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## DELTA REPORT

### 10-K

FG MERGER CORP.

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS 3357

■ CHANGES	5
■ DELETIONS	2004
■ ADDITIONS	1348

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
**FORM 10-K**

(Mark One)

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

For the **year fiscal Year ended December 31, 20222023**

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 No. file number: **001-41309**

**FG Merger Corp.** (Exact name of registrant as specified in its charter)

(Exact name of registrant as specified in its charter)

**Delaware**

**86-2462502**

(State or other jurisdiction of  
incorporation or organization)

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

**104 S. Walnut Street, Unit 1A, Itasca, Illinois60143**

(Address of Principal Executive Offices, including zip code)

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

**708-870-7365**

(Registrant's telephone number, including area code)

**N/A**

(Former name, former address and former fiscal year, if changed since last report)

(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:

<b>Title of each class</b>	<b>Trading Symbol(s)Symbol(s)</b>	<b>Name of each exchange on which registered</b>
UnitsCommon stock, par value \$0.0001 per share	<b>FGMCUICCT</b>	THE The NASDAQ STOCK MARKET Stock Market LLC
Common stock	<b>FGMC</b>	THE NASDAQ STOCK MARKET LLC
Warrants	<b>FGMCW</b>	THE NASDAQ STOCK MARKET LLC

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

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

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

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

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

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

<input type="checkbox"/> Large accelerated filer	<input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Non-accelerated Filer	<input checked="" type="checkbox"/> Non-accelerated filer	<input checked="" type="checkbox"/> Smaller reporting company <input checked="" type="checkbox"/>
		<input checked="" type="checkbox"/> Emerging growth company <input checked="" type="checkbox"/> Growth Company

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

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

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

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

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

As of June 30, 2022, the

The aggregate market value of the Registrant's common voting and non-voting stock held by non-affiliates was \$80,497,988, computed of FG Merger Corp. ("FG"), our predecessor, on June 30, 2023, based on the basis closing price of \$10.53 for shares of FG's common stock, was approximately \$85.2 million. Shares of common stock beneficially owned by each executive officer, director, and holder of more than 10% of our common stock have been excluded in that such persons may be deemed to be affiliates.

The number of shares outstanding of the closing sale price Registrant's Common Stock as of April 18, 2024: 10,150,753

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's common stock on that date.

As registrant's definitive proxy statement for its 2024 Annual Meeting of February 2, 2023 there were 10,157,750 shares Stockholders (Proxy Statement) to be filed within 120 days of Common Stock, par value \$0.0001, issued and outstanding.

Documents the registrant's fiscal year ended December 31, 2023, are incorporated by reference: none reference in Part III of this Report on Form 10-K. Except with respect to information specifically incorporated by reference in this Form 10-K, the Proxy Statement is not deemed to be filed as part of this Form 10-K.

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#### Annual Report on Form 10-K

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#### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

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**Table** This Report and the documents we have filed with the Securities and Exchange Commission (the "SEC") that are incorporated by reference herein contain forward-looking statements, within the meaning of [Contents](#)

References Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that involve significant risks and uncertainties. Any statements contained, or incorporated by reference, in this report (the "Annual Report") to "we," "us" or the "Company" or "FGMC" refer to FG Merger Corp. References to our "management" or our "management team" refer to our officers and directors, and references to the "Sponsor" refer to FG Merger Investors LLC. Certain information contained in the discussion and analysis set forth below includes forward-looking statements Report that involve risks and uncertainties

**Cautionary Note Regarding Forward-Looking Statements**

Certain statements in this annual report on Form 10-K (this "Form 10-K") may constitute "forward-looking statements" for purposes of the federal securities laws. Our forward-looking statements include, but are not limited to, statements regarding our or our management team's expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are historical fact may be forward-looking statements. The When we use the words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" "will" and other similar expressions may identify terms and phrases, including references to assumptions, we are identifying forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking statements. Forward-looking statements in this Form 10-K may include, for example, statements about:

- our ability to select an appropriate target business or businesses;
- our ability to complete our initial business combination;
- our expectations around the performance of the prospective target business or businesses;
- our success in retaining or recruiting, or changes required in, our officers, key employees or directors following our initial business combination;
- our officers and directors allocating their time to other businesses and potentially having conflicts of interest with our business or in approving our initial business combination, as a result of involve risks and uncertainties which they would then receive expense reimbursements;

- our potential ability to obtain additional financing to complete our initial business combination;
- our pool of prospective target businesses;
- the ability of our officers and directors to generate a number of potential acquisition opportunities;
- our public securities' potential liquidity and trading;
- the lack of a market for our securities;
- the use of proceeds not held in the trust account (as described below) or available to use from interest income on the trust account balance;
- the trust account not being subject to claims of third parties; or
- our financial performance.

The forward-looking statements contained in this Form 10-K are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause our actual results, performance or performance achievements to be materially different from those expressed or implied by these forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect,

Important factors that could cause actual results may vary in material respects to differ materially from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

## PART I

References in this report to "we," "us" or the "Company" refer to FG Merger Corp. References to our "management" or our "management team" refer to our officers and directors, and references to the "Sponsor" refer to FG Merger Investors LLC, a Delaware limited liability company.

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#### **Item 1. BUSINESS**

##### **Introduction**

We are a blank check company incorporated in Delaware on December 23, 2020 for the purpose of merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities ("Business Combination"). While we expectations include, but are not limited to, a particular industry or geographic region for purposes of consummating a Business Combination, we intend to focus on businesses the factors discussed in the financial services industry. Based on our business activities, the Company is a "shell company" as defined sections entitled "Item 1A. Risk Factors" and under the Exchange Act heading "Critical Accounting Policies and Estimates" within "Management's Discussion and Analysis of 1934 (the "Exchange Act") because we have no operations Financial Condition and nominal assets consisting almost entirely Results of cash.

On March 1, 2022, Operations." All forward-looking statements attributable to us are expressly qualified in their entirety by the Company consummated its initial public offering ("IPO") of 7,000,000 units (the "Units"). On March 3, 2022, 1,050,000 additional Units were issued pursuant factors that may cause actual results to the underwriters' full exercise of their over-allotment option. The Units were sold at a price of \$10.00 per Unit, generating gross proceeds differ materially from anticipated results. Readers are cautioned not to the Company of \$80,500,000.

Each Unit consists of one common stock place undue reliance on these forward-looking statements, which reflect management's opinion only as of the Company, par value \$0.0001 per share (the "Public Share") and three-quarters date hereof. We undertake no duty or obligation to revise or publicly release the results of one redeemable warrant (the "Public Warrant"), each whole Public Warrant entitling any revision to these forward-looking statements. Readers should carefully review the holder thereof to purchase one share risk factors described in Item 1A of common stock for \$11.50 per share. The Units were sold at a price of \$10.00 per Unit, generating gross proceeds to the Company of \$80,500,000. The Public Warrants will become exercisable on the later of 30 days after the completion of Business Combination and 12 months from the closing of the IPO and will expire five years after the completion of Business Combination or earlier upon the Company's liquidation.

Simultaneously with the closing of the IPO, the Company consummated private placements ( the "Private Placements") of i) 1,000,000 \$15.00 exercise price warrants (the "\$15 Private Warrants") at a price of \$0.10 per \$15 Private Warrant, ii) 3,950,000 \$11.50 exercise price warrants (the "\$11.50 Private Warrants") at a price of \$1.00 per \$11.50 Private Warrant, and iii) 55,000 units at \$10.00 per unit (the "Private Units" and, together with the \$15 Private Warrants and

\$11.50 Private Warrants, the "Private Placement Securities") to the Company's sponsor, FG Merger Investors LLC (the "Sponsor"), directors, and officers, for the aggregate purchase price of \$4,600,000.

Each Private Unit consists of one Common Stock and three-quarters of one non-redeemable warrant ("Private Unit Warrant"). Each whole Private Unit Warrant will entitle the holder to purchase one share of common stock at an exercise price of \$11.50 per share.

Each \$15 Private Warrant will entitle the holder to purchase one share of Common Stock at an exercise price of \$15.00 per each share, will be exercisable for a period of 10 years from the date of Business Combination, will be non-redeemable, and may be exercised on a cashless basis. Additionally, \$15 Private Warrants and the shares issuable upon the exercise of the \$15 Private Warrants will not be transferable, assignable or salable until after the completion of a Business Combination, subject to certain limited exceptions.

Each \$11.50 Private Warrant will entitle the holder to purchase one common share at an exercise price of \$11.50 per each share, will be exercisable for a period of five years from the date of Business Combination, will be non-redeemable, and may be exercised on a cashless basis. Additionally, \$11.50 Private Warrants and the shares issuable upon the exercise of the \$11.50 Private Warrants will not be transferable, assignable or salable until after the completion of a Business Combination, subject to certain limited exceptions.

In addition, simultaneously with the closing of the IPO (and subsequent closing of the over-allotment), the Company completed the private placement of an aggregate of 40,250 units (the "Underwriter Units"), to the underwriters. Each Underwriter Unit consists of one share of common stock ("Underwriter Shares") and three-quarters of one non-redeemable warrant ("Underwriter Warrant"), with each whole warrant entitling the holder thereof to purchase one share of common stock for \$11.50 per share, subject to adjustment.

Prior to the closing of the IPO, on January 10, 2022, the Company issued an aggregate of 2,012,500 shares of common stock (the "Founder Shares") to the Sponsor for an aggregate purchase price of \$25,000 in cash. On January 11, 2022, the Sponsor transferred an aggregate of 60,000 Founder Shares to members of the Company's management and board of directors, resulting in the Sponsor holding 1,952,500 Founder Shares.

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Following the closing of the IPO on March 1, 2022, and subsequent closing of the over-allotment on March 3, 2022, a total of \$82,512,500 (\$10.25 per unit) from the net proceeds of the sale of Units in the IPO and the sale of Private Placement Securities this document as well as the proceeds in other documents we file from the closing of the over-allotment option were placed in a trust account ("Trust Account") and invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, until the earlier of: (i) the consummation of a Business Combination or (ii) the distribution of the funds in the Trust Account time to the Company's shareholders, as described below.

As of December 31, 2022, there was \$83,694,573 in investments and cash held in the trust account, which includes interest income available for the Company to use for its franchise and income tax obligations of approximately \$385,000 as of December 31, 2022, as well as \$521,865 of cash held outside the trust account. As of December 31, 2022, we have withdrawn \$0 of interest earned from the trust account to pay taxes.

### **Effecting Our Initial Business Combination**

We are not presently engaged in, and we will not engage in, any operations for an indefinite period of time. All activity through December 31, 2022 relates to the Company's formation, initial public offering and search for a business combination target. The Company will not generate any operating revenues until after the completion of its initial business combination, at the earliest. The Company will generate nonoperating income in the form of interest income from the proceeds derived from the initial public offering.

If our initial business combination is paid for using equity or debt securities, or not all of the funds released from the trust account are used for payment of the consideration in connection with our initial business combination or used for redemptions of our common stock, we may apply the balance of the cash released to us from the trust account for general corporate purposes, including for maintenance or expansion of operations of the post-transaction company, the payment of principal or interest due on indebtedness incurred in completing our initial business combination, to fund the purchase of other companies or for working capital.

### **Selection of a target business and structuring of our initial business combination**

While we may pursue an initial business combination target in any industry or sector, we intend to focus our search on companies within the financial services industry in North America. We will seek to acquire established businesses that we believe are fundamentally sound, but would benefit from the financial, operational, technological, strategic or managerial improvements our Company and management team can provide to maximize value. We will also look at earlier-stage companies that exhibit the potential to change the industries in which they participate, and which offer the potential of sustained high levels of revenue growth with an articulated path to profitability. NASDAQ rules require that we must consummate an initial business combination with one or more operating businesses or assets with a fair market value equal to at least 80% of the net assets held in the trust account (net of amounts disbursed to management for working capital purposes, if permitted). Our board of directors will make the determination as to the fair market value of our initial business combination. If our board of directors is not able to independently determine the fair market value of our initial business combination, we will obtain an opinion from an independent investment banking firm which is a member of FINRA or a valuation or appraisal firm with respect to the satisfaction of such criteria. While we consider it unlikely that our board of directors will not be able to make an independent determination of the fair market value of our initial business combination, it may be unable to do so if it is less familiar or experienced with the business of a particular target or if there is a significant amount of uncertainty as to the value of the target's assets or prospects.

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We anticipate structuring our initial business combination so that the post-transaction company in which our public stockholders own shares will own or acquire 100% of the equity interests or assets of the target business or businesses. We may, however, structure our initial business combination such that the post-transaction company owns or acquires less than 100% of such interests or assets of the target business in order to meet certain objectives of the target management team or stockholders or for other reasons, but we will only complete such business combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act of 1940, as amended, or the "Investment Company Act". Even if the post-transaction company owns or acquires 50% or more of the voting securities of the target, our stockholders prior to the business combination may collectively own a minority interest in the post-transaction company, depending on valuations ascribed to the target and us in the business combination transaction. For example, we could pursue a transaction in which we issue a substantial number of new shares in exchange for all of the outstanding capital stock of a target. In this case, we would acquire a 100% controlling interest in the target. However, as a result of the issuance of a substantial number of new shares, our stockholders immediately prior to our initial business combination could own less than a majority of our outstanding shares subsequent to our initial business combination. If less than 100% of the equity interests or assets of a target business or businesses are owned or acquired by the post-transaction company, the portion of such business or businesses that is owned or acquired is what will be taken into account for purposes of the 80% of net assets test described above. If the business combination involves more than one target business, the 80% of net assets test will be based on the aggregate value of all of the target businesses.

In evaluating prospective business combinations, we expect to conduct a thorough due diligence review process that will encompass, among other things, a review of historical and projected financial and operating data, meetings with management and their advisors (if applicable), on-site inspection of facilities and assets, discussion with customers and suppliers, legal reviews and other reviews as we deem appropriate.

The time required to select and evaluate a target business and to structure and complete our initial business combination, and the costs associated with this process, are not currently ascertainable with any degree of certainty. Any costs incurred with respect to the identification and evaluation of a prospective target business with which our initial business combination is not ultimately completed will result in our incurring losses and will reduce the funds we can use to complete another business combination.

We are not prohibited from pursuing an initial business combination with a company that is affiliated with the Sponsor or our officers or directors. In the event we seek to complete our initial business combination with a company that is affiliated with the Sponsor, our officers or directors, we, or a committee of independent directors, will obtain an opinion from an independent investment banking firm that is a member of FINRA or an independent accounting firm that our initial business combination is fair to our company from a financial point of view.

### ***Redemption rights for holders of public shares upon consummation of the initial business combination***

We will provide our public stockholders with the opportunity to redeem all or a portion of their public shares upon the completion of our initial business combination at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account calculated as of two business days prior to the consummation of our initial business combination, including interest earned on the funds held in the trust account (which interest shall be net of taxes payable), divided by the number of then outstanding public shares, subject to the limitations and on the conditions described herein. The amount in the trust account is approximately \$10.40 per public share as of December 31, 2022. There will be no redemption rights upon the completion of our initial business combination with respect to our warrants. Our Initial Stockholders, Sponsor, officers and directors have entered into a letter agreement with us, pursuant to

which they have agreed to waive their redemption rights with respect to any Founder Shares they hold and any public shares they acquired or may acquire during or after the initial public offering in connection with the completion of our initial business combination. Similarly, the Underwriter Shares held by the underwriters of our initial public offering do not have any redemption rights.

#### ***Conduct of redemptions pursuant to tender offer rules***

If we conduct redemptions pursuant to the tender offer rules of the U.S. Securities and Exchange Commission (the "SEC"), we will, pursuant to our amended and restated certificate of incorporation: (a) conduct the redemptions pursuant to Rule 13e-4 and Regulation 14E of the Exchange Act, which regulate issuer tender offers; and (b) file tender offer documents with the SEC prior to completing our initial business combination which contain substantially the same financial and other information about the initial business combination and the redemption rights as is required under Regulation 14A for an understanding of the Exchange Act, which regulates the solicitation of proxies.

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#### ***Submission of our initial business combination to a stockholder vote***

In the event variables that we seek stockholder approval of our initial business combination, we will distribute proxy materials and file them with the SEC. In connection therewith, we will provide our public stockholders with the redemption rights described above upon completion of the business combination.

If we seek stockholder approval, we will complete our initial business combination only if a majority of the outstanding shares of common stock voted are voted in favor of the initial business combination. A quorum for such meeting will consist of the holders present in person or by proxy of shares of outstanding capital stock of the Company representing a majority of the voting power of all outstanding shares of capital stock of the Company entitled to vote at such meeting. Our Initial Stockholders will count towards this quorum and our Initial Stockholders, Sponsor, officers and directors and the underwriters have agreed to vote any Founder Shares, Private Shares and Underwriter Shares they hold and any public shares purchased during or after the IPO (including in open market and privately-negotiated transactions) in favor of our initial business combination. For purposes of seeking approval of the majority of our outstanding shares of common stock voted, non-votes will have no effect on the approval of our initial business combination once a quorum is obtained. These quorum and voting thresholds, and the voting agreements of our Initial Stockholders, may make it more likely that we will consummate our initial business combination. Each public stockholder may elect to redeem its public shares irrespective of whether they vote for or against the proposed transaction or whether they were a stockholder on the record date for the stockholder meeting held to approve the proposed transaction.

If we seek stockholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, our Initial Stockholders, advisors or their affiliates may purchase shares or public warrants or a combination thereof in privately negotiated transactions or in the open market either prior to or following the completion of can affect our business combination. There and results of operations.

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#### **PART I**

##### **Item 1. Business.**

###### **Overview**

###### **Company History**

iCoreConnect Inc., (the "Company"), a Delaware Corporation, is no limit a cloud-based software and technology company focused on the number increasing workflow productivity and customer profitability through its enterprise platform of shares our Initial Stockholders, directors, officers, advisors or their affiliates may purchase in such transactions, subject to compliance with applicable law applications and the NASDAQ rules. However, other than as expressly stated herein, they have no current commitments, plans or intentions to engage in such transactions and have not formulated any terms or conditions for any such transactions. None of the funds held in the trust account will be used to purchase shares or public warrants in such transactions. If they engage in such transactions, they will not make any such purchases when they are in possession of any material nonpublic information not disclosed to the seller or if such purchases are prohibited by Regulation M under the Securities Exchange Act of 1934, as amended, or the Exchange Act. We do not currently anticipate that such purchases, if any, would constitute a tender offer subject to the tender offer rules under the Exchange Act or a going-private transaction subject to the going-private rules under the Exchange Act; however, if the purchasers determine at the time of any such purchases that the purchases are subject to such rules, the purchasers will comply with such rules. services.

The purpose of any such purchases of shares could be to vote such shares in favor of the initial business combination and thereby increase the likelihood of obtaining stockholder approval of the initial business combination or to satisfy a closing condition in an agreement with a target that requires us to have a minimum net worth or a certain amount of cash at the closing of our business combination, where it appears that such requirement would otherwise not be met. The purpose of any such purchases of public warrants could be to reduce the number of public warrants outstanding or to vote such warrants on any matters submitted to the warrant holders for approval in connection with our initial business combination. Any such purchases of our securities may result in the completion of our initial business combination that may not otherwise have been possible. In addition, if such purchases are made, the public "float" of our shares of Class A common stock or warrants may be reduced and the number of beneficial holders of our securities may be reduced, which may make it difficult to maintain or obtain the quotation, listing or trading of our securities on a national securities exchange.

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### ***Limitation on Redemption upon Completion of our Initial Business Combination if we Seek Stockholder Approval***

Notwithstanding the foregoing, if we seek stockholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, our amended and restated certificate of incorporation will provide that a public stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a "group" (as defined under Section 13 of the Exchange Act), will be restricted from seeking redemption rights with respect to more than an aggregate of 15% of the shares sold in our initial public offering, which we refer to as the "Excess Shares." Such restriction shall also be applicable to our affiliates. We believe this restriction will discourage stockholders from accumulating large blocks of shares, and subsequent attempts by such holders to use their ability to exercise their redemption rights against a proposed initial business combination as a means to force us or our management to purchase their shares at a significant premium to the then-current market price or on other undesirable terms. Absent this provision, a public stockholder holding more than an aggregate of 15% of the shares sold in our initial public offering could threaten to exercise its redemption rights if such holder's shares are not purchased by us or our management at a premium to the then-current market price or on other undesirable terms. By limiting our stockholders' ability to redeem no more than 15% of the shares sold in our initial public offering without our prior consent, we believe we will limit the ability of a small group of stockholders to unreasonably attempt to block our ability to complete our initial business combination, particularly in connection with an initial business combination with a target that requires as a closing condition that we have a minimum net worth or a certain amount of cash. However, we would not be restricting our stockholders' ability to vote all of their shares (including Excess Shares) for or against our initial business combination.

### ***Redemption of Public Shares and Liquidation if no Initial Business Combination***

Our amended and restated certificate of incorporation provides that we will have only 15 months from the closing of this offering to complete our initial business combination or 18 months from the closing of this offering if our time to complete a business combination is extended as described herein. If we are unable to complete our initial business combination within such 15-month period, we will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including interest earned on the funds held in the trust account (which interest shall be net of taxes payable and up to \$100,000 of interest to pay dissolution expenses), divided by the number of then outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any), and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our board of directors, liquidate and dissolve, subject in each case to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. There will be no redemption rights or liquidating distributions with respect to our warrants, which will expire worthless if we fail to complete our initial business combination within the 15-month time period (or 18-month period, as applicable).

### ***Competition***

In identifying, evaluating and selecting a target business for our initial business combination, we may encounter intense competition from other entities having a business objective similar to ours, including other blank check companies, private equity groups and leveraged buyout funds, and operating businesses seeking strategic business combinations. Many of these entities are well established and have extensive experience identifying and effecting business combinations directly or through affiliates. Moreover, many of these competitors possess greater financial, technical, human and other resources than we do. Our ability to acquire larger target businesses will be limited by our available financial resources. This inherent limitation gives others an advantage in pursuing the initial business combination of a target business. Furthermore, our obligation to pay cash in connection with our public stockholders who exercise their redemption rights may reduce the resources available to use for our initial business combination and our outstanding warrants, and the future dilution they potentially represent, may not be viewed favorably by certain target businesses. Either of these factors may place us at a competitive disadvantage in successfully negotiating an initial business combination.

## **Employees**

We currently have two executive officers: M. Wesley Schrader and Emily Torres. These individuals are not obligated to devote any specific number of hours to our matters, but they intend to devote as much of their time as they deem necessary to our affairs until we have completed our initial business combination. The amount of time they will devote in any time period will vary based on whether a target business has been selected for our initial business combination and the stage of the initial business combination process we are in. We do not intend to have any full-time employees prior to the completion of our initial business combination.

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### **Recent Developments**

On January 5, 2023, the Company entered into a Merger Agreement and Plan of Reorganization (the **“Merger Agreement”** “Merger Agreement”), by and among FGMC, the Company, iCoreConnect, Inc., a Nevada corporation (“Old iCore”), and FG Merger Sub Inc., a Nevada corporation and a direct, wholly-owned subsidiary of FGMC the Company (“Merger Sub”), and iCoreConnect Inc., a Nevada corporation (“iCoreConnect” Sub”). The Merger Agreement and the transactions contemplated thereby were approved by the boards of directors of each of FGMC, Merger Sub, and iCoreConnect.

The Merger Agreement provides provided that, among other things, at the closing (the **“Closing”** “Closing”) of the transactions contemplated by the Merger Agreement, Merger Sub will merge with and into iCoreConnect Old iCore (the **“Merger”** “Merger”), with iCoreConnect Old iCore surviving as a wholly-owned subsidiary of FGMC, the Company. In connection with the Merger, FGMC will change the Company changed its name from FG Merger Corp. to “iCoreConnect Inc.” (a Delaware Corporation). The Merger and the other transactions contemplated by the Merger Agreement are hereinafter referred to as the “Business Combination.” On August 25, 2023, Old iCore and FGMC consummated the Business Combination, with Old iCore surviving as a wholly owned subsidiary of FGMC.

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### **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) offerings under the names of iCoreRx, iCorePDMP, iCoreEPCS, iCoreVerify, iCoreVerify+, iCoreHuddle, iCoreHuddle+, iCoreCodeGenius, iCoreExchange, iCoreCloud, iCorePay, iCoreSecure, iCoreClaims and iCoreIT. The Company's software is expected 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). Additional functionality to close iCoreRx to extend your electronic prescribing capabilities to include controlled substances as defined by the DEA schedule. 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 patients 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 for 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.

**iCoreClaims** - iCoreClaims is responsible for processing and managing claims submitted by policyholders or dental care providers and typically involves: (a) Claim Submission: Dental care providers (such as dentists or orthodontists) submit claims to the insurance company on behalf of patients after providing dental services. The claim includes details such as the type of treatment provided, codes for procedures performed, patient information, and provider details; (b) Verification and Eligibility: iCoreClaims service verifies the patient's eligibility for coverage based on the terms of their insurance policy. This involves checking if the patient's policy covers the specific dental treatment or procedure being claimed; (c) Adjudication: Once the claim is submitted and eligibility is confirmed, iCoreClaims processes the claim by reviewing it against the terms of the policy. This includes checking for any exclusions or limitations on coverage, ensuring

the services rendered are medically necessary, and determining the applicable co-pays, deductibles, and coverage limits; (d) Communication: Throughout the claims process, iCoreClaims communicates with both the dental care provider and the policyholder to resolve any issues, provide explanations of benefits (EOBs), and answer any questions related to the claim; (e) Record Keeping: iCoreClaims maintains records of all claims processed, payments made, and communications related to each claim for auditing, reporting, and customer service purposes; (f) iCoreClaims service plays a crucial role in facilitating the reimbursement process for dental care services covered under insurance policies, ensuring that policyholders receive the benefits they are entitled to and that dental care providers are appropriately compensated for their services; (g) From a technology standpoint, the use of cloud software for documentation and U.S.-based billing specialists highlights iCoreConnect's strategy to combine advanced software with expert human intervention. This hybrid approach can be particularly appealing to healthcare providers who are seeking technological solutions without completely forgoing the human touch that is often necessary for complex billing and coding scenarios.

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**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.

**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.

iCoreCodeGenius includes a full ICD-10 code lookup and guidance, automatic prompting of comorbidities and Hierarchical Condition Category's (HCC) to aid in obtaining the appropriate reimbursement with a high degree of accuracy, and the ability to reduce or eliminate queries and denials.

**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 second quarter of 2023, subject network. iCoreExchange also provides a secure email mechanism to customary closing conditions, including communicate with users outside the receipt of certain governmental approvals exchange e.g., patients and referrals. Users have the required approval by 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 stockholders of FGMC ability to backup their on-premise servers and iCoreConnect.

**Pre-Closing FGMC Conversion**

Prior computers to the Closing, each share 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 FGMC common stock, par value \$0.0001 shall full data loss, the mirrored data in the cloud can be converted 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 and billing solution for customers. iCorePay integrates into shares the practice workflow for payment and revenue cycle tracking. Unlike traditional healthcare billing methods, iCorePay speeds up the payment process by connecting with your patients on the platforms and with the digital payment methods they're already using. Create custom messaging for valuable patient touchpoints. Deliver flexible payment plans and payment reminders on your own schedule, with your own branding, with patient savings for same day or pre-appointment payments.

**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 newly issued FGMC preferred stock, par value \$0.0001 ("FGMC Preferred Stock"). 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 viruses, 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.

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The FGMC Preferred Stock shall have Company believes it is well positioned to address the rights, preferences, powers, privileges and restrictions, qualifications and limitations, including but not limited to: growing need for managed services:

- Our current and future customers need managed IT services, along with cloud computing, storage and HIPAA compliant backup and encryption;
- Managed service providers that can support the migration to cloud computing are in high demand;
- The holders decision makers for our current technology and those for managed services are, in many cases, the same person or group of Preferred Stock shall not be entitled to vote on any matters submitted to the stockholders of FGMC people;
- From Our management team has decades of experience operating successful IT companies; and after the date of the issuance of any shares of FGMC Preferred Stock, dividends shall accrue at the rate per annum of 12% of the original issue price for each share of FGMC Preferred Stock, prior MSP revenue model matches our SaaS and in preference to any declaration or payment of any other dividend (subject to appropriate adjustments).
- MSaaS MRR (monthly recurring revenue) models. Dividends shall accrue from day to day and shall be cumulative and shall be payable within fifteen (15) business days after the anniversary of the date of the original issuance of the FGMC Preferred Stock to each holder of FGMC 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 FGMC Preferred Stock, FGMC may, at its option, pay all or part of the accruing dividends on the FGMC Preferred Stock by issuing and delivering additional shares of FGMC Preferred Stock to the holders thereof.
- FGMC shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of FGMC the holders of the FGMC Preferred Stock then outstanding shall first receive dividends due and owing on each outstanding share of FGMC Preferred Stock.
- In the event of any liquidation, dissolution or winding up of FGMC, the holders of shares of FGMC Preferred Stock then outstanding shall be entitled to be paid out of the assets of FGMC 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 FGMC Preferred Stock been converted into FGMC 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 FGMC Common Stock.
- After 24 months from the closing of the Business Combination, in the event the closing share price of the FGMC Common Stock shall exceed 140% of the Conversion Price (as defined below) then in effect, then (i) each outstanding share of FGMC Preferred Stock shall automatically be converted into such number of shares of FGMC 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 FGMC, subject to adjustment. At the time of such conversion, FGMC 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 FGMC, (i) issuing additional FGMC Preferred Stock or (ii) paying cash.
- The "Conversion Price" shall initially mean, as to the Preferred Stock, \$10 per share; provided that the Conversion Price shall be reset to the lesser of \$10 or 20% above the simple average of the volume weighted average price on the 20 trading days following 12 months after the later of (x) the date hereof or (y) the registration of the Common Stock underlying the Preferred Stock; provided further that such Conversion Price shall be no greater than \$10 and no less than \$2 and subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the applicable Preferred Stock.
- Each share of FGMC 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 FGMC 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 for stock splits, stock dividends, recapitalizations etc.

