783,514	507,670	272,983
Non-cash interest expense	720,357	217,434	226,466	15,535
Change in fair value of forward purchase agreement	419,407	-	(300,000)	-
Preferred dividend	218,516	-		
Changes in operating assets and liabilities:				
Accounts receivable	(313,288)	(13,759)	(16,822)	36,449
Prepaid expenses and other current assets	(483,073)	(56,064)	1,005,715	(56,279)
Right of use asset, net of lease liability	28,223	26,533	1,030	1,981
Accounts payable and accrued expenses	2,611,741	238,841	1,650,714	(192,149)
Deferred revenue	97,684	(5,096)	66,894	53,345
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(1,761,951)</b>	<b>(1,675,691)</b>	<b>(990,030)</b>	<b>(1,152,215)</b>
<b>INVESTING ACTIVITIES</b>				
Purchase of customer list	(1,559,145)	-		
Sale of capital assets	28,000	-		
Purchase of forward purchase agreement	(7,796,672)	-		
Cash portion of consideration paid to acquire assets – Verifi Dental Limited			(370,000)	-
Cash portion of consideration paid to acquire assets - FeatherPay			(500,000)	-
Purchase of capital assets	(154,231)	-	-	(40,769)
Additions to capitalized software	(507,596)	(200,947)	(334,437)	(153,346)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(9,989,644)</b>	<b>(200,947)</b>	<b>(1,204,437)</b>	<b>(194,115)</b>
<b>FINANCING ACTIVITIES</b>				
Net proceeds from debt	3,733,011	3,450,000	1,423,093	2,000,000
Payments on debt	(6,486,732)	(1,809,713)	(309,953)	(586,421)
Proceeds from issuance of common stock	540,000	350,000	-	540,000
Purchase of common stock warrants	-	(45,000)		
Stock issued for conversion of convertible debt	5,747,497	22,387		
Proceeds from issuance of preferred stock	18,312,298			
Effect of merger, net of transaction costs	(9,833,243)			
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>12,012,831</b>	<b>1,967,674</b>	<b>1,113,140</b>	<b>1,953,579</b>
<b>NET CHANGE IN CASH</b>	<b>261,236</b>	<b>91,036</b>	<b>(1,081,327)</b>	<b>607,249</b>
<b>CASH AT BEGINNING OF THE PERIOD</b>	<b>196,153</b>	<b>71,807</b>	<b>1,219,358</b>	<b>196,153</b>
<b>CASH AT END OF THE PERIOD</b>	<b>\$ 457,389</b>	<b>\$ 162,843</b>	<b>\$ 138,031</b>	<b>\$ 803,402</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>				
Cash paid during the period for interest	\$ 348,941	\$ 529,325	\$ 74,921	\$ 215,821

The accompanying notes are an integral part of these to the condensed consolidated financial statements

## Notes to Condensed Consolidated Financial Statements

September 30, 2023 March 31, 2024

### 1. NATURE OF OPERATIONS

iCoreConnect Inc. (formerly known as FG Merger Corp) (collectively with its subsidiary, the "Company"), a Delaware Corporation, is a cloud-based software and technology company focused on increasing workflow productivity and customer profitability through its enterprise platform of applications and services.

Prior to August 25, 2023, the Company was a special purpose acquisition company formed for the purpose of entering into a merger, amalgamation, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses or entities. On August 25, 2023 (the "Closing Date"), the Company consummated the business combination contemplated by the Merger Agreement and Plan of Reorganization by and among FG Merger Corp, a special purpose acquisition company incorporated in Delaware ("FGMC"), FG Merger Sub, Inc., a Nevada corporation and wholly owned subsidiary of FGMC ("Merger Sub"), and iCoreConnect Inc., a Nevada corporation ("iCore"), dated as of January 5, 2023 ("Merger Agreement"). Pursuant to the terms of the Merger Agreement, a business combination between FGMC and iCore. was affected through the merger of Merger Sub with and into iCore, with iCore. surviving the merger as a wholly owned subsidiary of FGMC. On the Closing Date, FGMC was renamed "iCoreConnect Inc." and the previous iCoreConnect Inc. was renamed "iCore Midco, Inc." ("Old iCore").

#### Business Combinations

On January 1, 2024 the Company completed the acquisitions for substantial all the assets of (a) Ally Commerce, Inc. dba FeatherPay; (b) Verifi Dental, Limited; and (c) Teamworx LLC which are all accounted for as asset acquisitions. On September 1, 2023, the Company completed the acquisitions for substantially all of the assets of Preferred Dental Development, LLC which was accounted for a business combination. During 2021, the Company also completed three as an asset acquisitions which were accounted for as business combinations (i) on April 23, 2021, the Company acquired substantially all the assets of Heyns Unlimited LLC doing business as Advantech (ii) on May 31, 2021, the Company acquired substantially all the assets of BCS Tech Center, Inc.; and (iii) on September 1, 2021, the Company acquired substantially all the assets of Spectrum Technology Solutions, LLC acquisition.

#### Going Concern and Liquidity

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

For the nine three months ended September 30, 2023 March 31, 2024, the Company generated an operating loss of \$5,882,750, \$3,042,185. In addition, at September 30, 2023 March 31, 2024, the Company has an accumulated deficit, and net working capital deficit of \$107,425,049 \$120,209,729 and \$6,979,236 \$10,906,674 respectively. The Company's activities were primarily financed through private placements of equity securities and issuance of debt. The Company intends to raise additional capital through the issuance of debt and/or equity securities to fund its operations. The Company is reliant on future fundraising to finance operations in the near future. Such financings may not be available on terms satisfactory to the Company, if at all. In light of these matters, there is substantial doubt that the Company will be able to continue as a going concern for a period of 12 months from the issuance date of these financial statements.

Currently, management intends to develop an improved healthcare communications system and intends to develop alliances with strategic partners to generate revenues that will sustain the Company. While management believes in the viability of its strategy to increase revenues and in its ability to raise additional funds, there can be no assurances to that effect. Management's ability to continue as a going concern is ultimately dependent upon its ability to continually increase the Company's customer base and realize increased revenues from signed contracts. The financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

#### Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and in accordance with the instructions to Form 10-Q and Article 8 of Regulation S-X of the SEC. Certain information or footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a complete presentation of financial position, results of operations, or cash

flows. In the opinion of management, the accompanying unaudited condensed financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented.

The accompanying unaudited condensed financial statements should be read in conjunction with the Annual Report on Form 10K as filed with the SEC on April 19, 2024 and Form 10-K/A as filed with the SEC on June 16, 2023 by Old iCore and the Form 8-K filed by the Company on August 31, 2023 April 29, 2024. The interim results for the nine three months ended September 30, 2023 March 31, 2024 are not necessarily indicative of the results to be expected for the year ending December 31, 2023 December 31, 2024 or for any future periods.

#### Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are customer obligations due under normal trade terms. The Company maintains an allowance for doubtful accounts for estimated losses resulting from the potential inability of certain customers to make required future payments on amounts due. Management determines the adequacy of this allowance by periodically evaluating the aging and past due nature of individual customer accounts receivable balances and considering the customer's current financial situation as well as the existing industry economic conditions and other relevant factors that would be useful in assessing the risk of collectability. If the future financial condition of the Company's customers were to deteriorate, resulting in their inability to make specific required payments, additions to the allowance for doubtful accounts may be required. In addition, if the financial condition of customers improves and collections of amounts outstanding commence or are reasonably assured, then the Company may reverse previously established allowances for doubtful accounts. The Company has estimated and recorded an allowance for doubtful accounts of approximately \$80,905 \$37,097 at September 30, 2023 March 31, 2024 and \$65,000 December 31, 2022 \$102,061 December 31, 2023.

#### Software Development Costs and Acquired Software

The Company accounts for software development costs, including costs to develop software products or the software component of products to be sold to external users. In accordance with ASC 985-730, Computer Software Research and Development, research and planning phase costs are expensed as incurred and development phase costs including direct materials and services, payroll and benefits and interest costs are capitalized.

The Company has determined that technological feasibility for its products to be marketed to external users was reached before the release of those products. As a result, the development costs and related acquisition costs after the establishment of technological feasibility were capitalized as incurred. Capitalized costs for software to be sold to external users and software acquired in a business combination are amortized based on current and projected future revenue for each product with an annual minimum equal to the straight-line amortization over three years.

#### Long-Lived Assets and Goodwill

The Company accounts for long-lived assets in accordance with the provisions of ASC 360-10-35, *Property, Plant and Equipment, Impairment or Disposal of Long-lived Assets*. This accounting standard requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. As part of September 30, 2023 its impairment assessment in 2023 the Company determined that the carrying value of an intangible asset for customer list exceed its fair value and December 31, 2022 as such recorded an impairment expense in quarter 4 of 2023 in the amount of \$105,676. As of March 31, 2024 there was no impairment of Long-lived Assets.

The Company accounts for goodwill and intangible assets in accordance with ASC 350, *Intangibles – Goodwill and Other*. Goodwill represents the excess of the purchase price of an entity over the estimated fair value of the assets acquired and liabilities assumed. ASC 350 requires that goodwill and other intangibles with indefinite lives be tested for impairment annually or on an interim basis if events or circumstances indicate that the fair value of an asset has decreased below its carrying value. During the fourth quarter of 2020, the Company adopted ASU No. 2017-04, *Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. This guidance simplifies the accounting for assess goodwill impairment by removing Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. Goodwill impairment will now be the amount by which the carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 there was no impairment of the Company's Goodwill.

#### Revenue Recognition

We have 6 primary sources of revenue as of March 31, 2024 and December 31, 2023:

We have 6 primary sources of revenue

1. Electronic Prescription Software
2. Insurance Verifications
3. ICD-10 Medical Coding Software
4. Encrypted and HIPAA Compliant Secure email
5. Analytics
6. MSaaS MSaaS software

1) Electronic Prescription software services are provided on an annual subscription basis using the software as a service ('SaaS') model with revenue recognized ratably over the contract term.

2). Insurance verification services are provided on an annual subscription basis using SaaS model with revenue recognized ratably over the contract term.

3) ICD-10 Medical Coding services are provided on an annual subscription basis using the software as a SaaS model with revenues recognized ratably over the contract term.

4) Encrypted and HIPAA compliant and secure email services are provided on an annual subscription basis using the SaaS model with revenues recognized ratably over the contract term.

5) Analytics automatically compiles real-time KPI data on an intuitive dashboard which saves time and helps focus the team during the morning huddle. Additionally, the Practice Metrics page provides custom reporting with rich graphics helping management to view revenue, claims, AR, scheduling and more.

6) MSaaS software services are provided on an annual subscription basis using the software as a service ('SaaS') model with revenue recognized ratably over the contract term.

The Company accounts for revenue from contracts with customers in accordance with ASU No. 2017-09, Revenue from Contracts with Customers and a series of related accounting standard updates (collectively referred to as "Topic 606"). This guidance sets forth a five-step revenue recognition model which replaced the prior revenue recognition guidance in its entirety and is intended to eliminate numerous industry-specific pieces of revenue recognition guidance and to require more detailed disclosures. The five steps of the revenue recognition model are: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies a performance obligation.

At contract inception, the Company assesses the goods and services promised in the contract with customers and identifies a performance obligation for each. To determine the performance obligation, the Company considers all products and services promised in the contract regardless of whether they are explicitly stated or implied by customary business practices. The timing of satisfaction of the performance obligation is not subject to significant judgment. The Company measures revenue as the amount of consideration expected to be received in exchange for transferring goods and services. Revenue is recognized net of any taxes collected from customers that are subsequently remitted to governmental authorities.

The Company's customers are acquired through its own salesforce and through the referrals from its many state association marketing partners. The Company primarily generates revenue from multiple software as a service (SaaS) offerings, which typically include subscriptions to its online software solutions. The Company's secondary source of revenue is professional services and other revenue related to customer onboarding, IT services and equipment sales that often precede a subscription service offering purchased by the customer. Approximately 90% of the Company's revenue is subscription based with the remainder being professional services and other IT related revenue. The geographic concentration of the Company's revenue is 100% in North America.

For the three months ended March 31, 2024 and 2022, disaggregated revenues were recurring revenues of \$2,595,050 and \$1,703,815, respectively and non-recurring revenues of \$128,313 and \$136,556, respectively.

Management has determined that it has the following performance obligations related to its products and services: multiple SaaS offerings, which typically include subscriptions to our online software solutions. Revenue from Software as a Service, hardware, service repairs, and support & maintenance are all recognized at a point in time when control of the goods is transferred to the customer, generally occurring upon shipment or delivery dependent upon the terms of the underlying contract, or services is completed. Our customers do not have the right to take possession of the online software solution. Revenue from subscriptions, including additional fees for items such as incremental contacts, is recognized ratably over the subscription period beginning on the date the subscription is made available to customers. Substantially all subscription contracts are one year. We recognize revenue from on-boarding services and equipment as the services are provided. Amounts billed that have not yet met the applicable revenue recognition criteria are recorded as deferred revenue.

For contracts with customers that contain multiple performance obligations, the Company accounts for the promised performance obligations separately as individual performance obligations if they are distinct. In determining whether performance obligations meet the criteria for being distinct, the Company considers several factors, including the degree of interrelation and interdependence between obligations and whether or not the good or service significantly modifies or transforms another good or service in the contract. After identifying the separate performance obligations, the transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. The Company generally determines the standalone selling prices based on the prices charged to customers. Judgment may be used to determine the standalone selling prices for items that are not sold separately, including taking into consideration either historical pricing practices or an adjusted market assessment. Unsatisfied and partially unsatisfied performance obligations as of the end of the reporting period primarily consist of products and services for which customer purchase orders have been accepted and that are in the process of being delivered.

Transaction price is calculated as the selling price less any variable consideration, consisting of rebates and discounts. Discounts provided to customers are known at contract inception. Rebates are calculated on the "expected value" method where the Company (1) estimates the probability of each rebate amount which could be earned by the distributor, (2) multiplies each estimated amount by its assigned probability factor, and (3) calculates a final sum of each of the probability-weighted amounts calculated in step (2). The sum calculated in step (3) is the rebate amount, which along with discounts reduces the amount of revenue recognized.

The Company has elected to account for shipping and handling activities that occur after the customer has obtained control of a good as a fulfillment cost rather than as an additional promised service. As a result, the Company accrues the costs of shipping and handling when the related revenue is recognized. Costs incurred for shipping and handling are included in costs of goods sold on the Consolidated Statements of Operations. Amounts billed to a customer for shipping and handling are reported as revenue on the Consolidated Statements of Operations.

#### Advertising Costs

Advertising costs are reported in selling, general and administrative expenses and include advertising, marketing and promotional programs and are charged as expenses in the year in which they are incurred. Advertising costs were \$129,204 \$208,085 and \$93,657 \$125,048 for the three months ended September 30, 2023 March 31, 2024 and 2022 and \$435,672 and \$357,350 for the nine months ended September 30, 2023 and 2022, respectively.

#### Accounting for Derivative Instruments

The Company accounts for derivative instruments in accordance with ASC 815 "Derivatives and Hedging", which requires additional disclosures about the Company's objectives and strategies for using derivative instruments, how the derivative instruments and related hedged items are accounted for, and how the derivative instruments and related hedging items affect the financial statements.

The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risk. Terms of convertible debt and preferred stock instruments are reviewed to determine whether or not they contain embedded derivative instruments that are required under ASC 815 to be accounted for separately from the host contract and recorded on the balance sheet at fair value. The fair value of derivative liabilities, if any, is required to be revalued at each reporting date, with corresponding changes in fair value recorded in current period operating results.

Freestanding warrants issued by the Company in connection with the issuance or sale of debt and equity instruments are considered to be derivative instruments. Pursuant to ASC 815, an evaluation of specifically identified conditions is made to determine whether the fair value of warrants issued is required to be classified as equity or as a derivative liability.

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#### Financial Instruments With Down Round Features

The Company follows the guidance of FASB ASU 2017-11, "Earnings per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); and Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features. ASU 2017-11 simplifies the accounting for certain financial instruments with down round features, a provision in an equity-linked financial instrument (or embedded feature) that provides a downround adjustment of the current exercise price based on the price of the future equity offerings. The standard requires companies to disregard the down round feature when assessing whether the instrument is indexed to its own stock, for the purposes of determining liability of equity classification. Companies that provide earning per share ("EPS") data will adjust their diluted EPS calculation for the effect of the feature when triggered (i.e. when the exercise price of the related equity-linked financial instrument is adjusted downward because of the down round feature) and will also recognize the effect of the trigger within equity.

#### Income Taxes

The Company follows the asset and liability approach to accounting for income taxes. Under this method, deferred tax assets and liabilities are measured based on differences between the financial reporting and tax bases of assets and liabilities measured using enacted tax rates and laws that are expected to be in effect when differences are expected to reverse. Valuation allowances are established when it is necessary to reduce deferred income tax assets to the amount, if any, expected to be realized in future years.

ASC 740, Accounting for Income taxes ("ASC 740"), requires that deferred tax assets be evaluated for future realization and reduced by a valuation allowance to the extent we believe a portion more likely than not will not be realized. We consider many factors when assessing the likelihood of future realization of our deferred tax assets, including our recent cumulative loss experience and expectations of future taxable income by taxing jurisdictions, the carry forwarding periods available to us for tax reporting purposes and other relevant factors.

The Company has not recognized a liability for uncertain tax positions. A reconciliation of the beginning and ending amount of unrecognized tax benefits or penalties has not been provided since there has been no unrecognized benefit or penalty. If there were an unrecognized tax benefit or penalty, the Company would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Company files U.S. Federal income tax returns and various returns in state jurisdictions. The Company's open tax years subject to examination by the Internal Revenue Service and the state Departments of Revenue generally remain open for three years from the date of filing.

#### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

#### Net Loss Per Share

Basic net loss per share is computed by dividing net loss by the weighted average number of shares of Common Stock outstanding for the period. Diluted net loss per share reflects the potential dilution of securities by adding other Common Stock equivalents, including stock options, shares issuable on exercise of warrants, convertible preferred stock and convertible notes in the weighted average number of common shares outstanding for a period, if dilutive. Common stock equivalents that are anti-dilutive were excluded from the computation of diluted earnings per share which consisted of all outstanding common stock options and warrants.

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#### Stock-Based Compensation

The Company accounts for share-based compensation costs in accordance with ASC 718, Compensation – Stock Compensation. ASC 718 requires companies to measure the cost of awards of equity instruments, including stock options and restricted stock awards, based on the grant-date fair value of the award and to recognize it as compensation expense over the employee's requisite service period or the non-employee's vesting period. An employee's requisite service period is the period of time over which an employee must provide service in exchange for an award under a share-based payment arrangement and generally is presumed to be the vesting period. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in additional paid in capital, is recorded as an increase to share capital.

The Company estimates the fair value of each option award on the date of grant using a Black-Scholes option pricing model. The Company estimates the fair value of its common stock using the closing stock price of its common stock on the option grant date. The Company estimates the volatility of its common stock at the date of grant based on its historical stock prices. The Company uses the risk-free interest rate on the implied yield currently available on U.S. Treasury issues with an equivalent remaining term approximately equal to the expected life of the award. The Company has never paid any cash dividends on its common stock and does not anticipate paying any cash dividends in the foreseeable future. The fair value of shares of restricted stock issued are determined by the Company based on the estimated fair value of the Company's common stock.

#### Beneficial Conversion Features and Warrants

The Company evaluates the conversion feature of convertible debt instruments to determine whether the conversion feature was beneficial as described in ASC 470-30, Debt with Conversion and Other Options. The Company records a beneficial conversion feature ("BCF") related to the issuance of convertible debt that has conversion features at fixed or adjustable rates that are in-the-money when issued and records the relative fair value of any warrants issued with those instruments. The BCF for the convertible instruments is recognized and measured by allocating a portion of the proceeds to the warrants and as a reduction to the carrying amount of the convertible instrument equal to the intrinsic value of the conversion features, both of which are credited to additional paid-in capital. The Company calculates the fair value of warrants with the convertible instruments using the Black-Scholes valuation model.

Under these guidelines, the Company first allocates the value of the proceeds received from a convertible debt transaction between the convertible debt instrument and any other detachable instruments included in the transaction (such as warrants) on a relative fair value basis. A BCF is then measured as the intrinsic value of the conversion option at the commitment date, representing the difference between the effective conversion price and the Company's stock price on the commitment date multiplied by the number of shares into which the debt instrument is convertible. The allocated value of the BCF and warrants are recorded as a debt discount and accreted over the expected term of the convertible debt as interest expense. If the intrinsic value of the BCF is greater than the proceeds allocated to the convertible debt instrument, the amount of the discount assigned to the BCF is limited to the amount of the proceeds allocated to the convertible debt instrument.



## Leases

The Company adopted ASU No. 2016-02, Leases and a series of related Accounting Standards Updates that followed (collectively referred to as "Topic 842"). Topic 842 requires organizations to recognize right-of-use ("ROU") lease assets and lease liabilities on the balance sheet and to disclose key information about leasing arrangements. The classification criteria for distinguishing between finance leases and operating leases are substantially similar to the classification criteria for distinguishing between capital leases and operating leases in the previous lease guidance. The FASB retained the distinction between finance leases and operating leases, leaving the effect of leases in the statement of comprehensive income and the statement of cash flows largely unchanged from previous U.S. GAAP. The Company utilized the transition method allowed under ASU 2018-11 in which an entity initially applies the new lease standard at the adoption date and recognizes a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption, if any.

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The Company determines, at contract inception, whether or not an arrangement contains a lease and evaluates the contract for classification as an operating or finance lease. For all leases, ROU assets and lease liabilities are recognized based on the present value of lease payments, including annual rent increases, over the lease term at commencement date. If the Company's lease does not provide an implicit rate in the contract, the Company uses its incremental, secured borrowing rate based on lease term information available as of the adoption date or lease commencement date in determining the present value of lease payments. Any renewal periods are considered in the analysis of each lease to the extent that the Company considers them to be reasonably certain of being exercised.

## Related Party Transactions Business Combinations

The Company applies the principles provided in the Financial Accounting Standards Board (FASB) Accounting Standards Codification ("ASC") 805, *Business Combinations*, to determine whether an acquisition involves an asset or a business. In determining whether an acquisition should be accounted for as a business combination or asset acquisition, The Company first determines whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. If this is the case, the single identifiable asset or the group of similar assets is accounted for as an asset acquisition. If this is not the case, The Company then further evaluate whether the single identifiable asset or group of similar identifiable assets and activities includes, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. If so, the transaction is accounted for as a business combination.

The Company accounts for related party transactions in accordance with FASB ASC 850, *Related Party Disclosures*. A party business combinations using the acquisition method of accounting which requires that (i) identifiable assets acquired (including identifiable intangible assets) and liabilities assumed generally be measured and recognized at estimated fair value as of the acquisition date and (ii) the excess of the purchase price over the net estimated fair value of identifiable assets acquired and liabilities assumed be recognized as goodwill, which is considered not amortized for accounting purposes but is subject to testing for impairment at least annually.

The Company measures and recognizes asset acquisitions that are not deemed to be related business combinations based on the cost to acquire the Company if the party assets. Goodwill is not recognized in an asset acquisition with any consideration in excess of net assets acquired allocated to acquired assets on a relative estimated fair value basis. Transaction costs are expensed in a business combination and transaction costs directly or indirectly or through one or more intermediaries' controls, is controlled by, or is under common control with the Company. Related parties also include principal owners attributable to an asset acquisition are considered a component of the Company, its management, members cost of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. A party which can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests is also a related party.

## Reportable Segments

U.S. GAAP establishes standards for reporting financial and descriptive information about a company's reportable segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The chief operating decision maker is the Company's Chief Executive Officer, who currently reviews the financial performance and the results of operations of the Company's operating subsidiaries on a consolidated basis when making decisions about allocating resources and assessing performance of the Company. Accordingly, the Company currently considers itself to be in a single reporting segment for reporting purposes focused on the North American market asset acquisition.

## Allowance for Credit Losses

On January 1, 2023, the Company adopted ASU 2016-13 Financial Instruments —Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected.



The Company completed its assessment on the adoption date of the new standard and did not adjust the opening balance of retained earnings relating to its trade receivables. The Company writes off receivables once it is determined that they are no longer collectible, as local laws allow.

## Recently Issued Accounting Pronouncements

### Adopted

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting - Improving Reportable Segment Disclosures (Topic 280)." The standard is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The standard requires disclosure to include significant segment expenses that are regularly provided to the CODM, a description of other segment items by reportable segment, and any additional measures of a segment's profit or loss used by the CODM when deciding how to allocate resources. The standard also requires all annual disclosures currently required by ASC Topic 280 to be included in interim periods. This standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted and requires retrospective application to all prior periods presented in the financial statements. The Company completed its assessment of the new standard and determined that the standard did not apply as the Company currently only has one reportable segment.

### Not Yet Adopted

In October 2023, the FASB issued Accounting Standards Update ("ASU") 2023-06, "Disclosure Improvements – Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative." This standard affects a wide variety of Topics in the Codification. The effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective. Early adoption is prohibited. The Company does not believe that any issued, but not yet effective accounting standards, if currently adopted, will expect the adoption of this standard to have a material effect impact on the Company's consolidated financial position, results statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures," a final standard on improvements to income tax disclosures. The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is effective for fiscal years beginning after December 15, 2024, with early adoption permitted and should be applied prospectively. The Company is currently evaluating the impact of operations this standard on its consolidated financial statements and cash flows related disclosures.

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## 3. BUSINESS COMBINATION AND RECAPITALIZATION

On August 25, 2023, Old iCore and FGMC consummated the Business Combination, with Old iCore surviving as a wholly owned subsidiary of FGMC. As part of the Business Combination, FGMC changed its name to iCoreConnect Inc. Upon the closing of the Business Combination (the "Closing"), the Company's certificate of incorporation provided for, among other things, a total number of authorized shares of capital stock of 140,000,000 shares, of which 40,000,000 shares were designated Series A preferred stock, \$0.0001 par value per share and 100,000,000 were designated common stock, \$0.0001 par value per share.

The Business Combination is accounted for as a reverse recapitalization in accordance with U.S. GAAP. Under this method of accounting, FGMC is treated as the "acquired" company and Old iCore is treated as the acquirer for financial reporting purposes. Accordingly, for accounting purposes, the Business Combination was treated as the equivalent of Old iCore issuing stock for the net assets of FGMC, accompanied by a recapitalization. The net assets of FGMC are stated at historical cost, with no goodwill or intangible assets recorded.

Upon the consummation of the Business Combination, each issued and outstanding share of Old iCore Common Stock was canceled and converted into Company Common Stock based upon the Exchange Ratio (as defined in the Merger Agreement). The shares and corresponding capital amounts and loss per share related to Old iCore Common Stock prior to the Business Combination have been retroactively restated to reflect the Exchange Ratio. All non-redeemed shares of FGMC common stock were converted into new iCoreConnect Inc. Series A preferred stock (the "Preferred Stock") on a one for one basis.