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TableCompetition - The Company experiences competition from a variety of Contents

- Immediately prior to any such optional conversion FGMC shall pay all dividends on the FGMC Preferred Stock being converted that are accrued and unpaid as of such time by, either, at the option of FGMC: (i) issuing additional FGMC Preferred Stock or (ii) paying cash.

Pre-Closing iCoreConnect Conversions

Prior sources with respect to virtually all of its products and services. The Company knows of no single entity that competes with it across the Closing, (i) full range of its products and services; however, each vested, issued and outstanding option to purchase iCoreConnect common stock par value \$0.001 ("iCoreConnect Common Stock") shall be exercised into shares of iCoreConnect Common Stock (ii) each issued and outstanding warrant to purchase iCoreConnect Common Stock shall be exercised into shares the lines of iCoreConnect Common Stock and (iii) business in which the outstanding principal together with all accrued and unpaid interest under each iCoreConnect convertible promissory note shall be converted into shares of iCoreConnect Common Stock.

## **Business Combination Consideration**

The aggregate consideration to be received by Company is engaged is highly competitive. Competition in the iCoreConnect stockholders markets served is based on several considerations, which may include price, technology, applications, experience, know-how, reputation, service, and distribution. While we believe we offer a pre-transaction equity unique combination of products and services, a few competitors offer one or more similar products and services in one or more of our niche markets.

## **Competitive Strengths**

The key advantages of our products and services include:

1. Secure, private, scalable, and reliable.

Our services have been designed to provide our customers with privacy and high levels of performance, reliability, and security. We have built, and continue to invest in, a comprehensive security infrastructure, including firewalls, intrusion detection systems, and encryption for transmission over the Internet, which we monitor and test on a regular basis. We have designed, built, and continue to maintain a multi-tenant application architecture that has been designed to enable our service to scale securely, reliably and cost effectively. Our multi-tenant application architecture maintains the integrity and separation of customer data while still permitting all customers to use the same application functionality simultaneously.

2. Rapid deployment and lower total cost of ownership.

Our services can be deployed rapidly since our customers do not have to spend time procuring, installing, or maintaining the servers, storage, networking equipment, security products or other hardware and software. We enable customers to achieve up-front savings relative to the traditional enterprise software model. Customers benefit from the predictability of their future costs since they generally pay for the service on a per subscriber basis for the term of the subscription contract.

3. High levels of user adoption.

We have designed our products and services to be intuitive and easy to use. Our products and services contain many tools and features recognizable to users of popular consumer web services, so users have a more familiar user experience than typical EHR applications. As a result, our users can often use and gain benefit from our solutions with minimal training. We have also designed our products and services to be used on popular mobile devices, making it possible for people to conduct business from their smartphones or tablets.

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### **Competitive Strategy**

Key elements of our strategy include:

1. Extending existing service offerings. We continue to innovate based on customer feedback and have designed our solutions to easily accommodate new features and functionality, especially in underserved areas of compliance and improved workflow/profitability for dental and physician practices. We continually look to improve our products and services by adding new features, functions and increased security through our own development, acquisitions, and partnerships.
2. Expanding existing customer relationships. We see significant opportunities to deepen our relationships with our existing customers. As our customers realize the benefits of our products and services, we aim to provide additional value-added products and services.
3. Expanding into new horizontal markets. As part of our growth strategy, we are delivering innovative solutions in new categories, including analytics, claims coding, billing processing, and electronic prescribing. We drive innovation both organically and through acquisitions.
4. Extending go to market capabilities. We believe that our offerings provide significant value of \$98,000,000 (subject to usual and customary working capital adjustments and any adjustments to reflect the effect for businesses of any stock split, reverse stock split, stock dividend, reorganization, recapitalization, reclassification, size. We continue to pursue businesses of all sizes and industries through our direct sales force and partnerships. In the past several years we have competed and won over 100 major healthcare association endorsements in 33 states. We plan to increase the number of direct sales professionals we employ and intend to develop additional distribution channels for our products and services.

In addition to the key elements of our business strategy described above, from time to time, we evaluate opportunities to acquire or invest in complementary businesses, services and technologies, and intellectual property rights.

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### **Customers**

We had no significant customers (greater than 10% of total revenue) for the years ended December 31, 2023 and 2022, respectively. Customer concentration is not significant as the Company has a large number of individual customers. In addition, concentration is reduced by the number of new customers generated through the acquisitions we completed during 2023, as well as through organic growth in both the number of customers and number of services being purchased by new and existing customers. We had accounts receivable concentration with one customer representing 25% of total accounts receivables outstanding as of December 31, 2023 and one customer that represented 31% of accounts receivable outstanding as of December 31, 2022.

### **Intellectual Property**

Our success depends, at least in part, on our ability to protect our core technology and intellectual property. To accomplish this, we currently rely on a combination merger, sale of trade secrets, including know-how, employee and third-party nondisclosure agreements, and other contractual rights to establish

and protect our proprietary rights in our technology. We do not currently own any patents or exchange trademarks.

#### Government Regulations

We are 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 shares or other like change commerce on the Internet. However, it is possible that a number of laws and regulations will be adopted with respect to shares the Internet, covering issues such as user privacy, pricing, characteristics, e-mail marketing and quality of FGMC Common Stock, occurring prior to products and services. Such laws and regulations could dampen the Closing date. In accordance with the terms growth and subject to the conditions use of the Merger Agreement, immediately prior to Internet generally and decrease the effective time acceptance of the Closing each share Internet as a communication and commercial medium and could thereby have a material adverse effect on our business, results of issued operations and outstanding iCoreConnect Common Stock, shall be converted into a number financial condition.

#### EMPLOYEES

As of shares December 31, 2023 the Company had 70 employees of FGMC Common Stock, based on the Exchange Ratio (as defined in the Merger Agreement), which 67 were full-time employees.

#### Governance

The parties have agreed that effective immediately after the Closing of the Business Combination, the FGMC Board will be comprised of the directors designated by iCoreConnect by written notice to FGMC and reasonably acceptable to FGMC.

#### AVAILABLE INFORMATION

#### Representations and Warranties; Covenants

The Merger Agreement contains representations, warranties and covenants of each of the parties thereto that are customary for transactions of this type, including, among others, covenants providing for (i) certain limitations on the operation of the parties' respective businesses prior to consummation of the Business Combination, (ii) the parties' efforts to satisfy conditions to consummation of the Business Combination, including by obtaining necessary approvals from governmental agencies (including U.S. federal antitrust authorities and under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "H.R. Act")), and (iii) the parties preparing and filing a registration statement on Form S-4 and a joint proxy statement with the Securities and Exchange Commission (the "SEC") and taking certain other actions to obtain the requisite approval of each party's stockholders to vote in favor of certain matters, including the adoption of the Merger Agreement and approval of the Business Combination, at special meetings to be called for the approval of such matters.

In addition, FGMC has agreed to adopt an equity incentive plan, as described in the Merger Agreement.

#### Conditions to Each Party's Obligations

The obligations of FGMC and iCoreConnect to consummate the Business Combination are subject to certain closing conditions, including, but not limited to, (i) the approval of FGMC's stockholders, (ii) the approval of iCoreConnect's stockholders, (iii) the expiration or termination of the applicable waiting period under the H.R. Act, (iv) FGMC's Form S-4 registration statement becoming effective and (v) FGMC having at least \$5,000,001 of net tangible assets following the exercise of stockholder redemption rights in accordance with FGMC's charter.

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In addition, the obligations of FGMC and Merger Sub to consummate the Business Combination are also subject to the fulfillment (or waiver) of other closing conditions, including, but not limited to, (i) the representations and warranties of iCoreConnect being true and correct to the standards applicable to such representations and warranties and each of the covenants of iCoreConnect having been performed or complied with in all material respects, (ii) delivery of certain ancillary agreements required to be executed and delivered in connection with the Business Combination; (iii) no Company Material Adverse Effect (as defined in the Merger Agreement) having occurred, (iv) iCoreConnect having effected the conversions of outstanding iCoreConnect option, warrants and convertible promissory notes described above and (v) the \$15 Exercise Price Warrants Purchase Agreement, dated as of February 25, 2022, by and between FGMC and FG Merger Investors LLC shall have been amended to provide that each \$15 Exercise Price Warrant (as defined therein) shall entitle the holder thereof to purchase one share of FGMC preferred stock, par value \$0.0001 per share at the exercise price of \$15.00 per share.

The obligation of iCoreConnect to consummate the Business Combination is also subject to the fulfillment (or waiver) of other closing conditions, including, but not limited to, (i) the representations and warranties of FGMC and Merger Sub being true and correct to the standards applicable to such representations and warranties and each of the covenants of FGMC and Merger Sub having been performed or complied with in all material respects and (ii) the shares of FGMC Common Stock issuable in connection with the Business Combination being listed on the Nasdaq Stock Market.

#### Termination

The Merger Agreement may be terminated under certain customary and limited circumstances prior to the Closing, including, but not limited to, (i) by mutual written consent of FGMC and iCoreConnect, (ii) by FGMC, on the one hand, or iCoreConnect, on the other hand, if there is any breach of the representations,

warranties, covenant or agreement of the other party as set forth in the Merger Agreement, in each case, such that certain conditions to closing cannot be satisfied and the breach or breaches of such representations or warranties or the failure to perform such covenant or agreement, as applicable, are not cured or cannot be cured within certain specified time periods, (iii) by either FGMC or iCoreConnect if the Business Combination is not consummated prior to the later of (A) June 1, 2023 and (B) September 1, 2023 if FGMC extends the deadline by which it must complete its initial business combination in accordance with its amended and restated certificate of incorporation, provided the failure to close by such date is not due to a breach by the terminating party and (iv) by either FGMC or iCoreConnect if a meeting of FGMC's stockholders is held to vote on proposals relating to the Business Combination and the stockholders do not approve the proposals.

A copy of the Merger Agreement is filed with the Current Report on [Form 8-K, filed January 6, 2022, as Exhibit 2.1](#) and is incorporated herein by reference, and the foregoing description of the Merger Agreement is qualified in its entirety by reference thereto. The Merger Agreement contains representations, warranties and covenants that the respective parties made to each other as of the date of the Merger Agreement or other specific dates. The assertions embodied in those representations, warranties and covenants were made for purposes of the contract among the respective parties and are subject to important qualifications and limitations agreed to by the parties in connection with negotiating such agreement. The representations, warranties and covenants in the Merger Agreement are also modified in important part by the underlying disclosure schedules which are not filed publicly and which are subject to a contractual standard of materiality different from that generally applicable to stockholders and were used for the purpose of allocating risk among the parties rather than establishing matters as facts. FGMC and iCoreConnect do not believe that these schedules contain information that is material to an investment decision.

#### **Certain Related Agreements**

The Business Combination Agreement contemplates the execution of various additional agreements and instruments, on or before the Closing, including, among others, the following:

##### ***iCoreConnect Support Agreement***

In connection with the execution of the Merger Agreement, certain stockholders of iCoreConnect have entered into a support agreement (the "**iCoreConnect Support Agreement**") pursuant to which the stockholders of iCoreConnect that are parties to the iCoreConnect Support Agreement have agreed to vote all shares of common stock of iCoreConnect beneficially owned by them in favor of the Merger Agreement and related transactions (as more fully described in the iCoreConnect Support Agreement).

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##### ***Sponsor Support Agreement***

In connection with the execution of the Merger Agreement, FGMC, iCoreConnect, FG Merger Investors LLC, a Delaware limited liability company (the "**Sponsor**") and certain stockholders of FGMC entered into a Sponsor Support Agreement (the "**Sponsor Support Agreement**") pursuant to which the Sponsor and such stockholders agreed to, among other things, vote at any meeting of the stockholders of FGMC all of their shares of FGMC Common Stock held of record or thereafter acquired in favor of the proposals relating to the Business Combination (as more fully described in the Sponsor Support Agreement).

##### ***Lock-Up Agreement***

In connection with the Closing, the Sponsor and certain existing stockholders of FGMC and certain existing equityholders of iCoreConnect (each, a "**Lock-up Holder**") will enter into an agreement (the "**Lock-Up Agreement**"), pursuant to which and subject to certain customary exceptions, during the period commencing on the date of the Closing and ending on the date that is one hundred eighty (180) days after the consummation of the Business Combination such Lock-up Holder will agree not to (i) offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of the Lock-up Shares (as defined in the Lock-Up Agreement, which shall include certain securities held by the Lock-Up Holders), (ii) enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of such Lock-up Shares, whether any of these transactions are to be settled by delivery of any such Lock-up Shares, in cash or otherwise, (iii) publicly disclose the intention to make any offer, sale, pledge or disposition, or (iv) enter into any transaction, swap, hedge or other arrangement, or engage in any short sales with respect to any security of FGMC (as more fully described in the Lock-Up Agreement).

##### ***Amended and Restated Registration Rights Agreement***

In connection with the Closing, FGMC will enter into an amended and restated registration rights agreement (the "**Amended and Restated Registration Rights Agreement**"), pursuant to which, the Registration Rights Agreement, dated as of February 25, 2022, among FGMC and the other parties thereto is terminated and whereby FGMC will agree to, among other things, file a resale shelf registration statement registering certain of the securities held by the Holders (as defined in the Amended and Restated Registration Rights Agreement, which will include certain existing stockholders of FGMC and certain existing equityholders of iCoreConnect) no later than 20 business days after the closing of the Business Combination. The Amended and Restated Registration Rights Agreement will also provide certain registration rights, including customary demand registration rights and piggyback registration rights to the Holders, subject to customary exceptions, terms and conditions. FGMC will agree to pay certain fees and expenses relating to registrations under the Amended and Restated Registration Rights Agreement (as more fully described in the Amended and Restated Registration Rights Agreement).

#### **Sponsor Forfeiture Agreement**

In connection with the execution of the Merger Agreement, FG Merger Investors LLC, the Sponsor, FGMC and iCoreConnect entered into a sponsor forfeiture agreement (the "**Sponsor Forfeiture Agreement**") pursuant to which the Sponsor has agreed that if at the closing of the Business Combination the SPAC Closing Cash (as defined in the Sponsor Forfeiture Agreement) is less than \$20,000,000 then upon and subject to such closing the Sponsor will forfeit any and all dividends accrued on any shares of preferred stock, par value \$0.0001 of FGMC ("**Preferred Stock**") owned by the Sponsor, at the time of payment, whether such dividend shall be paid in cash or by the issuance of additional shares of Preferred Stock (as more fully described in the Sponsor Forfeiture Agreement).

#### **Available Information**

We are required to file Our Annual Reports on Form 10-K, and Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports are filed with the SEC pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are filed with the SEC. Such reports and other information that we file with the SEC are available free of charge on a regular basis, and our website at <https://www.coreconnect.com/sec-filings> when such reports are required to disclose certain material events in a Current Report available on Form 8-K, the SEC website. The SEC maintains an Internet website site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. SEC at <http://www.sec.gov>. The SEC's contents of these websites are not incorporated into this filing. Further, the foregoing references to the URLs for these websites are intended to be textual references only.

#### **Item 1A. Risk Factors.**

*Investing in our common stock involves a high degree of risk. Before purchasing our common stock, you should carefully consider the following risk factors as well as all other information contained in this Report, including our financial statements and the related notes. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us. If any of the following risks occur, our business, financial condition or results of operations could be materially and adversely affected. In that case, the trading price of our common stock could decline, and you may lose some or all of your investment.*

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#### **Risks Related to Our Business**

##### **Our business is difficult to evaluate because we have a limited operating history.**

Because we have a limited operating and revenue generating history, we do not have significant historical financial information on which to base planned revenues and operating expenses. Revenues for the years ended December 31, 2023 and December 31, 2022, were \$8,151,587 and \$7,987,902, respectively. We expect to experience fluctuations in future quarterly and annual operating results that may be caused by many factors, including: merger and acquisition activity; our ability to achieve significant sales for our products and services; the cost of technology, software and other costs associated with the production and distribution of our products and services; the size and rate of growth of the market for Internet website products and online content and services; the potential introduction by others of products that are competitive with our 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 us considering the delays, expenses, problems and uncertainties frequently encountered by companies developing markets for new products, services and technologies. We may never overcome these obstacles.

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

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

We believe that we meet the HIPAA requirements currently in effect that are applicable to our internal operations and our clients. However, if we are 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, our business could suffer.

If our security measures or those of our 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, our data or our IT systems, our services may be perceived as not being secure, customers may curtail or stop using our services, and we may incur significant legal and financial exposure and liabilities.

Our services involve the storage and transmission of our customers' patient's health and other sensitive data, including personally identifiable information. Security breaches could expose us to a risk of loss of this information, litigation and possible liability. While we have 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 our IT systems, our customers' data or our data, including our 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 our customers' data, our data or our 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, we may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, our customers may authorize third-party technology providers to access their customer data, and some of our customers may not have adequate security measures in place to protect their data that is stored on our services. Because we do not control our customers or third-party technology providers, or the processing of such data by third-party technology providers, we 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 our systems and supporting services. Any security breach could result in a loss of confidence in the security of our software, damage our reputation, negatively impact our future sales, disrupt our business and lead to legal liability.

**Our ability to deliver our 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 our control and could reduce the availability of the Internet to us or our customers for delivery of our Internet-based services. Any resulting interruptions in our services or the ability of our customers to access our services could result in a loss of potential or existing customers and harm our business.

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**Our business may not succeed if we are unable to keep pace with rapid technological changes.**

Our 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 we 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 our services or products non-competitive or obsolete. In addition, there can be no assurance that our 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 we suffer system failures or overloading of computer systems, our business and prospects could be harmed. The success of our online offerings is highly dependent on the efficient and uninterrupted operation of our 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 our systems. Computer viruses, electronic break-ins or other similar disruptive problems could also adversely affect our websites. If our systems, or the systems of any of the websites on which we advertise or with which we have material marketing agreements, are affected by any of these occurrences, our business, results of operations and financial condition could be materially and adversely affected.

**The establishment of our brand is important to our future success.**

Establishing and maintaining a brand name and recognition is critical for attracting and expanding our client base. The promotion and enhancement of our name depends on the effectiveness of our marketing and advertising efforts and on our success in continuing to provide high-quality services, neither of which can be assured. If our brand marketing efforts are unsuccessful, our business could fail.

**Our business could suffer if we are unable to protect our intellectual property rights or are liable for infringing the intellectual property rights of others.**

We have certain trade secrets and other similar intellectual property which are significant to our success, and we rely upon related law, trade secret protection, and other confidentiality and license agreements with our employees, strategic partners, and others to protect our 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 our copyrighted material without our authorization.

We may seek to pursue the registration of trademarks, trade dress and trade secrets in the United States and, based upon anticipated use, in certain other countries. We 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 our products are available. We expect that we may license, in the future, elements of our trademarks, trade dress and other similar proprietary rights to third parties. Further, we may be subject to claims in the ordinary course of our business, including claims of alleged infringement of the trademarks and intellectual property rights of third parties by us and our licensees.

Other parties may assert claims of infringement of intellectual property or other proprietary rights against us. These claims, even if without merit, could require us to expend significant financial and managerial resources. Furthermore, if claims like this were successful, we might be required to change our trademarks, alter our content or pay financial damages, any of which could substantially increase our operating expenses. We also may be required to obtain licenses from others to refine, develop, market and deliver new services. We 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.

**Our success will be limited if we are unable to attract, retain and motivate highly skilled personnel.**

Our future success will depend on our 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 we may be unable to successfully attract, integrate or retain sufficiently qualified personnel. In addition, our ability to generate revenues relates directly to our personnel in terms of both the numbers and expertise of the personnel we have available to work on our projects. Moreover, competition for qualified employees may require us to increase our cash or equity compensation, which may have an adverse effect on earnings.

We are also dependent on the services of our executive officers and key consultants and independent agents. There can be no assurance, however, that we can obtain executives of comparable expertise and commitment in the event of death, or that our 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 our key employees or consultants could have a materially adverse effect on our business and our financial condition. In addition, we will also need to attract and retain other highly skilled technical and managerial personnel for whom competition is intense. If we are unable to do so, our business, results of operations and financial condition could be materially adversely affected.

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**Any system failure or slowdown could significantly harm our reputation and damage our business.**

System failures would harm our reputation and reduce our attractiveness to customers. In addition, the users of the services we maintain for our customers depend on Internet service providers, online service providers and other web site operators for access to our 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 our systems.

**We compete in a highly competitive market and many of our competitors have greater financial resources and established relationships with major corporate customers.**

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

We are 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 our business, results of operations and financial condition.

**We are vulnerable to changes in general economic conditions.**

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

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

From time to time during the normal course of carrying on our business, we 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.

**Our results of operations could vary as a result of the methods, estimates, and judgments that we use in applying accounting policies.**

The methods, estimates, and judgments that we use in applying accounting policies have a large impact on our results of operations. For further information, see "Critical Accounting Estimates" in Part II, Item 7 of this Form 10-K. These methods, estimates, and judgments are subject to large risks, uncertainties, and assumptions, and changes could affect our results of operations.

**We have identified material weaknesses in internal control over financial reporting. If we fail to maintain effective internal controls over financial reporting, the price of our common stock may be adversely affected.**

We are 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 our public disclosures regarding our business, financial condition or results of operations. Any failure of these controls could also prevent us from maintaining accurate accounting records and discovering accounting errors and financial fraud.

As of December 31, 2023, our principal executive officer and principal financial and accounting officer concluded that our disclosure controls and procedures were not effective due to a material weakness related to our accounting for complex financial instruments and related to our inability to adequately segregate responsibilities over the financial reporting process. 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. In addition, in the future management's assessment of internal controls over financial reporting and corporate governance 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 our internal control over corporate governance, financial reporting or disclosure of management's assessment of our internal controls over financial reporting may have an adverse impact on the price of our common stock.

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

We have 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. We 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 we are unable to achieve our 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 our business, financial condition and results of operations, or cash flows. Any of these risks could harm our business. In addition, to facilitate these acquisitions or investments, we may seek additional equity or debt financing, which may not be available on terms favorable to us or at all, which may affect our ability to complete subsequent acquisitions or investments, and which may affect the risks of owning our common stock.

**A system failure or breach of system or network security could delay or interrupt services to our customers or subject us to significant liability.**

We have 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 our business. In addition, substantial costs may be incurred to remedy the damages caused by any such disruptions.

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

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

Information services as complex as those we offer have in the past contained, and may in the future develop or contain, undetected defects, vulnerabilities, or errors. We cannot assure that material performance problems or defects in our services will not arise in the future. Errors may result from sources beyond our control, including the receipt, entry, or interpretation of patient information; interface of our services with legacy systems that we did not develop; or errors in data provided by third parties. It is challenging for us to test our 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 our existing or new software or service processes following introduction to the market.

In light of this, defects, vulnerabilities, and errors and any failure by us 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 our reputation; and increased service and maintenance costs. Defects, vulnerabilities, or errors in our software and service processes might discourage existing or potential clients from purchasing services from us. 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 our operating results.

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**If our 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, we could have liability to clients, clinicians, or patients, which could adversely affect its results of operations.**

Some of our 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 our 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 us, harm our reputation in the industry, and cause demand for our services to decline.

Our iCoreRX service provide healthcare professionals with access to clinical information, including information regarding particular medical conditions and the use of particular medications. If our content, or content we obtain from third parties, contains inaccuracies, or we 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 us if they are harmed as a result of such inaccuracies. We cannot assure that our quality control procedures will be sufficient to ensure that there are no errors or omissions in particular content.

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

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

We generally recognize 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 we report 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 our revenues for that period. In addition, our ability to adjust our 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 our revenues for that period, but they will negatively affect our revenues in future periods. Accordingly, the effect of significant downturns in sales and market acceptance of our services, and changes in our rate of renewals, may not be fully reflected in our results of operations until future periods. Our subscription model also makes it difficult for us to rapidly increase our 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.

[Table of Contents](#)**Risks Related to Our Common Stock*****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 the other risks described in this section of the prospectus. In addition, the stock markets in general, and the markets for former special purpose acquisition companies post-business combination businesses in particular, have experienced extreme volatility. This volatility can often be unrelated to the operating performance of the underlying business. These broad market and industry factors may seriously harm the market price 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. 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 special purpose acquisition company alleging fraud and other claims based on inaccurate or misleading disclosures. If any of our stockholders were to bring a lawsuit 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 and attention of management.

***Any failure to meet the continued listing requirements of Nasdaq Capital Market could result in a delisting of our common stock.***

If we fail to satisfy the continued listing requirements 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, the financial statements contained in this prospectus 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 any proposed aggregate amount of gross proceeds to us as a result of an 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.

**We have registered the resale of a significant number of our shares of common stock, and the holders of the shares of common stock registered may be willing to sell their shares at a price lower than the public market price.**

In October 2023, we registered the resale of a significant number of shares of our common stock for certain selling stockholders, most of which consisted of shares underlying our Series A preferred stock and warrants. Because certain selling stockholders purchased shares privately at a price below the current market price, they may have an incentive to sell shares of their common stock because they could profit despite the current market price of our common stock. While these selling 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 pursuant to the registration statement we filed in October 2023 may have negative pressure on the public trading price of the common stock.**

The selling stockholders in the registration statement we filed in October 2023 will determine the timing, pricing and rate at which they sell the shares of common stock registered for resale into the public market. Significant sales of shares of common stock pursuant to the registration statement may have negative pressure on the public trading price of the common stock. Assuming all of our warrants were exercised and the Series A preferred stock was converted, the selling stockholders would own 11,122,810 shares of common stock, representing over 50% of the total outstanding common stock. Based on the current closing price of our 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.

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**Item 1B. Unresolved Staff Comments.**

None.

**Item 1C. Cybersecurity.**

Risk Management and Strategy

We utilize a Cloud-only architecture which enables us to reduce risk by leveraging the scalability, high availability, and advanced security features of cloud platforms, thereby minimizing the potential for system downtime and data breaches while ensuring seamless disaster recovery options.

All 3rd party vendors' security policies are reviewed and updated as part of our annual Security Risk Assessment. Access to sensitive data is strictly regulated and provided on a need to know basis. Access is granted for the express purpose of assisting our customers with technical and training issues related to the use of our SaaS products; or for the purpose of research, design and development of product related features and bugfixes.

Risk management in software development involves identifying, assessing, and mitigating risks that could impact the project's success. This strategy begins with a thorough risk identification process, where potential issues such as technical challenges, project scope changes, and resource constraints are recognized early. Each risk is then assessed for its probability of occurrence and potential impact on the project. Based on this assessment, risk mitigation strategies are developed and implemented. These strategies might include adopting flexible project management methodologies like Agile, investing in training

for team members, implementing robust testing and quality assurance processes, and maintaining open communication channels with all stakeholders. Additionally, regular risk reviews are conducted throughout the project lifecycle to ensure that new risks are identified and managed promptly.

The Company's Cybersecurity Policies are updated annually and reviewed by Independent 3rd Party Vendors to certify compliance. The Company requires Cybersecurity Awareness training for all new hires and a minimum of an annual review of such policies for all employees. The Company created and deployed an extensive Learning Management System that tracks employee adherence to Cyber Security Awareness, HIPAA and other related content. The Company's Cybersecurity Incident Response Policy provides specific steps for any employee that detects an attack to take to help stop the propagation of the threat and report the incident to their Superiors, the IT Team and the Security Manager.

While there are significant threats of all types in the modern connected world, studies show that phishing attacks and social engineering through email and other electronic means are of high concern. With the vast majority (some say as high as 95%) of such attacks originating via email, employee education on how to identify and handle suspicious email and other forms of communication is critical in protecting the data and infrastructure.

To date, we have not experienced any cybersecurity incidents that have materially affected our business strategy, results of operations or financial condition.

#### **Governance**

The Board is responsible for general risk oversight. The Board reviews and evaluates management's evaluation and mitigation of cyber risks as part of its oversight of the Company's Risk Management program. Management periodically reviews cyber risks, incidents, and risk mitigation plans and activities with the Board.

We engaged an outside consulting firm to conduct a review of our information systems environment and make recommendations to improve security where appropriate. Management shared the report's findings with the Board and periodically updates the Board regarding our progress on implementing the report's recommendations.

#### **Item 2. Properties.**

The Company operates from a 7,650 square foot headquarters located in Ocoee, Florida which has been leased on a six year and one month lease beginning January 2022, with an optional five-year renewal term. 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 [www.sec.gov](http://www.sec.gov), the earlier of June 1, 2023 or completion of build out for a five year term. The Company also operates from a 2,100 square foot office space in Concord, NC which is leased by the Company through August 31, 2024. The Company also operates from a 630 square foot office space in Scottsdale, AZ which is leased by the Company to May 12, 2024.

#### **Item 3. Legal Proceedings**

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.

#### **Item 4. Mine Safety Disclosures.**

Not applicable.

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## **PART II**

### **Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

#### **Market Information**

Our common stock is listed on the NASDAQ Capital Market under the symbol "ICCT".

#### **Holders**

As of April 15, 2024, there were 245 holders of record of our common stock, with 10,150,753 shares of our common stock issued and outstanding.

#### **Dividend Policy**

The Company has never declared or paid dividends on our Common Stock since our formation, and we do not anticipate paying dividends in the foreseeable future. For the year ended December 31, 2022 the Company recorded a charge related to the revaluation of certain warrants which is presented as a Dividend to Common Stockholders however no actual dividend was declared or paid.

#### **Securities Authorized for Issuance under Equity Compensation Plans**

The information required by this item will be incorporated by reference from our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A.  
**Sale of Unregistered Securities**

In September 2023 the Company issued 40,000 shares of Common Stock to the seller of the assets of Preferred Dental Development, LLC which were acquired by the Company as per the Asset Acquisition Agreement.

In September 2023, the Company issued 46,500 shares of Preferred Stock in exchange for \$465,000 in cash proceeds.

In October 2023, the Company issued 6,629 shares of Common Stock and 6,629 common stock warrants in conjunction with a Convertible Promissory Note to a related party which matures on May 26, 2024 which is convertible into 43,837 of common stock. The Company also issued 14,000 common stock warrants to the same related party in conjunction with a Promissory Note which matures on December 31, 2023. In October 2023, the Company also issued 24,500 common stock warrants to an investor in conjunction with a Convertible Promissory Note which matures in May 2024 which is convertible into 189,190 shares of common stock. The Company also issued a convertible note which matures in October 2024 which is convertible into 263,158 shares of common stock.

In December 2023 the Company issued five convertible notes convertible into: 180,506; 34,483; 34,483; 63,695 and 382,051, shares of Common Stock.

## Issuer Purchases of Equity Securities

We did not repurchase any of our equity securities during the year ended December 31, 2023.

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#### **Item 6. Reserved**

#### **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

*The following discussion of our restated financial condition and results of operations should be read in conjunction with our financial statements and the notes to those financial statements included elsewhere in this annual report. This discussion contains forward-looking statements, which are based on our assumptions about the future of our business. Our actual results will likely differ materially from those contained in the forward-looking statements. Please read "Cautionary Note Regarding Forward-Looking Statements" included at the beginning of this annual report for additional information.*

Our Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is provided in addition to the accompanying consolidated financial statements and notes to assist readers in understanding our results of operations, financial condition, and cash flows. MD&A is organized as follows:

- **Overview.** Discussion of our business and overall analysis of financial and other highlights affecting the company in order to provide context for the remainder of MD&A.
- **Critical Accounting Estimates.** Accounting estimates that we believe are most important to understanding the assumptions and judgments incorporated in our reported financial results and forecasts.
- **Results of Operations.** An analysis of our financial results are presented to compare 2023 to 2022. We also provide a discussion of our Liquidity and Capital Resource position and usage.

#### **Overview**

We are a cloud-based software and technology company focused on increasing workflow productivity and customer profitability through our enterprise platform of applications and services.

On January 5, 2023, the Company entered into a Merger Agreement and Plan of Reorganization (the "Merger Agreement"), by and among the Company, iCoreConnect, Inc., a Nevada corporation ("Old iCore"), and FG Merger Sub Inc., a Nevada corporation and a direct, wholly-owned subsidiary of the Company ("Merger Sub"). The Merger Agreement provided that, among other things, at the closing (the "Closing") of the transactions contemplated by the Merger Agreement, Merger Sub will merge with and into Old iCore (the "Merger"), with Old iCore surviving as a wholly-owned subsidiary of the Company. In connection with the Merger, the Company changed its name from FG Merger Corp. to "iCoreConnect Inc." The Merger and the other transactions contemplated by the Merger Agreement are hereinafter referred to as the "Business Combination." On August 25, 2023, Old iCore and FGMC consummated the Business Combination, with Old iCore surviving as a wholly owned subsidiary of FGMC.

During 2023 we developed our newest product iCoreClaims. iCoreClaims is responsible for processing and managing claims submitted by policyholders or dental care providers and typically involves: (a) Claim Submission: Dental care providers (such as dentists or orthodontists) submit claims to the insurance company on behalf of patients after providing dental services. The claim includes details such as the type of treatment provided, codes for procedures performed, patient information, and provider details; (b) Verification and Eligibility: iCoreClaims service verifies the patient's eligibility for coverage based on the terms of their insurance policy. This involves checking if the patient's policy covers the specific dental treatment or procedure being claimed; (c) Adjudication: Once the claim is submitted and eligibility is confirmed, iCoreClaims processes the claim by reviewing it against the terms of the policy. This includes checking for any exclusions or limitations on coverage, ensuring the services rendered are medically necessary, and determining the applicable co-pays, deductibles, and coverage limits; (d) Communication: Throughout the claims process, iCoreClaims communicates with both the dental care provider and the policyholder to resolve any issues, provide explanations of benefits (EOBs), and answer any questions related to the claim; (e) Record Keeping: iCoreClaims maintains records of all claims processed, payments made, and communications related to each claim for auditing, reporting, and customer service purposes. iCoreClaims service plays a crucial role in facilitating the reimbursement process for dental care services covered under insurance policies, ensuring that policyholders receive the benefits they are entitled to and that dental care providers are appropriately compensated for their services. From a technology standpoint, the use of cloud software for documentation and U.S.-based billing specialists highlights iCoreConnect's strategy to combine advanced software with expert human intervention. This hybrid approach can be particularly appealing to healthcare providers who are seeking technological solutions without completely forgoing the human touch that is often necessary for complex billing and coding scenarios.

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#### **SaaS Offerings**

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

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

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)" model with recurring revenue.

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 easily scale their business without extensive capital investment or disruption in services.

The decision makers for our current technology and those for managed services are, in many cases, the same person or group of people and the MSP revenue model matches our SaaS, MaaS MRR (monthly recurring revenue) models.

#### Financing

We are currently funding our business capital requirements through revenues from product sales and services and 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.

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#### Critical Accounting Estimates

Our significant accounting policies are disclosed in Note 3 to the consolidated financial statements. The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the U.S., or GAAP, requires our management to make judgments, assumptions and estimates that affect the amounts of revenue, expenses, income, assets and liabilities, reported in our consolidated financial statements and accompanying notes. Understanding our accounting policies and the extent to which our management uses judgment, assumptions and estimates in applying these policies is integral to understanding our financial statements.

We have identified the following accounting policies as those that require significant judgments, assumptions and estimates and that have a significant impact on our financial condition and results of operations. These policies are considered critical because they may result in fluctuations in our reported results from period to period due to the significant judgments, estimates and assumptions about highly complex and inherently uncertain matters and because the use of different judgments, assumptions or estimates could have a material impact on our financial condition or results of operations. We evaluate our critical accounting estimates and judgments required by our policies on an ongoing basis and update them as appropriate based on changing conditions.

#### Software Development Capitalization and Amortization

We account for software development costs, including costs to develop software products or the software component of products to be marketed to external users.

In accordance with ASC 350, Internal-Use-Software, 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.

We have determined that technological feasibility for our products to be marketed to external users was reached before the development of those products and, 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 marketed to external users are amortized based on current and projected future revenue for each product with an annual minimum cost equal to the straight-line amortization of the costs over three years.

#### Stock-Based Compensation

The Company estimates the fair value of each option award on the date of grant using a Black-Scholes option pricing model that uses the following assumptions. The Company estimates the fair value of its shares of restricted Common Stock using the closing stock price of its common stock on the date of the award. The Company estimates the volatility of its Common Stock at the date of grant based on its historical stock prices. The Company determines the expected life based on historical experience with similar awards, giving consideration to the contractual terms, vesting schedules and post-vesting forfeitures. The Company uses the risk-free interest rate of 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 cash dividends on its Common Stock and does not anticipate paying any cash dividends in the foreseeable future.

#### 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 its impairment assessment in 2023 the Company determined that the carrying value of an intangible asset for customer list exceed its fair value and as such recorded an impairment expense in 2023 in the amount of \$105,676.

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. As of December 31, 2023 there is no impairment of the Company's Goodwill.

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[Table of Contents](#)**Results of Operations**

The following table sets forth our selected financial data for the periods indicated below:

	For Years Ended	
	December 31, 2023	December 31, 2022
Revenue	\$ 8,151,587	\$ 7,987,902
Cost of sales	2,029,145	2,243,253
Gross profit	<u>6,122,442</u>	<u>5,744,649</u>
Expenses		
Selling, general and administrative	15,124,081	9,254,670
Depreciation and amortization	1,274,963	1,292,085
Total operating expenses	<u>16,399,044</u>	<u>10,546,755</u>
Loss from operations	<u>(10,276,602)</u>	<u>(4,802,106)</u>
Other income (expense)		
Interest expense	(1,109,388)	(785,406)
Financing costs	(1,287,916)	(426,419)
Other income (expense)	(459,965)	(65,893)
Impairment of intangible asset	(105,676)	-
Change in fair value of forward purchase agreement	<u>(2,312,116)</u>	<u>-</u>
Total other income (expense)	<u>(5,275,061)</u>	<u>(1,277,718)</u>
Net loss	(15,551,663)	(6,079,824)
Preferred dividends	(368,699)	-
Dividends to Common Stockholders	-	(1,794,704)
Net loss attributable to Common Stockholders	<u>\$ (15,920,362)</u>	<u>\$ (7,874,528)</u>

**Year ended December 31, 2023 compared to the year ended December 31, 2022**

**Revenues.** Net revenues increased 2% or \$163,685 to \$8,151,587 in 2023 from \$7,987,902 in 2022. Revenue growth was attributed to strong growth in the number of recurring revenue subscribers both in terms of new customers as well as with new and existing product uptake along with price increases on existing customer base subscription prices. Recurring revenues increased \$194,503 year on year while non-recurring revenues remained flat year on year.

**Cost of sales.** Cost of sales decreased 10% or \$(214,108) to \$2,029,145 in 2023 from \$2,243,253 in 2022. The decrease in cost of sales is due to the change in the mix of revenues in which recurring revenues have a lower cost of service than non-recurring revenues. The increase in recurring and decrease in non-recurring revenues both contributed to lower costs of sales.

**Selling, general and administrative expenses.** Selling, general and administrative ("SGA") expenses increased 63% or \$5,869,411 to \$15,124,081 in 2023 from \$9,254,670 in 2022. The increase in SGA is largely driven by approximately \$3,200,000 increase in spend associated with professional fees primarily attributable to the Company's merger in August 2023. Office expenses increased approximately \$700,000 year on year driven by costs associated with financing discounts and additional insurance costs not incurred in prior years. Personnel costs increased by approximately \$1,800,000 year on year largely driven on the additional labor costs brought on with the asset acquisition along with an increase in stock-based compensation expense.

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**Depreciation and amortization expenses.** Depreciation and amortization expenses decreased \$(17,122) or (1)% to \$1,274,963 in 2023 from \$1,292,085 in 2022. The decrease in expenses is due to no new additions being added to intangible assets and a moderate increase in capitalized software in 2023 compared to 2022.

**Interest expense.** Interest expense increased \$323,982 or 41% to \$1,109,388 in 2023 from \$785,406 in 2022. The increase in interest expense is attributable to the increase in total debt taken out in 2023 versus 2022 to help bridge the Company to the Business Combination.

**Other income (expense).** Other expenses increased \$394,072 or 598% to \$459,965 in 2023 from \$65,893 in 2022. The increase is related to the charge for a make whole provision the Company entered into in 2023 with one of its lenders who converted their debt into common stock and provided the lender a make whole from the face value of \$10.00 to the price they ultimately sold the common stock at.

**Financing costs.** Financing costs increased \$861,497 or 202% to \$1,287,916 in 2023 from \$426,419 in 2022. The increase in financing fees was a result of the Company issuing convertible debt with features including warrants and inducement shares in 2023.

**Change in fair value of forward purchase agreement.** Change in fair value of forward purchase agreement expenses increased to \$2,312,116 or 100% to \$2,312,116 in 2023 from \$nil in 2022. 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.

**Impairment on intangible asset.** The Company incurred \$105,676 expense in 2023 related to the carrying value of a customer list purchased in 2022 which was in excess of its fair value. The Company adjusted the carrying value to equal the fair value. No impairment was determined in 2022.

**Preferred dividends.** Preferred dividends increased to \$368,699 or 100% to \$368,699 in 2023 from \$nil in 2022. The preferred dividend relates to dividends accrued for the Company's issued and outstanding Series A Preferred Stock excluding Series A Preferred Stock held by the sponsor of the SPAC transaction and the shares underlying the Forward Purchase Agreement.

**Dividends to Common Stockholders.** The Company incurred expenses related to the revaluation of certain warrants that contained anti-dilution provisions related to down round financing for total expense of \$nil for 2023 and \$1,794,704 for 2022, respectively.

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**GOING CONCERN AND LIQUIDITY**

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:

	December 31,	December 31,	% Incr/
	2023	2022	(Decr)
<b>Balance Sheet Data</b>			
<b>Total Current Assets</b>	\$ 3,508,325	\$ 1,091,668	221%
<b>Total Current Liabilities</b>	8,876,310	6,798,969	31%
<b>Working capital (deficit)</b>	\$ (5,367,985)	\$ (5,707,301)	(6)%
<b>Deferred Revenue</b>	119,598	13,847	764%

Liquidity describes the ability of a company to generate sufficient cash flows to meet the cash requirements of its business operations, including working capital needs, debt service, acquisitions, contractual obligations and other commitments. We assess liquidity in terms of our cash flows from operations and their sufficiency to fund our operating and investing activities. As of December 31, 2023, we had cash totaling \$1,219,358.

We expect our capital expenditures and working capital requirements to increase moderately in the near future, as we continue to innovate with new products, add enhancements and increase our sales force. Over the next two to three years, we expect to spend in excess of \$4,000,000 on software development.

We will need to raise additional funds, including through the issuance of equity, equity-related or debt securities or by obtaining additional credit from financial institutions to fund, together with our principal sources of liquidity, ongoing costs, such as software development, expansion of our sales force, and new strategic investments. If such financings are not available, or if the terms of such financings are less desirable than we expect, we may be forced to take actions to reduce our capital or operating expenditures, including by not seeking potential acquisition opportunities, eliminating redundancies, or reducing or delaying our product development road map, which may adversely affect our business, operating results, financial condition and prospects. Further, any future debt or equity financings may be dilutive to our current stockholders.

The following table summarizes the impact of operating, investing and financing activities on our cash flows for the years ended December 31, 2023 and 2022.

	Year Ended	
	December 31, 2023	December 31, 2022
<b>Net cash used in operating activities</b>	\$ (8,824,972 )	\$ (1,272,995 )
<b>Net cash used in investing activities</b>	(10,214,715 )	(293,965 )
<b>Net cash provided by financing activities</b>	20,062,892	1,691,306
<b>Net Increase in cash</b>	1,023,205	124,346
<b>Cash at the beginning of the year</b>	196,153	71,807
<b>Cash at the end of the year</b>	\$ 1,219,358	\$ 196,153

The primary factors that influence our liquidity include, but are not limited to, the amount and timing of our revenues, cash collections from our clients, investments in software development, and ongoing capital raise efforts.

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**Operating Activities:** Net cash required by operating activities increased \$7,551,977 or 593% to \$8,824,972 in 2023 from \$1,272,995 in 2022. The increase in cash utilized by operating activities is primarily attributable to the larger net loss year on year of \$9,840,538 offset with non-cash add backs of \$3,211,125 and \$1,014,462 in working capital changes year on year, respectively. Future spending on operating activities are expected to be funded by the revenues realized by the Company, the issuance of notes payable and the sale of additional shares of either common stock or Series A Preferred Stock.

**Investing Activities:** Net cash used by investing activities increased \$9,920,750 or 3,375% to \$10,214,715 in 2023 from \$293,965 in 2022. The increase in cash utilized by investing activities was primarily due to the Company entering into a Forward Purchase Agreement which accounted for \$7,796,672 of the net

change along with \$1,559,144 used in the asset acquisition of Preferred Dental Services. Future spending on investing activities is expected to be funded by the issuance of notes payable and the sale of additional shares of either common stock or Series A Preferred Stock.

**Financing Activities:** Net cash provided by financing activities increased \$18,371,586 or 1,086% to \$20,062,892 in 2023 from \$1,691,306 in 2022. The issuances of Series A Preferred Stock for \$18,312,897 along with the issuances of common stock in the amount of \$2,881,024 coupled with the net proceeds of debt in the amount of \$6,561,354 accounted for the majority of the increase in 2023 offset by \$7,692,383 in merger transaction costs.

U.S. GAAP requires management to assess a company's ability to continue as a going concern within one year from the financial statement issuance and to provide related note disclosures in certain circumstances.

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 fiscal year period ended December 31, 2023, the Company generated an operating loss of \$10,276,602. In addition, the Company has an accumulated deficit, and net working capital deficit of \$115,038,758 and \$5,367,985. 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. The financing may not be available on terms satisfactory to the Company, if at all. Considering these matters, there is substantial doubt that the Company will provide copies be able to continue as a going concern.

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Our material cash requirements from known contractual and other obligations primarily relate to our content, debt and lease obligations. As of these documents without charge upon request from us in writing at 104 S. Walnut Street, Unit 1A, Itasca, Illinois 60143 or by telephone at (708) 870-7365.

[Table December 31, 2023, the expected timing of Contents](#) those payments are as follows:

	Total	Next 12 Months	Beyond 12 Months
Debt (1)	\$ 6,691,566	\$ 5,271,429	\$ 1,420,137
Operating lease obligations (2)	1,187,834	241,945	945,889
Total	\$ 7,879,400	\$ 5,513,374	\$ 2,366,026

(1) Debt obligations include our Notes and Notes to Related Party consisting of principal and interest payments. See Note 8 Debt and Note 13 Related Party in the accompanying notes to our financial statements for further details.

(2) See Note 11 Commitments and Contingencies in the accompanying notes to our financial statements for further details regarding leases.

**Item 1A. RISK FACTORS 7A. Quantitative and Qualitative Disclosures About Market Risk.**

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item. For a complete list of risks relating to our operations, see the section titled "Risk Factors" contained in our Registration Statement.

We have also identified one additional risk factor, beyond what has been included in our Registration Statement, that we have listed below.

**A new 1% U.S. federal excise tax could be imposed on us in connection with future redemptions by us of our shares.**

On August 16, 2022, the Inflation Reduction Act of 2022 (the "IR Act") was signed into federal law. The IR Act provides for, among other things, a new U.S. federal 1% excise tax on certain repurchases (including redemptions) of stock by publicly traded domestic corporations and certain domestic subsidiaries of publicly traded foreign corporations. The excise tax is imposed on the repurchasing corporation itself, not its stockholders from which shares are repurchased. The amount of the excise tax is generally 1% of the fair market value of the shares repurchased at the time of the repurchase. However, for purposes of calculating the excise tax, repurchasing corporations are permitted to net the fair market value of certain new stock issuances against the fair market value of stock repurchases during the same taxable year. In addition, certain exceptions apply to the excise tax. The U.S. Department of the Treasury has been given authority to provide regulations and other guidance to carry out, and prevent the avoidance of, the excise tax. The IR Act applies only to repurchases that occur after December 31, 2022. It is possible that this tax will apply to future SPAC redemptions and liquidations.

**Item 1B. UNRESOLVED STAFF COMMENTS**

None.

## **Item 2. PROPERTIES**

We currently maintain our executive offices at 104 S. Walnut Street, Unit 1A, Itasca, IL 60143. Our executive offices are provided to us by our sponsor at a minimal payment per month (included in the fee of up to \$10,000 per month that we pay to our sponsor for administrative and support services). We consider our current office space adequate for our current operations.

## **Item 3. LEGAL PROCEEDINGS**

There is no material litigation, arbitration or governmental proceeding currently pending against us or any members of our management team in their capacity as such.

## **Item 4. MINE SAFETY DISCLOSURES**

Not applicable.

## **PART II**

### **Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

#### **Market for Registrant's Common Stock**

Our units, common stock, and warrants are each traded on the Nasdaq Global Market tier of the Nasdaq Stock Market, LLC under the symbols "FGMCU," "FGMC," and "FGMCW," respectively.

Our public units commenced trading on February 25, 2022. On April 18, 2022, our public ordinary shares and public warrants included in the public units began separate trading. Public units not separated will continue to be listed on the Nasdaq Global Market. At December 31, 2022, there were 10,157,750 of our ordinary shares issued and outstanding.

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#### **Holders**

As of February 2, 2023, there were fourteen holders of record of our units, eight holder of record of our common stock and two holders of record of our warrants.

#### **Dividends**

We have not paid any cash dividends on our common stock to date and do not intend to pay cash dividends prior to the completion of our initial business combination. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of our initial business combination. Further, if we incur any indebtedness in connection with our initial business combination, our ability to declare dividends may be limited by restrictive covenants we may agree to in connection therewith. The payment of any cash dividends subsequent to our initial business combination will be within the discretion of our board of directors at such time. In addition, our board of directors is not currently contemplating and does not anticipate declaring any share capitalizations in the foreseeable future.

#### **Securities Authorized for Issuance under Equity Compensation Plans**

None.

#### **Unregistered Sales of Equity Securities and Use of Proceeds**

On January 10, 2022, we issued an aggregate of 2,012,500 shares of Founder Shares to the Sponsor for an aggregate purchase price of \$25,000 in cash. On January 11, 2022, the Sponsor transferred an aggregate of 60,000 Founder Shares to members of the Company's management and board of directors as well as senior advisors, resulting in the Sponsor holding 1,952,500 Founder Shares.

The registration statement for the Company's Offering was declared effective on February 25, 2022. On March 1, 2022, the Company consummated its Offering of 7,000,000 Units, and, on March 3, 2022, 1,050,000 Units were issued pursuant to the underwriters' full exercise of their over-allotment option. Each

Unit consists of one common stock of the Company and three-quarters of one redeemable Public Warrant, each whole Public Warrant entitling the holder thereof to purchase one share of common stock for \$11.50 per share. The Units were sold at a price of \$10.00 per Unit, generating gross proceeds to the Company of \$80,500,000. The Public Warrants will become exercisable on the later of 30 days after the completion of Business Combination and 12 months from the closing of the Offering, and will expire five years after the completion of Business Combination or earlier upon Company's liquidation.

Simultaneously with the closing of the IPO, the Company consummated Private Placements of i) 1,000,000 \$15 Private Warrants at a price of \$0.10 per \$15 Private Warrant, ii) 3,950,000 \$11.50 Private Warrants at a price of \$1.00 per \$11.50 Private Warrant, and iii) 55,000 Private Units at \$10.00 per unit to the Sponsor, directors, and officers, for the aggregate purchase price of \$4,600,000.

Each Private Unit consists of one common stock and three-quarters of one non-redeemable Private Unit Warrant. Each whole Private Unit Warrant will entitle the holder to purchase one share of common stock at an exercise price of \$11.50 per share.

Each \$15 Private Warrant will entitle the holder to purchase one share of Common Stock at an exercise price of \$15.00 per each share, will be exercisable for a period of 10 years from the date of Business Combination, will be non-redeemable, and may be exercised on a cashless basis. Additionally, \$15 Private Warrants and the shares issuable upon the exercise of the \$15 Private Warrants will not be transferable, assignable or salable until after the completion of a Business Combination, subject to certain limited exceptions.

Each \$11.50 Private Warrant will entitle the holder to purchase one common share at an exercise price of \$11.50 per each share, will be exercisable for a period of five years from the date of Business Combination, will be non-redeemable, and may be exercised on a cashless basis. Additionally, \$11.50 Private Warrants and the shares issuable upon the exercise of the \$11.50 Private Warrants will not be transferable, assignable or salable until after the completion of a Business Combination, subject to certain limited exceptions.

Following the closing of the IPO on March 1, 2022, and subsequent closing of the underwriters' option of the over-allotment on March 3, 2022, a total of \$82,512,500 (\$10.25 per Unit) from the net proceeds of the sale of Units in the IPO, the sale of securities in the Private Placements and proceeds from the closing of underwriters' option of over-allotment were placed in the Trust Account.

We paid a total of \$750,000 in underwriting fees and \$490,837 for other costs and expenses related to the IPO.

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### Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

### Item 6. Selected financial Data

As a smaller reporting company, we are not required to make disclosures under this Item.

### Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

*All statements other than statements of historical fact included in this Form 10-K including, without limitation, statements under "Management's Discussion and Analysis of Financial Condition and Results of Operations" regarding the Company's financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. When used in this Form 10-K, words such as "anticipate," "believe," "estimate," "expect," "intend" and similar expressions, as they relate to us or the Company's management, identify forward-looking statements. Such forward-looking statements are based on the beliefs of management, as well as assumptions made by, and information currently available to, the Company's management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors detailed in our filings with the SEC.*

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the financial statements and the notes thereto contained elsewhere in this report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

### Overview

FG Merger Corp. (the "Company") is a blank check company incorporated in Delaware on December 23, 2020. The Company was formed for the purpose of merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities ("Business Combination").

Although the Company is not limited to a particular industry or geographic region for purposes of consummating a Business Combination, the Company intends to focus on businesses in the financial services industry. The Company is an early stage and emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

As of December 31, 2022, the Company had not yet commenced any operations. All activity through December 31, 2022 relates to the Company's formation, the initial public offering ("IPO"), and the search for a business combination target. The Company will not generate any operating revenues until after the completion of its initial Business Combination, at the earliest. The Company will generate nonoperating income in the form of interest income from the proceeds derived from the IPO. The Company has selected December 31 as its fiscal year end.

The registration statement for the Company's Initial Public Offering was declared effective on February 25, 2022. On March 1, 2022, the Company consummated its IPO of 7,000,000 units (the "Units"). On March 3, 2022, 1,050,000 additional Units were issued pursuant to the underwriters' full exercise of their over-allotment option. The Units were sold at a price of \$10.00 per Unit, generating gross proceeds to the Company of \$80,500,000.

Each Unit consists of one common stock of the Company, par value \$0.0001 per share (the "Public Share") and three-quarters of one redeemable warrant (the "Public Warrant"), each whole Public Warrant entitling the holder thereof to purchase one share of common stock for \$11.50 per share. The Units were sold at a price of \$10.00 per Unit, generating gross proceeds to the Company of \$80,500,000. The Public Warrants will become exercisable on the later of 30 days after the completion of Business Combination and 12 months from the closing of the IPO and will expire five years after the completion of Business Combination or earlier upon the Company's liquidation.

Simultaneously with the closing of the IPO, the Company consummated private placements (the "Private Placements") of i) 1,000,000 \$15.00 exercise price warrants (the "\$15 Private Warrants") at a price of \$0.10 per \$15 Private Warrant, ii) 3,950,000 \$11.50 exercise price warrants (the "\$11.50 Private Warrants") at a price of \$1.00 per \$11.50 Private Warrant, and iii) 55,000 units at \$10.00 per unit (the "Private Units" and, together with the \$15 Private Warrants and \$11.50 Private Warrants, the "Private Placement Securities") to the Company's sponsor, FG Merger Investors LLC (the "Sponsor"), directors, and officers, for the aggregate purchase price of \$4,600,000.

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Each Private Unit consists of one Common Stock and three-quarters of one non-redeemable warrant ("Private Unit Warrant"). Each whole Private Unit Warrant will entitle the holder to purchase one share of common stock at an exercise price of \$11.50 per share.

Each \$15 Private Warrant will entitle the holder to purchase one share of Common Stock at an exercise price of \$15.00 per each share, will be exercisable for a period of 10 years from the date of Business Combination, will be non-redeemable, and may be exercised on a cashless basis. Additionally, \$15 Private Warrants and the shares issuable upon the exercise of the \$15 Private Warrants will not be transferable, assignable or salable until after the completion of a Business Combination, subject to certain limited exceptions.

Each \$11.50 Private Warrant will entitle the holder to purchase one common share at an exercise price of \$11.50 per each share, will be exercisable for a period of five years from the date of Business Combination, will be non-redeemable, and may be exercised on a cashless basis. Additionally, \$11.50 Private Warrants and the shares issuable upon the exercise of the \$11.50 Private Warrants will not be transferable, assignable or salable until after the completion of a Business Combination, subject to certain limited exceptions.

The Company Units are listed on NASDAQ. The Company's management has broad discretion with respect to the specific application of the net proceeds of the IPO and Private Placement Securities, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. NASDAQ rules provide that the Business Combination must be with one or more target businesses that together have a fair market value equal to at least 80% of the net assets held in the Trust Account (as defined below) (excluding any taxes payable on interest earned on the trust account). The Company will only complete a Business Combination if the post-Business Combination company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act of 1940 as amended (the "Investment Company Act"). There is no assurance that the Company will be able to successfully effect a Business Combination.

Following the closing of the IPO on March 1, 2022, and subsequent closing of the over-allotment on March 3, 2022, a total of \$82,512,500 (\$10.25 per unit) from the net proceeds of the sale of Units in the IPO and the sale of Private Placement Securities as well as the proceeds from the closing of the over-allotment option were placed in a trust account ("Trust Account") and invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, until the earlier of: (i) the consummation of a Business Combination or (ii) the distribution of the funds in the Trust Account to the Company's shareholders, as described below.

The Company will provide its shareholders with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a shareholder meeting called to approve the Business Combination or (ii) by means of a tender offer. In connection with a proposed Business Combination, the Company may seek shareholder approval of a Business Combination at a meeting called for such purpose at which shareholders may seek to redeem their shares, regardless of whether they vote for or against the proposed Business Combination. The Company will proceed with a Business Combination only if the Company has net tangible assets of at least \$5,000,000 upon or immediately prior to such consummation of a Business Combination and, if the Company seeks shareholder approval, a majority of the outstanding shares voted are voted in favor of the Business Combination.

If the Company seeks shareholder approval of a Business Combination and it does not conduct redemptions pursuant to the tender offer rules, the Company's amended and restated certificate of incorporation provides that a public shareholder, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a "group" (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), will be restricted from seeking redemption rights with respect to 15% or more of the Public Shares without the Company's prior written consent.

The holders of Public Shares will be entitled to redeem their Public Shares for a pro rata portion of the amount then in the Trust Account (including any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations). There will be no redemption rights upon the completion of a Business Combination with respect to the Company's warrants.

If a shareholder vote is not required and the Company does not decide to hold a shareholder vote for business or other legal reasons, the Company will, pursuant to its amended and restated certificate of incorporation, offer such redemption pursuant to the tender offer rules of the Securities and Exchange Commission ("SEC"), and file tender offer documents containing substantially the same information as would be included in a proxy statement with the SEC prior to completing a Business Combination.