Unvested outstanding stock options to purchase shares of Old iCore Common Stock ("Old iCore Options") granted under the iCoreConnect Inc 2016 Stock Incentive Plan ("2016 Plan") converted into stock options for shares of Company Common Stock upon the same terms and conditions that were in effect with respect to such stock options immediately prior to the Business Combination, after giving effect to the Exchange Ratio (the "Exchanged Options"). Old iCore Options that were vested at the time of the merger converted into shares of Company Common Stock upon the same terms and conditions that were in effect with respect to such options immediately prior to the Business Combination, after giving effect to the Exchange Ratio.

Outstanding warrants to purchase shares of Old iCore Common Stock ("Old iCore warrants") issued and outstanding converted into shares of Company Common Stock upon the same terms and conditions that were in effect with respect to such warrants immediately prior to the Business Combination, after giving effect to the Exchange Ratio.

The following table details the number of shares of Company Common Stock issued immediately following the consummation of the Business Combination:

	Common Stock	Preferred Stock
Common stock of FGMC outstanding prior to business combination	8,050,000	-
Less: Redemptions of FGMC common stock	(6,460,059)	-
Common stock held by former FGMC shareholders	1,589,941	-
FGMC sponsor shares	1,692,374	-
Underwriter shares	40,250	-
Sponsor shares transferred for services	2,000	-
Sponsor shares transferred for non-redemption	373,126	-
Shares issued related to extension note	84,500	-
Total FGMC common shares outstanding prior to conversion to preferred stock	3,782,191	-
Conversion of existing FGMC common stockholders to new preferred stock	(3,782,191)	3,782,191
Shares issued to Old iCore stockholders for purchase consideration	8,095,706	-
Total	8,095,706	3,782,191

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The following table reconciles the elements of the Business Combination to the Company's condensed consolidated statement of changes in stockholders' equity (deficit):

	Amount
Cash - FGMC trust (net of redemptions)	\$ 17,002,897
Cash transferred to Forward Purchase Agreement	(12,569,810)
Gross proceeds	4,433,087
Less: FGMC and Old iCore transaction costs paid	(4,433,087)
Effect of Business Combination, net of redemptions and transaction costs	\$ -

All existing FGMC warrants were converted into Preferred Stock warrants with the same terms and conditions:

Holder	Number of Warrants	Strike Price
Underwriter	600,000	\$ 2.00
Sponsor and Investors	10,122,313	\$ 11.50
Sponsor	1,000,000	\$ 15.00

#### 4. INTANGIBLE ASSETS AND GOODWILL

The following table sets forth the gross carrying amounts and accumulated amortization of the Company's intangible assets as of March 31, 2024 and December 31, 2023:

	Gross Carrying Amount	Impairment	Accumulated Amortization	Net Carrying Amount
Definite-lived intangible assets:				
Capitalized software	\$ 3,741,511	\$ -	\$ (2,838,099)	\$ 903,412
Customer relationships	5,272,578	(105,676)	(2,186,490)	2,980,412
Acquired technology	1,527,186	-	(1,527,186)	-
Total definite-lived intangible assets at December 31, 2023	10,541,275	(105,676)	(6,551,775)	3,883,824
Capitalized software	4,075,948	-	(2,950,580)	1,125,368
Customer relationships	5,166,903	-	(2,436,983)	2,729,920
Acquired technology	7,148,083	-	(356,055)	6,792,028

Total definite-lived intangible assets at March 31, 2024	\$ 16,390,934	-	\$ (5,743,618)	\$ 10,647,316
In January 2024, the Company purchased Acquired Technology in the amount of \$7,148,083. In September 2023, the Company purchased customer relationships in the amount of \$1,559,145. The Company also added \$334,437 in capitalized software for the three months ended March 31, 2024. Amortization expense of intangible assets was \$719,028 and \$283,176 for the three months ended March 31, 2024 and 2023, respectively. The Company's amortization is based on no residual value using the straight-line amortization method as it best represents the benefit of the intangible assets.				
The following table sets forth the changes in the carrying amount of goodwill for the three months ended March 31, 2024 and year ended December 2023:				
	<b>Total</b>			
Balance at December 31, 2023	\$		1,484,966	
2024 acquisitions			-	
Balance at March 31, 2024	\$		1,484,966	

## 5. FORWARD PURCHASE AGREEMENT

On August 14, 2023, the Company entered into Prepaid Forward Purchase Agreement (the "FPA") with Old iCore and RiverNorth SPAC Arbitrage Fund, L.P., a Delaware limited partnership (the "Purchaser").

In accordance with the FPA and subject to the terms and conditions set forth therein, the Purchaser purchased the lesser of (a) 1.5 million shares of FGMC Common Stock and (b) such number of shares of FGMC Common Stock as shall, following the Business Combination, not exceed 9.9% of the total number of shares of FGMC Common Stock to be outstanding (such shares to be purchased, the "Forward Purchase Shares") from public shareholders for a price no greater than the redemption price per share as is indicated in FGMC's most recently filed periodic report (the "Prepaid Forward Purchase Price").

In accordance with the terms of the Business Combination, upon the consummation of the Business Combination, each Forward Purchase Share automatically converted into one share of Preferred Stock (including the shares of the Company's Common Stock underlying the Preferred Stock, the "Purchased Shares").

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Upon the Business Combination closing, 100,000 Purchased Shares were deemed to be "Commitment Shares" and the remaining Purchased Shares were deemed to be "Prepaid Forward Purchase Shares".

Upon the closing of the Business Combination FGMC caused Purchaser to be paid directly out of the funds held in FGMC's trust account, a cash amount (the "Prepayment Amount") equal to the number of Purchased Shares multiplied by the amount paid to redeeming stockholders in connection with the Business Combination (the "Redemption Price"). The Redemption Price was \$[10.69].

Upon the sale of the Prepaid Forward Purchase Shares (or underlying FGMC Common Stock) by the Purchaser, the Purchaser will remit the Reference Price (as defined below) per share to FGMC. On the earlier to occur of:

- the occurrence of a "Registration Failure" (as defined in the FPA), and
- the date that is twelve months after the closing of the Business Combination (the "Maturity Date"), then, for any Common Stock underlying the Prepaid Forward Purchase Shares not sold by the Purchaser, the Purchaser shall, on the 25th trading day after the Maturity Date (the "Payment Date"), pay the Company an amount equal to (i) the number of Prepaid Forward Purchase Shares that the Purchaser held on the Maturity Date, multiplied by (ii) the lowest daily volume weighted average price per share of FGMC Common Stock during the twenty trading days beginning on the day after the Maturity Date less \$0.15.

Between the Maturity Date and the Payment Date, the Purchaser may not sell more than a number of Prepaid Forward Purchase Shares per day equal to the greater of (i) 5% of the Purchased Shares owned by the Purchaser at the Maturity Date and (ii) 10% of the daily trading volume on such date.

The Purchaser has agreed that until the Maturity Date, the Common Stock underlying the Prepaid Forward Purchase Shares may not be sold for a price less than the Reference Price. The "Reference Price" will initially equal the Redemption Price and will be reduced (but never increased) each month commencing on the first day of the month starting 30 days after the Business Combination closing to the volume weighted average price of the FGMC Common Stock for the preceding 10 trading days, but in no event less than \$10.00 per share (the "Floor") unless in the Company's sole discretion, the Floor is lowered. Any reduction of the Floor shall be accomplished through a written notice from the Company to Purchaser.

The FPA provides for certain registration rights. In particular, FGMC is required to, within 30 calendar days following written request by Purchaser, file with the SEC a registration statement registering the resale of all shares held by Purchaser and have such registration statement declared effective as soon as practicable after the filing thereof.

## 6. NOTES PAYABLE

		September 30, 2023	December 31, 2022		March 31, 2024	December 31, 2023
(1)(2)	Convertible Note bearing interest at 12% due May, 2023	-	578,802	Note bearing interest at 18% due October 1, 2026	25,325	27,540
(2)	Note bearing interest at 18% due September 1, 2023	-	1,012,500			
(2)	Note bearing interest at 18% due September 1, 2023	-	506,250			

(3)	Note bearing interest at 18% due October 1, 2028	30,074	32,752	Secured Promissory Note bearing interest at 17.5% due February 28, 2026	1,753,761	1,988,793
(4)	Secured Promissory Note bearing interest at 17.5% due February 28, 2026	1,962,990	1,960,965	Promissory Note bearing interest at 12%, due October 31, 2023	-	38,609
(5)	Promissory Note bearing interest at 14%, due January 15, 2023	-	50,892	Convertible Note bearing interest at 12% due May 13, 2024	369,560	388,380
(6)				Convertible Note bearing interest at 12%, due October 31, 2024	564,513	569,391
(6)				Convertible Note bearing interest at 12%, due December 18, 2024	572,407	574,961
(6) (7)	Promissory Note bearing interest at 14%, due September 1, 2023	-	329,227	Convertible Note bearing interest at 12%, due December 19, 2024	79,813	80,722
(7)	Related Party Promissory Note bearing interest at 14% due September 1, 2023	70,035	108,778			
(8)	Promissory Note bearing interest at 15%, due January 25, 2023	-	506,370	Convertible Note bearing interest at 12%, due December 19, 2024	79,813	80,509
(5)				Convertible Note bearing interest at 12%, due December 28, 2024	125,092	114,781
(1)				Convertible Note bearing interest at 12%, due June 1, 2024	527,603	473,743
(9)	Promissory Note bearing interest at 15%, due September 1, 2023	-	253,184	Promissory Note bearing interest at 15%, due December 26, 2024	2,074,795	2,000,000
(9)	Promissory Note bearing interest at 15%, due September 1, 2023	-	253,184			
(10)	Related Party Promissory Notes bearing interest at 18%, due March 31, 2023	-	135,888			
(21)				Promissory Note bearing interest at 12%, due May 3, 2024	127,425	-
(11)	Convertible Note bearing interest at 15% due March 2024	-	-	Convertible Note bearing interest at 12%, due February 1, 2025	57,629	-
(7)	Related Party Promissory Note bearing interest at 18%, due September 1, 2023	213,970	-			
(12)	Convertible Note bearing interest at 15% due June 14, 2024	-	-	Convertible Note bearing interest at 12%, due February 1, 2025	5,763	-
(13)	Convertible Note bearing interest at 15% due June 14, 2024	-	-	Convertible Note bearing interest at 16%, due February 26, 2025	404,225	-
(14)	Related Party Convertible Promissory Note bearing interest at 15% due June 30, 2024	206,523	-			
(15)	Convertible Note bearing interest at 15% due July 24, 2024	-	-			
(16)	Promissory Note bearing interest at 12%, due October 31, 2023	1,211,836				
(13)				Convertible Note bearing interest at 16%, due February 26, 2025	1,280,047	-
		3,695,428	5,728,792	Total notes payable	8,047,771	6,337,429
	Less current maturities	(3,695,428)	(4,279,531)	Less: Unamortized debt discounts	(104,167)	-
	Total Long-Term Debt	\$ -	\$ 1,449,261	Less: unamortized financing costs	(359,569)	(196,837)
				Total notes payable, net of financing costs	7,584,035	6,140,592
				Less current maturities	(6,388,603)	(4,720,455)
				Total Long-Term Debt	\$ 1,195,432	\$ 1,420,137

1. In April 2021, On February 9, 2024, the Company signed issued a \$500,000 convertible promissory note entered into a securities purchase agreement with a maturity an investor with an effective date twelve months after issuance and received of December 29, 2023, pursuant to which the Company in principal amount of \$473,743 in exchange \$500,000. An for the conversion of a payable in the amount of \$473,743. The maturity of the convertible note is June 1, 2024 and carries an interest charge rate of 12% per annum shall accrue and be paid on the maturity date. The note is convertible into the Company's Common Stock Company common stock at a fixed conversion price of \$0.10 per common share based on Old iCore common share value. The Company has right of prepayment. The note holder is limited rate equal to receive upon conversion no more than 4.99% 100% of the issued and outstanding Common Stock at the time of conversion at any one time. The Company also issued to the Holder 788,000 restricted shares closing price of the Company's Common Stock and a warrant common stock on December 29, 2023, provided such conversion right is subject to purchase 2,600,000 shares approval of Company Common Stock with a 5-year term. The exercise price per share of Common stock under this Warrant is \$0.20 per share for the first 1,300,000 Warrant Shares and \$0.25 for transaction by the next 1,300,000 Warrant Shares. In August 2021 the down round provision in the Warrant Agreement was triggered resulting in an additional 3,250,000 warrants being issued and the strike price repriced to \$0.10 for all 5,850,000 warrants. In December 2022, the down round provision in the Warrant Agreement was triggered again resulting in an additional 1,462,500 warrants to be issued and the strike price repriced to \$0.08 for all 7,312,500 warrants. At Maturity this note was renegotiated and term extended to June 2023 for an additional principal consideration of \$55,400 under the same interest rate and conditions as the matured note. This note and accrued interest was converted in January 2023 for 6,037,883 shares of Common Stock. In May 2023 the Company and the warrant holder renegotiated the outstanding warrants back to their original intended values at issuance date of 1,300,000 exercisable at \$0.25 and 1,300,000 exercisable at \$0.20. Company's shareholders.
2. In August 2021, the Company signed a \$1,000,000 and \$500,000 promissory note with a maturity date 24 months after issuance. An interest charge of 15% per annum shall accrue and be paid monthly. The Company also issued to the Holder 1,000,000 restricted shares of the Company's Common Stock and 1,500,000 cash Warrant Shares with a 5-year term. The exercise price per share of Common stock under this Warrant is \$0.25 per share. In December 2021 the down round provision in the Warrant Agreement was triggered resulting in an additional 2,250,000 warrants being issued and the strike price repriced to \$0.10 for all 3,750,000 warrants. In December 2022 the down round provision in the Warrant Agreement was triggered again resulting in an additional 937,500 warrants being issued and the strike price repriced to \$0.10 for all 4,687,500 warrants. In May the Company and the warrant holder renegotiated the outstanding warrants back to their original intended values at issuance date of 1,500,000 exercisable at \$0.25. The promissory note is subordinated to the Company's senior lenders. As part of the Merger these notes along with outstanding interest was converted on August 25, 2023 into 173,339 common shares.
3. In November 2021, the Company signed a \$40,071 equipment finance agreement with a maturity date 60 months after issuance from a third-party financing company. Payments of principal and interest of \$791 are due monthly.
- 4.3. On February 28, 2022, the Company signed a \$2,000,000 secured promissory note with a maturity date 48 months after issuance and received in exchange \$1,970,000 net of fees. An Interest charge of 17.5% per annum shall accrue, with interest only payments being made for the first six months after which both interest and principal will be due. The Company has right of prepayment subject to certain minimum interest payments being made. The Prepayment Fee shall be (i) equal to 6 months' interest that would have accrued with regard to the prepaid principal, if prepaid prior to the 2nd anniversary of the date of the Initial Advance or Subsequent Advance, as applicable, and (ii) equal to 3 months' interest that would have accrued with regard to the prepaid principal, if prepaid on or after the 2nd anniversary and prior to the 3rd anniversary of the date of the Initial Advance or Subsequent Advance, as applicable. Additionally, the Company has the following covenant requirements; maintaining a minimum cash balance of \$150,000 in its combined bank accounts as well as entering into a Deposit Account Control Agreement; monthly financial reporting requirements and certifications; obtaining other indebtedness without consent; merge, consolidate or transfer assets; pledge assets as collateral; or guarantee without consent of the Lender. As of September 30, 2023 On February 12, 2024, the Company was in default of certain provisions of its \$1,962,990 debt obligation. The debt is being classified as current, given the uncertainty that the Company cannot ensure compliance is probable or reasonably possible after December 31, 2023

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5. In April 2022, the Company signed a \$50,000 unsecured promissory note with a maturity date six (6) months after issuance with an interest charge of 14% per annum which shall accrue and be paid on the maturity date. The Company has the right to prepay this note without penalty. At maturity in October 2022, this note was reissued under the same term with a maturity of three (3) months. The promissory note is subordinated to the Company's senior lender. This note was fully repaid in March 2023.
6. In April 2022, the Company signed a \$300,000 unsecured promissory note with a maturity date six (6) months after issuance with an interest charge of 14% per annum which shall accrue and be paid on the maturity date. The Company has the right to prepay this note without penalty. At maturity in October 2022, this note was reissued under the same terms with a maturity of date of six (6) months. In March 2023, the term of this note was extended to September 1, 2023. The promissory note is subordinated to the Company's senior lenders. As part of the Merger this note along with outstanding interest was converted on August 25, 2023 into 41,104 common shares.
7. In June 2022, the Company signed a \$100,000 unsecured promissory note with related party with a maturity date six (6) months after issuance with an interest charge of 14% per annum which shall accrue and be paid on the maturity date. The Company has the right to prepay this note without penalty. At maturity in November 2022, this note was reissued under the same terms with a maturity of date of three (3) months. The Company also issued to the Holder a warrant to purchase 18,813 shares of Company Common Stock with a 5-year term. The exercise price per share of Common stock under this Warrant is \$0.25 per share for 9,407 warrants and \$0.20 per share for 9,406 warrants. In March 2023, the term of this note was extended to September 1, 2023. In June 2023 the Company signed a \$145,010 unsecured promissory note with the same lender with a maturity date of September 1, 2023 after issuance with an interest rate charge of 18% per annum which shall accrue and be paid on the maturity date. The Company has the right to prepay this note without penalty. The promissory notes are subordinated to the Company's senior lenders.

8. In July 2022, the Company signed a \$500,000 unsecured promissory note with a maturity date six (6) months after issuance with an interest charge of 14% per annum. The note is callable by the Holder no earlier than 90 days from issue. The Company has the right to prepay this note without penalty. The Company issued to the Holder a warrant to purchase 175,000 shares of Company Common Stock with a 5-year term. The exercise price per share of Common stock under this Warrant is \$0.25 per share for 87,500 warrants and \$0.20 per share for 87,500 warrants. This note was fully repaid in March 2023.
9. In August 2022, the Company signed two \$250,000 unsecured promissory notes with a maturity date six (6) months after issuance with an interest charge of 14% per annum to the same investor in 14 and 9. The notes are callable by the Holder no earlier than 90 days from issue. The Company has the right to prepay this note without penalty. The Company issued to the Holder a warrant to purchase 175,000 shares of Company Common Stock with a 5-year term. The exercise price per share of Common stock under this Warrant is \$0.25 per share for 87,500 warrants and \$0.20 per share for 87,500 warrants. In March 2023, the term of these notes were extended to September 1, 2023. The promissory notes are subordinated to the Company's senior lenders. As part of the Merger these notes along with outstanding interest was converted on August 25, 2023 into 57,780 common shares.
10. In December 2022, the Company entered into an unsecured promissory note with related party in exchange for \$55,000. The maturity of the promissory note is four months from the date of issuance and carries an interest rate of 15% per annum. In conjunction with the promissory note, the Company also issued a warrant to purchase 23,625 shares of common stock which expires five years December 15, 2022 and has an exercise price of \$0.20 with respect to 11,813 shares underlying the Warrant and \$0.25 with respect to 11,812 shares underlying the Warrant. The promissory note is subordinated to the Company's senior lender. In addition, in December 2022, the Company entered into an unsecured convertible promissory note with the same related party in exchange for \$80,000. The maturity of the convertible note is March 31, 2023 and carries an interest rate of 15% per annum and is convertible into Company common stock at a conversion rate of \$0.08 per share. The Convertible Note was converted into 1,019,315 shares of Common Stock in January 2023 and the Promissory Note was fully repaid in March 2023.
11. In March 2023, the Company entered into a twelve (12) month Convertible Secured Promissory Note ("Note"). The Note is for \$2,500,000 **Forbearance Agreement** with \$500,000 paid to the Holder on issuance for net proceeds of \$2,000,000. The Note carries an interest of 15% per annum which can be paid in cash or kind and it is convertible either into the Company's Common Stock after six months from an effective date of issuance at \$0.10 per share, or if the business combination between FG Merger Corp. ("FGMC") and December 31, 2024 whereby the Company pursuant agreed to make \$300,000 payment to cure certain defaults under the Merger Agreement and Plan of Reorganization by and among FGMC, FG Merger Sub Inc., and original Loan Agreement. In addition, the Company dated January 5, 2023, agreed to increase the default rate of interest in the Loan Agreement, report certain financial and cash metrics on a weekly basis, budgetary updates as such agreement may be amended from time to time (the "Business Combination"), occurs then, upon any subsequent conversion well as pay down of the Note, the holder shall no longer have the right to receive Company common stock upon conversion balance of the Note, but shall have the right to receive, 10% of all financing raised over \$500,000, in exchange for each share interest only payments until July 2024 and waiver of Company common stock that would have been issuable upon such conversion immediately prior to the occurrence of the Business Combination, the number of shares of FGMC common stock receivable as a result of such Business Combination by a holder of the number of shares of Company common stock for which the Note is convertible immediately prior to such Business Combination. As a condition of the Note all existing outstanding Notes maturing before September 1, 2023 had their term extended to September 1, 2023. In addition, all vested option holders and all warrant holders were provided with a cashless purchase option at time of the Business Combination. The Note is superior to all notes in terms of security except of our Senior Secured Note Payable. In May 2023 all warrant holders with down round provisions provided a waiver to the potential down round triggering event on any conversion issuance. As part of the Merger these notes along with outstanding interest was converted on August 25, 2023 into 876,522 common shares. **covenants**

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- 12.4. In June September 2023 the Company entered into a twelve (12) month sixty-day Promissory Note ("Note") in the amount of \$1,200,000 related to its purchase of the assets of Preferred Dental Development LLC. The Note carries an interest of 12% per annum and is subordinated to the Company's senior lenders. The principal balance of the note was fully repaid in December 31, 2023 with only the interest portion of \$38,609 outstanding as of December 31, 2023. The note was fully repaid in January 2024. The promissory note was subordinated to the Company's senior lenders.



5. In October 2023, the Company entered into a promissory note for \$350,000. The maturity of the Promissory Note is May 13, 2024 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate of \$1.85 per share. In conjunction with the Promissory Note, the Company also issued a five-year warrant to purchase 24,500 shares of Company common stock with an exercise price of \$2.04. The value of the warrants of 13,498 as determined by a Black-Scholes calculation is separated from the value of the note and expensed equally over the term of the note as a financing fee.  
On December 28, 2023, the Company entered into a securities purchase agreement with the existing investor, pursuant to which the Company issued the investor a convertible note in principal amount of \$100,000. The maturity of the convertible note is December 28, 2024 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate equal to 120% of the closing price of the Company's common stock on the date of issuance which was \$1.31 or \$1.57 for the share price of conversion. In December 2023, the Company entered into an amendment with holder of an Amendment to Convertible Promissory Notes issued in October 2023 whereby the holder of the Note agreed that the Note would not be convertible into shares of Company Common Stock unless and until the Company's shareholders approve such conversion per NASDAQ Listing Rule 5635(d). The Company and the Note holder also entered into amendments to the warrants to purchase common stock issued in connection with the issuance of the Note, pursuant to which the holder of the Warrants agreed that the Warrants would not become exercisable unless and until the Company's shareholders approve the exercise of the Warrants pursuant to NASDAQ Listing Rule 5635(d). The promissory notes are subordinated to the Company's senior lender.
6. In October 2023, the Company entered into a securities purchase agreement with an investor, pursuant to which the Company issued the investor a Convertible Promissory Note ("Note") in principal amount of \$500,000. The maturity of the Convertible Promissory Note is October 31, 2024 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate equal to 120% of the closing price of the Company's common stock on the date of issuance which was \$1.58 or \$1.90.  
In December 2023, the Company entered into a securities purchase agreement with the existing investor, pursuant to which the Company issued the investor a convertible note in principal amount of \$500,000. The maturity of the convertible note is December 18, 2024 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate equal to 120% of the closing price of the Company's common stock on the date of issuance which was \$2.31 or \$2.77 for \$77,000 the share price of conversion. The promissory notes are subordinated to the Company's senior lender.
7. In December 2023, the Company entered into a securities purchase agreement pursuant to which the Company issued a convertible note in principal amount of \$70,000. The maturity of the convertible note is December 19, 2024 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate equal to 120% of the closing price of the Company's common stock on the date of issuance which was \$1.69 or \$2.03 for the share price of conversion. The promissory notes are subordinated to the Company's senior lender.

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8. In December 2023, the Company entered into a securities purchase agreement pursuant to which the Company issued a convertible note in principal amount of \$70,000. The maturity of the convertible note is December 19, 2024 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate equal to 120% of the closing price of the Company's common stock on the date of issuance which was \$1.69 or \$2.03 for the share price of conversion. The promissory notes are subordinated to the Company's senior lender.
9. In December 2023, the Company issued a subordinated note to a service provider in principal amount of \$2,000,000 in exchange for conversion of an account payable in the amount of \$2,000,000. The maturity of the subordinated note is December 26, 2024 and carries an interest rate of 15% per annum, annum and is to be paid in interest only installments for three months followed with a balloon payment in month four and then a combination of principal and interest payments for the remaining term. The principal of note is secured by the Note is convertible into Common Stock assets of the Company and is junior to the security interest of the Company's senior lender. As part of the note payable the Company agreed to purchase investor relation consulting services totaling \$200,000 payable in quarterly installments beginning in January 2024.
10. On January 1, 2024 the Company entered into a promissory note with Teamworx for \$125,000 due January 31, 2024 with no interest. On February 1, 2024, the note was extended to February 29, 2024 with 12% with principal and interest due at maturity. On March 1, 2024 the note was extended again to April 30, 2024 with principal and interest due at maturity. This note was further extended to May 6, 2024 under the same terms.
11. On February 1, 2024, the Company entered into a securities purchase agreement with an investor, pursuant to which the Company issued the investor a convertible note in principal amount of \$50,000 in exchange for \$50,000. The maturity of the convertible note is February 1, 2025 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a twenty percent discount conversion rate equal to 120% of the closing price of the Company's Common Stock common stock on September 1, 2023 or if the business combination between FG Merger Corp. ("FGMC") date of issuance. The convertible note is being sold and issued without registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act as sales to an accredited investor, and in reliance on similar exemptions under applicable state laws.