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The Sponsor, officers, directors and advisors (the "Initial Shareholders") have agreed (a) to vote their Founder Shares (as defined in Note 5) as well as any common shares underlying the Private Units, and any Public Shares purchased during or after the IPO in favor of a Business Combination, (b) not to propose an amendment to the Company's amended and restated certificate of incorporation with respect to the Company's pre-Business Combination activities prior to the consummation of a Business Combination unless the Company provides dissenting public shareholders with the opportunity to redeem their Public Shares in conjunction with any such amendment; (c) not to redeem any shares (including the Founder Shares as well as any common shares underlying the Private Units) into the right to receive cash from the Trust Account in connection with a shareholder vote to approve a Business Combination (or to sell any shares in a tender offer in connection with a Business Combination if the Company does not seek shareholder approval in connection therewith) or a vote to amend the provisions of the amended and restated certificate of incorporation relating to shareholders' rights of pre-Business Combination activity and (d) that the Founder Shares, the Private Units and \$15 and \$11.50 Private Warrants (including underlying securities) shall not participate in any liquidating distributions upon winding up if a Business Combination is not consummated. However, the Initial Shareholders will be entitled to liquidating distributions from the Trust Account with respect to any Public Shares purchased during or after the IPO if the Company fails to complete its Business Combination.

The Company will have until 15 months (or 18 months if the time to complete a business combination is extended as described herein) from the closing of the IPO to consummate a Business Combination. In addition, if the Company anticipates that it may not be able to consummate an initial business combination within 15 months, the Company's insiders or their affiliates may, but are not obligated to, extend the period of time to consummate a business combination by an additional three months (for a total of 18 months to complete a business combination) (the "Combination Period"). In order to extend the time available for the Company to consummate a Business Combination, the Sponsor or its affiliate or designees must deposit into the Trust Account \$805,000 (\$0.10 per Public Share in either case), on or prior to the 15-month anniversary of the closing of the IPO.

If the Company is unable to complete a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than ten business days thereafter, redeem 100% of the outstanding Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned (net of taxes payable and less interest to pay dissolution expenses up to \$100,000), divided by the number of then outstanding Public Shares, which redemption will completely extinguish

public shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining shareholders and the Company's board of directors, proceed to commence a voluntary liquidation and thereby a formal dissolution of the Company, subject in each case to its obligations to provide for claims of creditors and the requirements of applicable law. There will be no redemption rights or liquidation distribution with respect to the Company's warrants, which will expire worthless if the Company fails to complete its initial Business Combination within the Combination period.

The Sponsor has agreed that it will be liable to the Company, if and to the extent any claims by a vendor for services rendered or products sold to the Company, or a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amounts in the Trust Account to below \$10.25 per share, except as to any claims by a third party who executed a waiver of any and all rights to seek access to the Trust Account and except as to any claims under the Company's indemnity of the underwriters of the IPO against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). In the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third-party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers, prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

#### **Recent Developments**

On January 5, 2023, the Company entered into a Merger Agreement and Plan of Reorganization (the "**Merger Agreement**"), by and among FGMC, FG Merger Sub Inc., a Nevada corporation and a direct, wholly-owned subsidiary of FGMC ("**Merger Sub**"), and iCoreConnect Inc., a Nevada corporation ("**iCoreConnect**"). The Merger Agreement and the transactions contemplated thereby were approved by the boards of directors of each of FGMC, Merger Sub, and iCoreConnect.

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The Merger Agreement provides that, among other things, at the closing (the "**Closing**") of the transactions contemplated by the Merger Agreement, Merger Sub will merge with and into iCoreConnect (the "**Merger**"), with iCoreConnect surviving as a wholly-owned subsidiary of FGMC. In connection with the Merger, FGMC will change its name to "iCoreConnect Inc." The Merger and the other transactions contemplated by the Merger Agreement are hereinafter referred to as the "**Business Combination**." The Business Combination is expected to close in the second quarter of 2023, subject to customary closing conditions, including the receipt of certain governmental approvals and the required approval by the stockholders of FGMC and iCoreConnect.

#### **Pre-Closing FGMC Conversion**

Prior to the Closing, each share of FGMC common stock, par value \$0.0001 ("**FGMC Common Stock**") shall be converted into shares of newly issued FGMC preferred stock, par value \$0.0001 ("**FGMC Preferred Stock**"). The FGMC Preferred Stock shall have the rights, preferences, powers, privileges and restrictions, qualifications and limitations, including but not limited to:

- The holders of Preferred Stock shall not be entitled to vote on any matters submitted to the stockholders of FGMC.
- From and after the date of the issuance of any shares of FGMC Preferred Stock, dividends shall accrue at the rate per annum of 12% of the original issue price for each share of FGMC 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 anniversary of the date of the original issuance of the FGMC Preferred Stock to each holder of FGMC 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 FGMC Preferred Stock, FGMC may, at its option, pay all or part of the accruing dividends on the FGMC Preferred Stock by issuing and delivering additional shares of FGMC Preferred Stock to the holders thereof.
- FGMC shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of FGMC the holders of the FGMC Preferred Stock then outstanding shall first receive dividends due and owing on each outstanding share of FGMC Preferred Stock.
- In the event of any liquidation, dissolution or winding up of FGMC, the holders of shares of FGMC Preferred Stock then outstanding shall be entitled to be paid out of the assets of FGMC 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 FGMC Preferred Stock been converted into FGMC 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 FGMC Common Stock.

- After 24 months from the closing of the Business Combination, in the event the closing share price of the FGMC Common Stock shall exceed 140% of the Conversion Price (as defined below) then in effect, then (i) each outstanding share of FGMC Preferred Stock shall automatically be converted into such number of shares of FGMC 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 FGMC, subject to adjustment. At the time of such conversion, FGMC 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 FGMC, (i) issuing additional FGMC Preferred Stock or (ii) paying cash.
- The "Conversion Price" shall initially mean, as to the Preferred Stock, \$10 per share; provided that the Conversion Price shall be reset to the lesser of \$10 or 20% above the simple average of the volume weighted average price on the 20 trading days following 12 months after the later of (x) the date hereof or (y) the registration of the Common Stock underlying the Preferred Stock; provided further that such Conversion Price shall be no greater than \$10 and no less than \$2 and subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the applicable Preferred Stock.
- Each share of FGMC 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 FGMC 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 for stock splits, dividends, reorganization, recapitalization etc.
- Immediately prior to any such optional conversion FGMC shall pay all dividends on the FGMC Preferred Stock being converted that are accrued and unpaid as of such time by, either, at the option of FGMC: (i) issuing additional FGMC Preferred Stock or (ii) paying cash.

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### **Pre-Closing iCoreConnect Conversion**

Prior to the Closing, (i) each vested, issued and outstanding option to purchase iCoreConnect common stock par value \$0.001 ("iCoreConnect Common Stock") shall be exercised into shares of iCoreConnect Common Stock (ii) each issued and outstanding warrant to purchase iCoreConnect Common Stock shall be exercised into shares of iCoreConnect Common Stock and (iii) the outstanding principal together with all accrued and unpaid interest under each iCoreConnect convertible promissory note shall be converted into shares of iCoreConnect Common Stock.

### **Business Combination Consideration**

The aggregate consideration to be received by the iCoreConnect stockholders is based on a pre-transaction equity value of \$98,000,000 (subject to usual and customary working capital adjustments and any adjustments to reflect the effect of any stock split, reverse stock split, stock dividend, reorganization, recapitalization, reclassification, combination, merger, sale or exchange of shares or other like change with respect to shares of FGMC Common Stock, occurring prior to the Closing date). In accordance with the terms and subject to the conditions of the Merger Agreement, immediately prior to the effective time of the Closing each share of issued and outstanding iCoreConnect Common Stock, shall be converted into a number of shares of FGMC Common Stock, based on the Exchange Ratio (as defined in the Merger Agreement).

### **Governance**

The parties have agreed that effective immediately after the Closing of the Business Combination, the FGMC Board will be comprised of the directors designated by iCoreConnect by written notice to FGMC and reasonably acceptable to FGMC.

### **Representations and Warranties; Covenants**

The Merger Agreement contains representations, warranties and covenants of each of the parties thereto that are customary for transactions of this type, including, among others, covenants providing for (i) certain limitations on the operation of the parties' respective businesses prior to consummation of the Business Combination, (ii) the parties' efforts to satisfy conditions to consummation of the Business Combination, including by obtaining necessary approvals from governmental agencies (including U.S. federal antitrust authorities and under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act")), and (iii) the parties preparing and filing a registration statement on Form S-4 and a joint proxy statement with the Securities and Exchange Commission (the "SEC") and taking certain other actions to obtain the requisite approval of each party's stockholders to vote in favor of certain matters, including the adoption of the Merger Agreement and approval of the Business Combination, at special meetings to be called for the approval of such matters.

In addition, FGMC has agreed to adopt an equity incentive plan, as described in the Merger Agreement.

### **Conditions to Each Party's Obligations**

The obligations of FGMC and iCoreConnect to consummate the Business Combination are subject to certain closing conditions, including, but not limited to, (i) the approval of FGMC's stockholders, (ii) the approval of iCoreConnect's stockholders, (iii) the expiration or termination of the applicable waiting period under the HSR Act, (iv) FGMC's Form S-4 registration statement becoming effective and (v) FGMC having at least \$5,000,001 of net tangible assets following the exercise of stockholder redemption rights in accordance with FGMC's charter.

In addition, the obligations of FGMC and Merger Sub to consummate the Business Combination are also subject to the fulfillment (or waiver) of other closing conditions, including, but not limited to, (i) the representations and warranties of iCoreConnect being true and correct to the standards applicable to such representations and warranties and each of the covenants of iCoreConnect having been performed or complied with in all material respects, (ii) delivery of certain ancillary agreements required to be executed and delivered in connection with the Business Combination; (iii) no Company Material Adverse Effect (as defined in the Merger Agreement) having occurred, (iv) iCoreConnect having effected the conversions of outstanding iCoreConnect option, warrants and convertible promissory notes described above and (v) the \$15 Exercise Price Warrants Purchase Agreement, dated as of February 25, 2022, by and between FGMC and FG Merger Investors LLC shall have been amended to provide that each \$15 Exercise Price Warrant (as defined therein) shall entitle the holder thereof to purchase one share of FGMC preferred stock, par value \$0.0001 per share at the exercise price of \$15.00 per share.

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The obligation of iCoreConnect to consummate the Business Combination is also subject to the fulfillment (or waiver) of other closing conditions, including, but not limited to, (i) the representations and warranties of FGMC and Merger Sub being true and correct to the standards applicable to such representations and warranties and each of the covenants of FGMC and Merger Sub having been performed or complied with in all material respects and (ii) the shares of FGMC Common Stock issuable in connection with the Business Combination being listed on the Nasdaq Stock Market.

### **Termination**

The Merger Agreement may be terminated under certain customary and limited circumstances prior to the Closing, including, but not limited to, (i) by mutual written consent of FGMC and iCoreConnect, (ii) by FGMC, on the one hand, or iCoreConnect, on the other hand, if there is any breach of the representations, warranties, covenant or agreement of the other party as set forth in the Merger Agreement, in each case, such that certain conditions to closing cannot be satisfied and the breach or breaches of such representations or warranties or the failure to perform such covenant or agreement, as applicable, are not cured or cannot be cured within certain specified time periods, (iii) by either FGMC or iCoreConnect if the Business Combination is not consummated prior to the later of (A) June 1, 2023 and (B) September 1, 2023 if FGMC extends the deadline by which it must complete its initial business combination in accordance with its amended and restated certificate of incorporation, provided the failure to close by such date is not due to a breach by the terminating party and (iv) by either FGMC or iCoreConnect if a meeting of FGMC's stockholders is held to vote on proposals relating to the Business Combination and the stockholders do not approve the proposals.

A copy of the Merger Agreement is filed with the Current Report on [Form 8-K, filed January 6, 2022, as Exhibit 2.1](#) and is incorporated herein by reference, and the foregoing description of the Merger Agreement is qualified in its entirety by reference thereto. The Merger Agreement contains representations, warranties and covenants that the respective parties made to each other as of the date of the Merger Agreement or other specific dates. The assertions embodied in those representations, warranties and covenants were made for purposes of the contract among the respective parties and are subject to important qualifications and limitations agreed to by the parties in connection with negotiating such agreement. The representations, warranties and covenants in the Merger Agreement are also modified in important part by the underlying disclosure schedules which are not filed publicly and which are subject to a contractual standard of materiality different from that generally applicable to stockholders and were used for the purpose of allocating risk among the parties rather than establishing matters as facts. FGMC and iCoreConnect do not believe that these schedules contain information that is material to an investment decision.

### **Certain Related Agreements**

The Business Combination Agreement contemplates the execution of various additional agreements and instruments, on or before the Closing, including, among others, the following:

#### **iCoreConnect Support Agreement**

In connection with the execution of the Merger Agreement, certain stockholders of iCoreConnect have entered into a support agreement (the "iCoreConnect Support Agreement") pursuant to which the stockholders of iCoreConnect that are parties to the iCoreConnect Support Agreement have agreed to vote all

shares of common stock of iCoreConnect beneficially owned by them in favor of the Merger Agreement and related transactions (as more fully described in the iCoreConnect Support Agreement).

#### **Sponsor Support Agreement**

In connection with the execution of the Merger Agreement, FGMC, iCoreConnect, FG Merger Investors LLC, a Delaware limited liability company (the "Sponsor") and certain stockholders of FGMC entered into a Sponsor Support Agreement (the "Sponsor Support Agreement") pursuant to which the Sponsor and such stockholders agreed to, among other things, vote at any meeting of the stockholders of FGMC all of their shares of FGMC Common Stock held of record or thereafter acquired in favor of the proposals relating to the Business Combination (as more fully described in the Sponsor Support Agreement).

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#### **Lock-Up Agreement**

In connection with the Closing, the Sponsor and certain existing stockholders of FGMC and certain existing equityholders of iCoreConnect (each, a "Lock-up Holder") will enter into an agreement (the "Lock-Up Agreement"), pursuant to which and subject to certain customary exceptions, during the period commencing on the date of the Closing and ending on the date that is one hundred eighty (180) days after the consummation of the Business Combination such Lock-up Holder will agree not to (i) offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of the Lock-up Shares (as defined in the Lock-Up Agreement, which shall include certain securities held by the Lock-Up Holders), (ii) enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of such Lock-up Shares, whether any of these transactions are to be settled by delivery of any such Lock-up Shares, in cash or otherwise, (iii) publicly disclose the intention to make any offer, sale, pledge or disposition, or (iv) enter into any transaction, swap, hedge or other arrangement, or engage in any short sales with respect to any security of FGMC (as more fully described in the Lock-Up Agreement).

#### **Amended and Restated Registration Rights Agreement**

In connection with the Closing, FGMC will enter into an amended and restated registration rights agreement (the "Amended and Restated Registration Rights Agreement"), pursuant to which, the Registration Rights Agreement, dated as of February 25, 2022, among FGMC and the other parties thereto is terminated and whereby FGMC will agree to, among other things, file a resale shelf registration statement registering certain of the securities held by the Holders (as defined in the Amended and Restated Registration Rights Agreement, which will include certain existing stockholders of FGMC and certain existing equityholders of iCoreConnect) no later than 20 business days after the closing of the Business Combination. The Amended and Restated Registration Rights Agreement will also provide certain registration rights, including customary demand registration rights and piggyback registration rights to the Holders, subject to customary exceptions, terms and conditions. FGMC will agree to pay certain fees and expenses relating to registrations under the Amended and Restated Registration Rights Agreement (as more fully described in the Amended and Restated Registration Rights Agreement).

#### **Sponsor Forfeiture Agreement**

In connection with the execution of the Merger Agreement, FG Merger Investors LLC, the Sponsor, FGMC and iCoreConnect entered into a sponsor forfeiture agreement (the "Sponsor Forfeiture Agreement") pursuant to which the Sponsor has agreed that if at the closing of the Business Combination the SPAC Closing Cash (as defined in the Sponsor Forfeiture Agreement) is less than \$20,000,000 then upon and subject to such closing the Sponsor will forfeit any and all dividends accrued on any shares of preferred stock, par value \$0.0001 of FGMC ("Preferred Stock") owned by the Sponsor, at the time of payment, whether such dividend shall be paid in cash or by the issuance of additional shares of Preferred Stock (as more fully described in the Sponsor Forfeiture Agreement).

#### **Results of Operations**

We have neither engaged in any operations nor generated any revenues to date. Our only activities through December 31, 2022 were organizational activities, including those necessary to prepare for the IPO and identifying a target company for a Business Combination. We do not expect to generate any operating revenues until after the completion of our Business Combination. We generate non-operating income in the form of interest income on marketable securities. We incur expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses in connection with completing a Business Combination.

For the year ended December 31, 2022, the Company reported net loss of \$125,789, which consists of \$922,230 of general and administrative expenses as well as \$170,632 of franchise taxes and \$215,000 of income taxes, offset by \$1,182,073 of investment income earned in Trust Account.

#### **Liquidity and Capital Resources**

On March 1, 2022, we consummated our IPO of 7,000,000 Units, generating gross proceeds of \$70,000,000. On March 3, 2022, 1,050,000 additional Units were issued pursuant to the underwriters' full exercise of their over-allotment option, generating additional gross proceeds of \$10,500,000, for total proceeds of \$80,500,000.

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Simultaneously with the closing of the IPO, we completed the private sale of i) 1,000,000 \$15 Private Warrants generating total proceeds of \$1,000,000, ii) 3,950,000 \$11.50 Private Warrants generating total proceeds of \$3,950,000, and iii) 55,000 Private Units generating total proceeds of \$55,000. From the proceeds of the IPO and private placement of \$15 Private Warrants, \$11.50 Private Warrants, and Private Units, the Company retained approximately \$900,000 for working capital needs after transfer of proceeds to the Trust Account and payment of expenses related to the IPO and directors and officers insurance. As of December 31, 2022, the Company held a cash balance of \$521,865 outside of the Trust Account.

For the year ended December 31, 2022, cash used in operating activities was \$332,178, consisting primarily of (i) net loss of \$125,789, and (ii) change in operating assets and liabilities which include a decrease in prepaid expenses by \$223,692, an increase in accounts payable by \$296,684, and an increase in tax liabilities by \$384,974.

In order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of our officers and directors may, but are not obligated to, loan us funds as may be required ("Working Capital Loans"). As of December 31, 2022, there were no Working Capital Loans under this arrangement.

We do not believe we will need to raise additional funds in order to meet the expenditures required for operating our business. However, if our estimate of the costs of identifying a target business, undertaking in-depth due diligence and negotiating a Business Combination are less than the actual amount necessary to do so, we may have insufficient funds available to operate our business prior to our initial Business Combination.

#### **Off-Balance Sheet Arrangement**

We have no obligations, assets, or liabilities, which would be considered off-balance sheet arrangements as of December 31, 2022.

#### **Contractual Obligations**

##### *Registration Rights*

Pursuant to a registration rights agreement entered into on February 25, 2022, the holders of the Founder Shares (as defined below) and the Private Placement Securities (and their underlying securities) are entitled to registration rights. The Company will bear the expenses incurred in connection with the filing of any registration statements pursuant to such registration rights.

##### *Underwriting Agreement*

The Company granted the underwriters a 45-day option to purchase up to 1,050,000 additional Units to cover over-allotments at the Initial Public Offering price. On March 2, 2022, the underwriters exercised the over-allotment in full, and the closing of the issuance and sale of the additional Units occurred on March 3, 2022.

#### **Related Party Transactions**

##### *Founder Shares*

On January 10, 2022, the Company issued an aggregate of 2,012,500 shares of common stock (the "Founder Shares") to the Sponsor for an aggregate purchase price of \$25,000 in cash. On January 11, 2022, the Sponsor transferred an aggregate of 60,000 Founder Shares to members of the Company's management and board of directors, resulting in the Sponsor holding 1,952,500 Founder Shares.

The Initial Shareholders have agreed not to transfer, assign or sell any of the Founder Shares (except to certain permitted transferees) until, with respect to 50% of the Founder Shares, the earlier of (i) twelve months after the date of the consummation of a Business Combination, or (ii) the date on which the closing price of the Company's common stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations) for any 20 trading days within any 30-trading day period commencing after a Business Combination, with respect to the remaining 50% of the Founder Shares, 12 months after the date of the consummation of a Business Combination, or earlier, in each case, if, subsequent to a Business Combination, the Company consummates a subsequent liquidation, merger, stock exchange or other similar transaction which results in all of the Company's shareholders having the right to exchange their Public Shares for cash, securities or other property.

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### [Administrative Services Agreement](#)

We entered into an administrative services agreement (the "Administrative Services Agreement") with the Sponsor on February 25, 2022 whereby the Sponsor will perform certain services for the Company for a monthly fee of \$10,000.

### [Critical Accounting Policies](#)

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. We had identified the following as its critical accounting policies:

#### [Basis of presentation](#)

The accompanying financial statements are presented in U.S. Dollars and conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of the SEC.

#### [Common stock subject to possible redemption](#)

The Company accounts for its common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity." Common stock subject to mandatory redemption is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that features redemption rights that is either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) is classified as temporary equity. At all other times, common stock is classified as stockholders' equity. The Company's common stock features certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, at December 31, 2022, common stock subject to possible redemption is presented as temporary equity at redemption value, outside of the stockholders' equity section of the Company's balance sheet.

The Company recognizes changes in redemption value using the "at redemption value" method and accordingly recognizes changes in redemption value immediately as they occur and adjusts the carrying value of redeemable shares to equal the redemption value at the end of each reporting period. Such changes are reflected in additional paid-in-capital. During the year ended December 31, 2022, the Company recorded charges of \$4,435,410 against additional paid-in-capital.

#### [Warrants](#)

The Company accounts for the 6,037,500 Public Warrants, 41,250 Private Unit Warrants, 3,950,000 \$11.50 Private Warrant, 1,000,000 \$15.00 Private Warrant and 30,188 Underwriter Warrants issued in connection with the IPO and the Private Placements in accordance with the guidance contained in ASC 815-40 "Contracts in Entity's Own Equity" and ASC 480, "Distinguishing Liabilities from Equity". Such guidance provides that the Company's warrants meet the criteria for equity treatment thereunder, each Company's warrants is recorded as equity.

#### [Deferred offering costs](#)

Deferred offering costs consist of underwriting, legal, accounting and other expenses incurred through the balance sheet date that are directly related to the IPO and that are charged to shareholders equity upon the completion of the IPO. Offering costs amounting to \$1,240,837 (including \$750,000 of underwriting fees) were charged to shareholders' equity upon the completion of IPO. In addition, all deferred offering costs were recorded in additional paid-in-capital due to

the IPO. Furthermore, underwriters also received 40,250 Units ("Underwriter Units"), with such Units restricted from sale until the closing of the Business Combination and with no redemption rights from the Trust Account. Each Underwriter Unit consists of one share of common stock of the Company, par value \$0.0001 per share and three-quarters of one redeemable warrant ("Underwriter Warrant"), each whole Underwriter Warrant entitling the holder thereof to purchase one share of common stock for \$11.50 per share.

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**Net income (loss) per share**

The Company complies with accounting and disclosure requirements of ASC 260, Earnings Per Share. The Company has redeemable and nonredeemable shares of common stock. Income and losses are shared pro rata between the redeemable and nonredeemable shares of common stock. Net income (loss) per share of common stock is calculated by dividing the net income (loss) by the weighted average shares of common stock outstanding for the respective period. Net loss for the period from January 1, 2022 to IPO was allocated fully to the nonredeemable shares of common stock. Diluted net loss per share attributable to stockholders adjusts the basic net loss per share attributable to stockholders and the weighted-average shares of common stock outstanding for the potentially dilutive impact of outstanding warrants. However, because the warrants are anti-dilutive, diluted loss per share of common stock is the same as basic loss per share of common stock for the period presented.

**Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

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**Item 8. Financial Statements and Supplementary Data**

This information appears following Item 15

A list of financial statements filed herewith is contained and is set forth on the financial statements that immediately follow this page of this Report and is included herein incorporated by reference.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures**

None.

**Item 9A. Controls and Procedures**

Disclosure controls reference herein. The financial statement schedules have been omitted because they are procedures that are designed with not required, not applicable or the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act, such as this Report, is recorded, processed, summarized, and reported within the time period specified has been included in the SEC's rules and forms. Disclosure controls are also designed with the objective Exhibit Index beginning on Part IV of ensuring that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Our management evaluated, with the participation of our principal executive officer and principal financial and accounting officer (our "Certifying Officers"), the effectiveness of our disclosure controls and procedures as of December 31, 2022, pursuant to Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, our Certifying Officers concluded that, as of December 31, 2022, our disclosure controls and procedures were effective.

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

**Management's Annual Report on Internal Control over Financial Reporting**

This Annual Report on Form 10-K does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of our independent registered public accounting firm due to a transition period established and are incorporated herein by rules of the SEC for newly public companies. reference.

#### Changes in Internal Control Over Financial Reporting

During the years ended December 31, 2022 and December 31, 2021, there have been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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#### Item 9B. Other Information

None.

#### Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

### PART III

#### Item 10. Directors, Executive Officers and Corporate Governance

##### Directors and Executive Officers

Our current directors and executive officers are as follows:

Name	Age	Position	Page
Larry G. Swets, Jr.	48	Director and Chairman Nominee	
M. Wesley Schrader	48	Chief Executive Officer and Director	
31, 2023 AND 2022			
Emily Torres	33	Chief Financial Officer	
Hassan R. Baqar	45	Director	
<a href="#">REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (PCAOB ID 688)</a>			
Jeff Sutton	44	Director	
Ryan Turner	44	Director	

**M. Wesley Schrader**, 48, has served as our Chief Executive Officer since January 2022 and has served as a Director since March 2022. Mr. Schrader has over 25 years of experience encompassing both non-executive and executive roles. Mr. Schrader founded Waverider Partners LLC, an advisory and investment firm, in July 2021 and has served as its managing member since inception. Mr. Schrader founded Capital MW LLC, a management consulting firm, in 2008 and has served as its managing member since inception. From January 2022 to December 2022, Mr. Schrader served as Senior Advisor to Columbine Logging, Inc. d/b/a Columbine Corporation, a privately held company, where he served as Chief Executive Officer from March 2018 to December 2021. Mr. Schrader served as Director of Eagle Energy Inc. (TSX: EGL) from June 2018 to February 2019. Mr. Schrader also served as a Director of Littleton Public Schools Foundation from November 2014 - June 2019.

Previously, Mr. Schrader has held various executive and management positions, primarily focused on corporate development and finance. Mr. Schrader holds a Bachelor of Science in Electrical Engineering from Valparaiso University, a Master of Business in Administration from the University of Denver, and a Master of Science in Finance from the University of Denver.

**Larry G. Swets, Jr.**, 48, has served as the Chairman of the Board of Directors since March 2022. Mr. Swets has over 25 years of experience within financial services encompassing both non-executive and executive roles. Mr. Swets founded Itasca Financial LLC, an advisory and investment firm, in 2005 and has served as its managing member since inception. Mr. Swets also founded and is the President of Itasca Golf Managers, Inc., a management services and advisory firm focused on the real estate and hospitality industries, in August 2018. Mr. Swets has served as the Chief Executive Officer of FG Financial Group, Inc. (NASDAQ: FGF) (formerly 1347 Property Insurance Holdings, Inc.), which operates as a reinsurance and asset management holding company, since

November 2020, after having served as Interim CEO from June 2020 to November 2020. Mr. Swets has also served as Chief Executive Officer of FG New America Acquisition II Corp., a special purpose acquisition company in the process of going public and focused on merging with a company in the InsureTech, FinTech, broader financial services and insurance sectors since February 2021. Mr. Swets is a member of the board of directors of FG Financial Group, Inc. (NASDAQ: FGF) since November 2013; GreenFirst Forest Products Inc. (TSXV: GFP), a public company focused on investments in the forest products industry since June 2016; Harbor Custom Development, Inc. (Nasdaq: HCDI) since February 2020; FG Group Holdings, Inc. (NYSE American: FGH) since October 2021; Ascension Illinois Foundation since March 2018; and Unbounded Media Corporation since June 2019. Mr. Swets is also the Chief Executive Officer and a member of the board of directors of FG Acquisition Corp. (TSX: FGAA.U), a Canadian special purpose acquisition company that has completed its initial public offering and is focused on searching for a target company in the financial services sector.

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Previously, Mr. Swets served as a Director and Chief Executive Officer of FG New America Acquisition Corp. (NYSE: FGNA), a special purpose acquisition company which merged with OppFi Inc. (NYSE: OPFI), a leading financial technology platform that powers banks to help everyday consumers gain access to credit, from July 2020 to July 2021. From April 2021 to December 2021, Mr. Swets also served as Senior Advisor to Aldel Financial Inc., a special purpose acquisition company, which merged with Hagerty, Inc. (NYSE: HGTY), a leading specialty insurance provider focused on the global automotive enthusiast market. Mr. Swets served as Chief Executive Officer of GreenFirst Forest Products Inc. (TSXV: GFP) (formerly Itasca Capital Ltd.) from June 2016 to June 2021. Mr. Swets served as the Chief Executive Officer of Kingsway Financial Services Inc. (NYSE: KFS) from July 2010 to September 2018, including as its President from July 2010 to March 2017. Mr. Swets served as a director of Insurance Income Strategies Ltd. from October 2017 to December 2021. He also previously served as a member of the board of directors of Limbach Holdings, Inc. (NASDAQ: LMB) from July 2016 to August 2021; Kingsway Financial Services Inc. (NYSE: KFS) from September 2013 to December 2018; Atlas Financial Holdings, Inc. (OTC: AFHIF) from December 2010 to January 2018; FMG Acquisition Corp. (Nasdaq: FMGQ) from May 2007 to September 2008; United Insurance Holdings Corp. from 2008 to March 2012; and Risk Enterprise Management Ltd. from November 2007 to May 2012.

Prior to founding Itasca Financial LLC, Mr. Swets served as an insurance company executive and advisor, including the role of director of investments and fixed income portfolio manager for Lumbermens Mutual Casualty Company, formerly known as Kemper Insurance Companies. Mr. Swets began his career in insurance as an intern in the Kemper Scholar program in 1994. Mr. Swets earned a Master's Degree in Finance from DePaul University in 1999 and a Bachelor's Degree from Valparaiso University in 1997. He is a member of the Young Presidents' Organization and holds the Chartered Financial Analyst (CFA) designation.

**Emily Torres, 33**, has served as our Chief Financial Officer since January 2022. Ms. Torres has over ten years of experience in various financial roles including financial planning and analysis and financial reporting in the professional services industry as well as public companies. Ms. Torres has served as Director of Finance of FG Financial Group, Inc. (NASDAQ: FGF) (formerly known as 1347 Property Insurance Holdings, Inc.), which operates as a reinsurance and asset management holding company, since November 2021. Her prior experience includes financial expense planning at Mayer Brown LLP, an international law firm, from August 2015 to November 2021, as well as financial analysis and reporting at Kingsway Financial Services Inc. (NYSE: KFS) ("Kingsway") from July 2011 to July 2015. Ms. Torres obtained her Bachelor's degree in Finance from the University of Notre Dame in 2011.

**Hassan R. Baqar, 45**, has served as our Director since December 2021. Mr. Baqar has over 20 years of experience within financial services focused on corporate development, mergers & acquisitions, capital raising, investments and real estate transactions. Mr. Baqar has served as the founder and managing member of Sequoia Financial LLC, a financial services and advisory firm, since January 2019. Mr. Baqar has also served as Chief Financial Officer since August 2021 and Executive Vice President since December 2021 of FG Financial Group, Inc. (NASDAQ: FGF) (formerly known as 1347 Property Insurance Holdings, Inc.), which operates as a reinsurance and asset management holding company, as Chief Financial Officer of FG New America Acquisition II Corp., a special purpose acquisition company in the process of going public and focused on merging with a company in the InsureTech, FinTech, broader financial services and insurance sectors since February 2021, as Chief Financial Officer of Insurance Income Strategies Ltd., a former Bermuda based reinsurance company from October 2017 to December 2021, as a director of GreenFirst Forest Products Inc. (TSXV: GFP) (formerly Itasca Capital Ltd.), a public company focused on investments in the forest products industry from August 2019 to December 2021 and as Chief Financial Officer of GreenFirst Forest Products Inc. from June 2016 to December 2020, as a director of FG Reinsurance Ltd., a Cayman Islands reinsurance company since June 2020, as director, treasurer and secretary of Sponsor Protection Coverage and Risk, Inc., a South Carolina captive insurance company since October 2022, and as a director and Chief Financial Officer of Unbounded Media Corporation since June 2019. Since October 2021, Mr. Baqar has also served as the Chief Financial Officer and a member of the board of directors of FG Acquisition Corp. (TSX: FGAA.U), a Canadian special purpose acquisition company that has completed its initial public offering and is focused on searching for a target company in the financial services sector.

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Mr. Baqar served as Chief Financial Officer for Aldel Financial Inc. (NYSE: ADF) from January 2021 to December 2021, a special purpose acquisition company which merged with Hagerty, Inc. (NYSE: HGTY), a leading specialty insurance provider focused on the global automotive enthusiast market. From July 2020 to July 2021, Mr. Baqar served as Chief Financial Officer of FG New America Acquisition Corp. (NYSE: FGNA), a special purpose acquisition company which merged with OppFi Inc. (NYSE: OPFI), a leading financial technology platform that powers banks to help everyday consumers gain access to credit. Previously, he served as Vice President of Kingsway Financial Services Inc. (NYSE: KFS) ("Kingsway") from January 2014 to January 2019 and as a Vice President of Kingsway's subsidiary Kingsway America Inc. from January 2010 to January 2019. Mr. Baqar also served as Chief Financial Officer and director of 1347 Capital Corp. from April 2014 to July 2016, a special purpose acquisition company which merged with Limbach Holdings, Inc. (NASDAQ: LMB). Mr. Baqar served as a member of the board of directors of FG Financial Group, Inc. (NASDAQ: GFG) from October 2012 to May 2015. He also served as the Chief Financial Officer of United Insurance Holdings Corp. (NASDAQ: UIHC), a property and casualty insurance holding company, from August 2011 to April 2012.

His previous experience also includes director of finance at Itasca Financial, LLC from 2008 to 2009 and positions held at Lumbermens Mutual Casualty Company (a Kemper Insurance company), a diversified mutual property-casualty insurance provider, from June 2000 to April 2008, where he most recently served as a senior analyst. Mr. Baqar earned a Master's Degree in Business Administration from Northeastern Illinois University in 2009 and a Bachelor's Degree in Accounting and Business Administration from Monmouth College in 2000. He also holds a Certified Public Accountant designation.

**Jeff L. Sutton, 44**, has served as our Director since March 2022. Mr. Sutton has over 20 years' experience as an institutional investor, founder, chief operating officer, and chief compliance officer of several financial services businesses.

Mr. Sutton is Chief Operating Officer of Fundamental Global, a private partnership focused on long-term strategic holdings, a position he has held since October 2015. In this role, Mr. Sutton manages Fundamental Global's daily operations and provides ongoing analysis and advice to its holdings, primarily including FG Financial Group, Inc. (NASDAQ: GFG) (formerly known as 1347 Property Insurance Holdings, Inc.), which operates as a reinsurance and asset management company; FG Group Holdings, Inc. (NYSE American: FGH) (formerly known as Ballantyne Strong, Inc.), a holding company with diverse business activities focused on serving the entertainment and retail markets; BK Technologies Corp. (NYSE American: BKTI), a provider of two-way radio communications equipment; and FG Communities, Inc., a real estate management business. During his tenure with Fundamental Global, Mr. Sutton has worked with two special purpose acquisition companies, including FG New America Acquisition Corp. (NYSE: FGNA), which merged with OppFi Inc. (NYSE: OPFI), a leading financial technology platform that powers banks to help everyday consumers gain access to credit; and Aldel Financial, Inc. (NYSE: ADF), which merged with Hagerty, Inc. (NYSE: HGTY), a leading specialty insurance provider focused on the global automotive enthusiast market. Mr. Sutton has been a member of the Board of Managers of Fundamental Global Asset Management, LLC, a joint venture between Fundamental Global and FG Financial Group that was formed to sponsor investment managers and the launch of their products and services, since August 2021. Mr. Sutton also founded ValueTree Investments in 2009, which is a registered investment advisor in the State of North Carolina, and which manages a focused small-cap value investing strategy.

Previously Mr. Sutton was Chief Compliance Officer of Fundamental Global from October 2015 to August 2021; Chief Compliance Officer of StrongVest Global Advisors, a registered investment advisor that sponsored the StrongVest ETF Trust, which was an open-end management investment company, from July 2016 to March 2021; and Chief Compliance Officer of CWA Asset Management Group, a registered investment advisor from October 2015 to January 2021. Prior to joining Fundamental Global and to founding ValueTree Investments, Mr. Sutton was an analyst at Maiden Capital, a long-short equity hedge fund, from July 2008 to April 2009; a project manager at Pittco Management, the family office of J.R. "Pitt" Hyde, III, the founder of AutoZone, from July 2004 to May 2006; an associate at SSM Ventures, a Southeastern private equity firm, from December 2001 to June 2004; and an analyst at Morgan Keegan, an investment bank, from July 2000 to November 2001.

Mr. Sutton earned a Master of Business Administration degree from the Darden School of Business at the University of Virginia, where he was appointed the Senior Portfolio Manager of the Darden Fund, a student-run investment fund focused on small-cap equities. He graduated *summa cum laude* with two Bachelor of Arts degrees from Rhodes College, with majors in International Business and in French, where he was also a member of the Phi Beta Kappa Society and of the Omicron Delta Kappa national honor society. Mr. Sutton served as a member of the Rhodes College Alumni Executive Board from 2011 to 2014, and he has held the Chartered Financial Analyst (CFA) designation since 2003.

**Ryan Turner, 44**, has served as our Director since March 2022. Mr. Turner has spent over 20 years in the financial services industry. His experience includes equity research, portfolio management, strategic investments, public company directorship, mergers and acquisitions, special situations, business development and operations.

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Mr. Turner has been a Managing Director of Fundamental Global since May 2020. In this capacity he has worked with companies including FG New America Acquisition Corp. (NYSE: FGNA), a special purpose acquisition company which merged with OppFi Inc. (NYSE: OPFI), a leading financial technology platform that powers banks to help everyday consumers gain access to credit. Also, Aldel Financial Inc. (NYSE: ADF), a special purpose acquisition company, which merged with Hagerty (NYSE: HGTY), a leading specialty insurance provider focused on the global automobile enthusiast market. Mr. Turner has served on the board of directors of the Robert H. Smith School of Business Foundation since September 2022.

At FG Group Holdings, Inc. (NYSE American: FGH) (formerly known as Ballantyne Strong, Inc.), Mr. Turner was the Vice President of Strategic Investments from September 2016 to May 2020 and Director of Business Development from July 2015 to September 2016. He served as President of StrongVest Global Advisors from December 2016 to September 2019.

Previous roles at Fundamental Global include Director of Research and Associate Portfolio Manager, from October 2014 to July 2015, and Research Analyst, from April 2012 to September 2014. He was an Associate Analyst at T. Rowe Price (NASDAQ: TROW) from February 2006 to March 2012, and a Business Analyst at AST Trust Company from May 2002 to January 2006.

Mr. Turner served on the board of directors of BK Technologies Corp. (NYSE American: BKTI) from March 2017 to May 2020.

Mr. Turner received an MBA degree from the Robert H. Smith School of Business at the University of Maryland and a B.S. in Finance and Accounting from the Eller College of Management at the University of Arizona. Mr. Turner holds the Chartered Financial Analyst (CFA) designation.

### **Number and Terms of Office of Officers and Directors**

Our board of directors consists of three members divided into three classes with only one class of directors being elected in each year, and with each class (except for those directors appointed prior to our first annual meeting of stockholders) serving a three-year term. In accordance with NASDAQ corporate governance requirements, we are not required to hold an annual meeting until one year after our first fiscal year end following our listing on NASDAQ. The term of office of the first class of directors, consisting of M. Wesley Schrader and Jeff L. Sutton, will expire at our first annual meeting of stockholders. The term of office of the second class of directors, consisting of Ryan Turner and Hassan R. Baqar, will expire at the second annual meeting of stockholders. The term of office of the third class of directors, consisting of Larry G. Swets, Jr., will expire at the third annual meeting of stockholders.

Our officers are appointed by the board of directors and serve at the discretion of the board of directors, rather than for specific terms of office. Our board of directors is authorized to appoint officers as it deems appropriate pursuant to our amended and restated certificate of incorporation.

### **Director Independence**

The rules of NASDAQ require that a majority of our board of directors be independent within one year of our initial public offering. Our board of directors has determined that Larry Swets, Jr., Hassan R. Baqar, Jeff Sutton, and Ryan Turner are "independent directors" as defined in NASDAQ rules and applicable SEC rules. Our independent directors will have regularly scheduled meetings at which only independent directors are present.

### **Committees of the Board of Directors**

Pursuant to the NASDAQ listing rules we have established three standing committees – an audit committee in compliance with Section 2(a)(58)(A) of the Exchange Act, a compensation committee, and a nominating and corporate governance committee, each comprised of independent directors.

#### **Audit Committee**

We established an audit committee of the board of directors. Hassan R. Baqar, Jeff L. Sutton and Ryan Turner serve as members of our audit committee, and Ryan Turner chairs the audit committee. All of the members of our audit committee are independent.

Each member of the audit committee is financially literate and our board of directors has determined that Ryan Turner qualifies as an "audit committee financial expert" as defined in applicable SEC rules and has accounting or related financial management expertise.

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Responsibilities of the audit committee include:

- assisting board oversight of (1) the integrity of our financial statements, (2) our compliance with legal and regulatory requirements, (3) our independent registered public accounting firm's qualifications and independence, and (4) the performance of our internal audit function and independent registered public accounting firm; the appointment, compensation, retention, replacement, and oversight of the work of the independent auditors and any other independent registered public accounting firm engaged by us;
- pre-approving all audit and non-audit services to be provided by the independent auditors or any other registered public accounting firm engaged by us, and establishing pre-approval policies and procedures; reviewing and discussing with the independent registered public accounting firm all relationships the auditors have with us in order to evaluate their continued independence;
- setting clear policies for audit partner rotation in compliance with applicable laws and regulations; obtaining and reviewing a report, at least annually, from the independent registered public accounting firm describing (1) the independent registered public accounting firm's internal quality-control procedures and (2) any material issues raised by the most recent internal quality-control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years respecting one or more independent audits carried out by the firm and any steps taken to deal with such issues;
- meeting to review and discuss our annual audited financial statements and quarterly financial statements with management and the independent auditor, including reviewing our specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations"; reviewing and approving any related party transaction required to be disclosed pursuant to Item 404 of Regulation S-K promulgated by the SEC prior to us entering into such transaction; and
- reviewing with management, the independent, and our legal advisors, as appropriate, any legal, regulatory or compliance matters, including any correspondence with regulators or government agencies and any employee complaints or published reports that raise material issues regarding our financial statements or accounting policies and any significant changes in accounting standards or rules promulgated by the Financial Accounting Standards Board, the SEC or other regulatory authorities.

## **Compensation Committee**

We established a compensation committee of the board of directors. Hassan R. Baqar, Jeff L. Sutton and Ryan Turner serve as members of our compensation committee. Hassan R. Baqar chairs the compensation committee.

Responsibilities of the compensation committee include:

- reviewing and approving on an annual basis the corporate goals and objectives relevant to our Chief Executive Officer's compensation, evaluating our Chief Executive Officer's performance in light of such goals and objectives and determining and approving the remuneration (if any) of our Chief Executive Officer based on such evaluation in executive session at which the Chief Executive Officer is not present;
- reviewing and approving the compensation of all of our other officers;
- reviewing our executive compensation policies and plans;
- implementing and administering our incentive compensation equity-based remuneration plans;
- assisting management in complying with our proxy statement and annual report disclosure requirements;
- approving all special perquisites, special cash payments and other special compensation and benefit arrangements for our officers and employees;
- producing a report on executive compensation to be included in our annual proxy statement; and
- reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors.

Notwithstanding the foregoing, as indicated above, other than the payment to our sponsor of \$10,000 per month, for up to 18 months, for office space, utilities and secretarial and administrative support and reimbursement of expenses, no compensation of any kind, including finders, consulting or other similar fees, will be paid to any of our existing stockholders, officers, directors or any of their respective affiliates, prior to, or for any services they render in order to effectuate the consummation of an initial business combination. Accordingly, it is likely that prior to the consummation of an initial business combination, the compensation committee will only be responsible for the review and recommendation of any compensation arrangements to be entered into in connection with such initial business combination.

The compensation committee may also, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser and will be directly responsible for the appointment, compensation and oversight of the work of any such adviser. However, before engaging or receiving advice from a compensation consultant, external legal counsel or any other adviser, the compensation committee will consider the independence of each such adviser, including the factors required by NASDAQ and the SEC.

#### **Nominating and Corporate Governance Committee**

The members of our nominating and corporate governance are Hassan R. Baqar, Jeff L. Sutton, and Ryan Turner. Hassan R. Baqar serves as chair of the nominating and corporate governance committee.

The responsibilities of the nominating and corporate governance committee, include:

- identifying and screening individuals qualified to serve as directors, consistent with criteria approved by the board, and recommending to the board of directors candidates for nomination for election at the annual meeting of stockholders or to fill vacancies on the board of directors identifying and screening individuals qualified to serve as directors, consistent with criteria approved by the board, and recommending to the board of directors candidates for nomination for election at the annual meeting of stockholders or to fill vacancies on the board of directors
- developing and recommending to the board of directors and overseeing implementation of our corporate governance guidelines;
- coordinating and overseeing the annual self-evaluation of the board of directors, its committees, individual directors and management in the governance of the company; and
- reviewing on a regular basis our overall corporate governance and recommending improvements as and when necessary.

The nominating and corporate governance committee may also, in its sole discretion, retain or obtain the advice of, and terminate, any search firm to be used to identify director candidates, and is directly responsible for approving the search firm's fees and other retention terms.

We have not formally established any specific, minimum qualifications that must be met or skills that are necessary for directors to possess. In general, in identifying and evaluating nominees for director, the board of directors considers educational background, diversity of professional experience, knowledge of our business, integrity, professional reputation, independence, wisdom, and the ability to represent the best interests of our stockholders. Prior to our initial business combination, holders of our public shares will not have the right to recommend director candidates for nomination to our board of directors.

#### **Compensation Committee Interlocks and Insider Participation**

None of our executive officers currently serves, and in the past year has not served, as a member of the compensation committee of any entity that has one or more executive officers serving on our board of directors.

#### **Senior Advisor to the Board of Directors**

D. Kyle Cerminara acts as senior advisor to the Board of Directors. Mr. Cerminara assists our management team with sourcing and evaluating business opportunities and devises plans and strategies to optimize any business that we may acquire. We have not currently entered into any formal arrangements or agreements with Mr. Cerminara to provide services to us and he will have no fiduciary obligations to present business opportunities to us. Mr. Cerminara will not be paid any finder's fees, reimbursement, or consulting fee prior to, or in connection with any services rendered in order to effectuate, the consummation of our initial business combination (regardless of the type of transaction).

**D. Kyle Cerminara** has served as our Senior Advisor since March 2022. Mr. Cerminara has over 20 years' experience as an institutional investor, asset manager, director, chief executive, founder and operator of multiple financial services and technology businesses. Mr. Cerminara co-founded Fundamental Global in 2012 and serves as its Chief Executive Officer.

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Mr. Cerminara is a member of the board of directors of a number of companies focused in the reinsurance, investment management, technology and communication sectors, including FG Group Holdings, Inc. (NYSE American: FGH) (formerly Ballantyne Strong, Inc.), a holding company with diverse business activities focused on serving the entertainment and retail markets, since February 2015; FG Financial Group, Inc. (NASDAQ: FGF) (formerly known as 1347 Property Insurance Holdings, Inc.), which operates as a reinsurance and asset management company, since December 2016; BK Technologies Corporation (NYSE American: BKTI), a provider of two-way radio communications equipment, since July 2015; FG Communities, Inc., a privately owned land owner and

property manager of manufactured housing communities; and Firefly Systems Inc., a venture- backed digital advertising company, since August 2020. Mr. Cerminara is President and will serve as a director of FG New America Acquisition II Corp., a special purpose acquisition company currently in the process of completing its initial public offering and which is focused on searching for a target company in the financial services and insurance industries, and he is also the chairperson of the board of directors of FG Acquisition Corp. (TSX: FGAA.U), a Canadian special purpose acquisition company that has completed its initial public offering and is focused on searching for a target company in the financial services sector.

Mr. Cerminara has served as the Chairman of FG Group Holdings, Inc. since May 2015 and previously served as its Chief Executive Officer from November 2015 through April 2020. Mr. Cerminara was appointed Chairman of FG Financial Group, Inc. in May 2018 and served as its Principal Executive Officer from March 2020 to June 2020. Mr. Cerminara has served as the Chairman of BK Technologies Corporation since July 2022 and previously from March 2017 until April 2020. Mr. Cerminara has served as the Chairman and President of FG Communities, Inc. since its formation in July 2022. From April 2021 to December 2021, Mr. Cerminara served as a director of Aldel Financial Inc. (NYSE: ADF), a special purpose acquisition company co-sponsored by Fundamental Global, which merged with Hagerty, a leading specialty insurance provider focused on the global automotive enthusiast market. From July 2020 to July 2021, Mr. Cerminara served as Director and President of FG New America Acquisition Corp. (NYSE: FGNA), a special purpose acquisition company, which merged with OppFi Inc. (NYSE: OPFI), a leading financial technology platform that powers banks to help everyday consumers gain access to credit. He served on the board of directors of GreenFirst Forest Products Inc. (TSXV: GFP) (formerly Itasca Capital Ltd.), a public company focused on investments in the forest products industry, from June 2016 to October 2021 and was appointed Chairman from June 2018 to June 2021; Limbach Holdings, Inc. (NASDAQ: LMB), a company which provides building infrastructure services, from March 2019 to March 2020; Iteris, Inc. (NASDAQ: ITI), a publicly-traded, applied informatics company, from August 2016 to November 2017; Magnetek, Inc., a publicly-traded manufacturer, in 2015; and blueharbor bank, a community bank, from October 2013 to January 2020. He served as a Trustee and President of StrongVest ETF Trust, which was an open-end management investment company, from July 2016 to March 2021. Previously, Mr. Cerminara served as the Co-Chief Investment Officer of CWA Asset Management Group, LLC, a position he held from January 2013 to December 2020.

Prior to these roles, Mr. Cerminara was a Portfolio Manager at Sigma Capital Management, an independent financial adviser, from 2011 to 2012, a Director and Sector Head of the Financials Industry at Highside Capital Management from 2009 to 2011, and a Portfolio Manager and Director at CR Intrinsic Investors from 2007 to 2009. Before joining CR Intrinsic Investors, Mr. Cerminara was a Vice President, Associate Portfolio Manager and Analyst at T. Rowe Price (NASDAQ: TROW) from 2001 to 2007, where he was named amongst Institutional Investor's Best of the Buy Side Analysts in November 2006, and an Analyst at Legg Mason from 2000 to 2001.

Mr. Cerminara received an MBA degree from the Darden Graduate School of Business at the University of Virginia and a B.S. in Finance and Accounting from the Smith School of Business at the University of Maryland, where he was a member of Omicron Delta Kappa, an NCAA Academic All American and Co-Captain of the men's varsity tennis team. He also completed a China Executive Residency at the Cheung Kong Graduate School of Business in Beijing, China. Mr. Cerminara holds the Chartered Financial Analyst (CFA) designation.

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### **Code of Business Conduct and Ethics**

We have adopted a Code of Business Conduct and Ethics applicable to our directors, officers and employees. We have filed a copy of our form of the Code of Business Conduct and Ethics and our audit committee and compensation committee charters as exhibits to the registration statement for the IPO. You are able to review this document by accessing our public filings at the SEC's web site at [www.sec.gov](http://www.sec.gov). In addition, a copy of the Code of Business Conduct and Ethics and the charters of the committees will be provided without charge upon request from us. If we make any amendments to our Code of Business Conduct and Ethics other than technical, administrative or other non-substantive amendments, or grant any waiver, including any implicit waiver, from a provision of the Code of Business Conduct and Ethics applicable to our principal executive officer, principal financial officer principal accounting officer or controller or persons performing similar functions requiring disclosure under applicable SEC or NASDAQ rules, we will disclose the nature of such amendment or waiver on our website. The information included on our website is not incorporated by reference into this Form S-1 or in any other report or document we file with the SEC, and any references to our website are intended to be inactive textual references only.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, requires our executive officers, directors and persons who beneficially own more than 10% of a registered class of our equity securities to file with the SEC initial reports of ownership and reports of changes in

ownership of our ordinary shares and other equity securities. These executive officers, directors, and greater than 10% beneficial owners are required by SEC regulation to furnish us with copies of all Section 16(a) forms filed by such reporting persons.

Based solely on our review of such forms furnished to us and written representations from certain reporting persons, we believe that all filing requirements applicable to our executive officers, directors and greater than 10% beneficial owners were filed in a timely manner during 2022.

#### **Item 11. Executive Compensation**

None of our directors have received any cash compensation for services rendered to us. We have agreed to pay our Sponsor \$10,000 per month for office space, secretarial and administrative services provided to members of our management team through the earlier of consummation of our initial business combination and our liquidation, we will pay our Sponsor. In addition, our Sponsor, executive officers and directors, or any of their respective affiliates will be reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations.

Our audit committee will review on a quarterly basis all payments that were made to our Sponsor, executive officers or directors, or our or their affiliates. Any such payments prior to an initial business combination will be made from funds held outside the trust account. Other than quarterly audit committee review of such reimbursements, we do not expect to have any additional controls in place governing our reimbursement payments to our directors and executive officers for their out-of-pocket expenses incurred in connection with our activities on our behalf in connection with identifying and consummating an initial business combination. Other than these payments and reimbursements, no compensation of any kind, including finder's and consulting fees, will be paid by the company to our Sponsor, executive officers and directors, or any of their respective affiliates, prior to completion of our initial business combination.

We do not intend to take any action to ensure that members of our management team maintain their positions with us after the consummation of our initial business combination, although it is possible that some or all of our executive officers and directors may negotiate employment or consulting arrangements to remain with us after our initial business combination. The existence or terms of any such employment or consulting arrangements to retain their positions with us may influence our management's motivation in identifying or selecting a target business but we do not believe that the ability of our management to remain with us after the consummation of our initial business combination will be a determining factor in our decision to proceed with any potential business combination. We are not party to any agreements with our executive officers and directors that provide for benefits upon termination of employment.

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#### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The following table sets forth information regarding the beneficial ownership of our common stock as of the date of February 2, 2022, based on information obtained from the persons named below, with respect to the beneficial ownership of shares of our common stock, by:

- each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock;
- each of our executive officers and directors; and
- all our executive officers and directors as a group.

The beneficial ownership of our common stock is based on 10,157,750 shares of common stock issued and outstanding as of February 2, 2022.

Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them. The following table does not reflect record of beneficial ownership of the warrants included in the units offered in the IPO, the Private Placement Warrants, or the Private Unit Warrants as they are not exercisable within 60 days of February 2, 2022.

Name and Address of Beneficial Owner <sup>(1)</sup>	Approximate Percentage of Outstanding Common Stock	
	Number of Shares Beneficially Owned	Outstanding Common Stock
Larry G. Swets, Jr.	2,017,500 (2)	19.9 %
Hassan R. Baqar	2,017,500 (2)	19.9 %
M. Wesley Schrader	10,000	*

Jeff Sutton	7,500	*
Ryan Turner	7,500	*
All executive officers and directors as a group (5 individuals)	2,052,500 (2)	20.4 %
<b>5% or more Stockholders</b>		
D. Kyle Cerminara	2,022,500 (2)	19.9 %
FG Merger Investors LLC (2)	2,007,500	19.8 %
CVI Investments, Inc. (3)	600,000	5.9 %
Space Summit Capital LLC (4)	570,425	5.6 %
Linden Capital LP (5)	550,000	5.4 %
Radcliffe Capital Management, L.P. (6)	550,000	5.4 %



\*Less than one percent

(1) Unless otherwise noted, the business address of each of the following is 104 S. Walnut Street, Unit 1A, Itasca, IL 60143.

(2) Includes shares held by FG Merger Investors LLC. Larry G. Swets, Jr., D. Kyle Cerminara and Hassan R. Baqar are managers of FG Merger Investors LLC. Messrs. Swets, Cerminara and Baqar have voting and investment discretion with respect to the common stock held of record by FG Merger Investors LLC. Each of our officers and directors other than Messrs. Swets, Cerminara and Baqar disclaims any beneficial ownership of any shares held by FG Merger Investors LLC.

(3) According to the Schedule 13G filed with the SEC on March 7, 2022, Heights Capital Management, Inc. ("Heights Capital") acts as an investment manager of CVI Investments, Inc. ("CVI Investments") and as such may exercise voting and dispositive power over these shares. Heights Capital and CVI Investments collectively beneficially own and report shared voting and dispository power with respect to 600,000 shares of Common Stock. The principal business address for CVI Investments is P.O. Box 309GT Ugland House, South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands and the principal business address for Heights Capital Management, Inc. is 101 California Street, Suite 3250, San Francisco, CA 94111.

(4) According to the Schedule 13G filed with the SEC on March 7, 2022, Space Summit Capital LLC ("Space Summit") reports sole voting and dispository power with respect to 570,425 shares of Common Stock. The principal business address for Space Summit is 15455 Albright Street, Pacific Palisades, CA 90272.

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(5) According to the Schedule 13G filed with the SEC on March 9, 2022, Linden Capital L.P. ("Linden Capital") and Linden GP LLC ("Linden GP") reported shared voting and dispository power with respect to 512,794 shares of our Common Stock and Linden Advisors LP ("Linden Advisors") and Siu Min Wong reported share voting and dispository power with respect to 550,000 shares of our Common Stock collectively beneficially owned by them. The share represented hereby are held for the account of Linden Capital and one or more separately managed accounts (the "Managed Accounts"). Linden GP is the general partner of Linden Capital and, in such capacity, may be deemed to beneficially own the Shares held by Linden Capital. Linden Advisors is the investment manager of Linden Capital and trading advisor or investment advisor for the Managed Accounts. Mr. Wong is the principal owner and controlling person of Linden Advisors and Linden GP. In such capacities, Linden Advisors and Mr. Wong may each be deemed to beneficially own the Shares held by each of Linden Capital and the Managed Accounts. The principal business address for Linden Capital is Victoria Place, 31 Victoria Street, Hamilton HM10, Bermuda. The principal business address for each of Linden Advisors, Linden GP and Mr. Wong is 590 Madison Avenue, 15th Floor, New York, New York 10022.

(6) According to the Schedule 13G filed with the SEC on February 25, 2022, Radcliffe Capital Management, L.P., RGC Management Company, LLC, Steven B. Katzenbach, Christopher Hinkel, Radcliffe SPAC Master Fund, L.P., and Radcliffe SPAC GP, LLC reported shared voting and dispository power with respect to 550,000 shares of our Common Stock. Radcliffe Capital Management, L.P. is the relevant entity for which RGC Management Company, LLC, Mr. Katzenbach, and Mr. Hinkel may be considered control persons. Radcliffe SPAC Master Fund, L.P. is the relevant entity for which Radcliffe SPAC GP, LLC, Mr. Katzenbach and Mr. Hinkel may be considered control persons. The principal address for each of these entities is 50 Monument Road, Suite 300, Bala Cynwyd, PA 19004.