12. On February 1, 2024, the Company entered into a securities purchase agreement with an investor, pursuant to the Merger Agreement and Plan of Reorganization by and among FGMC, FG Merger Sub Inc., and which the Company dated January 5, 2023, as such agreement may be amended from time to time (the "Business Combination"), occurs then, upon any subsequent conversion issued the investor a convertible note in principal amount of \$5,000 in exchange for \$5,000. The maturity of the Note, the holder shall no longer have the right to receive convertible note is February 1, 2025 and carries an interest rate of 12% per annum and is initially convertible into Company common stock upon at a conversion rate equal to 120% of the Note, but shall have closing price of the right to receive, for each share of Company Company's common stock that would have been issuable upon such conversion immediately prior to on the occurrence date of issuance. The convertible note is being sold and issued without registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on the exemptions provided by Section 4(a)(2) of the Business Combination, Securities Act and Rule 506 of Regulation D promulgated under the number of shares of FGMC common stock receivable Securities Act as a result of such Business Combination by a holder of the number of shares of Company common stock for which the Note is convertible immediately prior sales to such Business Combination at a twenty percent discount to such exchange ratio. The promissory note is subordinated to the Company's senior lenders. As part of the Merger these notes along with outstanding interest was converted an accredited investor, and in reliance on August 25, 2023 into 9,138 common shares. similar exemptions under applicable state laws.
13. On February 26, 2024, The Company executed a securities purchase agreement (the "Purchase Agreement") with certain institutional investors (the "Investors"). Pursuant to the terms and conditions of the Purchase Agreement, the Investors agreed to purchase from the Company unsecured convertible notes in the aggregate principal amount of up to \$2,375,000. The Purchase Agreement contemplates funding of the investment across two tranches. At the first closing (the "Initial Closing") an aggregate principal amount of \$1,375,000 will be issued upon the satisfaction of certain customary closing conditions in exchange for aggregate gross proceeds of \$1,250,000, representing an original issue discount of 10%. On such date (the "Initial Closing Date"), the Company will also issue the Investors 85,174 shares of Company common stock (the "Commitment Shares"). Subject to satisfying the conditions discussed below, the Company has the right under the Purchase Agreement, but not the obligation, to require that the Investors purchase additional Notes at one additional closing. Upon notice, the Company may require that the Investors purchase an additional aggregate principal amount of \$1,100,000 of Notes, in exchange for aggregate gross proceeds of \$1,000,000, if, among other items, (i) the Registration Statement (as described below) is effective; and (ii) the Shareholder Approval (as described below) has been obtained. The Notes will mature 12 months from their respective issuance date (the "Maturity Date"), unless earlier converted. Commencing on the six-month anniversary of the issue date, the Company will be required to make monthly amortization payments pursuant to the Note of approximately 1/6th of the principal amount of the Note per month (the "Amortization Payments"). The Notes will be the Company's unsecured obligations and equal in right of payment with all of our other indebtedness and other indebtedness of any of our subsidiaries. The Notes were issued with an original issue discount of 10.0% per annum, and will not accrue additional interest during the term; provided that the interest rate of the Notes will automatically increase to 16% per annum (the "Default Rate") upon the occurrence and continuance of an event of default. Each holder of Notes may convert all, or any part, of the outstanding Notes, at any time at such holder's option, into shares of the Company's common stock at an initial "Conversion Price" of \$1.848 per share, which is subject to proportional adjustment upon the occurrence of any stock split, stock dividend, stock combination and/or similar transactions. With limited exceptions, if the Company at any time while a Note is outstanding, issues any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise), at an effective price per share less than the Conversion Price then the Conversion Price shall be reduced to the same price as the new investment. A holder shall not have the right to convert any portion of a Note to the extent that, after giving effect to such conversion, the holder (together with certain related parties) would beneficially own in excess of 4.99%, or the "Maximum Percentage", of shares of the Company's common stock outstanding immediately after giving effect to such conversion. If the Company fails to make any Amortization Payments when due, then each holder may alternatively elect to convert all or any portion of such holder's Notes at a conversion price equal to the lesser of (i) the Conversion Price, and (ii) 90% of the lowest VWAP of the common stock during the five (5) consecutive trading days immediately prior to such conversion. The Company received a waiver for untimely filing of its regulatory reporting requirements from the lender.

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**7. RELATED PARTY TRANSACTIONS**

	March 31, 2023	December 31, 2023
(2) Related Party Promissory Note bearing interest at 18%, due December 31, 2023	\$ -	\$ 249,855
(1) Related Party Promissory Note bearing interest at 12%, due December 31, 2023	-	225,797
(1) Related Party Convertible Promissory Note bearing interest at 12%, due May 26, 2024	113,708	96,753
(2) Related Party Promissory Note bearing interest at 20%, due April 30, 2024	280,753	-
(1) Related Party Convertible Promissory Note bearing interest at 12%, due April 30, 2024	223,975	-
Total notes payable	618,436	572,405
Less: Unamortized debt discounts	-	-
Less: unamortized financing costs	(46,309)	(21,431)
Total notes payable, net of financing costs	572,127	550,974
Less current maturities	(572,127)	(550,974)
Total Long-Term Debt	\$ -	\$ -



1. In June 2023 the Company entered into two separate new notes with a twelve (12) month related party; (a) \$200,000 Promissory Note with 12% interest per annum which shall be paid on the maturity date which is December 31, 2023. In conjunction with the issuance of the Promissory Note, the Company also issued the investor a five-year warrant (the "Warrant") to purchase 14,000 shares of Company common stock with an exercise price of \$2.16 per share, which was 120% of the closing price of the Company's common stock on the date of issuance; (b) the Company issued the investor a convertible promissory note in principal amount of \$94,685.91. The maturity of the Convertible Promissory Note ("Note"). The Note is for \$6,000 May 26, 2024 and carries an interest rate of 15% 12% per annum. The principal of the Note annum and is initially convertible into Common Stock of the Company common stock at a twenty percent discount to conversion rate of \$1.80 per share, which was the closing price of the Company's Common Stock common stock on September 1, 2023 or if the business combination between FG Merger Corp. ("FGMC") and date of issuance. In conjunction with the Convertible Promissory Note, the Company pursuant to also issued the Merger Agreement and Plan of Reorganization by and among FGMC, FG Merger Sub Inc., and the Company dated January 5, 2023, as such agreement may be amended from time to time (the "Business Combination"), occurs then, upon any subsequent conversion of the Note, the holder shall no longer have the right to receive Company common stock upon conversion of the Note, but shall have the right to receive, for each share of Company common stock that would have been issuable upon such conversion immediately prior to the occurrence of the Business Combination, the number of shares of FGMC common stock receivable as a result of such Business Combination by a holder of the number of investor 6,629 shares of Company common stock for and a five-year warrant to purchase 6,629 shares of Company common stock with an exercise price of \$2.15 per share, which was 120% of the closing price of the Company's common stock on the date of issuance. In December 2023, the Company entered into an amendment with holder of an Amendment to Convertible Promissory Notes issued in October 2023 whereby the holder of the Note agreed that the Note would not be convertible into shares of Company Common Stock unless and until the Company's shareholders approve such conversion per NASDAQ Listing Rule 5635(d). The Company and the Note holder also entered into amendments to the warrants to purchase common stock issued in connection with the issuance of the Note, pursuant to which the Note holder of the Warrants agreed that the Warrants would not become exercisable unless and until the Company's shareholders approve the exercise of the Warrants pursuant to NASDAQ Listing Rule 5635(d). On April 8, 2024 with an effective date of January 1, 2024, the Company entered into a securities purchase agreement with a related party pursuant to which the Company issued the related party a convertible note in the principal amount of \$200,000 in exchange for \$200,000. The maturity of the convertible note is April 30, 2024 and carries an interest rate of 12% per annum and is initially convertible immediately prior to such Business Combination into Company common stock at a twenty percent discount conversion rate equal to such exchange ratio. The promissory note is subordinated to 120% of the closing price of the Company's senior lenders. As part common stock on the date of issuance. In conjunction with the Merger these notes along April 8, 2024 Note, we issued the investor a five-year warrant to purchase 30,000 shares of our common stock with outstanding an exercise price of \$1.50. Accrued and unpaid interest as of March 31, 2024 was converted on August 25, 2023 into 712 common shares, \$5,976 and unamortized financing costs were \$17,998.

14. 2. In June 2023 the Company received entered into a promissory note with an advance on entity controlled by its Chief Executive Officer, a six (6) month Promissory Note ("Note") in the amount of \$35,000, related party. The Note is for \$250,000 with \$50,000 paid to the Holder on issuance for net proceeds of \$200,000, \$200,000 and matures on December 31, 2023. The Note carries an interest of 15% per annum as interest is payable monthly in arrears with principal due at maturity. There is no penalty for early payoff. If an event of default occurs, the Note along with any outstanding and accrued interest is convertible into the Company's Common Stock at \$7.45 at the sole discretion of the issuer. On April 8, 2024 with an effective date of January 1, 2024, the Company entered into a securities purchase agreement with a related party pursuant to which the Company issued the related party a promissory note in the principal amount of \$260,000 in exchange for \$260,000. The maturity of the promissory note is April 30, 2024 and carries an interest rate of 20% per annum. In conjunction with the April 8, 2024 Note, we issued the investor a five-year warrant to purchase 39,000 shares of our common stock with an exercise price of \$1.50. The promissory note is subordinated to the Company's senior lenders.

15.

In July 2023, the Company entered into a twelve (12) month note Convertible Promissory Note ("Note"). The Note is for \$40,000 lender. Accrued and carries an unpaid interest rate as of 15% per annum. The principal of the Note is convertible into Common Stock of the Company at a twenty percent discount to the closing price of the Company's Common Stock on September 1, 2023 or if the business combination between FG Merger Corp. ("FGMC") March 31, 2024 was \$6,474 and the Company pursuant to the Merger Agreement and Plan of Reorganization by and among FGMC, FG Merger Sub Inc., and the Company dated January 5, 2023, as such agreement may be amended from time to time (the "Business Combination"), occurs then, upon any subsequent conversion of the Note, the holder shall no longer have the right to receive Company common stock upon conversion of the Note, but shall have the right to receive, for each share of Company common stock that would have been issuable upon such conversion immediately prior to the occurrence of the Business Combination, the number of shares of FGMC common stock receivable as a result of such Business Combination by a holder of the number of shares of Company common stock for which the Note is convertible immediately prior to such Business Combination at a twenty percent discount to such exchange ratio. The promissory note is subordinated to the Company's senior lenders. As part of the Merger these notes along with outstanding interest was converted on August 25, 2023 into 4,670 common shares.

16. In September 2023 the Company entered into a sixty-day Promissory Note ("Note") in the amount of \$1,200,000. The Note carries an interest of 12% per annum and is subordinated to the Company's senior lenders. unamortized financing costs were \$ \$14,279.

## 5.8. COMMON AND PREFERRED STOCK

### Common Stock

The Company is authorized to issue up to 100,000,000 shares of Company Common Stock, par value \$0.0001 per shares.

During the nine three months ended September 30, 2023 March 31, 2024 the Company issued 180,966 shares of common stock for cash of \$540,000 and 1,392,935 85,174 shares of common stock on the conversion issuance of debt. convertible debt and 86,747 shares of common stock related to stock based compensation.

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### Preferred Stock

The Company is authorized to issue up to 40,000,000 shares of Company Series A Preferred Stock, par value \$0.0001 per shares. The Preferred Stock have the rights, preferences, powers, privileges and restrictions, qualifications and limitations including but not limited to:

- The conversion price ("Conversion Price") for the Preferred Stock is initially \$10.00 per share; provided that the Conversion Price shall be reset to the lesser of \$10.00 or 20% above the simple average of the volume weighted average price on the 20 trading days following 12 months after August 25, 2023; provided further that such Conversion Price shall be no greater than \$10.00 and no less than \$2.00 and subject to appropriate and customary adjustment.
- The holders of Preferred Stock shall not be entitled to vote on any matters submitted to the stockholders of the Company.
- From and after the date of the issuance of any shares of Preferred Stock, dividends shall accrue at the rate per annum of 12% of the original issue price for each share of Preferred Stock, prior and in preference to any declaration or payment of any other dividend (subject to appropriate adjustments).
- Dividends shall accrue from day to day and shall be cumulative and shall be payable within fifteen (15) business days after the end of the Company's second quarter, which is June 30, commencing with the quarter ending June 30, 2024 to each holder of Preferred Stock as of such date.
- From the Closing of the Business Combination until the second anniversary of the date of the original issuance of the Preferred Stock, the Company may, at its option, pay all or part of the accruing dividends on the Preferred Stock by issuing and delivering additional shares of Preferred Stock to the holders thereof.
- The Company shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Company, unless the holders of the iCoreConnect Preferred Stock then outstanding shall first receive dividends due and owing on each outstanding share of iCoreConnect Preferred Stock.
- In the event of any liquidation, dissolution or winding up of the Company, the holders of shares of Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders an amount per share equal to the greater of (i) one times the applicable original issue price, plus any accrued and unpaid dividends, and (ii) such amount as would have been payable had all shares of Preferred Stock been converted into the Company's Common Stock pursuant to the following paragraph immediately prior to such liquidation, dissolution or winding up, before any payment shall be made to the holders of the Company's Common Stock.
- Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of the Company's Common Stock as is determined by dividing the original issue price by the Conversion Price in effect at the time of conversion, subject to adjustment.
- After 24 months from the Closing of the Business Combination, in the event the closing share price of the Company's Common Stock shall exceed 140% of the Conversion Price (as defined in the Merger Agreement) then in effect, then (i) each outstanding share of Preferred Stock shall automatically be converted into such number of shares of the Company's Common Stock as is determined by dividing the original issue price by the Conversion Price in effect at the time of conversion and (ii) such shares may not be reissued by the Company, subject to adjustment. At the time of such conversion, the Company shall declare and pay all of the dividends that are accrued and unpaid as of the time of the conversion by either, at the option of the Company, (i) issuing additional Preferred Stock or (ii) paying cash.
- Immediately prior to any such optional conversion the Company shall pay all dividends on the Preferred Stock being converted that are accrued and unpaid as of such time by, either, at the option of the Company: (i) issuing additional Preferred Stock or (ii) paying cash.

During the nine three months ended September 30, 2023 March 31, 2024 the Company issued 46,500 621,500 Series A Preferred stock for \$465,000 in cash.

During the nine months ended September 30, 2023, 211,040 shares conjunction with asset acquisitions of Series A Preferred stock were converted into shares of Common Stock on a one for one basis. FeatherPay, Verifi Dental Limited and Teamworx LLC.

#### Common Stock Options

Certain employees and executives have been granted options or warrants that are compensatory in nature. A summary of option activity for the nine three months ended September 30, 2023 March 31, 2024 are presented below:

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Options Outstanding	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value
Balance Outstanding - January 1, 2023	1,080,265	\$ 3.79	8.8	\$ -
Granted	10,675	\$ 3.65	9.7	-
Exercised as part of merger	(310,881)	1.07	0.0	-
Forfeited	(168)	\$ 4.48	5.0	-
Balance Outstanding – September 30, 2023	779,891	\$ 3.66	3.9	\$ -
Exercisable – September 30, 2023	32,172	\$ 3.82	8.0	\$ -

Options Outstanding	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value
Balance Outstanding - January 1, 2024	776,328	\$ 3.75	8.0	\$ -
Granted	3,000	1.27	9.8	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Balance Outstanding – March 31, 2024	779,328	\$ 3.73	7.7	\$ -
Exercisable – March 31, 2024	575,235	\$ 3.72	7.7	\$ -

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Nonvested Options	Number of Options	Weighted Average Grant Date Fair Value	Weighted Average Remaining Years to Vest	Number of Options	Weighted Average Grant Date Fair Value	Weighted Average Remaining Years to Vest
Nonvested - January 1, 2023	769,216	\$ 3.58	8.8			
Nonvested - January 1, 2024				395,072	\$ 3.768	8.0
Granted	10,675	\$ 3.65	9.7	3,000	1.27	9.8
Vested	(32,172)	3.82	8.8	(193,979)	3.72	7.7
Forfeited	-	-	-	-	-	-
Nonvested – September 30, 2023	747,719	\$ 3.66	8.9			
Nonvested – March 31, 2024				204,093	\$ 3.76	7.8

#### Restricted Common Stock Compensation

On December 31, 2022, the Company's Board of Directors approved the grant of 8,378 shares of common stock to each of the Directors of the Company, for services rendered during 2021 and 2022, all of which vested on December 31, 2022. Compensation expense related to this grant for the year 2022 was \$122,375 based upon fair value of our

common stock of \$2.66 per share. The Company's Board of Directors also approved the granting of shares of common stock for employee performance related to 2021 performance with a fair value of \$160,645. The Board also approved on January 3, 2023 134,049 shares of common stock related to the Chief Executive Officer for bonus related to 2022 service with a fair value of \$356,000.

On March 13, 2023 the Company's Board of Directors approved the grant of 5,027 shares of common stock to certain board members for services related to 2018 service.

In April 2023, the Company's Board of Directors approved the grant of 81,267 shares of common stock for employee performance related to 2022 performance with a fair value of \$312,761.

In April 2023, the Company's Board of Directors approved compensation for its Board Members and Committee Members for the year ended December 31, 2023. On an annual basis equivalent, Board Members are compensated \$60,000, with additional compensation of \$10,000 \$5,000 for being a Committee Member, and an additional \$10,000 \$5,000 for being a Chair of a Committee. Committee and \$20,000 for being the Board Chair. Compensation is to be paid quarterly in arrears at the closing stock price of the last trading day of the quarter. The Company has recorded an expense of \$289,167 as of September 30, 2023 \$105,000 and nil for the three months ended March 31, 2024 and 2023, respectively.

## Common Stock Warrants

The Company typically issues warrants to individual investors and institutions to purchase shares of the Company's Common Stock in connection with public and private placement fundraising activities. Warrants may also be issued to individuals or companies in exchange for services provided for the Company. The warrants are typically exercisable six months after the issue date, expire in five years, and contain a cash exercise provision and registration rights.

In May 2023, the Company entered into amendments with certain warrant holders whose warrants contained down round provisions and modified these warrants to remove such provisions from inception. As such the number and exercise of these warrants are set back to their original values as originally intended by the parties.

During the nine three months ending September 30, 2023 March 31, 2023, the Company issued no Common Stock Warrants.

During the nine three months ending September 30, 2022 March 31, 2024, the Company issued 11,729 69,000 Common Stock Warrants. In addition the Company purchased 1,278 common stock warrants issued to a lender in 2019 as part of a Note Payable that had been fully satisfied in 2020. These warrants include anti-dilutive provisions and as such resulted in an additional 28,883 of warrants that were to be issued at a strike price of \$0.05. The Company purchased these warrants at their restated strike price for \$45,000.

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As part of the Merger, all outstanding warrants were converted on a cashless basis into shares of common stock. As of September 30, 2023 March 30, 2024, the number of shares issuable upon exercise of the Common Stock Warrants were nil shares.

Common Stock Warrants Outstanding	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value
Outstanding – December 31, 2022	1,184,635	\$ 2.98	3.45	\$ 803,522				
Outstanding – December 31, 2023					45,129	\$ 2.09	4.81	\$ -
Granted	-	-	-	-	69,000	1.36	4.76	-
Exercised	(368,381)	6.86	3.15	-	-	-	-	-
Cancelled	(816,254)	\$ 2.98	3.45	-	-	-	-	-
Outstanding – September 30, 2023	-	\$ -	-	\$ -				

<b>Outstanding</b>					
<b>– March 31, 2024</b>	114,129	\$	1.65	4.68	\$ -

#### Preferred Stock Warrants

As part of the Merger, the Company assumed the following preferred stock warrants:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value
<b>\$2.00 Preferred Stock Warrants Outstanding</b>				
<b>Outstanding – December 31, 2023</b>	425,800	\$ 2.00	9.7	\$ -
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
<b>Outstanding – March 31, 2024</b>	425,800	\$ 2.00	9.4	\$ -

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value
<b>\$2.00 Preferred Stock Warrants Outstanding</b>				
<b>Outstanding – December 31, 2022</b>	-	-	-	-
Granted	600,000	2.00	6.0	-
Exercised	-	-	-	-
Expired	-	-	-	-
<b>Outstanding – September 30, 2023</b>	600,000	\$ 2.00	5.9	\$ -

During the period there was a modification of the \$2.00 warrant agreements which were issued in conjunction with the merger and classified as a derivate liability in the amount of \$1,987,460. In September the warrants were modified and as a result are no longer considered a derivative liability and classified as equity.

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value
<b>\$11.50 Preferred Stock Warrants Outstanding</b>								
<b>Outstanding – December 31, 2022</b>	10,058,938	\$ 11.50	10	-				
<b>Outstanding – December 31, 2023</b>					10,122,313	\$ 11.50	9.7	\$ -
Granted	63,375	11.50	10	-	-	-	-	-
Exercised	-	-	-	-	-	-	-	-
Expired	-	-	-	-	-	-	-	-
<b>Outstanding – September 30, 2023</b>	10,122,313	\$ 11.50	9.9	\$ -				
<b>Outstanding – March 31, 2024</b>					10,122,313	\$ 11.50	9.4	\$ -

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\$15.00 Preferred Stock Warrants Outstanding	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value
Outstanding – December 31, 2022	1,000,000	\$ 15.00	10	-				
Outstanding – December 31, 2023					1,000,000	\$ 15.00	9.7	\$ -
Granted	-	-	-	-	-	-	-	-
Exercised	-	-	-	-	-	-	-	-
Expired	-	-	-	-	-	-	-	-
Outstanding – September 30, 2023	1,000,000	\$ 15.00	9.9	\$ -				
Outstanding – March 31, 2024					1,000,000	\$ 15.00	9.4	\$ -

#### Equity Line of Credit

In January 2021 the Old iCore and one of its Convertible Debt Holders entered into a Purchase Agreement for up to \$5,000,000 shares of the Company's common stock for 24 months. The purchase price of the stock will be at 75% of the lowest individual daily weight average price of the past five (5) trading days with the amount to be drawn down as the lesser of \$250,000 or 300% of the average shares traded for the ten (10) days prior to the Closing Request Date with a minimum \$25,000 put allowance. As part of the agreement, the Company issued 8,378 shares of common stock as a commitment fee. In January 2022 the Company exercised this equity line of credit of an aggregate amount of \$350,000 in exchange for 5,360 shares of common stock. The balance available as of December 31, 2022, to draw on the equity line of credit after the draw was \$4,650,000. This line expired in January 2023.

On September 12, 2023, the Company entered into a purchase agreement (the "Purchase Agreement") with Arena Business Solutions Global SPC II, Ltd. on behalf of and for the account of Segregated Portfolio #8 – SPC #8 ("Arena"), pursuant to which Arena has committed to purchase up to \$40 million (the "Commitment Amount") of our common stock, par value \$0.0001 per share (the "Common Stock"), at our direction from time to time, subject to the satisfaction of the conditions in the Purchase Agreement. Such sales of Common Stock are subject to certain limitations, and may occur from time to time at the Company's sole discretion over the approximately 36-month period commencing on the date of the Purchase Agreement subject to registration with the Securities and Exchange Commission. The Company may direct Arena to purchase amounts of its Common Stock under the Purchase Agreement that the Company specifies from time to time in a written notice (an "Advance Notice") delivered to Arena on any trading day up to the Commitment Amount. The maximum amount that the Company may specify in any one Advance Notice is equal to the following: (A) if the Advance Notice is received by 8:30 A.M. Eastern time, then the maximum amount that the Company may specify is equal to the lesser of (i) an amount equal to 40% of the average Daily Value Traded of the Common Stock of the ten trading days immediately preceding such Advance Notice, or (ii) \$20.0 million; and (B) if the Advance Notice is received after 8:30 A.M. Eastern Time but prior to 10:30 A.M. Eastern Time, then the maximum amount that the Company may specify in an Advance Notice is equal to the lesser of: (i) an amount equal to 30% of the average Daily Value Traded of the Common Stock on the ten trading days immediately preceding such Advance Notice, or (ii) \$15.0 million. For these purposes, "Daily Value Traded" is the product obtained by multiplying the daily trading volume of the Company's Common Stock on Nasdaq during regular trading hours, as reported by Bloomberg L.P., by the VWAP (as defined in the Purchase Agreement) for that trading day. Subject to the satisfaction of the conditions under the Purchase Agreement, the Company deliver Advance Notices from time to time, provided that the Pricing Period for all prior advances has been completed. For these purposes, "Pricing Period" means one trading day, as notified by the Company to Arena in the applicable Advance Notice, commencing on the date of the Advance Notice. The purchase price of the shares of Common Stock will be equal to 97% of the simple average of the daily VWAP of the Common Stock during the Pricing Period.

Unless earlier terminated as provided in the Purchase Agreement, the Purchase Agreement will terminate automatically on the earliest to occur of: (i) the first day of the month next following the 36-month anniversary of the date of the Purchase Agreement; and (ii) the date on which Arena shall have purchased shares of Common Stock under the Purchase Agreement for an aggregate gross purchase price equal to Commitment Amount under the Purchase Agreement. The Company has the right to terminate the Purchase Agreement at any time, at no cost or penalty, upon five trading days' prior written notice to Arena, provided that there are no outstanding Advance Notices the shares of Common Stock under which have not yet been issued. The Company and Arena may also terminate the Purchase Agreement at any time by mutual written consent.

As consideration for Arena's irrevocable commitment to purchase Common Stock upon the terms of and subject to satisfaction of the conditions set forth in the Purchase Agreement, upon execution of the Purchase Agreement, the Company agreed to issue a total of 291,259 shares of Common Stock equaling \$600,000 (the "Commitment Fee

Shares") based on a price per share equal to the simple average daily VWAP of the Common Stock during the ten trading days immediately preceding the date on which the SEC declares the Registration Statement effective.

As of September 30, 2023 the Company's registration statement with the Securities This line was cancelled in February 2024 and Exchange Commission had not yet been filed and therefore no amounts had been utilized of the purchase agreement.

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## 6. GOODWILL AND OTHER INTANGIBLE ASSETS

The following table sets forth the changes in the carrying amount of goodwill for the nine months ended September 30, 2023 and year ended December 2022:

	Total
Balance at December 31, 2022	\$ 1,484,966
2023 Acquisitions	-
Balance at September 30, 2023	\$ 1,484,966

The following table sets forth the gross carrying amounts and accumulated amortization of the Company's intangible assets as of September 30, 2023 and December 31, 2022:

	Gross Carrying Amount	Impairment	Accumulated Amortization	Net Carrying Amount
Definite-lived intangible assets:				
Capitalized software	\$ 3,014,490	\$ -	\$ (2,483,429)	\$ 531,061
Customer relationships	3,713,434	-	(1,363,054)	2,350,380
Acquired technology	1,527,186	-	(1,447,758)	79,428
Total definite-lived intangible assets at December 31, 2022	8,255,110	-	(5,294,241)	2,960,869
Capitalized software	3,522,086	-	(2,742,361)	779,725
Customer relationships	5,272,579	-	(1,928,660)	3,343,919
Acquired technology	1,527,186	-	(1,510,403)	16,783
Total definite-lived intangible assets at September 30, 2023	\$ 10,321,851	-	(6,181,424)	4,140,427

In September 2023, the Company purchased customer relationships in the amount expensed deferred costs of \$1,559,145. Amortization expense of intangible assets was \$317,251 and \$280,815 for the three months ended September 30, 2023 and 2022, respectively and \$887,183 and \$983,934 for the nine months ended September 30, 2023 and 2022, respectively. The Company's amortization is based on no residual value using the straight-line amortization method as it best represents the benefit of the intangible assets.

## 7. FORWARD PURCHASE AGREEMENT

On August 14, 2023, the Company entered into Prepaid Forward Purchase Agreement (the "FPA") with Old iCore and RiverNorth SPAC Arbitrage Fund, L.P., a Delaware limited partnership (the "Purchaser").

In accordance with the FPA and subject to the terms and conditions set forth therein, the Purchaser purchased the lesser of (a) 1.5 million shares of FGMC Common Stock and (b) such number of shares of FGMC Common Stock as shall, following the Business Combination, not exceed 9.9% of the total number of shares of FGMC Common Stock to be outstanding (such shares to be purchased, the "Forward Purchase Shares") from public shareholders for a price no greater than the redemption price per share as is indicated in FGMC's most recently filed periodic report (the "Prepaid Forward Purchase Price").