FG Merger Investors LLC, our sponsor, and our executive officers and directors are deemed to be our "promoters" as such term is defined under the federal securities laws.

The founder shares, private units, Underwriter Units, \$11.50 Exercise Price Warrants, \$15 Exercise Price Warrants and any shares of common stock issued upon conversion or exercise thereof are each subject to transfer restrictions pursuant to lock-up provisions in the agreements entered into by our initial stockholders and management team. Those lock-up provisions provide that such securities are not transferable or salable (i) in the case of the founder shares, (a) with respect to 50% of the founder shares, the earlier of (x) twelve months after the date of the consummation of an initial business combination or (y) the date on which the closing price of our common stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations) for any 20 trading days within any 30-trading day period commencing after our initial business combination and (b) with respect to the remaining 50% of the founder shares, twelve months after the date of the consummation of our initial business combination, provided, if we consummate a transaction after our initial business combination which results in our stockholders having the right to exchange their shares for cash, securities or other property, the founder shares will be released from the lock-up and (ii) in the case of the private placement warrants and the respective shares of common stock underlying such warrants, until 30 days after the completion of our initial business combination except in each case (a) to our officers or directors, any affiliate or family member of any of our officers or directors, any affiliate of our sponsor or to any member of the sponsor or any of their affiliates, (b) in the case of an individual, as a gift to such person's immediate family or to a trust, the beneficiary of which is a member of such person's immediate family, an affiliate of such person or to a charitable organization; (c) in the case of an individual, by virtue of laws of descent and distribution upon death of such person; (d) in the case of an individual, pursuant to a qualified domestic relations order; (e) by private sales or transfers made in connection with any forward purchase agreement or similar arrangement or in connection with the consummation of a business combination at prices no greater than the price at which the shares or warrants were originally purchased; (f) by virtue of the laws of the State of Delaware or our Sponsor's limited liability company agreement upon dissolution of our Sponsor, (g) in the event of our liquidation prior to our consummation of our initial business combination; or (h) in the event that, subsequent to our consummation of an initial business combination, we complete a liquidation, merger, capital stock exchange or other similar transaction which results in all of our stockholders having the right to exchange their common stock for cash, securities or other property; *provided, however, that in the case of clauses (a) through (f) these permitted transferees must enter into a written agreement agreeing to be bound by these transfer restrictions and the other restrictions contained in the letter agreement.*

#### **Item 13. Certain Relationships and Related Transactions, and Director Independence Conflicts of Interest**

In general, officers and directors of a corporation incorporated under the laws of the State of Delaware are required to present business opportunities to a corporation if:

- the corporation could financially undertake the opportunity;
- the opportunity is within the corporation's line of business; and

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- it would not be fair to our company and its stockholders for the opportunity not to be brought to the attention of the corporation.

Each of our officers and directors presently has, and any of them in the future may have additional, fiduciary or contractual obligations to another entity pursuant to which such officer or director is or will be required to present a business combination opportunity to such entity. Accordingly, if any of our officers or directors becomes aware of a business combination opportunity which is suitable for an entity to which he or she has then-current fiduciary or contractual obligations, he or she will honor his or her fiduciary or contractual obligations to present such business combination opportunity to such entity. Our amended and restated certificate of incorporation provides that we renounce our interest in any corporate opportunity offered to any director or officer unless such opportunity is expressly offered to such person solely in his or her capacity as a director or officer of the company and such opportunity is one we are legally and contractually permitted to undertake and would otherwise be reasonable for us to pursue, and to the extent the director or officer is permitted to refer that opportunity to us without violating another legal obligation. We do not believe, however, that the fiduciary duties or contractual obligations of our officers or directors will materially affect our ability to complete our initial business combination.

Below is a table summarizing the entities to which our executive officers and directors currently have fiduciary duties or contractual obligations:

Individual	Entity	Entity's Business	Affiliation
M. Wesley Schrader	Waverider Partners LLC Capital MW LLC	Consulting	Member and Manager
			Member and Manager

Larry G. Swets, Jr.	FG Financial Group, Inc.	Reinsurance & Asset Management	Director and Chief Executive Officer
	Harbor Custom Development, Inc.	Real Estate Developer	Director
	GreenFirst Forest Products, Inc.	Forest Products	Director
	Itasca Golf Managers, Inc.	Real Estate and Hospitality	President
	Unbounded Media Corporation	Media Distribution	Chairman
	Ballantyne Strong, Inc.	Entertainment, Digital Signage and Advertising	Director
	FG Acquisition Corp.	Special Purpose Acquisition Company	Director and Chief Executive Officer
	FG New America Acquisition II Corp.	Special Purpose Acquisition Company	Chief Executive Officer and Director Nominee
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Hassan Baqar	FG Reinsurance Ltd.	Reinsurance	Director
	Sponsor Protection Coverage and Risk, Inc.	Reinsurance	Director, Treasurer & Secretary
	Unbounded Media Corporation	Media Distribution	Director & Chief Financial Officer
	FG Financial Group, Inc.	Reinsurance and Asset Management	Chief Financial Officer & Executive Vice President
	FG Acquisition Corp.	Special Purpose Acquisition Company	Director and Chief Financial Officer
	FG New America Acquisition II Corp.	Special Purpose Acquisition Company	Chief Financial Officer
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Jeff L. Sutton	Fundamental Global, LLC	Holding Company	COO
	Fundamental Global GP, LLC	General Partner	COO
	Fundamental Global Management, LLC	Managed Services	COO
	Fundamental Global Investors, LLC	Management Company	COO
	Fundamental Global Partners Offshore Fund, Ltd.	Offshore Feeder	Director
	Fundamental Global Asset Management, LLC	Joint Venture Sponsoring Investment Advisors	Manager
	ValueTree Investments, LLC	Investment Advisor	Founder
<hr/>			
Ryan Turner	Robert H. Smith School of Business Foundation	Foundation	Director

Potential investors should also be aware of the following other potential conflicts of interest:

- Our executive officers and directors are not required to, and will not, commit their full time to our affairs, which may result in a conflict of interest in allocating their time between our operations and our search for a business combination and their other businesses. We do not intend to have any full-time employees prior to the completion of our initial business combination. Each of our executive officers is engaged in several other business endeavors for which he may be entitled to substantial compensation, and our executive officers are not obligated to contribute any specific number of hours per week to our affairs.

- Our initial stockholders purchased founder shares and private placement securities in transactions that closed prior to and simultaneously with the closing of the initial public offering. Our initial stockholders have entered into agreements with us, pursuant to which they have agreed to waive their redemption rights with respect to their founder shares and any public shares they hold in connection with the completion of our initial business combination. The other members of our management team have entered into agreements similar to the one entered into by our initial stockholders with respect to any public shares acquired by them in or after the initial public offering. Additionally, our initial stockholders have agreed to waive their rights to liquidating distributions from the trust account with respect to their founder shares if we fail to complete our initial business combination within the prescribed time frame or any extended period of time that we may have to consummate an initial business combination as a result of an amendment to our amended and restated certificate of incorporation. If we do not complete our initial business combination within the prescribed time frame, the private placement securities will expire worthless. Furthermore, our initial stockholders have agreed not to transfer, assign or sell any of their founder shares until: (i) with respect to 50% of the founder shares, the earlier of (x) twelve months after the date of the consummation of an initial business combination or (y) the date on which the closing price of our common stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations) for any 20 trading days within any 30-trading day period commencing after our initial business combination and (ii) with respect to the remaining 50% of the founder shares, twelve months after the date of the consummation of our initial business combination. Any permitted transferees will be subject to the same restrictions and other agreements of our initial stockholders with respect to any founder shares. We refer to such transfer restrictions as the lock-up. Notwithstanding the foregoing, if we consummate a transaction after our initial business combination which results in our stockholders having the right to exchange their shares for cash, securities or other property, the founder shares will be released from the lock-up. Subject to certain limited exceptions, the private placement warrants will not be transferable until 30 days following the completion of our initial business combination. Because each of our executive officers and directors own common stock or warrants directly or indirectly, they may have a conflict of interest in determining whether a particular target business is an appropriate business with which to effectuate our initial business combination.
- Our key personnel may negotiate employment or consulting agreements with a target business in connection with a particular business combination. These agreements may provide for them to receive compensation following our initial business combination and as a result, may cause them to have conflicts of interest in determining whether to proceed with a particular business combination.

Our officers and directors may have a conflict of interest with respect to evaluating a particular business combination if the retention or resignation of any such officers and directors was included by a target business as a condition to any agreement with respect to our initial business combination.

We are not prohibited from pursuing an initial business combination with a business combination target that is affiliated with our sponsor, officers or directors or completing the business combination through a joint venture or other form of shared ownership with our sponsor, officers or directors. In the event we seek to complete our initial business combination with a business combination target that is affiliated with our sponsor, executive officers or directors, we, or a committee of independent directors, would obtain an opinion from an independent investment banking which is a member of FINRA or a valuation or appraisal firm, that such initial business combination is fair to our company from a financial point of view. We are not required to obtain such an opinion in any other context. Furthermore, in no event will our sponsor or any of our existing officers or directors, or any of their respective affiliates, be paid by the company any finder's fee, consulting fee or other compensation prior to, or for any services they render in order to effectuate, the completion of our initial business combination.

Further, we also pay our sponsor \$10,000 per month for office space, secretarial and administrative services provided to members of our management team.

We cannot assure you that any of the above mentioned conflicts will be resolved in our favor.

In the event that we submit our initial business combination to our public stockholders for a vote, our initial stockholders and holders of Underwriter Shares have agreed to vote their founder shares and Underwriter Shares, and our initial stockholders and the other members of our management team have agreed to vote any founder shares they hold and any shares purchased during or after the offering in favor of our initial business combination.

#### **Limitation on Liability and Indemnification of Officers and Directors**

Our amended and restated certificate of incorporation provides that our officers and directors are indemnified by us to the fullest extent authorized by Delaware law, as it now exists or may in the future be amended. In addition, our amended and restated certificate of incorporation provides that our directors will not be personally liable for monetary damages to us or our stockholders for breaches of their fiduciary duty as directors, unless they violated their duty of loyalty to us

or our stockholders, acted in bad faith, knowingly or intentionally violated the law, authorized unlawful payments of dividends, unlawful stock purchases or unlawful redemptions, or derived an improper personal benefit from their actions as directors.

We have entered into agreements with our officers and directors to provide contractual indemnification in addition to the indemnification provided for in our amended and restated certificate of incorporation. Our bylaws also will permit us to secure insurance on behalf of any officer, director or employee for any liability arising out of his or her actions, regardless of whether Delaware law would permit such indemnification. We have purchased a policy of directors' and officers' liability insurance that insures our officers and directors against the cost of defense, settlement or payment of a judgment in some circumstances and insures us against our obligations to indemnify our officers and directors. Except with respect to any public shares they may acquire (in the event we do not consummate an initial business combination), our officers and directors have agreed to waive (and any other persons who may become an officer or director prior to the initial business combination will also be required to waive) any right, title, interest or claim of any kind in or to any monies in the trust account, and not to seek recourse against the trust account for any reason whatsoever, including with respect to such indemnification.

These provisions may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against officers and directors, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against officers and directors pursuant to these indemnification provisions.

We believe that these provisions, the directors' and officers' liability insurance and the indemnity agreements are necessary to attract and retain talented and experienced officers and directors.

#### **Director Independence**

Nasdaq requires that a majority of our board must be composed of "independent directors," which is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship, which, in the opinion of the company's board of directors would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director.

For a description of the director independence, see above Part III, Item 10 – Directors, Executive Officers and Corporate Governance.

#### **Item 14. Principal Accounting Fees and Services**

The following is a summary of fees paid or to be paid to Plante Moran, for services rendered.

**Audit Fees.** Audit fees consist of fees billed for professional services rendered for the audit of our year-end financial statements and services that are normally provided by Plante Moran in connection with regulatory filings. The aggregate fees billed by Plante Moran for professional services rendered for the audit of our annual financial statements, review of the financial information for the respective periods, registration statement and other required filings with the SEC was \$50,000 for the fiscal years ended December 31, 2022 and December 31, 2021. The above amounts include interim procedures and audit fees, as well as attendance at audit committee meetings.

**Audit-Related Fees.** We paid P&M \$18,500 for the services performed related to consent and comfort letter issued in relation to our initial public offering.

**Tax Fees.** We did not pay Plante Moran for tax planning and tax advice for the fiscal years ended December 31, 2022 and December 31, 2021.

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#### **Pre-Approval Policy**

Our audit committee was formed upon the consummation of our IPO. As a result, the audit committee did not pre-approve all of the foregoing services, although any services rendered prior to the formation of our audit committee were approved by our board of directors. Since the formation of our audit committee, and on a going-forward basis, the audit committee has and will pre-approve all auditing services and permitted non-audit services to be performed for us by our auditors, including the fees and terms thereof (subject to the de minimis exceptions for non-audit services described in the Exchange Act which are approved by the audit committee prior to the completion of the audit).

#### **PART IV**

**Item 15. Exhibits and Financial Statement Schedules**

The following are filed with this report:

**FG Merger Corp.**

**INDEX TO FINANCIAL STATEMENTS**

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<a href="#">Report of Independent Registered Public Accounting Firm</a> (PLANTE & MORAN, PLLC; CHICAGO, IL; PCAOB ID: 166)	F-1
<a href="#">Financial Statements:</a>	
<b><a href="#">CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2023 AND 2022</a></b>	<b>Balance Sheets as of December 31, 2022 and 2021</b>
	2
<b><a href="#">CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022</a></b>	<b>Statements of Operations for the Years Ended December 31, 2022 and 2021</b>
	3
<b><a href="#">CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022</a></b>	<b>Statements of Shareholders' Equity for the Years Ended December 31, 2022 and 2021</b>
	4
<b><a href="#">CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022</a></b>	<b>Statements of Cash Flows for the Years Ended December 31, 2022 and 2021</b>
	5
<b><a href="#">NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</a></b>	<b>Notes to Financial Statements</b>
	6

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the **Stockholders** Shareholders and Board of Directors of

FG Merger Corp. iCoreConnect, Inc.

#### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of FG Merger Corp. iCoreConnect, Inc. (the "Company") as of December 31, 2022 December 31, 2023 and December 31, 2021, 2022, the related consolidated statements of operations, changes in stockholders' equity (deficit), and cash flows for each of the two years in the two-year period ended December 31, 2021 December 31, 2023, and the related notes and schedules (collectively referred to as the "financial statements"). In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 December 31, 2023 and 2021, 2022, and the results of its operations and its cash flows for each of the two years in the two-year period ended December 31, 2022 December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

#### Explanatory Paragraph - Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 1 to the financial statements, 3 the Company has until June 1, 2023 (unless such period is extended) a significant working capital deficiency, has incurred significant losses and needs to consummate an initial Business Combination. If a business combination is not consummated by this date (unless extended), there will be a mandatory liquidation raise additional funds to meet its obligations and subsequent dissolution of the Company sustain its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might become necessary should result from the Company be unable to continue as a going concern. outcome of this uncertainty.

#### Basis for Opinion

The Company's management is responsible for these

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

#### Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ Plante & Moran, PLLC Marcum LLP

Plante & Moran, PLLC

Marcum LLP

We have served as the Company's auditor since 2022, 2021.

Chicago, Illinois

February 2, 2023 New York, NY

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#### **ITEM 1. FINANCIAL STATEMENTS. April 18, 2024**

FG Merger Corp.

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**Balance Sheets**

	December 31, 2022	December 31, 2021
<b>ASSETS</b>		
Current assets		
Cash	\$ 521,865	\$ —
Prepaid expenses	223,692	—
<b>Total current assets</b>	<u>745,557</u>	—
Marketable securities held in trust account	83,694,573	—
<b>TOTAL ASSETS</b>	<u><u>\$ 84,440,130</u></u>	\$ —
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 299,955	\$ 3,272
Tax liabilities	384,973	—
<b>Total current liabilities</b>	<u>684,928</u>	3,272
<b>TOTAL LIABILITIES</b>	<u>\$ 684,928</u>	\$ 3,272
<b>COMMITMENTS AND CONTINGENCIES</b>		
Common stock, \$0.0001 par value, subject to possible redemption, 8,050,000 and 0 shares at redemption value, respectively	\$ 83,694,573	\$ —
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; none issued and outstanding	\$ —	\$ —
Common stock, \$0.0001 par value; 400,000,000 shares authorized; 2,107,750 and 0 shares issued and outstanding, respectively (excluding 8,050,000 and 0 shares subject to possible redemption, respectively)	211	—
Additional paid-in capital	189,479	—
Accumulated deficit	(129,061)	(3,272)
<b>Total Stockholders' Equity (Deficit)</b>	<u><u>\$ 60,629</u></u>	<u><u>\$ (3,272)</u></u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u><u>\$ 84,440,130</u></u>	\$ —

iCoreConnect Inc.

**CONSOLIDATED BALANCE SHEETS**

	As of	
	December 31,	December 31,
	2023	2022
<b>ASSETS</b>		
Cash	\$ 1,219,358	\$ 196,153
Accounts receivable, net	563,905	414,809
Prepaid expenses and other current assets	1,725,062	480,706
<b>Total current assets</b>	<u>3,508,325</u>	1,091,668
Property and equipment, net	202,421	74,194
Right of use lease asset - operating	1,122,412	944,487
Software development costs, net	903,412	531,061
Acquired technology, net	-	79,428
Customer relationships, net	2,980,412	2,350,380
Forward purchase agreement	5,484,556	-
Goodwill	1,484,966	1,484,966
<b>Total long-term assets</b>	<u>12,178,179</u>	5,464,516

<b>TOTAL ASSETS</b>		<b>\$ 15,686,504</b>	<b>\$ 6,556,184</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>			
Accounts payable and accrued expenses		\$ 3,243,338	\$ 2,336,174
Operating lease liability, current portion		241,945	169,417
Notes payable, current portion		4,720,455	4,034,865
Related party notes payable		550,974	244,666
Deferred revenue		119,598	13,847
<b>Total current liabilities</b>		<b>8,876,310</b>	<b>6,798,969</b>
Long-term debt, net of current maturities		1,420,137	1,449,261
Operating lease liability, net of current portion		945,889	809,458
<b>Total long-term liabilities</b>		<b>2,366,026</b>	<b>2,258,719</b>
<b>TOTAL LIABILITIES</b>		<b>\$ 11,242,336</b>	<b>\$ 9,057,688</b>
Commitments and Contingencies (Note 11)		-	-
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>			
Preferred Stock par value \$0.0001; 40,000,000 shares authorized; Issued and Outstanding: 3,755,209 as of December 31, 2023 and 0 as of December 31, 2022		376	-
Common Stock par value \$0.0001; 100,000,000 shares authorized; Issued and Outstanding: 10,068,477 as of December 31, 2023 and 6,076,078 as of December 31, 2022		1,007	608
Additional paid-in-capital		119,481,543	80,359,848
Accumulated deficit		(115,038,758)	(82,861,960)
<b>TOTAL STOCKHOLDERS' EQUITY (DEFICIT)</b>		<b>4,444,168</b>	<b>(2,501,504)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY(DEFICIT)</b>		<b>\$ 15,686,504</b>	<b>\$ 6,556,184</b>

*The accompanying notes are an integral part of the these consolidated financial statements.*

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**FG Merger Corp.**

**Statements of Operations**

	<b>Year Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Operating expenses:</b>		
General and administrative expenses	\$ 922,230	\$ 1,802
Franchise taxes	170,632	-
<b>Loss from operations</b>	<b>\$ (1,092,862)</b>	<b>\$ (1,802)</b>

<b>Other income (expenses):</b>		
Investment income on trust account	1,182,073	—
<b>Total other income (expense)</b>	<b>\$ 1,182,073</b>	<b>\$ —</b>
 <b>Taxes:</b>		
Income tax expense (benefit)	215,000	—
<b>Total tax expense</b>	<b>\$ 215,000</b>	<b>\$ —</b>
 <b>Net loss</b>	<b>\$ (125,789)</b>	<b>\$ (1,802)</b>
 Weighted average redeemable common shares outstanding		
Basic and diluted	6,743,014	—
Basic and diluted net income per share, redeemable shares	<u>\$ 0.12</u>	<u>\$ —</u>
 Weighted average non-redeemable common shares outstanding		
Basic and diluted	2,042,701	—
Basic and diluted net loss per share, non-redeemable shares	<u>\$ (0.46)</u>	<u>\$ —</u>

#### CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended	
	December 31, 2023	December 31, 2022
Revenue	\$ 8,151,587	\$ 7,987,902
Cost of sales	<u>2,029,145</u>	<u>2,243,253</u>
Gross profit	<u>6,122,442</u>	<u>5,744,649</u>
 Expenses		
Selling, general and administrative	15,124,081	9,254,670
Depreciation and amortization	<u>1,274,963</u>	<u>1,292,085</u>
Total operating expenses	<u>16,399,044</u>	<u>10,546,755</u>
Loss from operations	<u>(10,276,602)</u>	<u>(4,802,106)</u>
 Other expense		
Interest expense	(1,109,388)	(785,406)
Finance charges	(1,287,916)	(426,419)
Change in fair value of forward purchase agreement	(2,312,116)	-
Impairment of intangible asset	(105,676)	-
Other expense	<u>(459,965)</u>	<u>(65,893)</u>
Total other expense	<u>(5,275,061)</u>	<u>(1,277,718)</u>
 Net loss	<u>(15,551,663)</u>	<u>(6,079,824)</u>
 Dividends to common stockholders	-	(1,794,704)
Preferred dividends	<u>(368,699)</u>	<u>-</u>
Net loss attributable to common stockholders	<u>\$ (15,920,362)</u>	<u>\$ (7,874,528)</u>
 Net loss per share, basic and diluted	<u>\$ (2.17)</u>	<u>\$ (1.37)</u>
 Weighted average number of shares, basic and diluted	<u>7,349,541</u>	<u>5,768,249</u>

*The accompanying notes are an integral part of these consolidated financial statements*

[Table of Contents](#)**iCoreConnect Inc.**
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	Common stock		Preferred Stock		Additional		Stockholders'	
	Shares	Amount	Shares	Amount	Paid In Capital	Accumulated Deficit	Equity (Deficit)	
<b>Balances at</b>								
<b>January 1,</b>								
<b>2022</b>	<b>167,493,479</b>	<b>\$ 167,493</b>		-	\$ 83,633,061	\$ (82,795,263)	\$ 1,005,291	
Retroactive application of reverse capitalization								
(Note 2)	(161,880,406)	(166,932)			166,932	(10,243,017)	(10,243,017)	
<b>Balances at</b>								
<b>January 1,</b>								
<b>2022</b>	<b>5,613,073</b>	<b>561</b>		-	83,799,993	(93,038,280)	(9,237,726)	
Stock issued for cash	191,785	19			449,981		450,000	
Origination fee in convertible debt agreement					426,419		426,419	
Stock issued for conversion of debt	7,620	1			22,386		22,387	
Stock repurchased and cancelled as part of settlement	(41,890)	(3)			(99,997)		(100,000)	
Exercise of Common Stock Options	23,459	2			2,098		2,100	
Repurchase of Common Stock Warrants					(45,000)		(45,000)	
Stock compensation expense	282,031	28			1,817,095		1,817,123	
Net loss						(6,079,824)	(6,079,824)	
<b>Balances at</b>								
<b>December 31,</b>								
<b>2022</b>	<b>6,076,078</b>	<b>608</b>		-	<b>86,372,975</b>	<b>(99,118,104)</b>	<b>(12,744,521)</b>	
<b>Balances at</b>								
<b>January 1,</b>								
<b>2023</b>	<b>181,320,528</b>	<b>181,321</b>		-	<b>86,192,262</b>	<b>(88,875,087)</b>	<b>(2,501,504)</b>	

Retroactive application of reverse capitalization						
(Note 2)	<u>(175,244,450)</u>	<u>(180,713)</u>			<u>180,713</u>	<u>(10,243,309)</u>
<b>Balances at</b>						<b><u>(10,243,309)</u></b>
<b>January 1,</b>						
<b>2023</b>	6,076,078	608	-	-	86,372,975	(99,118,396)
Stock issued for cash	1,489,707	149			2,880,836	2,880,985
Origination fee in convertible debt agreement	6,629	1			1,040,164	1,040,165
Stock issued for conversion of debt	1,392,936	139			5,747,358	5,747,497
Stock compensation expense	243,347	24			1,942,012	1,942,036
Issuance of Series A Preferred Stock on merger			3,782,191	378	17,846,920	(17,847,298)
Common stock issued on exercise of options	198,378	20			(5,940)	(5,920)
Conversion of Series A Preferred Stock to Common Stock	212,842	21	(212,842)	(21)		-
Series A Preferred Stock issued for cash			46,500	5	464,995	465,000
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
Origination fee on equity line of credit	291,259	29			599,971	600,000
Stock issued for the conversion of warrants	117,301	12			(3,512)	(3,500)

Preferred stock issued on exercise of warrants	139,360	14	(14)	-
Merger transaction costs		208,322		208,322
Net loss			(15,920,362)	(15,920,362)
<b>Balance at December 31, 2023</b>	<b>10,068,477</b>	<b>\$ 1,007</b>	<b>3,755,209</b>	<b>\$ 376</b>
			<b>\$ 119,481,543</b>	<b>\$ (115,038,758)</b>
				<b>\$ 4,444,168</b>

*The accompanying notes are an integral part of these consolidated financial statements*

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**iCoreConnect Inc.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>For the years ended</b>	
	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (15,920,362)	\$ (6,079,824)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	17,429	22,521
Amortization expense	1,257,534	1,269,564
Finance charges	1,287,916	426,419
Bad debt expense	158,620	261,717
Change in value of forward purchase agreement	2,312,116	-
Stock compensation expense	1,942,036	1,717,123
Gain on sale of assets	(13,778)	-
Dividend expense	368,699	-
Non-cash interest expense	167,265	603,146
Impairment of intangible assets	105,676	-
Changes in assets and liabilities:		
Accounts receivable	(307,716)	(47,479)
Prepaid expenses and other current assets	(1,244,356)	(26,420)
Right of use asset, net of lease liability	31,034	34,386
Accounts payable and accrued expenses	907,164	552,424
Deferred revenue	105,751	(6,572)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(8,824,972)</b>	<b>(1,272,995)</b>
<b>INVESTING ACTIVITIES</b>		
Cash portion of consideration paid to acquire Preferred Dental	(1,559,144)	-
Investment in forward purchase agreement	(7,796,672)	-
Proceeds from sale of assets	28,000	-
Purchases of capital assets	(159,878)	(4,153)
Additions to capitalized software	(727,021)	(289,812)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(10,214,715)</b>	<b>(293,965)</b>
<b>FINANCING ACTIVITIES</b>		
Net proceeds from debt	7,796,753	3,585,000
Payments on debt	(1,235,399)	(2,323,181)

Proceeds from issuance of common stock	2,881,024	450,000
Conversion of convertible debt into common stock	-	22,387
Proceeds from issuance of series A preferred stock	18,312,897	-
Proceeds from exercise of employee stock options	-	2,100
Effect of merger, net of transactions	(7,692,383)	-
Repurchase of warrants for common stock	-	(45,000)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>20,062,892</b>	<b>1,691,306</b>
 <b>NET CHANGE IN CASH</b>	 1,023,205	 124,346
<b>CASH AT BEGINNING OF THE YEAR</b>	<b>196,153</b>	<b>71,807</b>
<b>CASH AT END OF THE YEAR</b>	<b>\$ 1,219,358</b>	<b>\$ 196,153</b>

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:**

Cash paid during the period for interest	\$ 18,750	\$ 696,355
Stock issued for acquisition of Preferred Dental	\$ 400,000	\$ -
Stock issued for conversion of notes payable	\$ 5,765,656	\$ 22,387
Dividends to Common Stockholders	-	\$ 1,794,704

*The accompanying notes are an integral part of these consolidated financial statements*

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**Notes to Consolidated Financial Statements**

**1. NATURE OF OPERATIONS**

iCoreConnect Inc., (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.

**2. MERGER 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.

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

	Preferred Common Stock	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	-
<b>Total</b>	<b>8,095,706</b>	<b>3,782,191</b>

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

	<b>Amount</b>
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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The accompanying financial statements are presented in United States dollars and include the accounts of the Company's wholly owned subsidiaries, with all intercompany transactions eliminated. They have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States (GAAP). Significant accounting principles followed by the Company and the methods of applying those principles, which materially affect the determination of financial position, results of operations and cash flows are summarized below.

#### Going Concern and Liquidity

U. S. GAAP requires management to assess a company's ability to continue as a going concern within one year from the financial statement issuance and to provide related note disclosures in certain circumstances.

The accompanying consolidated 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 fiscal year period ended December 31, 2023, the Company generated an operating loss of \$10,276,602. In addition, the Company has an accumulated deficit, and net working capital deficit of \$115,038,758 and \$5,367,985. 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. The financing 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.

Currently, management continues to develop its healthcare communications system and continues to develop alliances with strategic partners to generate revenues that will sustain the Company. Management will also seek to raise additional funds. 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 consolidated 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.

#### Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). ASC 820 established a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement) as follows:

Level 1 - Observable inputs that reflect quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

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Level 2 - Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market corroborated inputs.

Level 3 - Unobservable inputs for which there is little, if any, market activity for the asset or liability being measured. These inputs may be used with standard pricing models or other valuation or internally-developed methodologies that result in management's best estimate of fair value.

The Company utilizes fair value measurements primarily in conjunction with the valuation of assets acquired and liabilities assumed in a business combination. In addition, certain nonfinancial assets and liabilities are to be measured at fair value on a nonrecurring basis in accordance with applicable GAAP. In general, nonfinancial assets including goodwill, other intangible assets and property and equipment are measured at fair value when there is an indication of impairment and are recorded at fair value only when an impairment is recognized.

As allowed by applicable FASB guidance, the Company has elected not to apply the fair value option for financial assets and liabilities to any of its currently eligible financial assets or liabilities. The Company's financial instruments consist of cash, accounts receivable, accounts payable and notes payable. The Company has determined that the book value of its outstanding financial instruments as of December 31, 2023 and 2022, approximated their fair value due to their short-term nature.

**Cash**

The Company classifies highly liquid temporary investments with an original maturity of three months or less when purchased as cash equivalents. The Company maintains cash balances at various financial institutions. Balances at United States banks are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk for cash on deposit.

**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 our 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 our customers improves and collections of amounts outstanding commence or are reasonably assured, then we may reverse previously established allowances for doubtful accounts. The Company has estimated and recorded an allowance for doubtful accounts of \$102,061 and \$65,000 as of December 31, 2023 and 2022, respectively.

**Property and Equipment, net**

Property, equipment, and leasehold improvements are recorded at their historical cost. Depreciation and amortization have been determined using the straight-line method over the estimated useful lives of the assets which are computers and office equipment (3 years) leasehold improvements (5 years), computer software (3 years), vehicles (3 years) and for office furniture and fixtures (4 to 7 years). The cost of repairs and maintenance is charged to operations in the period incurred.

[Table of Contents](#)**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.

We have determined that technological feasibility for our 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. During December 31, 2023, the Company determined that the carrying value of certain customer relationships exceed their fair value and impairment of long-lived assets existed. The Company took an impairment of \$105,676 and adjusted the value of customer relationships to their fair value.

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 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 December 31, 2023 the Company determined that the carrying value of certain customer relationships exceed their fair value and impairment existed in the amount of \$105,676. The Company adjusted the value of its customer relationships to their fair value. As of December 31, 2023 and December 31, 2022, there is no impairment of the Company's Goodwill.

#### Revenue Recognition

We have 6 primary sources of revenue as of December 31, 2023 and December 31, 2022:

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

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- 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 the software as a service ('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 service ("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 software as a service ("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.

We recognize revenue for our service in accordance with accounting standard ASC 606. Our customers are acquired through our own salesforce and through the referrals from our many state association marketing partners. We primarily generate revenue from multiple software as a service (SaaS) offering, which typically include subscriptions to our 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 our revenue is subscription based with the remainder being professional services and other IT related revenue. The geographic concentration of our revenue is 100% in North America.

Management has determined that it has the following performance obligations related to its products and services: multiple software as a service (SaaS) offering, which typically include subscriptions to our 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. 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 contracts, 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 the year ended December 31, 2023 and 2022, disaggregated revenues were recurring revenues of \$7,400,659 and \$7,206,156, respectively and non-recurring revenues of \$750,928 and \$781,746, respectively.

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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 Statement of Operations. Amounts billed to a customer for shipping and handling are reported as revenue on the Statement of Operations.

#### **Advertising Costs**

Advertising costs are reported in 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 \$614,061 and \$525,533 for the years ended December 31, 2023 and 2022, respectively.

#### **Accounting for Derivative Instruments**

The Company accounts for derivative instruments in accordance with ASC 815, 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.

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[Table](#) The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risk. [Terms of Contents](#)

#### **FG Merger Corp.**

**Statement** 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 **Changes** derivative liabilities, if any, is required to be revalued at each reporting date, with corresponding changes in **Shares Subject** 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 **Possible Redemption** 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.

#### **Financial Instruments with Down Round Features**

With respect to financial instruments, the Company follows the guidance of FASB ASU 2017-11, "Earnings per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and **Stockholders' Equity (Deficit)**Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features. Whereby 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 down round 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. The Company accounts for instruments with Most Favored Nations (the "MFN") terms or conditions similar to that of a down round feature. The impact of such terms or conditions will be accounted for when the event occurs. The 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.

**Shares Subject to Possible Redemption**	**Income Taxes** The Company follows the asset and liability approach to accounting for income taxes. Under this method, deferred tax accounting is applied. ASC 740, Accounting for Income taxes ("ASC 740"), requires that deferred tax assets be evaluated for future realization. The Company has not recognized a liability for uncertain tax positions. A reconciliation of the beginning and ending amounts of the Company's deferred tax assets and liabilities is as follows:  **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 and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.   ---   **Table of Contents**  **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 during the period.  **Stock-Based Compensation** The Company accounts for share-based compensation costs in accordance with ASC 718, Compensation - Stock Compensation. The Company estimates the fair value of each option award on the date of grant using a Black-Scholes option pricing model.   ---   **Table of Contents**  **Beneficial Conversion Features and Warrants** The Company evaluates the conversion feature of convertible debt instruments to determine whether the conversion feature is present. Under these guidelines, the Company first allocates the value of the proceeds received from a convertible debt transaction to the debt and equity components.  **Leases** The Company adopted ASU No. 2016-02, Leases and a series of related Accounting Standards Updates that followed (ASU 2016-02, ASU 2016-10, ASU 2016-12, ASU 2016-13, ASU 2016-14, ASU 2016-15, ASU 2016-16, ASU 2016-17, ASU 2016-18, ASU 2016-19, ASU 2016-20, ASU 2016-21, ASU 2016-22, ASU 2016-23, ASU 2016-24, ASU 2016-25, ASU 2016-26, ASU 2016-27, ASU 2016-28, ASU 2016-29, ASU 2016-30, ASU 2016-31, ASU 2016-32, ASU 2016-33, ASU 2016-34, ASU 2016-35, ASU 2016-36, ASU 2016-37, ASU 2016-38, ASU 2016-39, ASU 2016-40, ASU 2016-41, ASU 2016-42, ASU 2016-43, ASU 2016-44, ASU 2016-45, ASU 2016-46, ASU 2016-47, ASU 2016-48, ASU 2016-49, ASU 2016-50, ASU 2016-51, ASU 2016-52, ASU 2016-53, ASU 2016-54, ASU 2016-55, ASU 2016-56, ASU 2016-57, ASU 2016-58, ASU 2016-59, ASU 2016-60, ASU 2016-61, ASU 2016-62, ASU 2016-63, ASU 2016-64, ASU 2016-65, ASU 2016-66, ASU 2016-67, ASU 2016-68, ASU 2016-69, ASU 2016-70, ASU 2016-71, ASU 2016-72, ASU 2016-73, ASU 2016-74, ASU 2016-75, ASU 2016-76, ASU 2016-77, ASU 2016-78, ASU 2016-79, ASU 2016-80, ASU 2016-81, ASU 2016-82, ASU 2016-83, ASU 2016-84, ASU 2016-85, ASU 2016-86, ASU 2016-87, ASU 2016-88, ASU 2016-89, ASU 2016-90, ASU 2016-91, ASU 2016-92, ASU 2016-93, ASU 2016-94, ASU 2016-95, ASU 2016-96, ASU 2016-97, ASU 2016-98, ASU 2016-99, ASU 2016-100, ASU 2016-101, ASU 2016-102, ASU 2016-103, ASU 2016-104, ASU 2016-105, ASU 2016-106, ASU 2016-107, ASU 2016-108, ASU 2016-109, ASU 2016-110, ASU 2016-111, ASU 2016-112, ASU 2016-113, ASU 2016-114, ASU 2016-115, ASU 2016-116, ASU 2016-117, ASU 2016-118, ASU 2016-119, ASU 2016-120, ASU 2016-121, ASU 2016-122, ASU 2016-123, ASU 2016-124, ASU 2016-125, ASU 2016-126, ASU 2016-127, ASU 2016-128, ASU 2016-129, ASU 2016-130, ASU 2016-131, ASU 2016-132, ASU 2016-133, ASU 2016-134, ASU 2016-135, ASU 2016-136, ASU 2016-137, ASU 2016-138, ASU 2016-139, ASU 2016-140, ASU 2016-141, ASU 2016-142, ASU 2016-143, ASU 2016-144, ASU 2016-145, ASU 2016-146, ASU 2016-147, ASU 2016-148, ASU 2016-149, ASU 2016-150, ASU 2016-151, ASU 2016-152, ASU 2016-153, ASU 2016-154, ASU 2016-155, ASU 2016-156, ASU 2016-157, ASU 2016-158, ASU 2016-159, ASU 2016-160, ASU 2016-161, ASU 2016-162, ASU 2016-163, ASU 2016-164, ASU 2016-165, ASU 2016-166, ASU 2016-167, ASU 2016-168, ASU 2016-169, ASU 2016-170, ASU 2016-171, ASU 2016-172, ASU 2016-173, ASU 2016-174, ASU 2016-175, ASU 2016-176, ASU 2016-177, ASU 2016-178, ASU 2016-179, ASU 2016-180, ASU 2016-181, ASU 2016-182, ASU 2016-183, ASU 2016-184, ASU 2016-185, ASU 2016-186, ASU 2016-187, ASU 2016-188, ASU 2016-189, ASU 2016-190, ASU 2016-191, ASU 2016-192, ASU 2016-193, ASU 2016-194, ASU 2016-195, ASU 2016-196, ASU 2016-197, ASU 2016-198, ASU 2016-199, ASU 2016-200, ASU 2016-201, ASU 2016-202, ASU 2016-203, ASU 2016-204, ASU 2016-205, ASU 2016-206, ASU 2016-207, ASU 2016-208, ASU 2016-209, ASU 2016-210, ASU 2016-211, ASU 2016-212, ASU 2016-213, ASU 2016-214, ASU 2016-215, ASU 2016-216, ASU 2016-217, ASU 2016-218, ASU 2016-219, ASU 2016-220, ASU 2016-221, ASU 2016-222, ASU 2016-223, ASU 2016-224, ASU 2016-225, ASU 2016-226, ASU 2016-227, ASU 2016-228, ASU 2016-229, ASU 2016-230, ASU 2016-231, ASU 2016-232, ASU 2016-233, ASU 2016-234, ASU 2016-235, ASU 2016-236, ASU 2016-237, ASU 2016-238, ASU 2016-239, ASU 2016-240, ASU 2016-241, ASU 2016-242, ASU 2016-243, ASU 2016-244, ASU 2016-245, ASU 2016-246, ASU 2016-247, ASU 2016-248, ASU 2016-249, ASU 2016-250, ASU 2016-251, ASU 2016-252, ASU 2016-253, ASU 2016-254, ASU 2016-255, ASU 2016-256, ASU 2016-257, ASU 2016-258, ASU 2016-259, ASU 2016-260, ASU 2016-261, ASU 2016-262, ASU 2016-263, ASU 2016-264, ASU 2016-265, ASU 2016-266, ASU 2016-267, ASU 2016-268, ASU 2016-269, ASU 2016-270, ASU 2016-271, ASU 2016-272, ASU 2016-273, ASU 2016-274, ASU 2016-275, ASU 2016-276, ASU 2016-277, ASU 2016-278, ASU 2016-279, ASU 2016-280, ASU 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	Shares	Amount	
<b>Balance at December</b>			
31, 2020	— \$	—	
Net LOSS	—	—	
<b>Balance at December</b>			
31, 2021	— \$	—	
<b>Balance at December</b>			
31, 2021	—	\$ —	
Issuance The Company is authorized to issue up to 100,000,000 shares of 2,012,500 common shares to initial stockholders Company Common Stock, par value \$0.0001 per shares.	—	Stock Issuances —	
Sale of 8,050,000 units at \$10 per unit in IPO, including over-allotment, net of underwriters' discount and offering expenses	8,050,000	79,259,163	
Sale of 55,000 units at \$10 per unit in private placement	—	—	
Sale of 1,000,000 \$15 strike warrants in private placement	—	—	
Sale of 3,950,000 \$11.50 strike warrants in private placement	—	—	
Issuance of 40,250 underwriter units, including over-allotment	—	—	
Accretion During the year ended December 31, 2023, the Company issued 3,992,399 shares of common stock of which 1,489,707 shares subject to redemption	—	4,435,410	
Net LOSS	—	—	
<b>Balance at December</b>			
31, 2022	8,050,000	\$83,694,573	

The accompanying notes are an integral part of the financial statements.

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**Statement of Cash Flows**

	For the year ended December 31,	
	2022	2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (125,789)	\$ —
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Accounts payable	296,683	—
Tax liabilities	384,973	—
Prepaid expense	(223,692)	—
<b>Net cash used in operating activities</b>	<u>\$ 332,175</u>	<u>\$ —</u>
<b>Cash flows from investing activities</b>		
Investments in marketable securities	(248,792,073)	—
Proceeds from maturity	165,097,500	—
<b>Net cash used in investing activities</b>	<u>\$ (83,694,573)</u>	<u>\$ —</u>
<b>Cash flows from financing activities</b>		
Proceeds from promissory notes	150,000	—
Repayment of promissory note	(150,000)	—
Proceeds from sale of shares of common stock to initial stockholders	25,000	—
Proceeds from sale of units in IPO, including over-allotment, net of offering costs	79,259,163	—
Proceeds from sale of private units in private placement	550,000	—
Proceeds from sale of \$11.50 exercise warrants in private placements	3,950,000	—
Proceeds from sale of \$15 exercise warrants in private placements	100,000	—
Proceeds from sale of underwriter units in private placement	100	—
<b>Net cash provided by financing activities</b>	<u>\$ 83,884,263</u>	<u>\$ —</u>
<b>Net increase in cash</b>	<u>\$ 521,865</u>	<u>\$ —</u>
Cash at beginning of period	—	—
<b>Cash at end of period</b>	<u>\$ 521,865</u>	<u>\$ —</u>
Supplemental Cashflow Information:		
Noncash financing activities:		
Accretion of common shares to redemption value	<u>\$ 4,435,410</u>	<u>\$ —</u>

The accompanying notes are an integral part of the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2022

**NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS**

FG Merger Corp. (the "Company") is a blank check company incorporated in Delaware on December 23, 2020. The Company was formed for the purpose of merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities ("Business Combination").

Although the Company is not limited to a particular industry or geographic region for purposes of consummating a Business Combination, the Company intends to focus on businesses in the financial services industry. The Company is an early stage and emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

As of December 31, 2022, the Company had not yet commenced any operations. All activity through December 31, 2022 relates to the Company's formation, the initial public offering ("IPO"), which is described below, and the search for a business combination target. The Company will not generate any operating revenues until after the completion of its initial Business Combination, at the earliest. The Company will generate nonoperating income in the form of interest income from the proceeds derived from the IPO. The Company has selected December 31 as its fiscal year end.

The registration statement for the Company's IPO was declared effective on February 25, 2022. On March 1, 2022, the Company consummated its IPO of 7,000,000 units (the "Units") at \$10.00 per Unit. In connection with the IPO, the underwriters were granted an option to purchase up to an additional 1,050,000 Units to cover over-allotment, if any. On March 3, 2022, the underwriter fully exercised their over-allotment option and purchased 1,050,000 Units. Each Unit consist of one common stock of the Company, par value \$0.0001 per share (the "Public Share") and three-quarters of one redeemable warrant (the "Public Warrant"), each whole Public Warrant entitling the holder thereof to purchase one share of common stock were issued for cash of \$2,880,985. The Company issued 212,842 shares of common stock for \$11.50 per share. The Units were sold at a price of \$10.00 per Unit, generating gross proceeds to the Company of \$80,500,000. The Public Warrants will become exercisable on the later of 30 days after the completion of Business Combination and 12 months from the closing of the IPO and will expire five years after the completion of Business Combination or earlier upon Company's liquidation.

Simultaneously with the closing of the IPO, the Company consummated private placements (the "Private Placements") of i) 1,000,000 \$15.00 exercise price warrants (the "\$15 Private Warrants") at a price of \$0.10 per \$15 Private Warrant, ii) 3,950,000 \$11.50 exercise price warrants (the "\$11.50 Private Warrants") at a price of \$1.00 per \$11.50 Private Warrant, and iii) 55,000 units at \$10.00 per unit (the "Private Units" and, together with the \$15 Private Warrants and \$11.50 Private Warrants, the "Private Placement Securities") to the Company's sponsor, FG Merger Investors LLC (the "Sponsor"), directors, and officers, for the aggregate purchase price of \$4,600,000.

Each Private Unit consists of one Common Stock and three-quarters of one non-redeemable warrant ("Private Unit Warrant"). Each whole Private Unit Warrant will entitle the holder to purchase one share of common stock at an exercise price of \$11.50 per share.

Each \$15 Private Warrant will entitle the holder to purchase one share of Common Stock at an exercise price of \$15.00 per each share, will be exercisable for a period of 10 years from the date of Business Combination, will be non-redeemable, and may be exercised on a cashless basis. Additionally, \$15 Private Warrants and the shares issuable upon the exercise of the \$15 Private Warrants will not be transferable, assignable or salable until after the completion of a Business Combination, subject to certain limited exceptions.

Each \$11.50 Private Warrant will entitle the holder to purchase one common share at an exercise price of \$11.50 per each share, will be exercisable for a period of five years from the date of Business Combination, will be non-redeemable, and may be exercised on a cashless basis. Additionally, \$11.50 Private Warrants and the shares issuable upon the exercise of the \$11.50 Private Warrants will not be transferable, assignable or salable until after the completion of a Business Combination, subject to certain limited exceptions.

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The Company Units are listed on NASDAQ. The Company's management has broad discretion with respect to the specific application of the net proceeds of the IPO and Private Placement Securities, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. NASDAQ rules provide that the Business Combination must be with one or more target businesses that together have a fair market value equal to at least 80% of the net assets held in the Trust Account (as defined below) (excluding any taxes payable on interest earned on the trust account). The Company will only complete a Business Combination if the post-Business Combination company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the

Investment Company Act of 1940 as amended (the "Investment Company Act"). There is no assurance that the Company will be able to successfully effect a Business Combination.

Following the closing of the IPO on March 1, 2022, and subsequent closing of the over-allotment on March 3, 2022, a total of \$82,512,500 (\$10.25 per unit) from the net proceeds of the sale of Units in the IPO and the sale of Private Placement Securities as well as the proceeds from the closing of the over-allotment option were placed in a trust account ("Trust Account") and invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, until the earlier of: (i) the consummation of a Business Combination or (ii) the distribution of the funds in the Trust Account to the Company's shareholders, as described below.

The Company will provide its shareholders with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a shareholder meeting called to approve the Business Combination or (ii) by means of a tender offer. In connection with a proposed Business Combination, the Company may seek shareholder approval of a Business Combination at a meeting called for such purpose at which shareholders may seek to redeem their shares, regardless of whether they vote for or against the proposed Business Combination. The Company will proceed with a Business Combination only if the Company has net tangible assets of at least \$5,000,000 upon or immediately prior to such consummation of a Business Combination and, if the Company seeks shareholder approval, a majority of the outstanding shares voted are voted in favor of the Business Combination.

If the Company seeks shareholder approval of a Business Combination and it does not conduct redemptions pursuant to the tender offer rules, the Company's amended and restated certificate of incorporation provides that a public shareholder, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a "group" (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), will be restricted from seeking redemption rights with respect to 15% or more of the Public Shares without the Company's prior written consent.

The holders of Public Shares will be entitled to redeem their Public Shares for a pro rata portion of the amount then in the Trust Account (including any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations). There will be no redemption rights upon the completion of a Business Combination with respect to the Company's warrants.

If a shareholder vote is not required and the Company does not decide to hold a shareholder vote for business or other legal reasons, the Company will, pursuant to its amended and restated certificate of incorporation, offer such redemption pursuant to the tender offer rules of the Securities and Exchange Commission ("SEC"), and file tender offer documents containing substantially the same information as would be included in a proxy statement with the SEC prior to completing a Business Combination.

The Sponsor, officers, directors and advisors (the "Initial Shareholders") have agreed (a) to vote their Founder Shares (as defined in Note 5) as well as any common shares underlying the Private Units, and any Public Shares purchased during or after the IPO in favor of a Business Combination, (b) not to propose an amendment to the Company's amended and restated certificate of incorporation with respect to the Company's pre-Business Combination activities prior to the consummation of a Business Combination unless the Company provides dissenting public shareholders with the opportunity to redeem their Public Shares in conjunction with any such amendment; (c) not to redeem any shares (including the Founder Shares as well as any common shares underlying the Private Units) into the right to receive cash from the Trust Account in connection with a shareholder vote to approve a Business Combination (or to sell any shares in a tender offer in connection with a Business Combination if the Company does not seek shareholder approval in connection therewith) or a vote to amend the provisions of the amended and restated certificate of incorporation relating to shareholders' rights of pre-Business Combination activity and (d) that the Founder Shares, the Private Units and \$15 and \$11.50 Private Warrants (including underlying securities) shall not participate in any liquidating distributions upon winding up if a Business Combination is not consummated. However, the Initial Shareholders will be entitled to liquidating distributions from the Trust Account with respect to any Public Shares purchased during or after the IPO if the Company fails to complete its Business Combination.

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The Company will have until June 1 (or September 1 if the time to complete a business combination is extended as described herein) from the closing of the IPO to consummate a Business Combination. In addition, if the Company anticipates that it may not be able to consummate an initial business combination within 15 months, the Company's insiders or their affiliates may, but are not obligated to, extend the period of time to consummate a business combination by an additional three months (for a total of 18 months to complete a business combination) (the "Combination Period"). In order to extend the time available for the Company to consummate a Business Combination, the Sponsor or its affiliate or designees must deposit into the Trust Account \$805,000 (\$0.10 per Public Share in either case), on or prior to the 15-month anniversary of the closing of the IPO.

If the Company is unable to complete a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than ten business days thereafter, redeem 100% of the outstanding Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned (net of taxes payable and less interest to pay dissolution expenses up to \$100,000), divided by the number of then outstanding Public Shares, which redemption will completely extinguish public shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining shareholders and the Company's board of directors, proceed to commence a voluntary liquidation and thereby a formal dissolution of the Company, subject in each case to its obligations to provide for claims of creditors and the requirements of applicable law. There will be no redemption rights or liquidation distribution with respect to the Company's warrants, which will expire worthless if the Company fails to complete its initial Business Combination within the Combination period.

The Sponsor has agreed that it will be liable to the Company, if and to the extent any claims by a vendor for services rendered or products sold to the Company, or a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amounts in the Trust Account to below \$10.25 per share, except as to any claims by a third party who executed a waiver of any and all rights to seek access to the Trust Account and except as to any claims under the Company's indemnity of the underwriters of the IPO against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). In the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third-party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers, prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

#### **Going Concern**

The Company has until June 1, 2023 (unless such period is extended, as detailed above) to consummate the initial Business Combination. If a business combination is not consummated by this date (unless extended), there will be a mandatory liquidation and subsequent dissolution of the Company. Management has determined that the mandatory liquidation, should a business combination not occur, and potential subsequent dissolution, raises substantial doubt about the Company's ability to continue as a going concern.

The Company intends to complete the Initial Business Combination before the mandatory liquidation date. However, there can be no assurance that the Company will be able to consummate any business combination ahead of June 1, 2023 (unless extended), nor that it will be able to raise sufficient funds to complete an Initial Business Combination.

#### **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of presentation**

The accompanying financial statements are presented in U.S. Dollars and conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of the SEC.

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##### **Emerging growth company**

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, 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 its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has

different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

#### **Use of estimates**

The preparation of financial statement in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statement, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from those estimates.

#### **Cash and cash equivalents**

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2022.

#### **Marketable securities held in Trust Account**

At December 31, 2022, substantially all of the assets held in the Trust Account were invested in a money market fund that invests exclusively in short term U.S. Treasury obligations. During the year ended December 31, 2022, the Company did not withdraw any interest income from the Trust Account to pay for its franchise and income taxes.

#### **Common stock subject to possible redemption**

The Company accounts for its common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity." Common stock subject to mandatory redemption is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that features redemption rights that is either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) is classified as temporary equity. At all other times, common stock is classified as stockholders' equity. The Company's common stock features certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, at December 31, 2022, common stock subject to possible redemption is presented as temporary equity at redemption value, outside of the stockholders' equity section of the Company's balance sheet.

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The Company recognizes changes in redemption value immediately as they occur and adjusts the carrying value of redeemable common stock to equal the redemption value at the end of each reporting period. Increases or decreases in the carrying amount of redeemable common stock are affected by charges against additional paid in capital or accumulated deficit if additional paid in capital equals to zero.

#### **Deferred offering costs**

Deferred offering costs consist of underwriting, legal, accounting and other expenses incurred through the balance sheet date that are directly related to the IPO and that are charged to shareholders equity upon the completion of the IPO. Offering costs amounting to \$1,240,837 (including \$750,000 of underwriting fees) were charged to shareholders' equity upon the completion of IPO. Furthermore, underwriters also received 40,250 Units ("Underwriter Units"), with such Units restricted from sale until the closing of the Business Combination and with no redemption rights from the Trust Account. Each Underwriter Unit consists of one share of common stock of the Company, par value \$0.0001 per share and three-quarters of one redeemable warrant ("Underwriter Warrant"), each whole Underwriter Warrant entitling the holder thereof to purchase one share of common stock for \$11.50 per share.

#### **Warrants**

The Company accounts for the 6,037,500 Public Warrants, 41,250 Private Unit Warrants, 3,950,000 \$11.50 Private Warrant, 1,000,000 \$15.00 Private Warrant and 30,188 Underwriter Warrants issued in connection with the IPO and the Private Placements in accordance with the guidance contained in ASC 815-40

"Contracts in Entity's Own Equity" and ASC 480, "Distinguishing Liabilities from Equity". The Company's warrants meet the criteria required to be classified as equity.

#### Income taxes

The Company complies with the accounting and reporting requirements of ASC Topic 740, "Income Taxes," which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits, if any, as income tax expense. As of December 31, 2022, there were no amounts accrued for interest or penalties. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company is subject to income tax examinations by major taxing authorities since inception.

#### Reconciliation of Net Loss per Common Share

The Company complies with accounting and disclosure requirements of ASC 260, Earnings Per Share. The Company has redeemable and nonredeemable shares of common stock. Income and losses are shared pro rata between the redeemable and nonredeemable shares of common stock. Net loss per share of common stock is calculated by dividing the net loss by the weighted average shares of common stock outstanding for the respective period. Net loss for the period from January 1, 2022 to IPO was allocated fully to the nonredeemable shares of common stock. Diluted net loss per share attributable to stockholders adjusts the basic net loss per share attributable to stockholders and the weighted-average shares of common stock outstanding for the potentially dilutive impact of outstanding warrants. However, because the warrants are anti-dilutive, diluted loss per share of common stock is the same as basic loss per share of common stock for the period presented.

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The following table reflects the calculation of basic and diluted net loss per share of common stock (in dollars, except per share amounts):

Net loss from January 1, 2022 to IPO date	\$ (3,727)
Net loss from IPO date to year end December 31, 2022	(122,062)
Total loss from January 1, 2022 to year end December 31, 2022	<u>\$ (125,789)</u>

	For the period from January 1, 2022 through December 31, 2022		
	Redeemable	Non-Redeemable	
		Shares	Total
Total number of shares	8,050,000	2,107,750	10,157,750
Ownership percentage	79 %	21 %	
Total income allocated by class	\$ (96,734)	\$ (29,055)	\$ (125,789)
Less: Accretion allocated based on ownership percentage	(3,515,055)	(920,355)	(4,435,410)
Plus: Accretion applicable to the redeemable class	4,435,410		4,435,410
Total income (loss) by class	<u>\$ 823,621</u>	<u>\$ (949,410)</u>	
Weighted average shares	6,743,014	2,042,701	
Earnings (loss) per share	\$ 0.12	\$ (0.46)	

#### Fair value of financial instruments

The fair value of the Company's assets and liabilities which qualify as financial instruments under ASC Topic 820, "Fair Value Measurement," approximates the carrying amounts represented in the accompanying balance sheet, primarily due to their short-term nature.

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities.

**Level 1:** Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

**Level 2:** Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

**Level 3:** Unobservable inputs based on our assessment of the assumptions that market participants would use in pricing the asset or liability.

The fair value of the marketable securities held in trust account is determined using the level 1 input.

#### **Risks and Uncertainties**

On August 16, 2022, the Inflation Reduction Act of 2022 (the "IR Act") was signed into federal law. The IR Act provides for, among other things, a new U.S. federal 1% excise tax on certain repurchases (including redemptions) of stock by publicly traded domestic corporations and certain domestic subsidiaries of publicly traded foreign corporations. The excise tax is imposed on the repurchasing corporation itself, not its stockholders from which shares are repurchased. The amount of the excise tax is generally 1% of the fair market value of the shares repurchased at the time of the repurchase. However, for purposes of calculating the excise tax, repurchasing corporations are permitted to net the fair market value of certain new stock issuances against the fair market value of stock repurchases during the same taxable year. In addition, certain exceptions apply to the excise tax. The U.S. Department of the Treasury has been given authority to provide regulations and other guidance to carry out, and prevent the avoidance of, the excise tax. The IR Act applies to repurchases that occur after December 31, 2022, and it is possible that this tax will apply to our future redemptions or liquidation.

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#### **Recently issued accounting standard**

Management does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company's financial statements.

#### **NOTE 3. INITIAL PUBLIC OFFERING**

On March 1, 2022, the Company consummated its IPO of 7,000,000 Units. On March 3, 2022, 1,050,000 additional Units were issued pursuant to the underwriters' full exercise of their over-allotment option. The Units were sold at a price of \$10.00 per Unit, generating gross proceeds to the Company of \$80,500,000.