In accordance with the terms of the Business Combination, upon the consummation of the Business Combination, each Forward Purchase Share automatically converted into one share of Preferred Stock (including the shares of the Company's Common Stock underlying the Preferred Stock, the "Purchased Shares").

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Upon the Business Combination closing, 100,000 Purchased Shares were deemed to be "Commitment Shares" and the remaining Purchased Shares were deemed to be "Prepaid Forward Purchase Shares".

Upon the closing of the Business Combination FGMC caused Purchaser to be paid directly out of the funds held in FGMC's trust account, a cash amount (the "Prepayment Amount") equal to the number of Purchased Shares multiplied by the amount paid to redeeming stockholders in connection with the Business Combination (the "Redemption Price"). The Redemption Price was \$[10.69].

Upon the sale of the Prepaid Forward Purchase Shares (or underlying FGMC Common Stock) by the Purchaser, the Purchaser will remit the Reference Price (as defined below) per share to FGMC. On the earlier to occur of:

the occurrence of a "Registration Failure" (as defined in the FPA), and

the date that is twelve months after the closing of the Business Combination (the "Maturity Date"), then, for any Common Stock underlying the Prepaid Forward Purchase Shares not sold by the Purchaser, the Purchaser shall, on the 25th trading day after the Maturity Date (the "Payment Date"), pay the Company an amount equal to (i) the number of Prepaid Forward Purchase Shares that the Purchaser held on the Maturity Date, multiplied by (ii) the lowest daily volume weighted average price per share of FGMC Common Stock during the twenty trading days beginning on the day after the Maturity Date less \$0.15.



Between the Maturity Date and the Payment Date, the Purchaser may not sell more than a number of Prepaid Forward Purchase Shares per day equal to the greater of (i) 5% of the Purchased Shares owned by the Purchaser at the Maturity Date and (ii) 10% of the daily trading volume on such date.

The Purchaser has agreed that until the Maturity Date, the Common Stock underlying the Prepaid Forward Purchase Shares may not be sold for a price less than the Reference Price. The "Reference Price" will initially equal the Redemption Price and will be reduced (but never increased) each month commencing on the first day of the month starting 30 days after the Business Combination closing to the volume weighted average price of the FGMC Common Stock for the preceding 10 trading days, but in no event less than \$10.00 per share (the "Floor") unless in the Company's sole discretion, the Floor is lowered. Any reduction of the Floor shall be accomplished through a written notice from the Company to Purchaser.

The FPA provides for certain registration rights. In particular, FGMC is required to, within 30 calendar days following written request by Purchaser, file with the SEC a registration statement registering the resale of all shares held by Purchaser and have such registration statement declared effective as soon as practicable after the filing thereof.

## 8. COMMITMENTS AND CONTINGENCIES

### (A) LEASE COMMITMENTS

On November 15, 2017, the Company signed a three-year lease agreement for approximately 4,100 square feet of office space located in Winter Garden, Florida in which the Company has its headquarters. The lease provided for a one-year renewal term at the option of the Company that the company exercised. An amendment \$1,008,376 related to this lease was signed on October 26, 2020 transaction which extended the lease term through October 31, 2021. On September 10, 2021, an additional seven-month extension was signed extending the lease term to May 30, 2022. were recorded as financing costs.

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## 9. COMMITMENTS AND CONTINGENCIES

### (A) LEASE COMMITMENTS

On September 22, 2021, the Company signed a six year and one month lease agreement for approximately 7,650 square feet for its new headquarters commencing on January 1, 2022, located in Ocoee, Florida. The lease provides for a five-year renewal term at the option of the Company Company. In April 2023, the Company entered into a lease agreement with its existing landlord of its Florida location for a lease of an additional 2,295 square feet of space beginning at the earlier of June 1, 2023 or completion of build out for a five year term.

The Company signed a three-year lease agreement for approximately 2,100 square feet of office space located in Concord, NC on July 16, 2020. In August 2023, the Company extended its lease for another year on similar terms and conditions as its current lease.

With the acquisition of Advantech, the Company signed a two-year lease on May 12, 2021, for an office in Scottsdale, AZ. In May 2023, the Company extended its lease for an additional 24 months for this location beginning July 1, 2023 under similar terms and conditions as its current lease.

As of September 30, 2022 March 31, 2024, undiscounted future lease obligations for the office spaces are as follows:

Lease Commitments								
as of 09/30/2023								
Less than 1 year	1-3 years	3-5 years	Total	Less than 1 year	1-3 years	3-5 years	Total	
\$ 378,313	\$ 1,053,728	\$ 180,342	\$ 1,612,383	\$ 361,424	\$ 1,019,651	\$ 41,386	\$ 1,422,461	

Lease costs for the nine three months ended September 30, 2023 March 31, 2024 were \$271,725 \$86,178 and cash paid for amounts included in the measurement of lease liabilities for the nine three months ended September 30, 2023 March 31, 2024 were \$250,803 \$85,146. As of September 30, 2023 March 31, 2024, the following represents the difference between the remaining undiscounted lease commitments under non-cancelable leases and the lease liabilities:

Undiscounted minimum lease commitments	\$ 1,612,383	\$ 1,422,461
Present value adjustment using incremental borrowing rate	(366,962)	(295,742)
Lease liabilities	\$ 1,245,421	\$ 1,126,719

### (B) LITIGATION

On February 21, 2023, the Company received a notice under section 21 of Indian Arbitration and Conciliation Act, 1996 related to a dispute pursuant to a contract between the Company and a service provider, pursuant to which the service provider has asserted the Company has violated the terms of the contract and has claimed damages of

approximately \$635,000. The Company is evaluating the claims asserted against it and intends to defend itself vigorously in these proceedings; however, there can be no assurances that it will be successful in its efforts. The outcome of this matter is not expected to have a material effect on these financial statements.

The Company fully satisfied its obligations in the amount of \$523,415 related to the final arbitration issued in February 2023

#### (C) GUARANTEE COMPENSATION

In May 2023, Old iCore On March 29, 2024, the Compensation Committee approved a management incentive plan pursuant to which it agreed to guarantee issue ten-year options with an immediate vest to purchase shares of Company common stock at an exercise price of \$3.10 per share, subject to the repayment approval of up the Plan Amendment at the Annual Meeting, to \$400,000 in non-interest-bearing unsecured notes the following officers, among other employees, (i) Robert McDermott, Chief Executive Officer and President – options to purchase 1,817,742 shares of FG Merger Corp. in the event that the merger between FG Merger Corp and Old iCore did not get completed by September 1, 2023. This guarantee was extinguished on August 25, 2023. Company common stock; (ii) Archit Shah, Chief Financial Officer – options to purchase 482,259 shares of Company common stock; (iii) David Fidanza, Chief Information Officer – options to purchase 352,420 shares of Company common stock; (iv) Muralidar Chakravarthi, Chief Technology Officer – options to purchase 352,420 shares of Company common stock; (v) Jeffery Stellinga, Vice President – options to purchase 352,420 shares of Company common stock.

On March 29, 2024, the Compensation Committee awarded a cash and option bonus related to 2023 performance. The options are subject to subject to the approval of the Plan Amendment at the Annual Meeting, to the following officers, among other employees, (i) Robert McDermott, Chief Executive Officer and President – options to purchase 570,754 shares of Company common stock; (ii) Archit Shah, Chief Financial Officer – options to purchase 158,220 shares of Company common stock; (iii) David Fidanza, Chief Operating Officer – options to purchase 152,055 shares of Company common stock; (iv) Muralidar Chakravarthi, Chief Technology Officer – options to purchase 154,110 shares of Company common stock; (v) Jeffery Stellinga, Vice President – options to purchase 34,247 shares of Company common stock and (vi) Carly Garrison, Director of Sales – options to purchase 114,384 shares of Company common stock. In August 2023, addition the cash awards are subject to the Company agreed successfully raising in excess over \$5,000,000 in equity during 2024 to a Satisfaction Agreement in conjunction with the conversion following officers, amount other employees; (i) Robert McDermott, Chief Executive Officer and President – \$125,250; (ii) Archit Shah, Chief Financial Officer – \$39,000; (iii) David Fidanza, Chief Operating Officer – \$36,750 (iv) Muralidar Chakravarthi, Chief Technology Officer – \$37,500; and (v) Carly Garrison, Director of debt in the amount of \$1,500,000 to be done at the time of merger. The Satisfaction Agreement provides that the Company would provide the equity holder cash proceeds on the difference between the proceeds from the sale of stock and the face value of debt up to \$1,500,000 subject to certain selling limitations on or before August 2024. Sales - \$21,750.

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#### 9.10. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and trade accounts receivables. The Company places its cash with high-credit-quality financial institutions. At times, such cash may be in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance coverage limit of \$250,000 per depositor. As a result, there could be a concentration of credit risk related to amounts on deposit in excess of FDIC insurance coverage. The Company has not experienced any losses due to these excess deposits and believes the risk is not significant. With respect to trade receivables, management routinely assesses the financial strength of its customers and, as a consequence, believes that the receivable credit risk exposure is limited.

The Company has historically provided financial terms to customers in accordance with what management views as industry norms. Access to the Company's software products usually requires immediate payment but can extend several months under certain circumstances. Management periodically and regularly reviews customer account activity in order to assess the adequacy of allowances for doubtful accounts, considering such factors as economic conditions and each customer's payment history and creditworthiness. If the financial condition of our customers were to deteriorate, or if they were otherwise unable to make payments in accordance with management's expectations, we might have to increase our allowance for doubtful accounts, modify their financial terms and/or pursue alternative collection methods.

The Company has no significant customers (greater than 10% of total revenue) in its six-month 2023 three-month 2024 revenue. The Company has accounts receivable concentration with three customers in 2022 2024 representing 59% 31% of total accounts receivables outstanding as of September 30, 2023 March 31, 2024, and one customer that represented 31% of accounts receivable outstanding as of December 31, 2022 December 31, 2023.

#### 10.11. SEGMENT INFORMATION

The Company views its operations and manages its business as one operating segment which is the business of providing subscription-based software as a service (SaaS) and Managed IT (MSP/MSaaS) services and related non-recurring professional IT and other services. The Company aggregates is operating segments based on similar economic and operating characteristics of its operations.

The Company's SaaS and Managed IT offerings are sold under monthly recurring revenue contracts are included in the Subscription software and services segment. Professional services and other revenue segment consists of non-recurring revenue, including the periodic sale and installation of IT related hardware and custom IT projects. Professional

services and other revenue is recognized when services are performed.

Revenue type types were as follows:

		For the Three Months Ended September 30				
		2023	%	2022	%	% Change
<b>Revenue:</b>						
Subscription software and services		\$ 1,837,030	92 %	\$ 1,677,373	89 %	10 %
Professional services and other		167,823	8 %	211,395	11 %	(21 %)
Total revenue		\$ 2,004,853	100 %	\$ 1,888,768	100 %	6 %

  

		For the Nine Months Ended September 30					For the Three Months Ended March 31				
		2023	%	2022	%	% Change	2024	%	2023	%	% Change
<b>Revenue:</b>											
Subscription software and services		\$ 5,170,844	91 %	\$ 5,348,465	90 %	(3 %)	\$ 2,595,050	95 %	\$ 1,703,815	93 %	52 %
Professional services and other		530,528	9 %	595,353	10 %	(11 %)	128,313	5 %	136,556	7 %	(6 %)
Total revenue		\$ 5,701,372	100 %	\$ 5,943,818	100 %	(4 %)	\$ 2,723,363	100 %	\$ 1,840,371	100 %	48 %

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### 11. RELATED PARTY TRANSACTIONS

The Company incurred related party transactions of \$357,844 for the nine months ended September 30, 2023, and \$407,309 for the nine months ended September, 2022, in relation to payments of interest and principal on Notes Payable with its Chief Executive Officer. These notes were fully repaid in February 2022 and March 2023 respectively. In July 2023 the Company entered into a \$250,000 Promissory Note from a related party to the Chief Executive Officer. This promissory note bears interest of 15% per annum and is due monthly with the principal due at maturity. Net proceeds from the Note will be \$200,000 with \$50,000 paid to the issuer on closing. Accrued but unpaid interest as of September 30, 2023 was \$8,333.

In June 2022 the Company entered into a \$100,000 promissory note with its Chief Operating Officer. The promissory note has a maturity date of six (6) months after issuance with an interest charge of 14% per annum which shall accrue and be paid on the maturity date. This note was extended to September 1, 2023. The Company has the right to prepay this note without penalty. Accrued but unpaid interest as of June, 2023, was \$16,293. In June 2023 the Chief Operating Officer entered into an additional Promissory Note maturing September 1, 2023 in the amount of \$145,010 bearing 18% per annum with interest and principal due at Maturity. The Company has the right to prepay this note without penalty. Accrued but unpaid interest as of September 30, 2023 was \$15,216.

### 12. BUSINESS COMBINATIONS

The Company accounts for business combinations under the acquisition method of accounting, in accordance with Accounting Standards Codification ("ASC") Topic 805, *Business Combinations*, which requires assets acquired and liabilities assumed to be recognized at their fair values on the acquisition date. Any excess of the fair value of purchase consideration over the fair value of the assets acquired less liabilities assumed is recorded as goodwill. The fair values of the assets acquired and liabilities assumed are determined based upon the valuation of the acquired business and involves management making significant estimates and assumptions.

#### Preferred Dental Development, LLC Ally Commerce, Inc dba FeatherPay ("Preferred Dental" FeatherPay")

On September 1, 2023 January 1, 2024, the Company entered into an Asset Purchase Agreement (the "Agreement") with Preferred Dental Development, LLC Ally Commerce, Inc. dba FeatherPay (the "Seller"). The Seller was engaged in the business of providing dental healthcare billing and claims services. payment processing. Pursuant to the Agreement, the Company purchased the assets of the Seller utilized in the Seller's business. As consideration for the acquired assets: (i) the Company issued a note paid to FeatherPay

\$500,000 in cash, and (ii) the Company agreed to issue to FeatherPay's stockholders an aggregate of \$4,800,000 worth of shares (the "Stock Consideration") of Company's Series A Preferred Stock, par value \$0.0001 at \$10.00 per share totaling 480,000 shares.

#### Teamworx LLC ("Teamworx")

On January 1, 2024, the Company entered into an Asset Purchase Agreement with Teamworx LLC ("Teamworx"). Teamworx was engaged in the business of healthcare billing and payment processing. Pursuant to the Agreement, the Company purchased the assets of the Seller utilized in the amount of \$1,200,000, Seller's business. As consideration for the acquired assets: (i) the Company paid to Seller \$125,000 in cash, and (ii) the Company agreed to issue to Seller \$400,000 \$575,000 worth of shares of Company common stock Series A Preferred Stock at \$10.00 per share totaling 40,000 57,500 shares.

#### Pursuant to the guidance in FASB Accounting Standards Codification Verifi Dental Limited ("ASC" Verifi") Topic 805, Business Combinations,

On January 1, 2024, the Company calculated entered into an Asset Purchase Agreement with Verifi Dental, Limited (the "Seller"). The Seller was engaged in the estimated fair value business of healthcare billing and payment processing. As consideration for the acquired customer relationships using assets: (i) the discounted Company paid to Seller \$360,000 in cash, flow approach. The key assumptions and inputs into (ii) the cash flow model used were: (1) an annual customer attrition rate Company agreed to issue to Seller \$840,000 worth of 5%, (2) a gross margin percentage shares of 37%, (3) a tax rate of 25.50% and (4) a discount rate of 12%. Company Series A Preferred Stock at \$10.00 per share totaling 84,000 shares.

Certain fair values of acquired assets and assumed liabilities may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods within the measurement period when it reflects new information obtained about facts and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date.

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The following table summarizes the consideration paid and the fair value of the assets acquired and liabilities assumed as of the dates detailed in the table:

	Preferred Dental September 1, 2023	FeatherPay January 1, 2024	Verifi Dental January 1, 2024	Teamworx January 1, 2024
<b>Consideration Paid:</b>				
Cash		\$ 500,000	\$ 370,000	\$ -
Note payable	\$ 1,200,000	-	-	125,000
Common stock	400,000	-	-	-
Series A preferred stock		4,800,000	840,000	575,000
	<u>\$ 1,600,000</u>	<u>\$ 5,300,000</u>	<u>\$ 1,210,000</u>	<u>\$ 700,000</u>
<b>Fair values of identifiable assets acquired and liabilities assumed:</b>				
Assets acquired:				
Cash	\$ 40,855	\$ -	\$ 871	\$ 12,752
Accounts receivable		959	54,259	
Customer relationships	1,559,145	-		
Acquired technology		5,299,041	1,154,870	678,548
Deferred revenue				8,700
Total assets acquired	<u>\$ 1,600,000</u>	<u>5,300,000</u>	<u>1,210,000</u>	<u>700,000</u>
Net assets acquired	<u>\$ 1,600,000</u>	<u>\$ 5,300,000</u>	<u>\$ 1,210,000</u>	<u>\$ 700,000</u>

### 13. SUBSEQUENT EVENTS

On October 13, 2023, April 2, 2024 the Company entered into a promissory note in the principal amount of \$200,000 with an issue date of October 13, 2023 (the "October 13 Promissory Note") with an accredited investor in exchange for \$350,000, existing investor. The maturity of the October 13 Promissory Note promissory note is May 13, 2024 June 30, 2024 and carries an interest rate of 12% 16% per annum with interest and principal due at maturity. The note is initially convertible into Company common stock at a conversion rate of \$1.85 per share. In conjunction with subordinate to the October 13 Promissory Note, the Company also issued a five-year warrant to purchase 24,500 shares of Company common stock with an exercise price of \$2.04. Company's senior lenders.

On October 26, 2023, April 29, 2024 the Company entered into a securities purchase agreement with a former officer of the Company, pursuant to which the Company issued the investor a promissory note in the principal amount of \$200,000 (the "October 26 Promissory Note") in exchange for \$200,000. \$250,000 with an existing related party investor. The maturity of the October 26 Promissory Note promissory note is December 31, 2023 May 31, 2024 and carries an interest rate of 12% per annum. In conjunction The note is subordinate to the Company's senior lenders.

On May 8, 2024, The Company executed a securities purchase agreement (the "Purchase Agreement") with an institutional investor (the "Investor"). Pursuant to the issuance terms and conditions of the October 26 Promissory Note, Purchase Agreement, the Investor agreed to purchase from the Company unsecured convertible notes in the aggregate principal amount of \$304,700. At closing an aggregate principal amount of \$304,700 will be issued upon the satisfaction of certain customary closing conditions in exchange for aggregate gross proceeds of \$277,000, representing an original issue discount of 10%. On such date, the Company will also issued issue the investor a five-year warrant to purchase 14,000 Investors 17,034 shares of Company common stock (the "Commitment Shares"). The Note will mature 12 months from its respective issuance date (the "Maturity Date"), unless earlier converted. Commencing on the six-month anniversary of the issue date, the Company will be required to make monthly amortization payments pursuant to the Note of approximately 1/6th of the principal amount of the Note per month (the "Amortization Payments"). The Note will be the Company's unsecured obligations and equal in right of payment with all of our other indebtedness and other indebtedness of any of our subsidiaries. The Notes were issued with an exercise price original issue discount of \$2.15 10.0% per share, which was 120% annum, and will not accrue additional interest during the term; provided that the interest rate of the closing price Notes will automatically increase to 16% per annum (the "Default Rate") upon the occurrence and continuance of an event of default. Each holder of Note may convert all, or any part, of the outstanding Note, at any time at such holder's option, into shares of the Company's common stock on the date at an initial "Conversion Price" of issuance.

On October 26, 2023, the Company entered into an additional securities purchase agreement with the same investor, pursuant to which the Company issued the investor a convertible promissory note in principal amount of \$94,685.91 (the "Convertible Promissory Note") in exchange for \$94,685.91. The maturity of the Convertible Promissory Note is October 26, 2028 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate of \$1.80 \$1,416 per share, which was subject to proportional adjustment upon the closing occurrence of any stock split, stock dividend, stock combination and/or similar transactions. With limited exceptions, if the Company at any time while a Note is outstanding, issues any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise), at an effective price per share less than the Conversion Price then the Conversion Price shall be reduced to the same price as the new investment. A holder shall not have the right to convert any portion of a Note to the extent that, after giving effect to such conversion, the holder (together with certain related parties) would beneficially own in excess of 4.99%, or the "Maximum Percentage", of shares of the Company's common stock on the date of issuance. In conjunction with the Convertible Promissory Note, outstanding immediately after giving effect to such conversion. If the Company also issued fails to make any Amortization Payments when due, then each holder may alternatively elect to convert all or any portion of such holder's Notes at a conversion price equal to the investor 6,629 shares lesser of Company (i) the Conversion Price, and (ii) 90% of the lowest VWAP of the common stock and during the five (5) consecutive trading days immediately prior to such conversion. The Company received a five-year warrant to purchase 6,629 shares waiver for untimely filing of Company common stock with an exercise price of \$2.15 per share, which was 120% of its regulatory reporting requirements from the closing price of the Company's common stock on the date of issuance, lender.

On October 31, 2023 May 13, 2024 with an effective date of May 1, 2024, the Company entered into a securities purchase agreement Note Amendment with a related party for the extension of a Promissory Note in the original amount of \$260,000 with an investor, pursuant original maturity date of April 30, 2024 to which be extended to July 31, 2024. In consideration for the extension the Company issued will issue the investor a convertible promissory note in principal amount of \$500,000 (the "Additional Convertible Promissory Note") in exchange for \$500,000. The maturity of the Additional Convertible Promissory Note is October 31, 2024 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate equal to 120% of the closing price of the Company's common stock on the date of issuance.

In October 2023, the Company issued 291,259 shares of Common Stock valued at \$600,000 to Arena as part of its commitment shares per its Purchase Agreement. In addition, the Company put 205,865 shares of Common Stock to Arena for cash proceeds of \$315,709.

On October 19, 2023 the Company was notified by its equity holder party to the Satisfaction Guarantee that they had sold 115,559 36,648 restricted shares of common stock related at maturity. The inducement shares are subject to \$1,000,000 worth the Company's ability to issue such shares in compliance with Nasdaq Listing Rule 5635(d) which will require the approval by the Company's shareholders of its original debt for proceeds of \$526,257 after fees and was notifying that certain proposals to be considered at the Company's 2024 Annual Meeting to be held on May 31, 2024. To the extent the Company of its is unable to issue the Inducement Shares in compliance with Nasdaq Listing Rule 5635(d), the Company's obligation to make whole issue the \$474,742 Inducement Shares shall be tolled until such time as per the terms Company is able to issue such Inducement Shares. The promissory note is subordinated to the Company's senior lender.

On May 13, 2024 with an effective date of May 1, 2024, the agreement. Company entered into a Note Amendment with a related party for the extension of a Convertible Promissory Note in the original amount of \$200,000 with an original maturity date of April 30, 2024 to be extended to July 31, 2024. In consideration for the extension the Company will issue the holder 28,625 restricted shares of common stock at maturity. The inducement shares are subject to the Company's ability to issue such shares in compliance with Nasdaq Listing Rule 5635(d) which will require the approval by the Company's shareholders of certain proposals to be considered at the Company's 2024 Annual Meeting to be held on May 31, 2024. To the extent the Company is unable to issue the Inducement Shares in compliance with Nasdaq Listing Rule 5635(d), the Company's obligation to issue the Inducement Shares shall be tolled until such time as the Company is able to issue such Inducement Shares. The convertible promissory note is subordinated to the Company's senior lender.

On May 13, 2024, the Company entered into a Note Amendment with an extension of a Convertible Promissory Note in the original amount of \$350,000 with an original maturity date of May 13, 2024 to be extended to July 31, 2024. In consideration for the extension the Company will issue the holder 51,539 restricted shares of common stock at maturity. The inducement shares are subject to the Company's ability to issue such shares in compliance with Nasdaq Listing Rule 5635(d) which will require the approval by the Company's shareholders of certain proposals to be considered at the Company's 2024 Annual Meeting to be held on May 31, 2024. To the extent the Company is unable to issue the Inducement Shares in compliance with Nasdaq Listing Rule 5635(d), the Company's obligation to issue the Inducement Shares shall be tolled until such time as the Company is able to issue such Inducement Shares. The convertible promissory note is subordinated to the Company's senior lender.

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## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Statements made in this Quarterly Report on Form 10-Q, including without limitation this Management's Discussion and Analysis of Financial Condition and Results of Operations, other than statements of historical information, are forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may be identified by such words as "may," "will," "expect," "anticipate," "believe," "estimate" and "continue" or similar words. We believe it is important to communicate our future expectations to investors. However, these forward-looking statements involve many risks and uncertainties, including the risk factors disclosed under the heading "Risk Factors" and under the heading entitled "Going Concern" in the "Notes to Condensed Consolidated Financial Statements" in Part I of this Quarterly Report on Form 10-Q. Our actual results could differ materially from those indicated in such forward-looking statements as a result of certain factors. We are under no duty to update any of the forward-looking statements after the date of this Report on Form 10-Q to conform these statements to actual results, other than to comply with the federal securities laws.

### About the Company

#### Company History

The Company is a cloud-based software and technology company focused on increasing workflow productivity and customer profitability through its enterprise platform of applications and services.

#### Software as a Service (SaaS) Offerings

The Company currently markets secure Health Insurance Portability and Accountability Act (HIPAA) compliant cloud-based software as a service (SaaS) offering under the names of iCoreRx, iCorePDMP, iCoreEPCS, iCoreVerify, iCoreVerify+, iCoreHuddle, iCoreHuddle+, iCoreCodeGenius, iCoreExchange, iCoreCloud, iCorePay, iCoreSecure, and iCoreIT. The Company's software is sold under annual recurring revenue subscriptions.

**iCoreRx** – iCoreRx is a HIPAA compliant electronic prescription SaaS solution that integrates with popular practice management and electronic health record systems. It saves time by selecting exact medications at available doses with built-in support from a drug directory and provides full support for Electronic Prescriptions for Controlled Substances (**iCoreEPCS**). It protects both the patient and provider by viewing the patient's complete medication history. It also speeds up the process by allowing the doctor to create a "favorites" list for commonly used medication sets.

**iCorePDMP** is an add-on for iCoreRx that seamlessly integrates with state databases to automate prescription drug monitoring. Providers in many states are required to check the patient's Prescription Drug Monitoring Program (PDMP) history before prescribing controlled substances. This service provides one-click real-time access to the state databases without the need to manually enter data. This tool also generates patient risk scores and an interactive visualization of usage patterns to help the prescriber identify potential risk factors. The prescriber can then use this report to make decisions on objective insight into potential drug misuse or abuse which will ultimately lead to improved patient safety and better patient outcomes.

**iCoreVerify and iCoreVerify+** - iCoreVerify is a HIPAA compliant SaaS solution that automatically retrieves a patient's insurance eligibility breakdown to verify their benefits seven (7) days in advance of their appointment and on-demand using iCoreConnect's real time technology. Automation runs daily to verify insurance every patient on the schedule a full week in advance of their appointment date. The system returns results typically in less than one second for most responses. This substantially reduces the phone calls and labor hours for the practice. This tool integrates with most popular practice management systems. iCoreVerify+ adds a unique add-on service that augments iCoreConnect's automation with a concierge service that turns around requests traditionally in less than 24 hours. It includes all carriers including non-digital ones and is customized to the client's specialty.

**iCoreHuddle and iCoreHuddle+** – iCoreHuddle is a powerful HIPAA compliant SaaS solution to instantly reveal the revenue potential of each patient. This product is currently limited to dental practices. The service connects to most popular practice management and electronic health record systems to optimize revenue realization. It provides the practice with a dashboard containing various metrics, analytics, and key performance indicators ("KPIs"). iCoreHuddle provides a daily view of patient schedules, including their outstanding balances, unscheduled treatment plans, recall information, procedure information and the amount of remaining insurance benefits. The software also provides one-click access to each patient's insurance eligibility, including a detailed benefits and deductibles report. This tool aims to increase the workflow efficiency of the dentist's practice by reducing the number of required lookups and clicks for each patient. iCoreHuddle+ offers enhanced analytical tools for practices to optimize their revenue generation process and workflows.

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**iCoreCodeGenius** – iCoreCodeGenius is a medical coding reference SaaS solution that provides the coding standards for the 10th revision of the International Classification of Diseases and Related Health Problems (ICD-10), a medical classification list published by the World Health Organization (WHO). It contains codes for diseases, signs and symptoms, abnormal findings, complaints, social circumstances, and external causes of injury and diseases.

**iCoreExchange** – iCoreExchange provides a secure, HIPAA compliant SaaS email solution using the direct protocol that allows doctors to send and receive secure email with attachments to and from other healthcare professionals in the network. iCoreExchange also provides a secure email mechanism to communicate with users outside the exchange e.g., patients and referrals. Users have the ability to build a community, access other communities and increase referrals and collaboration. Users can email standard office documents, JPEG, PDF as well as patient files with discrete data, which can then be imported and accessed on most Electronic Health Record (EHR) and Practice Management (PM) systems in a HIPAA compliant manner.

**iCoreCloud** - iCoreCloud offers customers the ability to backup their on-premise servers and computers to the cloud. iCoreCloud is a fully HIPAA compliant and automated backup solution. The data backed up is encrypted both in transit and while at rest. In case of full data loss, the mirrored data in the cloud can be seamlessly restored back to the practice on a new computer or a server. The data is stored encrypted in HIPAA compliant data centers with multiple layers of redundancy. The data centers are physically secure with restricted personnel and biometric access. The locations are also guarded by security 24 hours a day, 365 days a year.

**iCorePay** – iCorePay offers a seamless patient payment processing solutions for customers. iCorePay integrates into the practice workflow for payment and revenue cycle tracking.

**iCoreSecure** –We used our expertise and development capabilities from our HIPAA compliant iCoreExchange and developed iCoreSecure, an encrypted email solution for anyone that needs encrypted email to protect personal and financial data. iCoreSecure is a secure SaaS solution that solves privacy concerns in the insurance, real estate, financial and many other industry sectors that have a need for secure encrypted email.

**iCoreIT** -The trend in IT Services companies for over a decade has been to move away from a "Break/Fix " model to a "Managed Service Provider (MSP)" and "Managed Software as a Service (MSaaS)" model with recurring revenue.

#### **Managed IT Services (MSP and MSaaS)**

The MSP/MSaaS approach, by using preventative measures, keeps computers and networks up and running while data is accessible and safeguarded. Installation of critical patches and updates to virus protection are automated. Systems are monitored and backed up in real-time. They are fixed or upgraded before they cause a service disruption. A Unified Threat Management solution is deployed to protect against virus, malware, SPAM, phishing and ransomware attacks. Remote technical support is a click away. All support is delivered at a predictable monthly cost.

By leveraging managed services with our expertise in cloud computing, our customers can scale their business without extensive capital investment or disruption in services.

We derive most of our revenue from subscriptions to our cloud-based SaaS and MSaaS offerings. Subscription revenue related to SaaS and MSaaS offerings account for **92% 95%** and **89% 93%** of our total revenue for the three months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, respectively. We sell multiple offerings at different base prices on a subscription basis to meet the needs of the customers we serve.

Professional services and other revenue account for **8% 5%** and **11% 7%** of our total revenue for the three months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, respectively. Professional services and other revenue include hardware, software, labor, and other revenues related to customer onboarding for SaaS/MSaaS services or one-time, non-recurring services. We expect professional services and other margins to range from moderately positive to break-even.

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#### **Financing**

We are currently funding our business capital requirements through sales of our common stock and debt arrangements. While we intend to seek additional funding, if revenue increases to a point where we are able to sustain ourselves and increase our budget to match our growth needs, we may significantly reduce the amount of investment capital we seek. The amount of funds raised, and revenue generated, if any, will determine how aggressively we can grow and what additional projects we will be able to undertake. No assurance can be given that we will be able to raise additional capital when needed or at all, or that such capital, if available, will be on terms acceptable to us. If we are unable to, or do not raise additional capital in the near future or if our revenue does not begin to grow as we expect, we will have to curtail our spending and downsize our operations.

#### **Critical Accounting Policies and Estimates**

Our discussion and analysis of financial condition and results of operations are based upon the financial statements, which have been prepared in accordance with generally accepted accounting principles as recognized in the United States of America. The preparation of these financial statements requires that we make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that management believes to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

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We believe that the most critical accounting policies relate to revenue recognition, software development capitalization and amortization, income taxes, stock-based compensation, and long-lived assets and goodwill. See Note 2 to the condensed consolidated financial statements.

## Executive Summary

### Financial Results for the **Nine Three Months Ended September 30, 2023** **March 31, 2024**

Our total revenue for the **nine three months ended September 30, 2023** **March 31, 2024**, **decreased increased by 4% 48% to \$5.7MM compared \$2,723,363 in comparison with \$5.9MM \$1,840,371 reported during the same period in 2022. The Company continued 2023. Revenue growth is attributable to show the impact of a decrease an increase in services revenues organic sales along with sales in new offerings from the mild attrition it incurred in Q1 2023, while recurring revenues also decreased in asset acquisitions which contributed to overall revenue growth for the comparative period due to changes in legislation that pushed out several state eprescription mandates that went into effect in Q1 2022 resulting in attrition in the back half of 2022. three months ended March 31, 2024. The Company continues to see organic growth in its SaaS based products. The Company ended the quarter with approximately 33,000 subscriptions on our platform up from approximately 22,000 subscriptions in the prior year period.**

The Company views its operations and manages its business as one operating segment which is the business of providing subscription-based software as a service (SaaS), Managed IT (MSaaS) and related non-recurring professional IT and other services. The Company aggregates its operating segments based on similar economic and operating characteristics of its operations.

Gross profit percentage was **74% 81%** and **70% 73%** for the **nine three months ended September 30, 2023** **March 31, 2024** and **2022, 2023**, respectively. Gross Profit increased by **\$37,000 \$861,344** compared to the same period a year ago. Gross profit margin expansion was driven by a greater growth rate of sales in subscription software and services that carry higher gross margins than Professional Services and other revenue. We expect the growth rate of our SaaS and MSaaS subscription offerings to grow faster than our Professional Services and other revenue over time. We believe the higher growth rate of recurring revenue SaaS and MSaaS offerings should continue to provide a mix shift that will benefit gross margin rate going forward.

## Business Highlights and Trends

- **Product Traction.** We continue to benefit from trends toward cloud-based SaaS offerings for improved workflow, productivity, and efficiency gains. As we have expanded our product offerings, we are seeing greater traction for all our software products across the entire platform.
- **Business Development.** The Company has pursued and won contracts with larger enterprise health care businesses and continues to do so. We currently have agreements with large State Associations, Dental Support Organizations (DSOs), Hospitals, and large insurance companies
- **Capital raise.** In the first **nine three months of 2023, 2024**, the company **raised \$540,000 did not raise any funds** from the sale of Common Old iCore Stock, **\$465,000 in sale of Preferred** Stock and **\$3,733,011 \$1,423,093** in gross proceeds in the form of secured notes **and** convertible notes **and notes payable** to fund operations and growth.

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Results of Operations - Three **and Nine** Month Period Ended **September 30, 2023** **March 31, 2024** Compared to Three **and Nine** Month Period Ended **September 30, 2022** **March 31, 2023**



Overview. The following table sets forth our selected financial data for the periods indicated below and the percentage dollar increase (decrease) of such items from period to period:

Three Month Period Ended **September 30, 2023** **March 31, 2024** Compared to the Three Month Period Ended **September 30, 2022** **March 31, 2023**

	Three Months Ended			Three Months Ended		
	September 30, 2023	September 30, 2022	% Incr/(Decr)	March 31, 2024	March 31, 2023	% Incr/(Decr)
Revenue	\$ 2,004,853	\$ 1,888,768	6 %	\$ 2,723,363	\$ 1,840,371	48 %
Cost of sales	517,875	517,660	0 %	513,097	491,449	4 %
Gross profit	1,486,978	1,371,108		2,210,266	1,348,922	
Expenses						
Selling, general and administrative	3,589,655	2,151,651	67 %	4,519,898	2,411,071	87 %
Depreciation and amortization	320,427	286,622	12 %	732,553	288,909	154 %
Total operating expenses	3,910,082	2,438,273		5,252,451	2,699,980	
Loss from operations	(2,423,104)	(1,067,165)		(3,042,185)	(1,351,058)	
Other income (expense)						
Interest expense	(478,437)	(216,523)	121 %	(226,467)	(257,913)	(12) %
Finance charges	(370,852)	(14,888)	2,391 %	(1,302,697)	(80,063)	1,527 %
Change in fair value of forward purchase agreement	(419,407)	-	100 %	300,000	-	100 %
Other income	-	(103,400)	100 %			
Income taxes				(54,000)	-	100 %
Other expense				(397,621)	-	100 %
Total other expense, net	(1,268,696)	(334,811)	279 %	(1,680,785)	(337,976)	397 %
Net loss	\$ (3,691,800)	\$ (1,401,976)	163 %	\$ (4,722,970)	\$ (1,689,034)	180 %
Preferred dividend	(218,516)	-	100 %	(448,000)	-	100 %
Net loss attributable to common stockholders	\$ (3,910,316)	\$ (1,401,976)	179 %	\$ (5170,970)	\$ (1,689,034)	206 %

**Revenues.** Net revenues increased to **\$2.0MM \$2,723,363** from **\$1.9MM \$1,840,371** for the three months ended **September 30, 2023** **March 31, 2024** and **2022** **2023**, respectively. The increase in revenue was driven by the additional subscriptions sales in the Company's core SaaS offerings coupled with the addition of sales related to its asset acquisition. acquisitions which are predominantly recurring services.

**Cost of sales.** Cost of sales for the three months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** remained essentially flat as the Company was able to keep costs static. The Company has been able to continue leverage its capacity in its data centers and other systems to add-on bring on customers to both Subscription Software and Services and Professional Services and Other Revenues while being able to keep costs related to support costs and service in check.

**Selling, general and administrative expenses.** Selling, general and administrative expenses for the three months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** were **\$3.5MM \$4,519,898** and **\$2.2MM, \$2,411,071**, respectively. The increase between periods was primarily due to an increase in payroll expenses related to the cost to service its asset acquisitions and other general and administrative expenses to support the rate of growth as well as the additional costs related to the asset acquisition completed in the period. The Company also expensed remaining costs associated with the merger during the period in the amount of \$826K. growth.

**Depreciation and amortization expenses.** Depreciation and amortization expenses for the three months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** were **\$0.3MM \$732,553** and **\$0.3MM, \$288,909**, respectively. The increase in depreciation and amortization reflects an increase primarily in amortization costs associated with the additional customer list of \$1,559,144 and acquired technologies of \$5,620,897 as part of the assets acquisitions in comparison to the comparative period.

**Interest Expense.** Interest expense for the three months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** was **\$0.5MM \$226,467** and **\$0.2MM, \$257,913**, respectively. The increase decrease between periods was primarily due to the Company taking on additional bridge having lower average interest costs in 2024 than in

2023 and that the debt for growth and operations during outstanding in 2024 was obtained near the first half of 2023, reporting end which results in lower interest expense being reported.

**Financing fee.** Financing fee expenses for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 were \$0.4MM \$1,302,697 and \$0.01MM \$80,063 respectively. The increase between periods was primarily due to the Company taking on additional bridge debt for growth and operations during the first quarter expensing deferred financing fees of 2023 along with the full expense of remaining fees as part of its conversion of debt in conjunction approximately \$1,008,000 associated with its merger, cancelled equity line of credit. In addition, the Company issued higher levels of convertible debt than in the comparative period resulting in additional financing costs being reported.

**Change in fair value of forward purchase agreement.** Change in fair value of forward purchase agreement expenses for the three months ended September 30, 2023 March 31, 2024 and 2022 were \$0.4MM 2023 was \$300,000 and \$nil, respectively. The expense income relates to the derived fair value change of the shares underlying the forward purchase agreement market from the balance sheet date to estimated maturity date.

**Other income.** expense. Other income expense for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 were \$nil \$397,621 and \$0.1MM, \$nil, respectively. Other income expense reflects the final portion of a make whole agreement that the Company entered into in 2022 consisted August of settlements 2023, whereby the Company guaranteed the difference between the value of outstanding litigation during the period, debt converted into shares at \$10.00 per share and their ultimate sales price.

**Income Tax.** Income tax expense for the three months ended March 31, 2024 and 2023 were \$54,000 and \$nil, respectively and reflect the fact that the Company is now subject to taxes due to being registered in Delaware.

**Preferred dividend.** Preferred dividend for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 were \$0.2MM \$448,000 and \$nil, respectively. The preferred dividend relates to dividends accrued for the Company's issued and outstanding Series A Preferred Stock.

**Nine Month Period Ended September 30, 2023 Compared to Nine Month Period Ended September 30, 2022**

	Nine Months Ended		
	September 30, 2023	September 30, 2022	% Incr/(Decr)
Revenue	\$ 5,701,372	\$ 5,943,818	(4%)
Cost of sales	1,493,357	1,773,173	(16%)
Gross profit	4,208,015	4,170,645	
Expenses			
Selling, general and administrative	9,189,829	6,445,585	30%
Depreciation and amortization	900,936	1,000,722	(10%)
Total operating expenses	10,090,765	7,446,307	
Loss from operations	(5,882,750)	(3,275,662)	
Other income (expense)			
Interest expense	(1,007,120)	(561,395)	79%
Finance charges	(792,930)	(400,888)	98%
Change in fair value of forward purchase agreement	(419,407)	-	100%
Other income (expense)	13,778	(193,393)	(107%)
Total other expense, net	(2,205,679)	(1,155,676)	91%
Net loss	\$ (8,088,429)	\$ (4,431,338)	83%
Preferred dividend	(218,516)	-	100%
Net loss attributable to common stockholders	\$ (8,306,945)	\$ (4,431,338)	87%

**Revenues.**Net revenues for the nine months ended September 30, 2023 decreased to \$5.7MM compared to \$5.9MM for nine months ended September 30, 2022. Revenues from Subscription Software and Services decreased slightly to \$5.1MM from \$5.3MM, respectively, due to ePrescription mandates which took effect in Q1 2022 and were subsequently altered to not being required based on number of prescriptions written or delayed enforcement until sometime in 2023 resulting in cancellations in the mid half of 2022. The Company made the decision to allow some customers to exit their contracts early in order to assist in an orderly compliance of the new enforcement dates with the idea that the Company could gain the customer back in the latter half of 2023. Professional Services and Other revenues decreased slightly to \$0.53MM from \$0.59MM, respectively during the period.

**Cost of sales.**Cost of sales for the nine months ended September 30, 2023 and 2022 decreased to \$1.5MM compared to \$1.8MM respectively. The decrease between periods was due primarily to a decrease in labor costs and subscriptions related to Professional Services and Other revenues which incurred some attrition at the beginning of the year. The Company has been able to add on customers to both Subscription Software and Services and Professional Services and Other Revenues at a lower cost.

**Selling, general and administrative expenses.**Selling, general and administrative expenses for the nine months ended September 30, 2023 and 2022 were \$9.1MM and \$6.4MM, respectively. The increase between periods was primarily due to an increase in payroll expenses and other general and administrative expenses to support a high rate of growth. The Company also expensed remaining costs associated with the merger in the amount of \$826K.

**Depreciation and amortization expenses.**Depreciation and amortization expenses for the nine months ended September 30, 2023 and 2022 were \$0.9MM and \$1.0MM, respectively. The decrease between periods was primarily the result of lower capitalization of assets subject to depreciation in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022.

**Interest Expense.**Interest expense for the nine months ended September 30, 2023, and 2022 were \$1.0MM and \$0.6MM, respectively. The increase between periods was primarily due the Company taking on additional bridge debt for growth and operations during the first quarter of 2023.

**Financing fee.**Financing fee expenses for the nine months ended September 30, 2023 and 2022 were \$0.8MM and \$0.4MM respectively. The increase in expenses are related to the issuance of convertible debt features in 2023 in comparison to 2022.

**Change in fair value of forward purchase agreement.**Change in fair value of forward purchase agreement expenses for the nine months ended September 20, 2023 and 2022 were \$0.4MM and \$nil, respectively. The expense relates to the derived fair value change of the shares underlying the forward purchase agreement market from the balance sheet date to estimated maturity date.

**Other income (expense).**Other income (expense) consists of cost related to the payment of sales and use tax filings for prior periods as well as settlement of a prior periods accounts payable for Q2 2022 compared to income related to the sale of company assets in Q2 2023.

**Preferred dividend.**Preferred dividend for the nine months ended September 20, 2023 and 2022 were \$0.2MM and \$nil, respectively. The preferred dividend relates to dividends accrued for the Company's issued and outstanding Series A Preferred Stock.

## LIQUIDITY, GOING CONCERN AND CAPITAL

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

For the **nine-month three-month** period ended **September 30, 2023** **March 31, 2024** the Company generated an operating loss of **\$5,882,750** **\$3,042,185**. In addition, the Company has an accumulated deficit **total stockholders' deficit** and net working capital deficit of **\$107,425,049** **\$120,509,730**, and **\$6,979,236** **\$10,906,673**, respectively. The Company's activities were primarily financed through private placements of equity securities and issuance of debt. The Company intends to raise additional capital through the issuance of debt and/or equity securities to fund its operations, although **it has no commitments for such capital** and there is no assurance that it will be successful in raising any additional capital. The Company is reliant on future fundraising to finance operations in the near future. **If the Company fails to raise additional capital in the near future, it will be required to curtail or cease its operations.** In light of these matters, there is substantial doubt that the Company will be able to continue as a going concern for a period of 12 months from the issuance date of these financial statements.

**Management has introduced new lines of services with higher margins while it** continues to develop strategic partnerships and has ramped up selling into the existing customer base as well as penetrate larger organizations with multiple customers while continuing to scope out additional areas of opportunity. While management believes in the viability of its strategy to increase revenues and in its ability to raise additional funds, there can be no assurances to that effect. Management's ability to continue as a going concern is ultimately dependent upon its ability to continually increase the Company's customer base and realize increased revenues from signed contracts. The financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The primary factors that influence our liquidity include, but are not limited to, the amount and timing of our equity and debt raises, revenues, cash collections from our clients, capital expenditures, and investments in research and development.

The following table summarizes the impact of operating, investing and financing activities on our cash flows for the **nine-month three-month** periods ended **September 30, 2023** **March 31, 2024** and **2022** **2023** related to our operations:

	Nine Month Ended		Three Month Ended	
	September 30,	September 30,	March 31,	March 31,
	2023	2022	2024	2023
Net cash used in operating activities	\$ (1,761,951)	\$ (1,675,691)	\$ (990,030)	\$ (1,152,215)
Net cash used in investing activities	(9,989,644)	(200,947)	(1,204,437)	(194,115)
Net cash provided by financing activities	12,012,831	1,967,674	1,113,140	1,953,579
Net change in cash	261,236	91,036	(1,081,327)	607,249
Cash and cash equivalents at beginning of the period	196,153	71,807	1,219,358	196,153
Cash and cash equivalents at end of the period	\$ 457,389	\$ 162,843	\$ 138,031	\$ 803,402

Operating Activities: Net cash used by operating activities of **\$1.8MM** **\$990,030** for **nine-month** **three-month** period ended **September 30, 2023** **March 31, 2024** was **\$0.1MM more** **\$162,186 less** than the **\$1.7MM** **\$1,152,215** cash used by operations for the **nine-month** **three-month** period ended **September 30, 2022** **March 31, 2023**. The **increase** **decrease** in cash utilized by operating activities **compared to the nine-month period ended September 30, 2022** was primarily attributable to a larger **net loss** **period on period driven by non-cash charge add backs over the incorporate of merger costs comparative periods along with increases in accounts payable and stock based compensation accrued liabilities and lower prepaid expenses**. Future spending on operating activities is expected to be funded by the sale of and issuance of additional shares of common stock.

Investing Activities: Net cash used by investing activities was **\$10.0MM** **\$1,204,437** and **\$194,115** for the **nine-month** **three-month** period ended **September 30, 2023** **March 31, 2024** and **2023**, respectively. The overall increase was mainly attributable to the **Forward Purchase Agreement which accounted for \$7.8MM along with \$1.6MM in additions cost of purchase related to acquired customers lists obtained in the asset acquisition completed during the period. acquisitions of FeatherPay and Verifi Dental Limited**. Future spending on investing activities is expected to be funded by the sale of and issuance of additional shares of common stock.

Financing Activities: Net cash provided by financing activities of **\$12.0MM** **\$1,113,140** and **\$1,953,579** for the **nine-month** **three-month** period ended **September 30, 2023** **March 31, 2024** and **2023**, respectively. The cash increase was **\$10.0 more than obtained through the \$2.0MM cash provided by financing activities net issuance of debt less payments for 2024 while in 2023 the nine-month period ended September 30, 2022**. The Company netted **\$2.7MM** between all **increase was attributed to net issuance of debt transactions less payments along with \$18MM in proceeds retained from non-redemption and issuance of its Preferred Stock for the none-months ended September 30, 2023 versus \$2.0MM for the same comparative period in 2022. common stock sale**.

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## Credit Facilities

On September 12, 2023, the Company entered into a purchase agreement (the "Purchase Agreement") with Arena Business Solutions Global SPC II, Ltd. on behalf of and for the account of Segregated Portfolio #8 – SPC #8 ("Arena"), pursuant to which Arena has committed to purchase up to \$40 million (the "Commitment Amount") of our common stock, par value \$0.0001 per share (the "Common Stock"), at our direction from time to time, subject to the satisfaction of the conditions in the Purchase Agreement. Such sales of Common Stock, if any, will be subject to certain limitations, and may occur from time to time at the Company's sole discretion over the approximately 36-month period commencing on the date of the Purchase Agreement subject to registration with the Securities and Exchange Commission. The Company may direct Arena to purchase amounts of our Common Stock under the Purchase Agreement that we specify from time to time in a written notice (an "Advance Notice") delivered to Arena on any trading day up to the Commitment Amount. The maximum amount that we may specify in any one Advance Notice is equal to the following: (A) if the Advance Notice is received by 8:30 A.M. Eastern time, then the maximum amount that we may specify is equal to the lesser of (i) an amount equal to 40% of the average Daily Value Traded of the Common Stock of the ten trading days immediately preceding such Advance Notice, or (ii) \$20.0 million; and (B) if the Advance Notice is received after 8:30 A.M. Eastern Time but prior to 10:30 A.M. Eastern Time, then the maximum amount that we may specify in an Advance Notice is equal to the lesser of: (i) an amount equal to 30% of the average Daily Value Traded of the Common Stock on the ten trading days immediately preceding such Advance Notice, or (ii) \$15.0 million. For these purposes, "Daily Value Traded" is the product obtained by multiplying the daily trading volume of our Common Stock on Nasdaq during regular trading hours, as reported by Bloomberg L.P., by the VWAP (as defined in the Purchase Agreement) for that trading day. Subject to the satisfaction of the conditions under the Purchase Agreement, we may deliver Advance Notices from time to time, provided that the Pricing Period for all prior advances has been completed. For these purposes, "Pricing Period" means one trading day, as notified by the Company to Arena in the applicable Advance Notice, commencing on the date of the Advance Notice. The purchase price of the shares of Common Stock will be equal to 97% of the simple average of the daily VWAP of the Common Stock during the Pricing Period. Unless earlier terminated as provided in the Purchase Agreement, the Purchase Agreement will terminate automatically on the earliest to occur of: (i) the first day of the month next following the 36-month anniversary of the date of the Purchase Agreement; and (ii) the date on which Arena shall have purchased shares of Common Stock under the Purchase Agreement for an aggregate gross purchase price equal to Commitment Amount under the Purchase Agreement. We have the right to terminate the Purchase Agreement at any time, at no cost or penalty, upon five trading days' prior written notice to Arena, provided that there are no outstanding Advance Notices the shares of Common Stock under which have not yet been issued. We and Arena may also terminate the Purchase Agreement at any time by mutual written consent.

As consideration for Arena's irrevocable commitment to purchase Common Stock upon the terms of and subject to satisfaction of the conditions set forth in the Purchase Agreement, upon execution of the Purchase Agreement, we agreed to issue a total of 291,259 shares of Common Stock equaling \$600,000 (the "Commitment Fee Shares") based on a price per share equal to the simple average daily VWAP of the Common Stock during the ten trading days immediately preceding the date on which the SEC declares the Registration Statement effective.

As This line was cancelled in February 2024 and the Company expensed deferred costs of September 30, 2023 the Company's registration statement with the Securities and Exchange Commission had not yet been filed and therefore no amounts had been utilized of the purchase agreement, \$1,008,376 related to this transaction which are reported as financing costs.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Not applicable.

### ITEM 4. CONTROLS AND PROCEDURES

#### Evaluation of Disclosure Controls and Procedures

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Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our Chief Executive Officer (our principal executive officer) and Chief Financial Officer, (our principal financial and accounting officer), we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the fiscal quarter ended September 30, 2023 March 31, 2024, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act.

Based on this evaluation, our Chief Executive Officer who is our principal executive officer and our Chief Financial Officer, who is our principal financial and accounting officer, have concluded that during as of the end of the period covered by this report, our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective due to the a material weakness in our internal control over financial reporting related to the Company's accounting for complex financial instruments and the material weakness related to our inability to adequately segregate responsibilities over the financial reporting process. process to ensure the accuracy of information. In addition, management has further identified deficiencies within its corporate governance practices, as the Company did not have the necessary controls in place to understand the impact on equity holders and monitor the issuance of instruments with down round features. Considering these To address this material weaknesses, we performed additional procedures and analyses as deemed necessary to ensure that our financial statements were prepared in accordance with U.S. generally accepted accounting principles. Notwithstanding the material weaknesses, weakness, management has concluded devoted, and plans to continue to devote, significant effort and resources to the remediation and improvement of its internal control over financial reporting. While we have processes to identify and appropriately apply applicable accounting requirements, we plan to enhance these processes to better evaluate its research and understanding of the nuances of the complex accounting standards that apply to its financial statements. We plan to include providing enhanced access to accounting literature, research materials and documents and increased communication among its personnel and third-party professionals with whom it consults regarding complex accounting applications and we also plan to hire additional personnel to help provide adequate segregation of duties in the financial statements included elsewhere in this Quarterly Report present fairly, in all material respects, our financial position, results of operations and cash flows in conformity with GAAP. reporting process.

#### Changes to Internal Control Over Financial Reporting

We have not identified any change in our internal control over financial reporting during our most recently completed fiscal quarter that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS



The Company from time to time, may be a party to various litigation, claims and disputes, arising in the ordinary course of business. While the ultimate impact of such actions cannot be predicted with certainty, we believe the outcome of these matters, except for that noted below, will not have a material adverse effect on our financial condition or results of operations.

On February 21, 2023, the Company received a notice under section 21 of Indian Arbitration and Conciliation Act, 1996 related to a dispute pursuant to contract between the Company and a service provider, pursuant to which the service provider has asserted the Company has violated the terms of the contract and has claimed damages of approximately \$635,000. The Company is evaluating the claims asserted against it and intends to defend itself vigorously in these proceedings; however, there can be no assurances that it will be successful in its efforts.

## ITEM 1A. RISK FACTORS

As a result of the closing of the Business Combination on August 25, 2023, Except as set forth below, there have been no material changes from the risk factors previously disclosed under the heading "Risk Factors" in Part I, Item 1A of our the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 filed with the SEC on February 2, 2023 no longer apply. The risk factors relating to our business are as follows:

### Risks Related to iCoreConnect's Business

#### iCoreConnect's business is difficult to evaluate because it has a limited operating history.

Because iCoreConnect has a limited operating and revenue generating history, it does not have significant historical financial information on which to base planned revenues and operating expenses. iCoreConnect expects to experience fluctuations in future quarterly and annual operating results that may be caused by many factors, including: merger and acquisition activity; its ability to achieve significant sales for its products and services; the cost of technology, software and other costs associated with the production and distribution of its products and services; the size and rate of growth of the market for Internet products and online content and services; the potential introduction by others of products that are competitive with its products; the unpredictable nature of online businesses and e-commerce in general; and the general economic conditions in the United States and worldwide.

Investors should evaluate iCoreConnect considering the delays, expenses, problems and uncertainties frequently encountered by companies developing markets for new products, services and technologies. iCoreConnect may never overcome these obstacles.

#### Under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), iCoreConnect could face potential liability related to the privacy of health information it obtains.

Most health care providers, from which iCoreConnect may obtain patient information, are subject to privacy regulations promulgated under the Health Insurance Portability and Accountability Act of 1996, or HIPAA. Although iCoreConnect is not directly regulated by HIPAA, it could face substantial criminal penalties if it knowingly receives individually identifiable health information from a health care provider that has not satisfied HIPAA's disclosure standards. Further, iCoreConnect may face civil liability if its HIPAA compliant system fails to satisfy its disclosure standards. Claims that iCoreConnect has violated individuals' privacy rights or breached its contractual obligations, even if they are not found liable, could be expensive and time consuming to defend and could result in adverse publicity that could harm iCoreConnect's business.

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iCoreConnect believes that it meets the HIPAA requirements currently in effect that are applicable to its internal operations and to its clients. However, if iCoreConnect is unable to deliver application solutions that achieve or maintain compliance with the applicable HIPAA rules in effect, or as they may be modified or implemented in the future, then customers may move their businesses to application solution providers whose systems are, or will be, HIPAA compliant. As a result, iCoreConnect's business could suffer.

If iCoreConnect's security measures or those of its third-party data center hosting facilities, cloud computing platform providers, or third-party service partners, are breached, and unauthorized access is obtained to a customer's data, iCoreConnect's data or its IT systems, its services may be perceived as not being secure, customers may curtail or stop using its services, and it may incur significant legal and financial exposure and liabilities.

iCoreConnect's services involve the storage and transmission of its customers' patient's health and other sensitive data, including personally identifiable information. Security breaches could expose iCoreConnect to a risk of loss of this information, litigation and possible liability. While iCoreConnect has security measures in place, they may be breached as a result of third-party action, including intentional misconduct by computer hackers, employee error, malfeasance or otherwise and result in someone obtaining unauthorized access to iCoreConnect IT systems, customers' data or its own data, including iCoreConnect's intellectual property and other confidential business information. Additionally, third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as usernames, passwords or other information in order to gain access to iCoreConnect's customers' data, data or IT systems. Because the techniques used to obtain unauthorized access, or to sabotage systems, change frequently and generally are not recognized until launched against a target, iCoreConnect may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, iCoreConnect's customers may authorize third-party technology providers to access their customer data, and some of iCoreConnect's customers may not have adequate security measures in place to protect their data that is stored on iCoreConnect's services. Because iCoreConnect do not control its customers or third-party technology providers, or the processing of such data by third-party technology providers, it cannot ensure the integrity or security of such transmissions or processing. Malicious third parties may also conduct attacks designed to temporarily deny customers access to its systems and supporting services. Any security breach could result in a loss of confidence in the security of iCoreConnect's software, damage its reputation, negatively impact future sales, disrupt its business and lead to legal liability.

#### iCoreConnect's ability to deliver its software is dependent on the development and maintenance of the infrastructure of the Internet by third parties.

The Internet's infrastructure is comprised of many different networks and services that are highly fragmented and distributed by design. This infrastructure is run by a series of independent third-party organizations that work together to provide the infrastructure and supporting services of the Internet under the governance of the Internet Corporation for Assigned Numbers and Names (ICANN) and the Internet Assigned Numbers Authority (IANA), now under the stewardship of ICANN.

Even though the Internet has never experienced an outage, some providers to portions of its infrastructure have experienced outages and other delays as a result of damages, denial of service attacks or related cyber incidents, and it could face outages and delays in the future. These outages and delays could reduce the level of Internet usage or result in fragmentation of the Internet, resulting in multiple separate Internets. These scenarios are not under iCoreConnect's control and could reduce the availability of the Internet to iCoreConnect or its customers for delivery of its Internet-based services. Any resulting interruptions in iCoreConnect's services or the ability of its customers to access its services could result in a loss of potential or existing customers and harm iCoreConnect's business.

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#### **iCoreConnect's business may not succeed if it is unable to keep pace with rapid technological changes.**

iCoreConnect's services and products are impacted by rapidly changing technology, evolving industry standards, emerging competition and frequent new use, software and other product introductions. There can be no assurance that iCoreConnect can successfully identify new business opportunities or develop and bring new services or products to market in a timely and cost-effective manner, or those services, products or technologies developed by others will not render iCoreConnect's services or products non-competitive or obsolete. In addition, there can be no assurance that iCoreConnect's services, products or enhancements will achieve or sustain market acceptance or be able to address compatibility, interoperability or other issues raised by technological changes or new industry standards.

If iCoreConnect suffers system failures or overloading of computer systems, its business and prospects could be harmed. The success of iCoreConnect's online offerings is highly dependent on the efficient and uninterrupted operation of its computer and communications hardware systems. Fire, floods, earthquakes, power fluctuations, telecommunications failures, hardware "crashes," software failures caused by "bugs" or other causes, and similar events could damage or cause interruptions in iCoreConnect's systems. Computer viruses, electronic break-ins or other similar disruptive problems could also adversely affect iCoreConnect's websites. If iCoreConnect's systems, or the systems of any of the websites on which it advertises or with which it has material marketing agreements, are affected by any of these occurrences, iCoreConnect's business, results of operations and financial condition could be materially and adversely affected. December 31, 2023.

#### **The establishment Company completed several acquisitions during the first quarter of iCoreConnect brand is important 2024, which remain subject to its future success, integration risks.**

Establishing In January 2024, the Company completed acquisitions of Ally Commerce, Inc. dba FeatherPay, Teamworx LLC, and maintaining a brand name Verifi Dental, Limited. Successful integration of the operations and recognition is critical for attracting and expanding iCoreConnect's client base. The promotion and enhancement of iCoreConnect's name depends personnel into our existing business places an additional burden on the effectiveness of its marketing and advertising efforts and on its success in continuing to provide high-quality services, neither of which can be assured. If iCoreConnect's brand marketing efforts are unsuccessful, its business could fail.

#### **iCoreConnect's business could suffer if it is unable to protect its intellectual property rights or are liable for infringing the intellectual property rights of others.**

iCoreConnect has certain trade secrets management and other similar intellectual property which are significant to its success, internal resources. The diversion of management's attention and iCoreConnect relies upon related law, trade secret protection, and other confidentiality and license agreements with its employees, strategic partners, and others to protect its proprietary rights to the extent such protection is available and enforceable. Such protection has only limited effectiveness. The development of the Internet has also increased the ease with which third parties can distribute iCoreConnect's copyrighted material without its authorization.

iCoreConnect may seek to pursue the registration of trademarks, trade dress and trade secrets any difficulties encountered in the United States transition and based upon anticipated use, in certain other countries. iCoreConnect may not be entitled to the benefits of any such registration for an extended period due to the cost and delay in effecting such registration. In addition, effective trademark and trade secret protection may not be available in every country in which iCoreConnect's products are available. iCoreConnect expects that it may license, in the future, elements of its trademarks, trade dress and other similar proprietary rights to third parties. Further, iCoreConnect may be subject to claims in the ordinary course of its business, including claims of alleged infringement of the trademarks and intellectual property rights of third parties by iCoreConnect and its licensees.

Other parties may assert claims of infringement of intellectual property or other proprietary rights against iCoreConnect. These claims, even if without merit, could require iCoreConnect to expend significant financial and managerial resources. Furthermore, if claims like this were successful, iCoreConnect might be required to change its trademarks, alter its content or pay financial damages, any of which could substantially increase its operating expenses. iCoreConnect also may be required to obtain licenses from others to refine, develop, market and deliver new services. iCoreConnect may be unable to obtain any needed license on commercially reasonable terms or at all, and rights granted under any licenses may not be valid and enforceable.

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#### **iCoreConnect's success will be limited if it is unable to attract, retain and motivate highly skilled personnel.**

iCoreConnect's future success will depend on its ability to attract, retain and motivate highly skilled programming, management, sales and other key personnel. Competition for such personnel is intense in the Internet industry, and iCoreConnect may be unable to successfully attract, integrate or retain sufficiently qualified personnel. In addition, iCoreConnect's ability to generate revenues relates directly to its personnel in terms of both the numbers and expertise of the personnel it has available to work on projects. Moreover, competition for qualified employees may require iCoreConnect to increase its cash or equity compensation, which may have an adverse effect on earnings.

iCoreConnect is also dependent on the services of its executive officers and key consultants and independent agents. There can be no assurance, however, that it can obtain executives of comparable expertise and commitment in the event of death, or that its business would not suffer material adverse effects as the result of a death, disability or voluntary departure of any such executive officer. Further, the loss of the services of any one or more of iCoreConnect's key employees or consultants could have a materially adverse effect on its business and its financial condition. In addition, iCoreConnect will also need to attract and retain other highly skilled technical and managerial personnel for whom competition is intense. If iCoreConnect is unable to do so, its business, results of operations and financial condition could be materially adversely affected.

**Any system failure or slowdown could significantly harm iCoreConnect's reputation and damage its business.**

System failures would harm iCoreConnect's reputation and reduce its attractiveness to customers. In addition, the users of the services iCoreConnect maintain for its customers depend on Internet service providers, online service providers and other web site operators for access to its web sites. Some of these providers and operators have experienced significant outages in the past, and they could experience outages, delays and other difficulties due to system failures unrelated to iCoreConnect's systems.

**iCoreConnect competes in a highly competitive market and many of its competitors have greater financial resources and established relationships with major corporate customers.**

iCoreConnect's future profitability depends on its ability to compete successfully by continuing to differentiate its products and services from the products and services of its competitors. If one or more of iCoreConnect's competitors begins to offer integrated, Internet Based, HIPAA Compliant healthcare information collaboration solutions, there may be a material adverse effect on iCoreConnect business, financial condition or operating results. iCoreConnect believes that its ability to compete successfully depends on a number of factors, including: its ability to produce products that are superior in quality to that of its competitors and get those products and services to market quickly; its ability to deliver its products and services at a price that remains competitive with that of its competitors; its ability to respond promptly and effectively to the challenges of technological change, evolving standards, and its competitors' innovations; the scope of its products and services and the rate at which it and its competitors introduce them; customer service and satisfaction; and industry and general economic trends.

**Regulatory developments in the future related to the Internet could create a legal uncertainty; such developments could materially harm iCoreConnect's business.**

iCoreConnect is not currently subject to direct regulation by any government agency, other than regulations applicable to businesses generally, and there are currently few laws or regulations directly applicable to the access of or commerce on the Internet. However, it is possible that a number of laws and regulations will be adopted with respect to the Internet, covering issues such as user privacy, pricing, characteristics, e-mail marketing and quality of products and services. Such laws and regulations could dampen the growth and use of the Internet generally and decrease the acceptance of the Internet as a communication and commercial medium and could thereby have a material adverse effect on iCoreConnect's business, results of operations and financial condition.

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**iCoreConnect is vulnerable to changes in general economic conditions.**

iCoreConnect is affected by certain economic factors that are beyond its control, including changes in the overall economic environment and systemic events such as the Covid-19 Pandemic which impact its operations as well as its customers.

**Legal proceedings could lead to unexpected losses.**

From time to time during the normal course of carrying on iCoreConnect's business, it may be a party to various legal proceedings through private actions, class actions, administrative proceedings, regulatory actions or other litigations or proceedings. The outcome of litigation, particularly class action lawsuits and regulatory actions, is difficult to assess or quantify. In the event that management determines that the likelihood of an adverse judgment in a pending litigation is probable and that the exposure can be reasonably estimated, appropriate reserves are recorded at that time pursuant to the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 450, "Contingencies." The final outcome of any litigation could adversely affect operating results if the actual settlement amount exceeds established reserves and insurance coverage.

**iCoreConnect has identified material weaknesses in internal control over financial reporting.**

iCoreConnect is required to establish and maintain appropriate internal controls over financial reporting. Failure to establish those controls, or any failure of those controls once established, could adversely impact its public disclosures regarding its business, financial condition or results of operations. Any failure of these controls could also prevent iCoreConnect from maintaining accurate accounting records and discovering accounting errors and financial fraud.

For the quarter ended June 30, 2023, iCoreConnect's principal executive officer and principal financial and accounting officer concluded that its disclosure controls and procedures were not effective due to a material weakness related to its accounting for complex financial instruments and related to its inability to adequately segregate responsibilities over the financial reporting process. Management has further identified deficiencies within its corporate governance practices, as iCoreConnect did not have the necessary controls in place to understand the impact on equity holders and monitor the issuance of instruments with down round features. In addition, in the future management's assessment of internal controls over financial reporting may identify additional weaknesses and conditions that need to be addressed or other potential matters that may raise concerns for investors. Any actual or perceived weaknesses and conditions that need to be addressed in iCoreConnect's internal control over financial reporting or disclosure of management's assessment of its internal controls over financial reporting may have an adverse impact on the price of its common stock.

**iCoreConnect may engage in merger and acquisition activity from time to time and may not achieve the contemplated benefits from such activity.**

iCoreConnect has engaged in recent merger and acquisition activity. Achieving the contemplated benefits from such activity may be subject to a number of significant challenges and uncertainties, including integration issues, coordination between geographically separate organizations, and competitive factors in the marketplace. iCoreConnect could also encounter unforeseen transaction and integration-related costs or other circumstances such as unforeseen liabilities or other issues. Any of these circumstances could result in increased costs, decreased revenue, decreased synergies and the diversion of management time and attention. If iCoreConnect is unable to achieve its objectives within the anticipated time frame, or at all, the expected benefits may not be realized fully or at all, or may take longer to realize than expected, which could have an adverse effect on its business, financial condition and results of operations, or cash flows. Any of these risks **process** could harm iCoreConnect's business. In addition, to facilitate these acquisitions or investments, iCoreConnect may seek additional equity or debt financing, which may not be available on terms favorable to iCoreConnect or at all, which may affect its ability to complete subsequent acquisitions or investments, and which may affect the risks of owning its common stock.

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**A system failure or breach of system or network security could delay or interrupt services to iCoreConnect's customers or subject iCoreConnect to significant liability.**



iCoreConnect has implemented security measures such as firewalls, virus protection, intrusion detection and access controls to address the risk of computer viruses and unauthorized access. However, there can be no assurances that any of these efforts will be adequate to prevent a system failure, accident or security breach, any of which could result in a material disruption to iCoreConnect's business. In addition, substantial costs may be incurred to remedy the damages caused by any such disruptions.

**iCoreConnect's software may not operate properly, which could damage its reputation, give rise to claims against iCoreConnect, or divert application of iCoreConnect's resources from other purposes, any of which could harm its business and operating results.**

Software development is time-consuming, expensive, and complex. Unforeseen difficulties can arise. iCoreConnect may encounter technical obstacles, and it is possible that it discovers additional problems that prevent its applications from operating properly. If iCoreConnect's systems do not function reliably or fail to achieve client expectations in terms of performance, clients could assert liability claims against iCoreConnect or attempt to cancel their contracts with iCoreConnect. This could damage iCoreConnect's reputation and impair its ability to attract or retain clients.

Information services as complex as those iCoreConnect offer have in the past contained, and may in the future develop or contain, undetected defects, vulnerabilities, or errors. iCoreConnect cannot assure that material performance problems or defects in its services will not arise in the future. Errors may result from sources beyond iCoreConnect's control, including the receipt, entry, or interpretation of patient information; interface of iCoreConnect's services with legacy systems that it did not develop; or errors in data provided by third parties. It is challenging for iCoreConnect to test its software for all potential problems because it is difficult to simulate the wide variety of computing environments or treatment methodologies that its clients may deploy or rely upon. Therefore, despite testing, defects or errors may arise in iCoreConnect's existing or new software or service processes following introduction to the market.

In light of this, defects, vulnerabilities, and errors and any failure by iCoreConnect to identify and address them could result in loss of revenue or market share; liability to clients, their patients, or others; failure to achieve market acceptance or expansion; diversion of development and management resources; delays in the introduction of new services; injury to iCoreConnect's reputation; and increased service and maintenance costs. Defects, vulnerabilities, or errors in iCoreConnect's software and service processes might discourage existing or potential clients from purchasing services from iCoreConnect. Correction of defects, vulnerabilities, or errors could prove to be impossible or impracticable. The costs incurred in correcting any defects, vulnerabilities, or errors or in responding to resulting claims or liability may be substantial and could adversely affect iCoreConnect's operating results.

**If iCoreConnect's services fail to provide accurate and timely information, or if its content or any other element of any of its services is associated with faulty clinical decisions or treatment, iCoreConnect could have liability to clients, clinicians, or patients, which could adversely affect its results of operations.**

Some of iCoreConnect's software, content, and services are used to support clinical decision-making by providers and deliver information about patient medical histories, treatment plans, medical conditions, and the use of particular medications. If iCoreConnect's software, content, or services fail to provide accurate and timely information or it is associated with faulty clinical decisions or treatment, then clients, clinicians, or their patients could assert claims against it that could result in substantial costs to iCoreConnect, harm its reputation in the industry, and cause demand for its services to decline.

iCoreConnect's iCoreRx service provide healthcare professionals with access to clinical information, including information regarding particular medical conditions and the use of particular medications. If iCoreConnect's content, or content it obtains from third parties, contains inaccuracies, or it introduce inaccuracies in the process of implementing third-party content, it is possible that patients, physicians, consumers, the providers of the third-party content, or others may sue iCoreConnect if they are harmed as a result of such inaccuracies. iCoreConnect cannot assure that its quality control procedures will be sufficient to ensure that there are no errors or omissions in particular content.

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The assertion of such claims and ensuing litigation, regardless of its outcome, could result in substantial cost to iCoreConnect, divert management's attention from operations, damage its reputation, and decrease market acceptance of its services. iCoreConnect attempts to limit by contract its liability for damages and requires that its clients assume responsibility for medical care. Despite these precautions, the allocations of responsibility and limitations of liability set forth in iCoreConnect's contracts may not be enforceable, be binding upon patients, or otherwise protect it from liability for damages. Furthermore, general liability and errors and omissions insurance coverage may not continue to be available on acceptable terms or may not be available in sufficient amounts to cover one or more large claims against iCoreConnect. In addition, the insurer might disclaim coverage as to any future claim. One or more large claims could exceed iCoreConnect's available insurance coverage. If any of these risks occur, they could materially adversely affect iCoreConnect's business, financial condition, or results of operations.

**Because iCoreConnect generally recognizes revenues from its subscription service over the subscription term, a decrease in new subscriptions or renewals during a reporting period may not be immediately reflected in its operating results for that period.**

iCoreConnect generally recognizes revenues from customers ratably over the terms of their subscriptions. Net new annual contract value from new subscriptions, expanded contracts and contract renewals entered into during a period can generally be expected to generate revenues for the duration of the subscription term. As a result, a small portion of the revenues iCoreConnect reports in each period are derived from the recognition of deferred revenues relating to subscriptions entered into during previous periods. Consequently, a decrease in new or renewed subscriptions in any single reporting period will have a limited impact on iCoreConnect's revenues for that period. In addition, iCoreConnect's ability to adjust its cost structure in the event of a decrease in new or renewed subscriptions may be limited.

Further, a decline in new subscriptions, expanded contracts or renewals in a given period may not be fully reflected in iCoreConnect's revenues for that period, but they will negatively affect its revenues in future periods. Accordingly, the effect of significant downturns in sales and market acceptance of iCoreConnect's services, and changes in its rate of renewals, may not be fully reflected in its results of operations until future periods. iCoreConnect's subscription model also makes it difficult for it to rapidly increase its revenues through additional sales in any period, as revenues from new customers are generally recognized over the applicable subscription term. Additionally, due to the complexity of certain customer contracts, the actual revenue recognition treatment required under Accounting Standard Codification Topic 606, "Revenue from Contracts with Customers ("Topic 606")" depends on contract-specific terms and may result in greater variability in revenues from period to period. In addition, a decrease in new subscriptions, expansion contracts or renewals in a reporting period may not have an immediate impact on billings for that period due to factors that may offset the decrease, such as an increase in billings duration, the dollar value of contracts with future start dates, or the dollar value of collections in the current period related to contracts with future start dates.

**The COVID-19 pandemic could continue to materially adversely affect iCoreConnect's business, financial condition, results of operations, cash flows and day-to-day operations.**

The outbreak of COVID-19 has had an adverse impact on iCoreConnect's operations and financial condition. The response to this coronavirus by federal, state and local governments in the U.S. has resulted in significant market and business disruptions across many industries and affecting businesses of all sizes. This pandemic has also caused significant stock market volatility and further tightened capital access for most businesses. Given that the COVID-19 pandemic and its disruptions are of an unknown duration, they could have an adverse effect on iCoreConnect's liquidity and profitability.

The ultimate magnitude of COVID-19, including the extent of its impact on iCoreConnect's financial and operational results, which could be material, will depend on the length of time that the pandemic continues, its effect on the demand for iCoreConnect's products and its supply chain, the effect of governmental regulations imposed in response to the pandemic, as well as uncertainty regarding all of the foregoing. iCoreConnect cannot at this time predict the full impact of the COVID-19 pandemic, but it could have a larger material adverse effect on its business, financial condition, results of operations and cash flows.

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## **Risks Related to Being a Public Company**

### **The price of our Common Stock may be volatile.**

The price of our common stock has been and is likely to continue to be volatile. Since our common stock began trading as iCoreConnect on August 28, 2023, our common stock has traded from a low price of \$0.91 to a high price of \$20.70. The market price for our common stock may be influenced by many factors, including prospects. Furthermore, the other risks described herein. In addition, the stock markets in general, and the markets for SPAC post-business combination businesses in particular, have experienced extreme volatility, including since the Closing. This volatility can often be unrelated to the operating performance overall integration of the underlying business. These broad market businesses may result in material unanticipated problems, expenses, liabilities, competitive responses, and industry factors may seriously harm the market price loss of our common stock, regardless of our operating performance.

### **We may incur significant costs from class action litigation due to the expected stock volatility.**

The price of our common stock may fluctuate for many reasons, including as a result of public announcements regarding the progress of our business. This risk is especially relevant to us because recently there has been significant stock price volatility involving the shares of companies that have recently completed a business combination with a SPAC. When the market price of a stock has been volatile as our common stock, holders of that stock have occasionally brought securities class action litigation against the company that issued the stock. Additionally, there has recently been a general increase in litigation against companies that have recently completed a business combination with a SPAC alleging fraud customers and other claims based on inaccurate or misleading disclosures. If any relationships. The difficulties of our stockholders were to bring a lawsuit combining the operations of this type against us, even if the lawsuit is without merit, we could incur substantial costs defending the lawsuit. Any such lawsuit could also divert the time companies include, among others, difficulties in conforming procedures, other policies, business cultures and attention of management.

### **Any compensation structures, assimilating employees, keeping existing customers and obtaining new customers. Our failure to meet the continued listing requirements challenges involved in continuing to integrate the operations of Nasdaq Capital Market could result in a delisting of our common stock.**

If we fail these new assets or to satisfy the continued listing requirements otherwise realize any of the Nasdaq Capital Market, such as failing to satisfy any applicable corporate governance requirements or the minimum closing bid price requirement, the Nasdaq Capital Market may take steps to delist our securities. Such a delisting would likely have a negative effect on the price of our securities and would impair your ability to sell or purchase the securities when you wish to do so. In the event of a delisting, we can provide no assurance that any action taken by us to restore compliance with listing requirements would allow our securities to become listed again, stabilize the market price or improve the liquidity of our securities, prevent our securities from dropping below the Nasdaq Capital Market minimum bid price requirement or prevent future non-compliance with the Nasdaq Capital Market's listing requirements. Additionally, if our securities are not listed on, or become delisted from, the Nasdaq Capital Market for any reason, and are quoted on the OTC Bulletin Board, an inter-dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities may be more limited than if our securities were quoted or listed on the Nasdaq Capital Market or another national securities exchange. You may be unable to sell your securities unless a market can be established or sustained.

### **We are an "emerging growth company" and it cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors, which may make it more difficult to compare our performance with other public companies.**

We are an emerging growth company as defined in the JOBS Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. To the extent we continue to take advantage of any of these exemptions, the information that we provide stockholders may be different than what is available with respect to other public companies. Investors may find our common stock less attractive because we will continue to rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for the common stock, and the stock price may be more volatile.

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An emerging growth company may elect to delay the adoption of new or revised accounting standards. Because we have made this election, Section 102(b)(2) of the JOBS Act allows us to delay adoption of new or revised accounting standards until those standards apply to non-public business entities. As a result, our financial statements contained herein and those that we will file in the future may not be comparable to companies that comply with public business entities revised accounting standards effective dates.

We are also a “smaller reporting company” as such term is defined in the Rule 12b-2 of the Exchange Act, meaning that the market value of our common stock held by non-affiliates plus the proposed aggregate amount of gross proceeds to us as a result of this offering is less than \$700 million and our annual revenue is less than \$100 million during the most recently completed fiscal year. Even after we no longer qualify as an emerging growth company, we may still qualify as a “smaller reporting company” which would allow us to take advantage of many of the same exemptions from disclosure requirements, including exemption from compliance with the auditor attestation requirements of Section 404 and reduced disclosure obligations regarding executive compensation in periodic reports and proxy statements. Investors could find our common stock less attractive because it may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and the trading price may be more volatile.

**Reports published by analysts, including projections in those reports that differ from our actual results, could adversely affect the price and trading volume of our common stock.**

We currently expect that securities research analysts will establish and publish their own periodic financial projections for our business. These projections may vary widely and may not accurately predict our results. Our stock price may decline if our actual results do not match the projections of these securities research analysts. Similarly, if one or more of the analysts who write reports on us downgrade our stock or publishes inaccurate or unfavorable research about our business, our stock price could decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, our stock price or trading volume could decline. While we expect research analyst coverage, if no analysts commence coverage of us, the trading price and volume for our common stock could be adversely affected.

**Delaware law and provisions in our certificate of incorporation and bylaws could make a takeover proposal more difficult.**

Our organizational documents are governed by Delaware law. Certain provisions of Delaware law and of our certificate of incorporation and bylaws could discourage, delay, defer or prevent a merger, tender offer, proxy contest or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares of the common stock held by our stockholders. These provisions include the ability of the Board to designate the terms of and issue new series of preference shares, supermajority voting requirements to amend certain provisions of our certificate of incorporation, and a prohibition on stockholder actions by written consent, which may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities.

These anti-takeover provisions as well as certain provisions of Delaware law could make it more difficult for a third party to acquire us, even if the third party's offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. If prospective takeovers are not consummated for any reason, we may experience negative reactions from the financial markets, including negative impacts on the price of the common stock. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions that our stockholders desire.

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**Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings and the federal district courts as the sole and exclusive forum for other types of actions and proceedings, in each case, that may be initiated by our stockholders, which could limit our stockholders' ability to obtain what such stockholders believe to be a favorable judicial forum for disputes with us or our directors, officers or other employees or increase our stockholders' costs in bringing such a claim.**

Our certificate of incorporation provides that, unless we consents to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company; (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or employee of the Company to the Company or its stockholders; (iii) any action asserting a claim against the Company or any director, officer or employee arising pursuant to any provision of the DGCL or our certificate of incorporation or bylaws; or (iv) any action asserting a claim against the Company or any director, officer or employee of the Company governed by the internal affairs doctrine, and, if brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to (A) the personal jurisdiction of the state and federal courts within Delaware and (B) service of process on such stockholder's counsel. The provision described in the immediately preceding sentence will not apply to (i) suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction and (ii) any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, or the rules and regulations promulgated thereunder, for which the federal courts will be the exclusive forum. Any person or entity purchasing or otherwise acquiring an interest in any shares of our capital stock will be deemed to have notice of and to have consented to the forum provisions in our certificate of incorporation. These choice-of-forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that he, she or it believes to be favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers, or other employees and may result in increased litigation costs for our stockholders. We note that there is uncertainty as to whether a court would enforce these provisions and that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Section 22 of the Securities Act creates concurrent jurisdiction for state and federal courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

Alternatively, if a court were to find these provisions of our certificate of incorporation inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and the Board.

**Subsequent to the Closing, we may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on its financial condition, results of operations and stock price, which could cause you to lose some or all of your investment.**

Prior to the Business Combination, although FGMC conducted due diligence on old iCore, we cannot assure you that this diligence revealed all material issues that may be present in our operating business, that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of our control will not later arise. As a result, we may be forced to later write-down or write-off assets, restructure its operations, or incur impairment or other charges that could result in losses. Even if our due diligence successfully identified certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with FGMC's preliminary risk

analysis. Even though these charges may be non-cash items and may not have an immediate impact on our liquidity, the fact that we may incur charges of this nature could contribute to negative market perceptions about our securities. In addition, charges of this nature may cause us to be unable to obtain future financing on favorable terms or at all. Accordingly, stockholders could suffer a reduction in the value of their shares. Such stockholders are unlikely to have a remedy for such reduction in value unless they are able to successfully claim that the reduction was due to the breach by our officers or directors of a duty of care or other fiduciary duty owed to them, or if they are able to successfully bring a private claim under securities laws that the proxy solicitation relating to the Business Combination contained an actionable material misstatement or material omission.

**If the Business Combination's benefits do not meet the expectations of investors, stockholders or financial analysts, the market price of our common stock may decline after the Closing.**

If the anticipated benefits of the Business Combination do not meet the expectations of investors or securities analysts, fluctuations in the price of our common stock acquisition could contribute to the loss of all or part of your investment. Any of the factors listed herein could have a material adverse effect on your investment, and our common stock may trade at a price significantly below the price you paid for it. In such circumstances, the trading price of our common stock may not recover and may experience a further decline.

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Broad market and industry factors may materially harm the market price of our common stock after the Closing, irrespective of our operating performance. The stock markets in general have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies, notably in the biopharmaceutical industry, which investors perceive to be similar to us, could depress our stock price regardless of adversely impair our business prospects, financial conditions or results of and operations. A decline in the market price for our common stock also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

**The holders of the shares of common stock that we have registered may be willing to sell their shares at a price lower than the public market price.**

Certain stockholders purchased shares privately at prices well below the current market price, and they may have an incentive to sell shares of their common stock because they could profit despite the market price of common stock falling below \$10.00 per share. While these stockholders may, on average, experience a positive rate of return based on the current market price, public securityholders may not experience a similar rate of return on the securities they purchased due to differences in the purchase prices and the current market price.

**Sales of shares of the common stock we recently registered may have negative pressure on the public trading price of the common stock.**

Subject to any obligations under any lock up provisions, the selling stockholders included in our recently filed registration statement will determine the timing, pricing and rate at which they sell the shares being registered for resale into the public market. Significant sales of shares of common stock may have negative pressure on the public trading price of the common stock. Assuming all of the Warrants were exercised and the Series A Preferred Stock was converted, the selling stockholders would own 11,122,313 shares of common stock, representing approximately 51% of the total outstanding common stock. Also, even though the current trading price is significantly below the Company's initial public offering price, based on the current closing price of the common stock, certain private investors may have an incentive to sell their shares, because they will still profit on sales due to the lower prices at which they purchased their shares as compared to the public investors.

#### **Risks Related to our Purchase Agreement with Arena**

**It is not possible to predict the actual number of shares of we will sell under the Purchase Agreement to Arena, or the actual gross proceeds resulting from those sales. Further, we may not have access to the full amount available under the Purchase Agreement.**

On September 12, 2023, we entered into the Purchase Agreement with Arena, pursuant to which Arena has committed to purchase up to the \$40.0 million Commitment Amount of our common stock, subject to certain limitations and conditions set forth in the Purchase Agreement. The shares of our common stock that may be issued under the Purchase Agreement may be sold by us to Arena at our discretion from time to time beginning on the Commencement Date and during the term of the Purchase Agreement.

We generally have the right to control the timing and amount of any sales of shares of our common stock to Arena under the Purchase Agreement. Sales of our common stock, if any, to Arena under the Purchase Agreement will depend upon market conditions and other factors to be determined by us. We may ultimately decide to sell to Arena all, some or none of the shares of our common stock that may be available for us to sell to our common stock pursuant to the Purchase Agreement. Depending on market liquidity at the time, resales of those shares by our common stock may cause the public trading price of our common stock to decrease.

Because the purchase price per share to be paid by Arena for the shares of our common stock that we may elect to sell under the Purchase Agreement, if any, will fluctuate based on the market prices of our common stock during the applicable Pricing Period for each sale made pursuant to the Purchase Agreement, if any, it is not possible for us to predict, as of the date hereof and prior to any such sales, the number of shares of our common stock that we will sell to Arena under the Purchase Agreement, the purchase price per share that Arena will pay for shares purchased from us under the Purchase Agreement, or the aggregate gross proceeds that we will receive from those purchases by Arena under the Purchase Agreement, if any.

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Moreover, although the Purchase Agreement provides that we may, in our discretion, from time to time beginning on the Commencement Date and during the term of the Purchase Agreement, direct Arena to purchase shares of our common stock from us in one or more purchases under the Purchase Agreement, up to the Commitment Amount, only 1,600,000 shares of our common stock have been registered for resale. Additionally, because the price per share on which the Commitment Fee Shares is based will fluctuate based on market prices of our common stock during the applicable time periods during which the VWAP for such issuable shares is calculated, it is not possible for us to predict the number of Commitment Fee Shares issuable to Arena pursuant to the Purchase Agreement. Accordingly, the number of shares of our common stock we may elect, in our sole discretion, to issue and sell to Arena, from time to time from and after the Commencement Date under the Purchase Agreement cannot be determined at this time. Even assuming



all 1,600,000 shares of our common stock offered for resale by Arena were sold by us to Arena for a per share price of \$5.83 (which represents the closing price of our common stock on Nasdaq on September 13, 2023, the trading day immediately preceding the date of the Purchase Agreement), less a 3.0% discount (the same fixed percentage discount that will be used to calculate the applicable per share purchase price for shares of our common stock that we may elect to sell to Arena under the Purchase Agreement), we would only receive aggregate gross proceeds of approximately \$9.3 million, which is substantially less than the \$40.0 million Commitment Amount available to us under the Purchase Agreement. Therefore, because the market prices of our common stock may fluctuate from time to time and, as a result, the actual purchase prices to be paid by Arena for shares of our common stock that we direct it to purchase under the Purchase Agreement, if any, also may fluctuate because they will be based on such fluctuating market prices of our common stock, it is possible that we may need to issue and sell more than the number of shares registered for resale to Arena under the Purchase Agreement in order to receive aggregate gross proceeds equal to the \$40.0 million Commitment Amount under the Purchase Agreement.

If it becomes necessary for us to issue and sell to Arena under the Purchase Agreement more shares of our common stock than have been registered for resale in order to receive aggregate gross proceeds equal to \$40.0 million from sales of our common stock to Arena under the Purchase Agreement, we must first file with the SEC one or more additional registration statements to register under the Securities Act the resale by Arena of any such additional shares of our common stock we wish to sell to Arena from time to time under the Purchase Agreement, and the SEC must declare such additional registration statements effective before we may elect to sell any additional shares of our common stock to Arena under the Purchase Agreement. In addition, under the applicable rules of Nasdaq and pursuant to the terms of the Purchase Agreement, we will not sell to Arena shares of our common stock in excess of the Exchange Cap of 1,600,000 shares, which is 19.99% of our common stock as of the date of the Purchase Agreement, unless (i) we obtain stockholder approval to issue shares of our common stock in excess of the Exchange Cap or (ii) the average price of all applicable sales of our common stock under the Purchase Agreement (including the Commitment Fee Shares) equals or exceeds \$5.39 per share (which represents the lower of (i) the closing price of our common stock on Nasdaq (as reflected on Nasdaq.com) immediately preceding the signing of the Purchase Agreement or (ii) the average closing price of our common stock (as reflected on Nasdaq.com) for the five trading days immediately preceding the signing of the Purchase Agreement). The number of shares of our common stock ultimately offered for resale by Arena is dependent upon the number of shares of our common stock, if any, we ultimately sell to Arena under the Purchase Agreement.

Any issuance and sale by us under the Purchase Agreement of a substantial amount of shares of our common stock in addition to the shares of our common stock already registered for resale could cause additional substantial dilution to our stockholders.

Our inability to access a portion or the full amount available under the Purchase Agreement, in the absence of any other financing sources, could have a material adverse effect on our business.

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**The sale and issuance of our common stock to Arena will cause dilution to our existing stockholders, and the sale of the shares of our common stock acquired by Arena, or the perception that such sales may occur, could cause the price of our common stock to fall.**

The purchase price for the shares that we may sell to our common stock under the Purchase Agreement will fluctuate based on the price of the shares of our common stock. Depending on market liquidity at the time, sales of such shares may cause the trading price of our common stock to fall. If and when we do sell shares to Arena, after Arena has acquired the shares, Arena may resell all, some, or none of those shares at any time or from time to time in its discretion. Therefore, sales to Arena by us could result in substantial dilution to the interests of other holders of our common stock. Additionally, the sale of a substantial number of shares of our common stock to Arena, or the anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish to effect sales.

**Investors who buy shares at different times will likely pay different prices.**

Pursuant to the Purchase Agreement and subject to market demand, we will have discretion to vary the timing, prices, and numbers of shares sold to Arena. If and when we do elect to sell shares of our common stock to Arena pursuant to the Purchase Agreement, after Arena has acquired such shares, Arena may resell all, some or none of such shares at any time or from time to time in its discretion and at different prices. As a result, investors who purchase shares from Arena in this offering at different times will likely pay different prices for those shares, and so may experience different levels of dilution and in some cases substantial dilution and different outcomes in their investment results. Investors may experience a decline in the value of the shares they purchase from Arena in this offering as a result of future sales made by us to Arena at prices lower than the prices such investors paid for their shares in this offering. In addition, if we sell a substantial number of shares to Arena under the Purchase Agreement, or if investors expect that we will do so, the actual sales of shares or the mere existence of our arrangement with Arena may make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish to effect such sales.

**Arena will pay less than the then-prevailing market price for our common stock, which could cause the price of our common stock to decline.**

The purchase price of our common stock sold to Arena under the Purchase Agreement is derived from the market price of our common stock on Nasdaq. Shares to be sold to Arena pursuant to the Purchase Agreement will be purchased at a discounted price. We may effect sales at price equal to 97% of the simple average of the daily VWAP of the our common stock during the Pricing Period. As a result of this pricing structure, Arena may sell the shares it receives immediately after receipt of the shares, which could cause the price of our common stock to decrease.

**Our management team will have broad discretion over the use of the net proceeds from our sale of shares of our common stock to Arena, if any, and you may not agree with how we use the proceeds and the proceeds may not be invested successfully.**

Our management team will have broad discretion as to the use of the net proceeds from our sale of shares of our common stock to Arena, if any, and we could use such proceeds for purposes other than those contemplated at the time of commencement of this offering. Accordingly, you will be relying on the judgment of our management team with regard to the use of those net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. It is possible that, pending their use, we may invest those net proceeds in a way that does not yield a favorable, or any, return for us. The failure of our management team to use such funds effectively could have a material adverse effect on our business, financial condition, operating results and cash flows.

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Information with respect to sales of unregistered shares of the Common Stock of the Company during the **nine** three months ended, **which were not previously disclosed on Form 8-K** are as follows: **46,500** 85,174 shares of Common Stock and 621,500 shares of Preferred **Stock in September 2023**. **Stock**. All such sales were to accredited investors and were made in reliance on Section 4(a)(2) of the Securities Act of 1933, as amended. The proceeds were used by the Company for working capital purposes.

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ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the period covered by this Quarterly Report, none of the Company's directors or executive officers has adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (each as defined in Item 408 of Regulation S-K under the Securities Exchange Act of 1934, as amended).

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ITEM 6. EXHIBITS

Exhibit No.	Description
<a href="#">3.1</a> <a href="#">2.1</a>	<a href="#">Second Amended Asset Purchase Agreement dated January 1, 2024 between iCoreConnect Inc. and Restated Certificate of Incorporation of iCoreConnect Ally Commerce, Inc. (incorporated by reference to exhibit <a href="#">3.1</a> 2.1 of the Form 8-K filed <a href="#">August 31, 2023</a> January 4, 2024).</a>
<a href="#">3.2</a> <a href="#">4.1</a>	<a href="#">Form of Convertible Promissory Note issued December 29, 2023 (incorporated by reference to exhibit 4.1 of the Form 8-K filed January 5, 2024).</a>
<a href="#">4.2</a>	<a href="#">Form of Convertible Promissory Note issued February 1, 2024 (incorporated by reference to exhibit 4.1 of the Form 8-K filed February 7, 2024).</a>
<a href="#">4.3</a>	<a href="#">Form of Convertible Promissory Note issued February 9, 2024 (incorporated by reference to exhibit 4.1 of the Form 8-K filed February 15, 2024).</a>
<a href="#">4.4</a>	<a href="#">Form of Convertible Promissory Note issued February 2024 (incorporated by reference to exhibit 4.1 of the Form 8-K filed February 28, 2024).</a>
<a href="#">4.5</a>	<a href="#">Amended Form of Indemnification and Restated Bylaws of iCoreConnect Inc. (incorporated by reference to exhibit 3.2 of the Form 8-K filed <a href="#">August 31, 2023</a>) Advancement Agreement</a>
<a href="#">10.1</a>	<a href="#">Amended and Restated Registration Rights Form of Securities Purchase Agreement among FG Merger Corp., and others, dated August 25, 2023 related to the issuance of the Convertible Promissory Note issued December 29, 2023 (incorporated by reference to exhibit 10.1 of the Form 8-K filed <a href="#">August 31, 2023</a> January 5, 2024).</a>
<a href="#">10.2</a> <a href="#">¥</a>	<a href="#">iCoreConnect 2023 Stock Plan Subordinated Loan Agreement related to the issuance of the Convertible Promissory Note issued December 29, 2023 (incorporated by reference to exhibit 10.2 of the Form 8-K filed January 5, 2024).</a>
<a href="#">10.3</a>	<a href="#">Subordinated Note issued December 29, 2023 (incorporated by reference to exhibit 10.3 of the Form 8-K filed January 5, 2024).</a>
<a href="#">10.4</a>	<a href="#">Subordinated Security Agreement related to the issuance of the Convertible Promissory Note issued December 29, 2023 (incorporated by reference to exhibit 10.4 of the Form 8-K filed January 5, 2024).</a>
<a href="#">10.5</a>	<a href="#">Form of Warrant Amendment issued December 29, 2023 (incorporated by reference to exhibit 10.5 of the Form 8-K filed January 5, 2024).</a>
<a href="#">10.5</a>	<a href="#">Form of Note Amendment issued December 29, 2023 (incorporated by reference to exhibit 10.6 of the Form 8-K filed January 5, 2024).</a>
<a href="#">10.6</a>	<a href="#">Form of Securities Purchase Agreement related to the issuance of the Convertible Promissory Note issued February 1, 2024 (incorporated by reference to exhibit 10.1 of the Form 8-K filed <a href="#">August 31, 2023</a>).</a>
<a href="#">10.3</a> <a href="#">¥</a>	<a href="#">Employment Agreement between iCoreConnect, Inc. and Robert McDermott (incorporated by reference to exhibit 10.4 of the Form 8-K filed <a href="#">August 31, 2023</a>).</a>
<a href="#">10.4</a> <a href="#">¥</a>	<a href="#">Employment Agreement between iCoreConnect, Inc. and Archit Shah (incorporated by reference to exhibit 10.5 of the Form 8-K filed <a href="#">August 31, 2023</a>).</a>
<a href="#">10.5</a> <a href="#">¥</a>	<a href="#">Employment Agreement between iCoreConnect, Inc. and David Fidanza (incorporated by reference to exhibit 10.4 of the Form 8-K filed <a href="#">August 31, 2023</a>).</a>
<a href="#">10.6</a> <a href="#">¥</a>	<a href="#">Employment Agreement between iCoreConnect, Inc. and Murali Chakravarthi (incorporated by reference to exhibit 10.4 of the Form 8-K filed <a href="#">August 31, 2023</a> February 7, 2024).</a>

<a href="#">10.7</a>	<a href="#">Prepaid Forward Forbearance Agreement (incorporated by reference to exhibit 4.2 of the Form 8-K filed February 15, 2024)</a>
<a href="#">10.8</a>	<a href="#">Form of Securities Purchase Agreement dated August 14, 2023 February 26, 2024 (incorporated by reference to exhibit 10.1 of the Form 8-K filed August 14, 2023 February 28, 2024)</a>
<a href="#">10.8</a> <a href="#">10.9</a>	<a href="#">Form of Registration Rights Agreement dated February 26, 2024 (incorporated by reference to exhibit 10.2 of the Form 8-K filed February 28, 2024)</a>
<a href="#">10.10</a>	<a href="#">Purchase Agreement, dated September 12, 2023, between iCoreConnect, Inc. and Arena Business Solutions Global SPC II, Ltd. (incorporated by reference to exhibit 10.1 Form of the Form 8-K filed September 14, 2023)</a>
<a href="#">10.9</a> **	<a href="#">Asset Purchase Agreement dated September 1, 2023 between iCoreConnect, Inc. and Preferred Dental Development, LLC. (incorporated by reference to exhibit 2.1 of the Form 8-K filed September 14, 2023) Note Amendment</a>
<a href="#">31.1</a> *	<a href="#">Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
<a href="#">31.2</a> *	<a href="#">Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
<a href="#">32.1</a> +	<a href="#">Certification of Principal Executive Officer Pursuant to Section 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
<a href="#">32.2</a> +	<a href="#">Certification of Principal Financial Officer Pursuant to Section 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
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).
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

\* Filed herewith.

\*\* Certain exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Company agrees to furnish supplementally a copy of all omitted exhibits and schedules to the Securities and Exchange Commission upon its request.

+ The certifications on Exhibit 32 hereto are deemed not "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

¥ Indicates a management contract or compensatory plan.

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## 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.

**iCoreConnect, Inc. (Registrant)**

Date: [November 20, 2023](#) May 15, 2024

By: /s/ Robert McDermott  
Robert McDermott  
Chief Executive Officer  
(Principal Executive Officer)

Date: [November 20, 2023](#) May 15, 2024

By: /s/ Archit Shah  
Archit Shah  
Chief Financial Officer  
(Principal Accounting Officer)

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EXHIBIT 4.5

## INDEMNIFICATION AND ADVANCEMENT AGREEMENT

This Indemnification Agreement (this "Agreement") is made as of August 25, 2023, by and between iCoreConnect, Inc., a Delaware corporation (the "Company"), and [ ] ("Indemnitee"). Capitalized terms used but not otherwise defined herein have the meanings set forth in Section 12.

### RECITALS

**WHEREAS**, in the current market and legal environment, qualified persons have become more reluctant to serve corporations as directors unless they are provided with adequate protection through insurance or adequate indemnification against significant risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

**WHEREAS**, directors and other persons in service to business enterprises are being increasingly subjected to expensive and time consuming litigation;

**WHEREAS**, the uncertainties relating to liability insurance and to indemnification have increased the difficulty of retaining existing and attracting future qualified persons to serve on the board and to serve the company in other capacities;

**WHEREAS**, the Board of Directors of the Company (the "Board") has determined that, in order to retain current and attract future qualified individuals to serve on the Board or to act as executive officers of the Company, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities, even if, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions;

**WHEREAS**, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

**WHEREAS**, the Company desires and intends hereby to provide certain rights to indemnification and advancement of expenses against certain liabilities asserted against or incurred by Indemnitee as allowed by the General Corporation Law of the State of Delaware (the "DGCL") (including section 145 of the DGCL), and further desires and intends that the terms of indemnification and advancement of costs be reduced to written agreement; and

**WHEREAS**, this Agreement is a supplement to and in furtherance of the indemnification provisions of the Company's Certificate of Incorporation, as amended to date, and any resolutions adopted pursuant thereto, and except as specifically provided herein shall not be a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder or otherwise.

**NOW THEREFORE**, in consideration of the premises and the covenants contained herein and Indemnitee's agreement to provide services to the Company, the receipt and sufficiency of which are hereby acknowledged, the Company and Indemnitee do hereby covenant and agree as follows:

#### 1. Indemnification.

(a) **Third-Party Proceedings.** To the fullest extent permitted by applicable law, the Company shall indemnify Indemnitee, if Indemnitee was, is or is threatened to be made, a party to or a participant (as a witness or otherwise) in any Proceeding (other than a Proceeding by or in the right of the Company to procure a judgment in the Company's favor, for which Indemnitee will be indemnified pursuant to Section 1(b)), against all reasonable Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful.

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(b) **Proceedings By or in the Right of the Company.** To the fullest extent permitted by applicable law, the Company shall indemnify Indemnitee, if Indemnitee was, is or is threatened to be made a party to or a participant (as a witness or otherwise) in any Proceeding by or in the right of the Company to procure a judgment in the Company's favor, against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, except that no indemnification shall be made in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudicated by court order or judgment to be liable to the Company unless and only to the extent that the Court of Chancery or the court in which such Proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) **Success on the Merits.** To the fullest extent permitted by applicable law and to the extent that Indemnitee has been successful on the merits or otherwise in defense of any Proceeding referred to in Section 1(a) or Section 1(b) or the defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection therewith. No standard of conduct determination shall be required. Without limiting the generality of the foregoing, if Indemnitee is successful on the merits or otherwise as to one or more but less than all claims, issues or matters in a Proceeding, the Company shall indemnify Indemnitee against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with such successfully resolved claims, issues or matters to the fullest extent permitted by applicable law. Without limiting the generality of the foregoing, Indemnitee shall be considered for the purposes hereof to have been wholly successful with respect to a Proceeding if such Proceeding is disposed of on the merits or otherwise (including a disposition without prejudice) without (i) the disposition being adverse to Indemnitee, (ii) an adjudication that Indemnitee was liable to the Company, (iii) a plea of guilty by Indemnitee, (iv) an adjudication that Indemnitee did not act in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and (v) with respect to any criminal Proceeding, an adjudication that Indemnitee had reasonable cause to believe Indemnitee's conduct was unlawful.

(d) **Witness Expenses.** To the fullest extent permitted by applicable law and to the extent that Indemnitee is a witness or otherwise asked to participate in any Proceeding to which Indemnitee is not a party, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee in connection with such Proceeding.

(e) **Payment of Indemnification.** To the extent payments are required to be made hereunder, the Company shall pay to Indemnitee such amounts within ten (10) days after the receipt by the Company of Indemnitee's request.



2. **Additional Indemnity.** In addition to, and without regard to any limitations on, the indemnification provided for in Section 1, the Company shall and hereby does indemnify and hold harmless Indemnitee against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on Indemnitee's behalf if Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including all liability arising out of the negligence or active or passive wrongdoing of Indemnitee. The only limitation that shall exist upon the Company's obligations pursuant to this Agreement shall be that the Company shall not be obligated to make any payment to Indemnitee that is finally determined (under the procedures, and subject to the presumptions, set forth in Sections 3 and 4) to be unlawful.

### 3. **Advancement of Expenses and Indemnification Procedure.**

(a) **Advancement of Expenses.** The Company shall advance all Expenses actually and reasonably paid or incurred by Indemnitee in connection with a Proceeding within ten (10) days after receipt by the Company of a statement requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Indemnitee's right to such advancement is not subject to the satisfaction of any standard of conduct. Such advances shall be unsecured and interest free and shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. In connection with any request for Expense advances, Indemnitee shall not be required to provide any documentation or information to the extent that the provision thereof would undermine or otherwise jeopardize attorney-client privilege. Indemnitee shall be entitled to continue to receive advancement of Expenses pursuant to this Section 3(a) unless and until the matter of Indemnitee's entitlement to indemnification hereunder has been finally adjudicated by court order or judgment from which no further right of appeal exists. Indemnitee hereby undertakes to repay such amounts advanced only if, and to the extent that, it ultimately is determined that Indemnitee is not entitled to be indemnified by the Company under the other provisions of this Agreement. Indemnitee shall qualify for advances upon the execution and delivery of this Agreement, which shall constitute the requisite undertaking with respect to repayment of advances made hereunder and no other form of undertaking shall be required to qualify for advances made hereunder other than the execution of this Agreement. Notwithstanding any of the foregoing or anything else in this Agreement or any other document to the contrary, except to the extent required by legal service or court order, any action by an Indemnitee, as determined by a non-appealable decision of a court of competent jurisdiction, that assists a third party plaintiff or proposed third party plaintiff in formulating or prosecuting a claim against the Company, or any director or officer or former director and officer of the Company for actions or inactions taken with respect to the Company, will vitiate the advancement of expenses obligation contemplated hereunder ab initio; provided, however, that such vitiation shall not be applicable if Indemnitee's action is in connection with a whistleblower or similar claim or a claim for indemnification or advancement of expenses.

(b) **Notice and Cooperation by Indemnitee.** Indemnitee shall promptly notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter for which indemnification will or could be sought under this Agreement. Such notice to the Company shall include a description of the nature of, and facts underlying, the Proceeding, shall be directed to the Chief Executive Officer of the Company and shall be given in accordance with the provisions of Section 13(d). In addition, Indemnitee shall give the Company such additional information and cooperation as the Company or its counsel may reasonably request, provided that such documentation and information may exclude any privileged or similarly protected information. Indemnitee's failure to so notify, provide information and otherwise cooperate with the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement, except to the extent that the Company is adversely affected by such failure.

(c) **Determination of Entitlement.** Notwithstanding any other provision in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of a Proceeding. Subject to the foregoing, promptly after receipt of a statement requesting payment with respect to the indemnification rights set forth in Section 1, to the extent required by applicable law, the Company shall take the steps necessary to authorize such payment in the manner set forth in Section 145 of the DGCL. If the determination of entitlement to indemnification is to be made by Independent Counsel (as defined below) pursuant to Section 145(d)(3) of the DGCL, the Independent Counsel shall be selected by the Board and written notice of such selection shall be given to Indemnitee. Indemnitee may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 12, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 3, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court or other court of competent jurisdiction for resolution of any objection which shall have been made by Indemnitee to the Company's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to this Agreement, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Agreement, regardless of the manner in which such Independent Counsel was selected or appointed. The Company shall pay any claims made under this Agreement, under any statute, or under any provision of the Company's Certificate of Incorporation or Bylaws providing for indemnification or advancement of Expenses, within ten (10) days after a written request for payment thereof has first been received by the Company, and if such claim is not paid in full within such ten (10) day-period, Indemnitee may, but need not, at any time thereafter bring an action against the Company in the Delaware Court of Chancery to recover the unpaid amount of the claim and Indemnitee shall also be entitled to be paid for all Expenses actually and reasonably incurred by Indemnitee in connection with bringing such action. It shall be a defense to any such action (other than an action brought to enforce a claim for advancement of Expenses under Section 3(a)) that Indemnitee has not met the standards of conduct which make it permissible under applicable law for the Company to advance expenses to Indemnitee or to indemnify Indemnitee for the amount claimed. In making a determination with respect to entitlement to indemnification (but not advancement) hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement and the Company shall have the burden of proof to overcome that presumption with clear and convincing evidence to the contrary. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo

contendere or its equivalent, shall not, of itself, create a presumption that Indemnatee did not act in good faith and in a manner which Indemnatee reasonably believed to be in or not opposed to the best interests of the Company, or, in the case of a criminal Proceeding, that Indemnatee had reasonable cause to believe that Indemnatee's conduct was unlawful. In addition, it is the parties' intention that if the Company contests Indemnatee's right to indemnification, the question of Indemnatee's right to indemnification shall be for the court to decide, and neither the failure of the Company (including its Board, any committee or subgroup of the Board, Independent Counsel or its stockholders) to have made a determination that indemnification of Indemnatee is proper in the circumstances because Indemnatee has met the applicable standard of conduct required by applicable law, nor an actual determination by the Company (including its Board, any committee or subgroup of the Board, Independent Counsel or its stockholders) that Indemnatee has not met such applicable standard of conduct, shall create a presumption that Indemnatee has or has not met the applicable standard of conduct.

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(d) **Payment Directions.** To the extent payments are required to be made hereunder, the Company shall, in accordance with Indemnatee's request (but without duplication), (i) pay such Expenses on behalf of Indemnatee, (ii) advance to Indemnatee funds in an amount sufficient to pay such Expenses, or (iii) reimburse Indemnatee for such Expenses.

(e) **Notice to Insurers.** If, at the time of the receipt of a notice of a claim pursuant to Section 3(b), the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all reasonably necessary action to cause such insurers to pay, on behalf of Indemnatee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(f) **Defense of Claim and Selection of Counsel.** In the event the Company shall be obligated under Section 3(a) to advance Expenses with respect to any Proceeding, the Company, if appropriate, shall be entitled to assume the defense of such Proceeding, with counsel reasonably acceptable to Indemnatee, upon the delivery to Indemnatee of written notice of its election so to do. After delivery of such notice, approval of such counsel by Indemnatee and the retention of such counsel by the Company, the Company will not be liable to Indemnatee under this Agreement for any fees of counsel subsequently incurred by Indemnatee with respect to the same Proceeding, provided that (i) Indemnatee shall have the right to employ counsel in any such Proceeding at Indemnatee's expense; and (ii) if (A) the employment of counsel by Indemnatee has been previously authorized by the Company, (B) appointed counsel shall have concluded that there may be a conflict of interest between the Company and Indemnatee in the conduct of any such defense that precludes such counsel's representation of Indemnatee, and the Company shall have failed to appoint alternative counsel within thirty days' of being notified in writing that appointed counsel shall have concluded that there may be a conflict of interest between the Company and Indemnatee in the conduct of any such defense that precludes such counsel's representation of Indemnatee or (C) the Company shall not, in fact, have employed counsel to assume the defense of such Proceeding, then the fees and expenses of Indemnatee's counsel shall be at the expense of the Company. In addition, if there exists a potential, but not an actual conflict of interest between the Company and Indemnatee, the actual and reasonable legal fees and expenses incurred by Indemnatee for separate counsel (approved in advance by the Company) retained by Indemnatee to monitor the Proceeding (so that such counsel may assume Indemnatee's defense if the conflict of interest between the Company and Indemnatee becomes an actual conflict of interest) shall be deemed to be Expenses that are subject to indemnification hereunder. The existence of an actual or potential conflict of interest, and whether such conflict may be waived, shall be determined pursuant to the rules of attorney professional conduct and applicable law. The Company shall not be required to obtain the consent of Indemnatee for the settlement of any Proceeding the Company has undertaken to defend if the Company assumes full and sole responsibility for each such settlement; provided, however, that the Company shall be required to obtain Indemnatee's prior written approval, which shall not be unreasonably withheld, before entering into any settlement which (1) does not grant Indemnatee a complete release of liability, (2) would impose any penalty or limitation on Indemnatee, or (3) would admit any liability or misconduct by Indemnatee.

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(g) **Further Instruction.** If the person, persons or entity empowered or selected to determine whether Indemnatee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnatee shall be entitled to such indemnification absent (i) a misstatement by Indemnatee of a material fact, or an omission of a material fact necessary to make Indemnatee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making such determination with respect to entitlement to indemnification in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 3(g) shall not apply if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 145(d)(4) of the DGCL and if (A) within fifteen (15) days after receipt by the Company of the request for such determination, the Board or the disinterested directors, if appropriate, resolve to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat. Indemnatee shall reasonably cooperate with the person, persons or entity making such determination with respect to Indemnatee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnatee and reasonably necessary to such determination. Any Independent Counsel, member of the Board or stockholder of the Company shall act reasonably and in good faith in making a determination regarding Indemnatee's entitlement to indemnification under this Agreement. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnatee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnatee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnatee harmless therefrom.

#### 4. Remedies of Indemnatee.

(a) In the event that (i) a determination is made pursuant to Section 3 that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 3, (iii) no determination of entitlement to indemnification is made pursuant to Section 3 within the applicable period of time set forth above after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 3 or (vi) the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided hereunder, then, in each case, Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification. The Company shall not oppose Indemnitee's right to seek any such adjudication.

(b) In the event that a determination shall have been made pursuant to Section 3 that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 4 shall be conducted in all respects as a de novo trial on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 3.

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(c) If a determination shall have been made pursuant to Section 3 that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 4, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 4, seeks a judicial adjudication of Indemnitee's rights under, or to recover damages for breach of, this Agreement, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall pay on Indemnitee's behalf, in advance, any and all expenses (of the types described in the definition of Expenses in Section 12) actually and reasonably incurred by Indemnitee in such judicial adjudication, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of expenses or insurance recovery. The Company irrevocably authorizes Indemnitee from time to time to retain counsel of Indemnitee's choice, at the expense of the Company to the extent provided hereunder or under applicable law, to advise and represent Indemnitee in connection with any such judicial adjudication or recovery, including the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, stockholder or other person affiliated with the Company. Notwithstanding any existing or prior attorney-client relationship between the Company and such counsel, the Company irrevocably consents to Indemnitee's entering into an attorney-client relationship with such counsel, and in that connection the Company and Indemnitee agree that a confidential relationship shall exist between Indemnitee and such counsel.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 4 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

#### **5. Additional Indemnification Rights.**

(a) **Scope.** Notwithstanding any other provision of this Agreement, the Company shall indemnify Indemnitee to the fullest extent permitted by law, notwithstanding that such indemnification is not specifically authorized by the other provisions of this Agreement, the Company's Certificate of Incorporation, the Company's Bylaws, in each case, as may be then in effect, or by statute. In the event of any change, after the date of this Agreement, in any applicable law, statute, or rule which expands the right of a Delaware corporation to indemnify a member of its board of directors or an officer, such changes shall be deemed to be within the purview of Indemnitee's rights and the Company's obligations under this Agreement. In the event of any change in any applicable law, statute or rule which narrows the right of a Delaware corporation to indemnify a member of its board of directors or an officer, such changes, to the extent not otherwise required by such law, statute or rule to be applied to this Agreement shall have no effect on this Agreement or the parties' rights and obligations hereunder. The Company shall not adopt any amendment to, or otherwise repeal or alter, any of the Certificate of Incorporation, the Bylaws or other constituent documents containing indemnification rights to the extent such action would have the effect of denying, diminishing or encumbering Indemnitee's right to indemnification under this Agreement or any other indemnity rights. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) **Nonexclusivity.** The indemnification provided by this Agreement shall not be deemed exclusive of any rights to which Indemnitee may be entitled under the Company's Certificate of Incorporation, its Bylaws, any agreement, any vote of stockholders or disinterested members of the Board, the DGCL, or otherwise, both as to action in Indemnitee's official capacity and as to action in another capacity while holding such office.

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(c) **Interest on Unpaid Amounts.** If any payment to be made by the Company to Indemnitee hereunder is delayed by more than thirty (30) days from the date the duly prepared request for such payment is received by the Company, interest shall be paid by the Company to Indemnitee at the legal rate under Delaware law for amounts which the Company indemnifies or is obligated to indemnify for the period commencing with the date on which Indemnitee actually incurs such Expense or pays such judgment, fine or amount in settlement and ending with the date on which such payment is made to Indemnitee by the Company.

(d) **Insurance.** For the duration of Indemnatee's service as a director or officer of the Company, and thereafter for so long as Indemnatee shall be subject to any pending claim relating to an indemnifiable event hereunder, the Company shall use commercially reasonable efforts (taking into account the scope and amount of coverage available relative to the cost thereof) to continue to maintain in effect policies of directors' and officers' liability insurance providing coverage that is at least substantially comparable in scope and amount to that provided by the Company's current policies of directors' and officers' liability insurance. In all policies of directors' and officers' liability insurance maintained by the Company, Indemnatee shall be named as an insured in such a manner as to provide Indemnatee the same rights and benefits as are provided to the most favorably insured of the Company's directors by such policy. Upon request, the Company shall provide to Indemnatee copies of all directors' and officers' liability insurance applications, binders, policies, declarations, endorsements and other related materials.

6. **Partial Indemnification.** If Indemnatee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines or amounts paid in settlement, actually and reasonably incurred in connection with a Proceeding, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnatee for the portion of such Expenses, judgments, fines and amounts paid in settlement to which Indemnatee is entitled.

7. **Severability.** Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to court order, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. If this Agreement or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify Indemnatee to the full extent permitted by any applicable portion of this Agreement that shall not have been invalidated, and the balance of this Agreement not so invalidated shall be enforceable in accordance with its terms.

8. **Exclusions.** Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement:

(a) **Claims Initiated or Assisted by Indemnatee.** To indemnify or advance Expenses to Indemnatee with respect to Proceedings initiated or brought voluntarily by Indemnatee, except with respect to Proceedings (i) the initiation of which was consented to by the Board or (ii) brought to establish, enforce or interpret a right to indemnification under this Agreement or any other statute or law or otherwise as required under Section 145 of the DGCL, provided, that, in each case, such indemnification or advancement of Expenses may be provided by the Company in specific cases if the Board finds it to be appropriate and in the Company's interest; provided, further, however, that, notwithstanding the foregoing, the Company shall be obligated to indemnify Indemnatee and advance Expenses in the event of any investigation initiated or brought by Indemnatee to the extent reasonably necessary or advisable in support of Indemnatee's defense of a Proceeding to which Indemnatee was, is or is threatened to be made, a party;

(b) **Lack of Good Faith.** To indemnify Indemnatee for any Expenses incurred by Indemnatee with respect to any Proceeding instituted by Indemnatee to establish, enforce or interpret a right to indemnification under this Agreement or any other statute or law or otherwise as required under Section 145 of the DGCL, if a court of competent jurisdiction determines that each of the material assertions made by Indemnatee in such proceeding was not made in good faith;

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(c) **Insured Claims.** To indemnify Indemnatee for Expenses to the extent such Expenses have been paid directly to Indemnatee by an insurance carrier under an insurance policy maintained by the Company; or

(d) **Certain Securities Exchange Act of 1934 Claims.** To indemnify Indemnatee in connection with any claim made against Indemnatee for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnatee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or any similar successor statute or any similar provisions of state statutory law or common law, (ii) any reimbursement of the Company by Indemnatee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnatee from the sale of securities of the Company, as required in each case by the rules and regulations of any national securities exchange, under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Company of profits arising from the purchase and sale by Indemnatee of securities in violation of Section 306 of the Sarbanes-Oxley Act), or (iii) any fines payable under state or federal securities laws; provided, however, that to the fullest extent permitted by applicable law and to the extent Indemnatee is successful on the merits or otherwise with respect to any such Proceeding, the Expenses actually and reasonably incurred by Indemnatee in connection with any such Proceeding shall be deemed to be Expenses that are subject to indemnification hereunder.

#### 9. **Contribution.**

(a) Whether or not the indemnification provided in this Agreement is available, in respect of any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnatee (or would be if joined in such action, suit or proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring Indemnatee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have at any time against Indemnatee. The Company shall not enter into any settlement of any action, suit or proceeding in which the Company is jointly liable with Indemnatee (or would be if joined in such action, suit or proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnatee.

(b) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnatee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnatee (or would be if joined in such action, suit or proceeding), the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnatee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnatee, who are jointly liable with Indemnatee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnatee, on the other hand, from the transaction or events from which such action, suit or proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnatee who are jointly liable with Indemnatee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnatee, on the other hand, in connection with the transactions or events that resulted in such Expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which applicable law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnatee, who are jointly liable with Indemnatee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnatee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.



(c) The Company shall fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

(d) To the fullest extent permissible under applicable law and without diminishing or impairing the obligations of the Company set forth in the preceding subparagraphs of this Section 9, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

10. **No Imputation.** The knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Company or the Company itself shall not be imputed to Indemnitee for purposes of determining any rights under this Agreement.

11. **Determination of Good Faith.** For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information, opinion, reports or statements supplied to Indemnitee by the officers or employees of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or the Board of Directors of the Enterprise or any counsel selected by any committee of the Board of Directors of the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser, investment banker, compensation consultant, or other expert selected with reasonable care by the Enterprise or the Board of Directors of the Enterprise or any committee thereof. The provisions of this Section 11 shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct. Whether or not the foregoing provisions of this Section are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

12. **Defined Terms and Phrases.** For purposes of this Agreement, the following terms shall have the following meanings:

(a) "**Company**" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that if Indemnitee is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of any other enterprise, Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

(b) "**Enterprise**" means the Company and any other enterprise that Indemnitee was or is serving at the request of the Company as a director, officer, partner (general, limited or otherwise), member (managing or otherwise), trustee, fiduciary, employee or agent.

(c) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(d) "**Expenses**" shall include all direct and indirect costs, fees and expenses of any type or nature whatsoever, including all attorneys' fees and costs, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, fees of private investigators and professional advisors, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payment under this Agreement (including taxes that may be imposed upon the actual or deemed receipt of payments under this Agreement with respect to the imposition of federal, state, local or foreign taxes), fax transmission charges, secretarial services and all other disbursements, obligations or expenses in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settlement or appeal of, or otherwise participating in a Proceeding. Expenses also shall include any of the foregoing expenses incurred in connection with any appeal resulting from any Proceeding, including the principal, premium, security for, and other costs relating to any costs bond, supersedes bond, or other appeal bond or its equivalent. Expenses also shall include any interest, assessment or other charges imposed thereon and costs incurred in preparing statements in support of payment requests hereunder. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee. For the purposes of any advancement of Expenses for which Indemnitee has made written demand to the Company in accordance with this Agreement, all Expenses included in such demand that are certified by affidavit of Indemnitee's counsel as being reasonable shall be presumed conclusively to be reasonable.

(e) "**Independent Counsel**" means a law firm, or a member of a law firm, that is of regional or national recognition and experienced in matters of corporation law, and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company shall pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) "**Proceeding**" shall include any actual, threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by a third party, a government agency, the Company or its Board or a committee thereof, whether in the right of the Company or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative, legislative or

investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is, will or might be involved as a party, potential party, non-party witness or otherwise by reason of the fact that Indemnitee is or was a director, officer, employee or agent of the Company, by reason of any action (or failure to act) taken by Indemnitee or of any action (or failure to act) on Indemnitee's part while acting as a director, officer, employee or agent of the Company, or by reason of the fact that Indemnitee is or was serving at the request of the Company as a director, officer, partner (general, limited or otherwise), member (managing or otherwise), trustee, fiduciary, employee or agent of any other enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement, including one pending on or before the date of this Agreement, but excluding one initiated by Indemnitee pursuant to Section 4 to enforce Indemnitee's rights under this Agreement.

(g) In addition, references to "other enterprise" shall include another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or any other enterprise; references to "fines" shall include any excise taxes assessed on Indemnitee with respect to an employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by Indemnitee with respect to an employee benefit plan, its participants, or beneficiaries; and if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan, Indemnitee shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement; references to "applicable law" in Section 1 refer to applicable law (including the laws of the State of Delaware) in effect on the date hereof, or as such laws may hereafter be amended from time to time to increase the scope of permitted indemnification; references to "include" or "including" shall mean include or including, without limitation; references to Sections, paragraphs or clauses are to Sections, paragraphs or clauses in this Agreement unless otherwise specified; and the Company and Indemnitee are individually referred to herein as a "party" and collectively as the "parties."

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### 13. Miscellaneous.

(a) **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law.

(b) **Entire Agreement; Binding Effect.** Without limiting any of the rights of Indemnitee described in Section 5(b), this Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions and supersedes any and all previous agreements between them covering the subject matter herein. The indemnification provided under this Agreement applies with respect to events occurring before or after the effective date of this Agreement, and shall continue to apply even after Indemnitee has ceased to serve the Company in any and all indemnified capacities.

(c) **Amendments and Waivers.** No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

(d) **Notices.** Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient (i) when delivered personally, (ii) 48 hours after being sent by nationally-recognized courier or deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice, or (iii) upon confirmation of receipt by the recipient when sent by electronic mail or facsimile. All communications shall be sent:

**To Indemnitee at:**

NAME

ADDRESS

CITY, ST ZIP

**To the Company at:**

iCoreConnect Inc.

529 E Crown Point Road, Suite 250

Ocoee, FL 34761

Attention: Legal

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

(e) **Successors and Assigns.** This Agreement shall be binding upon the Company and its successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company) and assigns, and inure to the benefit of Indemnitee and Indemnitee's heirs, executors, administrators, legal representatives and assigns. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(f) **No Employment Rights.** Nothing contained in this Agreement is intended to create in Indemnitee any right to continued employment.

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(g) **Company Position.** The Company shall be precluded from asserting, in any Proceeding brought for purposes of establishing, enforcing or interpreting any right to indemnification under this Agreement, that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement and is precluded from making any assertion to the contrary.

(h) **Subrogation.** In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company to effectively bring suit to

enforce such rights.

(i) **Third Party Beneficiaries.** There are no intended third party beneficiaries of this Agreement.

(j) **Reliance and Enforcement.** The Company expressly confirms and agrees that it has entered into this Agreement and assumes the obligations imposed on it hereby in order to induce Indemnitee to serve as an officer or director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as an officer or director of the Company. The Company shall not seek from a court, or agree to, a “bar order” which would have the effect of prohibiting or limiting Indemnitee’s rights to receive advancement of expenses under this Agreement.

(k) **Headings; Recitals.** The headings in this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof. The recitals hereto are incorporated herein and made a part hereof.

(l) **Security.** To the extent requested by Indemnitee and approved by the Board (not to be unreasonably withheld, conditioned or delayed), the Company may at any time and from time to time provide security to Indemnitee for the Company’s obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of Indemnitee.

(m) **Duration.** All agreements and obligations of the Company contained herein shall continue during the period that Indemnitee is a director or officer of the Company (or is serving at the request of the Company as a director, officer, employee, member, trustee or agent of another Enterprise) and shall continue thereafter (i) so long as Indemnitee may be subject to any possible Proceeding and (ii) throughout the pendency of any Proceeding commenced by Indemnitee to enforce or interpret Indemnitee’s rights under this Agreement, even if, in either case, Indemnitee may have ceased to serve in such capacity at the time of any such Proceeding.

(e) **Counterparts.** This Agreement may be executed by original, facsimile signature, electronic mail or other transmission method in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[Signature Page Follows]

The parties have executed this Agreement as of the date first set forth above.

**THE COMPANY:**  
**ICORECONNECT, INC.**

By: \_\_\_\_\_  
(Signature)

Name: Robert McDermott  
Title: Chief Executive Officer

AGREED TO AND ACCEPTED:  
**INDEMNITEE:**

BY \_\_\_\_\_  
(Signature)

Name: [ ]  
Title: [ ]

**NOTE AMENDMENT**

This Note Amendment effective as of May [ ], 2024 (the “Agreement”) is by and between iCoreConnect, Inc., a Delaware corporation (the “Company”), and [ ] (the “Holder”) of a note payable original issued on [ ], 2024 in principal amount of \$[ ] (the “Note”). Capitalized terms not defined herein shall have the meanings assigned to them in the Note.

**WITNESSETH:**

**WHEREAS**, the Company has requested the amendment to the Note as set forth herein, which amendment will, subject to certain conditions, extend the Maturity Date of the Note; and

**WHEREAS**, in order to induce the Holder to enter into this amendment, subject to the terms and conditions set forth herein, the Company will issue Holder [ ] restricted shares of Company common stock (“Inducement Shares”) via book-entry confirmation within 7 (seven) calendar days following the Maturity Date.

**NOW, THEREFORE**, in consideration of and for the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

**1. Amendment of the Note.**

(a) The Company and the Holder hereby agree Section 1(a) of the Note is deleted in its entirety and replaced with the following:

The “Maturity Date” shall be [ ], 2024, as may be extended at the option of the Holder in the event that, and for so long as, an Event of Default (as defined below) shall not have occurred and be continuing on the Maturity Date (as may be extended pursuant to this Section 1) or any event shall not have occurred and be

continuing on the Maturity Date (as may be extended pursuant to this Section 1) that with the passage of time and the failure to cure would result in an Event of Default.

2. **Inducement Shares.** The Holder agrees that the Company's obligation to issue the Inducement Shares on the Maturity Date is subject to the Company's ability to issue such Inducement Shares in compliance with Nasdaq Listing Rule 5635(d), which will require the approval by the Company's shareholders of certain proposals to be considered at the Company's 2024 Annual Meeting to be held on May 31, 2024. To the extent the Company is unable to issue the Inducement Shares in compliance with Nasdaq Listing Rule 5635(d), the Company's obligation to issue the Inducement Shares shall be tolled until such time as the Company is able to issue such Inducement Shares.

3. **No Implied Waiver or Consent.** Except for the specific amendment set forth above, nothing herein shall be deemed to be a consent to, amendment of or waiver of any provision in the Note, and all provisions in the Note, as modified hereby, are hereby confirmed and ratified in all respects and shall remain in full force and effect in accordance with their respective terms.

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4. **Entire Agreement.** This Agreement constitutes the entire agreement between the Company and the Holder with respect to the matters covered hereby and supersedes all previous written, oral or implied understandings among them with respect to such matters. The terms set forth in this Agreement may not be amended without the prior written consent of the Company and Holder. This Agreement is intended for the benefit of the parties hereto and their respective successors and assigns and is not for the benefit of, nor may any provisions hereof be enforced by, any other person or entity.

5. **Governing Law.** This Agreement shall be governed by and construed under the laws of the State of Florida without regard to the choice of law principles thereof.

6. **Counterparts.** This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains an electronic file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or electronic file signature page (as the case may be) were an original thereof.

[Signature page follows]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first stated above.

**ICORECONNECT, INC.**

By: \_\_\_\_\_

Name: Robert McDermott

Title: President and CEO

**"HOLDER"**

\_\_\_\_\_

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EXHIBIT 31.1

**CERTIFICATION OF THE CEO PURSUANT TO SECURITIES EXCHANGE ACT  
RULES 13a-14(a) OR 15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert P. McDermott, certify that:

1. I have reviewed this quarterly report on Form 10-Q of iCoreConnect 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)) 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, including its consolidated subsidiaries, 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: November 20, 2023 May 15, 2024

By: /s/ Robert P. McDermott

Robert P. McDermott

President and Chief Executive Officer

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EXHIBIT 31.2

**CERTIFICATION OF THE CFO PURSUANT TO SECURITIES EXCHANGE ACT RULES  
13a-14(a) OR 15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Archit Shah, certify that:

1. I have reviewed this quarterly report on Form 10-Q of iCoreConnect 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)) 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, including its consolidated subsidiaries, 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: November 20, 2023 May 15, 2024

By: /s/ Archit Shah  
Archit Shah  
Chief Financial Officer

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EXHIBIT 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of iCoreConnect Inc. (the "Company") on Form 10-Q for the period ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert McDermott, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: November 20, 2023 May 15, 2024

By: /s/ Robert McDermott  
Robert McDermott  
President and Chief Executive Officer

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EXHIBIT 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of iCoreConnect Inc. (the "Company") on Form 10-Q for the period ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Archit Shah, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: November 20, 2023 May 15, 2024

By: /s/ Archit Shah  
Archit Shah  
Chief Financial Officer

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#### **DISCLAIMER**

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