#### **NOTE 4. PRIVATE PLACEMENT**

Simultaneously with the closing of the IPO, the Company consummated the Private Placements in which the Sponsor purchased (i) 55,000 Private Units at a price of \$10.00 per Private Unit, (ii) 3,950,000 \$11.50 Private Warrants at a price of \$1.00 per \$11.50 Private Warrant, and (iii) 1,000,000 \$15 Private Warrants at a price of \$0.10 per \$15 Private Warrant. The aggregate gross proceeds from the sale of Private Placement Securities are \$4,600,000. Each \$15 Private Warrant, \$11.50 Private Warrant and the Private Unit Warrants will entitle the holder to purchase one share of common stock at its respective exercise price.

#### **NOTE 5. RELATED PARTY TRANSACTIONS**

##### **Founder Shares**

On January 10, 2022, the Company issued an aggregate of 2,012,500 shares of common stock (the "Founder Shares") to the Sponsor for an aggregate purchase price of \$25,000 in cash. On January 11, 2022, the Sponsor transferred an aggregate of 60,000 Founder Shares to members of the Company's

management and board of directors, resulting in the Sponsor holding 1,952,500 Founder Shares.

The Initial Shareholders have agreed not to transfer, assign or sell any of the Founder Shares (except to certain permitted transferees) until, with respect to 50% of the Founder Shares, the earlier of (i) twelve months after the date of the consummation of a Business Combination, or (ii) the date on which the closing price of the Company's common stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations) for any 20 trading days within any 30-trading day period commencing after a Business Combination, with respect to the remaining 50% of the Founder Shares, 12 months after the date of the consummation of a Business Combination, or earlier, in each case, if, subsequent to a Business Combination, the Company consummates a subsequent liquidation, merger, stock exchange or other similar transaction which results in all of the Company's shareholders having the right to exchange their Public Shares for cash, securities or other property.

#### **Promissory Notes**

On January 10, 2022, the Company issued an unsecured Promissory Note to the Sponsor, pursuant to which the Company may borrow up to an aggregate principal amount of \$175,000. On January 10, 2022, the Company drew \$150,000 pursuant to the promissory note. The promissory note was subsequently paid off on March 1, 2022. There were no amounts outstanding as of December 31, 2022.

#### **Administrative Services Agreement**

The Company entered into an administrative services agreement (the "Administrative Services Agreement") with the Sponsor on February 25, 2022 whereby the Sponsor will perform certain services for the Company for a monthly fee of \$10,000. For the year ended December 31, 2022, the total administrative services expense was \$100,000.

#### **NOTE 6. COMMITMENTS AND CONTINGENCIES**

##### **Registration Rights**

Pursuant to a registration right agreement entered into on February 25, 2022, the holders of the Founder Shares and the Private Placement Securities (and their underlying securities) are entitled to registration rights. The Company will bear the expenses incurred in connection with the filing of any registration statements pursuant to such registration rights.

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#### **Underwriting Agreement**

The Company granted the underwriters a 45-day option to purchase up to 1,050,000 additional Units to cover over-allotments at the Initial Public Offering price. On March 2, 2022, the underwriters exercised the over-allotment in full, and the closing of the issuance and sale of the additional Units occurred on March 3, 2022.

#### **NOTE 7. STOCKHOLDERS' EQUITY**

**Preferred Stock** – The Company is authorized to issue 1,000,000 shares of preferred stock, par value \$0.0001 per share, with such designations, voting and other rights and preferences as may be determined from time to time by the Company's board of directors. As of December 31, 2022, there were no shares of preferred stock issued or outstanding.

**Common Stock** – The Company is authorized to issue 400,000,000 shares of common stock, par value \$0.0001 per share. Holders of the Company's common stock are entitled to one vote for each share. As of December 31, 2022, there were 2,107,750 shares of common stock issued and outstanding, excluding 8,050,000 shares subject to possible redemption.

**Warrants** — Public Warrants may only be exercised for a whole number of shares. No fractional shares will be issued upon exercise of the Public Warrants. Each whole Public Warrant will entitle the holder to purchase one share of common stock at an exercise price of \$11.50 per share, and will become exercisable on the later of 30 days after the completion of the Business Combination and 12 months from the closing of the IPO. The Public Warrants will expire on the fifth anniversary of the completion of the Business Combination, or earlier upon redemption or liquidation. The Company may redeem the Public Warrants i) at a redemption price of \$0.01 per warrant, ii) at any time after the Public Warrants become exercisable, iii) upon a minimum of 30 days' prior written notice of redemption, iv) if, and only if, the last sales price of Company's common stock equals or exceeds \$18.00 per share for any 20 trading days within a 30 trading

day period commencing after the date the Public Warrants become exercisable and ending three business days before Company sends the notice of redemption, and v) if, and only if, there is a current registration statement in effect with respect to the shares of common stock underlying such Public Warrants at the time of redemption and for the entire 30-day trading period referred to above and continuing each day thereafter until the date of redemption.

The \$15 Private Warrants will entitle the holder to purchase one common share at an exercise price of \$15.00 per each share, will be exercisable for a period of 10 years from the date of Business Combination, will be non-redeemable, and may be exercised on a cashless basis. Additionally, \$15 Private Warrants and the shares issuable upon the exercise of the \$15 Private Warrants will not be transferable, assignable or salable until after the completion of a Business Combination, subject to certain limited exceptions.

The \$11.50 Private Warrants will entitle the holder to purchase one common share at an exercise price of \$11.50 per each share, will be exercisable for a period of five years from the date of Business Combination, will be non-redeemable, and may be exercised on a cashless basis. Additionally, \$11.50 Private Warrants and the shares issuable upon the exercise of the \$11.50 Private Warrants will not be transferable, assignable or salable until after the completion of a Business Combination, subject to certain limited exceptions.

The Private Unit Warrants will have terms similar to the Public Warrants underlying the Units sold in the IPO, except that the Private Unit Warrants will be non-redeemable and may be exercised on a cashless basis. Additionally, Private Unit Warrants and the shares issuable upon the exercise of the Private Unit Warrants will not be transferable, assignable or salable until after the completion of a Business Combination, subject to certain limited exceptions.

The exercise price and number of common stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, extraordinary dividend or recapitalization, reorganization, merger or consolidation. However, except as described above, the warrants will not be adjusted for issuances of common stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the warrants. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from the Company's assets held outside of the Trust Account with respect to such warrants. Accordingly, the warrants may expire worthless.

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### **NOTE 8. INCOME TAXES**

The Company follows the asset and liability method of accounting for income taxes under FASB ASC 740, "Income Taxes." Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

Internal Revenue Section 195 requires start-up expenditures paid or incurred in connection with investigating the creation or acquisition of an active trade or business to be capitalized for income tax purposes. The capitalized start-up expenditures are placed into service in the month in which an active trade or business begins and amortized ratably over 180 months. The start-up expenditures do not include interest, taxes, or research and experimental expenses. The tax calculation for the year ended December 31, 2022 took all of the aforementioned Section 195 guidelines into account. For the year ended December 31, 2022, the provision for income taxes was \$215,000.

ASC Topic 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. As of December 31, 2022, the Company recorded a deferred tax asset related to the capitalized start-up costs of \$195,000. The Company chose to establish a valuation allowance to reduce the deferred tax asset to \$0. It is not guaranteed that the Company will complete a Business Combination, and, even if the Business Combination is successfully completed, that the future Combined Company will be able to utilize the deferred tax asset.

The following is a summary of the Company's net deferred tax asset:

	December 31, 2022	December 31, 2021
	\$0	\$0

<b>Deferred tax assets:</b>		
Startup and organizational costs	\$ 195,000	\$ —
Total deferred tax asset	195,000	—
Valuation allowance	(195,000)	—
Deferred tax asset, net of allowance	\$ —	\$ —

The income tax provision consists of the following:

	December 31, 2022	December 31, 2021
<b>Federal</b>		
Current expense	\$ 215,000	\$ —
Deferred benefit	(195,000)	—
Change in valuation allowance	195,000	—
Income tax provision	\$ 215,000	\$ —

A reconciliation of the statutory federal income tax rate (benefit) to the Company's effective tax rate (benefit) is as follows for the years ended December 31, 2022 and December 31, 2021:

	Year Ended December 31,	
	2022	2021
Income tax at statutory rate	18,734	21.0 %
Change in valuation allowance	195,000	218.6 %
Other	1,266	1.4 %
Income tax expense	215,000	241 %

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### NOTE 9. SUBSEQUENT EVENTS

On January 5, 2023, the Company entered into a Merger Agreement and Plan of Reorganization (the "Merger Agreement") by and among the Company, FG Merger Sub Inc., a Nevada corporation and a direct, wholly-owned subsidiary of the Company ("Merger Sub"), and iCoreConnect Inc., a Nevada Corporation ("iCoreConnect").

The Merger Agreement provides that, among other things, at the closing of the transactions contemplated by the Merger Agreement, Merger Sub will merge with and into iCoreConnect with iCoreConnect surviving as a wholly-owned subsidiary of the Company (the "Merger"). In connection with the Merger, the Company will change its name to "iCoreConnect Inc." The Merger and the other transactions contemplated by the Merger Agreement are referred to as the "Business Combination."

The Business Combination is expected to close in the second quarter of 2023, subject to customary closing conditions, including the receipt of certain governmental approvals and the required approval by the stockholders of FGMC and iCoreConnect.

Prior to the Closing, each share of FGMC common stock, par value \$0.0001 shall be converted into shares of newly issued FGMC preferred stock, par value \$0.0001 ("FGMC Preferred Stock"). This transaction is referred to herein as the "FGMC Common Conversion." The FGMC Preferred Stock, amongst other rights, preferences, qualifications etc. shall accrue dividends at the rate per annum of 12%, which shall be payable within fifteen business days after the anniversary of the date of the original issuance of the FGMC Preferred Stock.

In addition, (i) each vested, issued and outstanding option to purchase iCoreConnect common stock par value \$0.001 ("iCoreConnect Common Stock") shall be exercised into shares of iCoreConnect Common Stock (ii) each issued and outstanding warrant to purchase iCoreConnect Common Stock shall be exercised into shares of iCoreConnect Common Stock and (iii) the outstanding principal together with all accrued and unpaid interest under each iCoreConnect convertible promissory note shall be converted into shares of iCoreConnect Common Stock.

FGMC and iCoreConnect will each hold special meetings of their respective stockholders in connection with the proposed Business Combination, which are referred to as the FGMC Special Meeting and the iCoreConnect Special Meeting, respectively.

The Business Combination is expected to close in the second quarter of 2023, subject to customary closing conditions, including the receipt of certain governmental approvals and the required approval by the stockholders of FGMC and iCoreConnect.

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### **EXHIBITS.**

The following exhibits are filed as part of, or incorporated by reference into, this Annual Report.

#### **No. Description of Exhibit**

2.1 [Merger Agreement and Plan of Reorganization, dated as of January 5, 2023, by and among FG Merger Corp., FG Merger Sub Inc. and iCoreConnect Inc. \(incorporated by reference to exhibit 2.1 to the Registrant's Current Report on Form 8 K filed with conversion of Series A Preferred Stock, 40,000 shares related to the SEC on January 6, 2023\)](#)

3.1 [Amended & Restated Certificate of Incorporation Preferred Dental Services, 297,888 shares related to inducements for financing agreements, 243,347 shares for stock-based compensation and 1,708,615 shares related to the conversion of debt, warrants and options. During the year ended December 31, 2022, the Company \(incorporated by](#)

reference issued  
13,827,049 shares of  
common stock, of  
which 5,722,844 shares of  
common stock were  
issued for cash of  
\$450,000. The Company  
also issued 227,368  
shares of common stock  
for the conversion of  
\$22,387 of convertible  
debt. 700,000 shares of  
common stock were  
issued for the exercise of  
common stock options for  
a value of \$2,100.  
8,426,837 shares of  
common stock were  
issued related to exhibit  
3.1 stock-based  
compensation for a value  
of \$1,817,123. The  
Company also  
repurchased and  
cancelled 1,250,000  
shares of common stock  
with a value of \$100,000.

**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 share. The Preferred Stock have the Registrant's Current Report on Form 8-K filed with the SEC on March 3, 2022) rights, preferences, powers, privileges and restrictions, qualifications and limitations including but not limited to:

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	<u>Public Warrant Agreement, dated February 25, 2022, by and between the Registrant and Continental Stock Transfer &amp; Trust Company, LLC (incorporated by reference to exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 3, 2022)</u>	
4.1		
4.2	<u>Private Warrant Agreement, dated February 25, 2022, by and between the Registrant and Continental Stock Transfer &amp; Trust Company, LLC (incorporated by reference to exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on March 3, 2022)</u>	
	During the year ended December 31, 2023 the Company issued 46,500 Series A Preferred stock for \$465,000 in cash and 139,360 Series A Preferred stock were converted into shares of Common Stock on a one for one basis.	
	During the year ended December 31, 2023, 212,842 shares of Series A Preferred stock were converted into shares of Common Stock on a one for one basis.	
	<u>Continental Stock Transfer &amp; Trust Company, LLC</u>	
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	<u>Common Stock Options</u>	
	As part of the merger, the Company's 2016 Long Term Incentive Plan was cancelled and replaced with the 2023 Stock Plan ("Incentive Plan")	
	Certain employees and executives have been granted options or warrants that are compensatory in nature. A summary of option activity for the year ended December 31, 2023 is as follows:	
		Weighted Average
		Remaining Contractual Term in Years
		Ag In
	<u>2022 Options Outstanding</u>	
		Number of Options
		Weighted Average
		Exercise Price
		Term in Years
	<u>Balance Outstanding - January 1, 2022</u>	
		1,094,005
		\$ 3.58
		9.8
		\$
10.1	Granted	10,054
	Exercised	(23,459)
	Forfeited	(335)
	<u>Balance Outstanding - December 31, 2022</u>	1,080,265
		\$ 3.88
		8.8
		\$
	<u>Exercisable - December 31, 2022</u>	
		311,049
		\$ 3.58
		8.8
		\$
	<u>2022 Nonvested Options</u>	
		Number of Options
		Weighted Average
		Grant Date
		Fair Value
		Year
	<u>Nonvested - January 1, 2022</u>	
		1,034,856
		\$ 3.58
	Granted	10,054
	Vested	(275,359)
	Forfeited/expired	(335)
	<u>Nonvested - December 31, 2022</u>	769,216
		\$ 3.58
		Weighted Average
		Remaining Contractual Term in Years
		Ag In
	<u>2023 Options Outstanding</u>	
		Number of Options
		Weighted Average
		Exercise Price
		Term in Years

10.2	<u>Investment</u> <u>Management Trust</u> <u>Agreement, dated February 25, 2022, by and between the Registrant and Continental Stock Transfer &amp; Trust Company, LLC (incorporated by reference to exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on March 3, 2022)</u>	<b>Balance Outstanding - January 1, 2023</b>	1,080,265	\$ 3.88	8.8	\$
		Granted	7,446	\$ 6.04	9.6	
		Exercised	(310,881)	3.62	7.6	
		Forfeited	(502)	\$ 2.81	7.8	
		<b>Balance Outstanding - December 31, 2023</b>	<u>776,328</u>	<u>\$ 3.74</u>	<u>8.0</u>	<u>\$</u>
		<b>Exercisable - December 31, 2023</b>	381,256	\$ 3.72	7.9	\$
					<b>Weighted Average</b>	<b>W</b>
					<b>Number of Options</b>	<b>A</b>
		<b>2023 Nonvested Options</b>			<b>Grant Date</b>	<b>Re</b>
					<b>Fair Value</b>	<b>Yea</b>
		<b>Nonvested - January 1, 2023</b>	769,216	\$ 3.58		
		Granted	7,446	\$ 6.04		
		Vested	(381,256)	\$ 3.72		
		Forfeited	(334)	4.13		
		<b>Nonvested - December 31, 2023</b>	<u>395,072</u>	<u>\$ 3.76</u>		
10.3	<u>Registration Rights Agreement, dated February 25, 2022, by and among the Registrant and certain security holders (incorporated by reference to exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on March 3, 2022)</u>	As part of the merger all vested options as of August 25, 2023 totaling 310,881 were converted on a cashless basis into 198,378 shares of common stock. As of December 31, 2023, total unrecognized compensation cost related to unvested stock options was approximately \$1.5 MM.				
		<b>Table of Contents</b>				
		<b>Restricted Stock Compensation</b>				
		On December 31, 2022, the Company's Board of Directors approved the grant of 250,000 restricted share of common stock to each of the Directors.				
		In April 2023, the Company's Board of Directors approved the granting of 81,267 restricted shares of common stock for employee performance.				
		In April 2023, the Company's Board of Directors approved compensation for its Board Members and Committee Members for the year ended.				
		<b>Common Stock Warrants</b>				
		The Company typically issues warrants to individual investors and institutions to purchase shares of the Company's Common Stock in connection with the SEC on Form 8-K filed with the SEC on March 3, 2022.				
		In May 2023, the Company entered into amendments with certain warrant holders whose warrants contained down round provisions and modified the exercise price.				
		During the year ended December 31, 2023, the Company issued 45,129 Common Stock Warrants.				
		During the year ended December 31, 2022, the Company issued 536,175 Common Stock Warrants. In addition, the Company purchased 1,210,000 Common Stock Warrants.				
10.4	<u>Administrative Services Agreement, dated February 25, 2022, by and between the Registrant and the Sponsor (incorporated by reference to exhibit 10.4 to the Registrant's Current Report on Form 8-K filed with the SEC on March 3, 2022)</u>	During the year ended December 31, 2022, the Company issued 13,158 Common Stock Warrants in connection with issuances of promissory notes at a price that is lower than \$0.30 for any equity instrument issued. As such the Company has recorded a charge of \$1,794,704 as a Dividend to Common Stock.				
		On May 18, 2023 the Company determined that it had not properly accounted for certain warrants issued by the Company in 2021 with respect to the 2022 Merger.				
		<b>Table of Contents</b>				
		<b>Outstanding - December 31, 2021</b>				
		Granted				
		Additions including Down Round feature				
		Forfeited/expired				
		<b>Outstanding - December 31, 2022</b>				
		Granted				
		Exercised				
		Cancelled				
		<b>Outstanding - December 31, 2023</b>				
		<b>Preferred Stock Warrants</b>				

10.5	<b>Indemnity</b>  <u>Agreements, each dated as of February 25, 2022, by and between the Registrant and each of the officers and directors of the Registrant (incorporated by reference to exhibit 10.5 to the Registrant's Current Report on Form 8-K filed with the SEC on March 3, 2022)</u>	As part of the Merger, the Company assumed the following preferred stock warrants:				
		Number of Warrants	Weighted Exercise Price	Average Exercise Price	Remaining Contractual Term in Years	
<b>\$2.00 Preferred Stock Warrants Outstanding</b>						
Outstanding – December 31, 2022						
<u>Registrant (incorporated by reference to exhibit 10.5 to the Registrant's Current Report on Form 8-K filed with the SEC on March 3, 2022)</u>	Granted	600,000	2.00	2.00	10.0	
	Exercised	(174,200)	2.00	2.00	9.8	
	Expired	-	-	-	-	
Outstanding – December 31, 2023						
During 2023 there was a modification of the \$2.00 warrant agreements which were issued in conjunction with the merger and classified as a current liability.						
10.6	<b>Private Placement Units Purchase Agreement, dated February 25, 2022, by and between the Company and the Sponsor (incorporated by reference to exhibit 10.6 to the Registrant's Current Report on Form 8-K filed with the SEC on March 3, 2022)</b>	Number of Warrants	Weighted Exercise Price	Average Exercise Price	Remaining Contractual Term in Years	
		Outstanding – December 31, 2022	\$			
<u>Registrant and FG Merger Investors LLC (incorporated by reference to exhibit 10.7 to the Registrant's Current Report on Form 8-K filed with the SEC on March 3, 2022)</u>	Granted	10,122,313	11.50	11.50	10	
	Exercised	-	-	-	-	
	Expired	-	-	-	-	
Outstanding – December 31, 2023						
10,122,313 \$ 11.50 9.7 \$						
10.7	<b>\$15.00 Preferred Stock Warrants Outstanding</b>	Number of Warrants	Weighted Exercise Price	Average Exercise Price	Remaining Contractual Term in Years	
		Outstanding – December 31, 2022	\$			
<u>\$15 Exercise Price Warrants Purchase Agreement, dated February 25, 2022, between the Registrant and FG Merger Investors LLC (incorporated by reference to exhibit 10.7 to the Registrant's Current Report on Form 8-K filed with the SEC on March 3, 2022)</u>	Granted	1,000,000	15.00	15.00	10	
	Exercised	-	-	-	-	
	Expired	-	-	-	-	
Outstanding – December 31, 2023						
1,000,000 \$ 15.00 9.7 \$						
<b>Equity Line of Credit</b>						
<u>In January 2021 Old iCore and one of its Convertible Debt Holders entered into a Purchase Agreement for up to \$5,000,000 shares of the Registrant's equity line of credit after the draw was \$4,650,000. This line expired in January 2023.</u>						
<u>On September 12, 2023, the Company entered into a purchase agreement with Arena Business Solutions Global SPC II, Ltd ("Arena"), pursuant to which Arena on any trading day up to the Commitment Amount. The maximum amount that the Company may specify in any one Advance Notice preceding such Advance Notice, or (ii) \$15.0 million. For these purposes, "Daily Value Traded" is the product obtained by multiplying the daily the daily VWAP of the Common Stock during the Pricing Period.</u>						
<u>Unless earlier terminated as provided in the Purchase Agreement, the Purchase Agreement will terminate automatically on the earliest to occur time by mutual written consent.</u>						
<u>As consideration for Arena's irrevocable commitment to purchase Common Stock upon the terms of and subject to satisfaction of the conditions of the Purchase Agreement, the Company exercised this equity line of credit of an aggregate amount of \$2,940,985 in exchange for 1,309,741 shares of Common Stock.</u>						
<u>On February 14, 2024, this agreement was terminated. Refer to Note 13- Subsequent Events for additional details.</u>						

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## 5. PROPERTY AND EQUIPMENT, NET

10.8 **\$11.50** Exercise Property and equipment, net consists of the following:

		December 31, 2023	Dec
<u>Price</u>	<u>Warrants</u>		
<u>Purchase</u>			
<u>Agreement, dated</u>			
<u>February 25, 2022</u>	Furniture and fixtures	\$ 92,821	\$
<u>between the</u>	Leasehold improvements	42,493	
<u>Registrant and FG</u>	Equipment	22,240	
<u>Merger Investors</u>	Vehicles	-	
<u>LLC (incorporated</u>	Computer software	124,702	
<u>by reference to</u>		\$ 282,256	\$
<u>exhibit 10.8 to the</u>	Less accumulated depreciation	(79,835)	
<u>Registrant's</u>		\$ 202,421	\$
<u>Current Report on</u>			
<u>Form 8-K filed</u>	Depreciation expense on property and equipment for the years ended December 31, 2023 and 2022, were \$17,429 and \$22,521, respectively		
	<b>6. GOODWILL AND OTHER INTANGIBLE ASSETS, NET</b>		
<u>March 3, 2022)</u>	The following table sets forth the changes in the carrying amount of goodwill for the year ended December 31, 2023 and 2022:		
<u>Form of</u>			
<u>iCoreConnect</u>	Balance at December 31, 2021		\$
<u>Support Agreement</u>	2022 activity		
<u>by and among the</u>	Balance at December 31, 2022		
<u>Registrant,</u>	2023 activity		
<u>iCoreConnect, Inc.</u>	Balance at December 31, 2023		\$
<u>and the other</u>			
<u>parties named</u>	The following table sets forth the gross carrying amounts and accumulated amortization of the Company's intangible assets as of December 31, 2023, 2022, and 2021.		
<u>therein</u>			
<u>(incorporated by</u>			
<u>reference to exhibit</u>			
<u>10.1 to the</u>	Definite-lived intangible assets at January 1, 2021		
<u>Registrant's</u>	Capitalized software	\$ 3,014,490	\$ (2,483,429)
<u>Current Report on</u>	Customer relationships	3,713,434	\$ (1,363,054)
<u>Form 8-K filed with</u>	Acquired technology	1,527,186	\$ (1,447,758)
<u>the SEC on January</u>	Total definite-lived intangible assets at December 31, 2022	\$ 8,255,110	\$ (5,294,241)
<u>6, 2023)</u>			
<u>10.10 Form of Sponsor</u>	Capitalized software	3,741,511	\$ (2,838,099)
<u>Support Agreement</u>	Customer relationships	5,272,578	\$ (105,676)
<u>by and among the</u>	Acquired technology	1,527,186	\$ (1,527,186)
<u>Registrant,</u>	Total definite-lived intangible assets at December 31, 2023	\$ 10,541,275	\$ (105,676)
<u>iCoreConnect, Inc.</u>			
<u>and the other</u>			
<u>parties named</u>	<u>Table of Contents</u>		
<u>therein</u>	Amortization expense of intangible assets was \$1,257,534 and \$1,269,564, respectively, for the years ended December 31, 2023 and 2022.		
<u>(incorporated by</u>	The following table sets forth the weighted-average amortization period, in total and by major intangible asset class:		
<u>reference to exhibit</u>			
<u>10.2 to the</u>			
<u>Registrant's</u>	<b>Asset Class</b>		
<u>Current Report on</u>	Capitalized software		
<u>Form 8-K filed with</u>	Customer relationships		
<u>the SEC on January</u>	As of December 31, 2023, assuming no additional amortizable intangible assets, the expected amortization expense for the unamortized acquired intangible assets is:		Es
<u>6, 2023)</u>	2024		\$
	2025		\$
	2026		\$
	2027		\$
	<b>7. FORWARD PURCHASE AGREEMENT</b>		
	On August 14, 2023, the Company entered into Prepaid Forward Purchase Agreement (the "FPA") with Old iCore and RiverNorth SPAC Arbitrage LLC.		
	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 Old iCore common stock and (b) 1.5 million shares of RiverNorth SPAC Arbitrage LLC common stock.		
	In accordance with the terms of the Business Combination, upon the consummation of the Business Combination, each Forward Purchase Share will be converted into 0.5 shares of Old iCore common stock and 0.5 shares of RiverNorth SPAC Arbitrage LLC common stock.		

10.11	<p><u>Form of Lock-Up</u> Upon the Business Combination closing, 100,000 Purchased Shares were deemed to be "Commitment Shares" and the remaining Purchased Shares will be held in FGMC's trust account, a portion of which will be released to the Purchaser upon the sale of the Prepaid Forward Purchase Shares (or underlying FGMC Common Stock) by the Purchaser, the Purchaser will remit the amount of the shares sold to FGMC, and the remaining shares will be held in FGMC's trust account until 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.</p> <p><u>Table of Contents</u></p>
10.12	<p><u>Form of Amended and Restated</u> (1) Convertible Note bearing interest at 12% due May, 2023 \$</p> <p><u>Registration Rights</u> (2) Note bearing interest at 15% due September 1, 2023</p> <p><u>Agreement by and among the</u> (2) Note bearing interest at 15% due September 1, 2023</p> <p><u>Registrant, ThinkEquity, a division of Fordham Financial Management, Inc.</u> (3) Note bearing interest at 18% due October 1, 2026</p> <p><u>FG Merger Investors LLC, and the other parties</u> (4) Secured Promissory Note bearing interest at 17.5% due February 28, 2026 1,9</p> <p><u>named therein</u> (5) Promissory Note bearing interest at 14%, due January 15, 2023</p> <p><u>(incorporated by reference to exhibit</u> (6) Promissory Note bearing interest at 14%, due September 1, 2023</p> <p><u>10.4 to the</u> (7) Promissory Note bearing interest at 15%, due January 25, 2023</p> <p><u>Registrant's</u> (8) Promissory Note bearing interest at 15%, due September 1, 2023</p> <p><u>Current Report on Form 8 K filed with the SEC on January 6, 2023)</u> (8) Promissory Note bearing interest at 15%, due September 1, 2023</p> <p><u>10.4 to the</u> (9) Convertible Note bearing interest at 15% due March 2024</p> <p><u>Registrant's</u> (10) Convertible Note bearing interest at 15% due June 14, 2024</p> <p><u>Current Report on Form 8 K filed with the SEC on January 6, 2023)</u> (11) Convertible Note bearing interest at 15% due June 14, 2024</p> <p><u>reference to exhibit</u> (12) Convertible Note bearing interest at 15% due July 24, 2024</p> <p><u>10.4 to the</u> (13) Promissory Note bearing interest at 12%, due October 31, 2023</p> <p><u>Registrant's</u> (14) Convertible Note bearing interest at 12% due May 13, 2024</p> <p><u>Current Report on Form 8 K filed with the SEC on January 6, 2023)</u> (15) Convertible Note bearing interest at 12%, due October 31, 2024 3</p> <p><u>10.13</u> (15) Convertible Note bearing interest at 12%, due December 18, 2024 5</p> <p><u>Sponsor Forfeiture Agreement, dated January 5, 2023, by and among the</u> (16) Convertible Note bearing interest at 12%, due December 19, 2024 5</p> <p><u>Registrant, FG Merger Investors LLC, and iCoreConnect, Inc.</u> (17) Convertible Note bearing interest at 12%, due December 19, 2024</p> <p><u>(incorporated by reference to exhibit</u> (14) Convertible Note bearing interest at 12%, due December 28, 2024 1</p> <p><u>10.5 to the</u> (2) Convertible Note bearing interest at 12%, due June 1, 2024 4</p> <p><u>Registrant's</u> (18) Promissory Note bearing interest at 15%, due December 26, 2024</p> <p>Total notes payable 2,0</p> <p>Less: Unamortized debt discounts 6,3</p> <p>Less: unamortized financing costs (1)</p> <p>Total notes payable, net of financing costs 6,1</p> <p>Less current maturities (4,7)</p> <p>Total Long-Term Debt \$ 1,4</p>
	<p><u>Table of Contents</u></p> <p><u>Form 8 K filed with the SEC on January 6, 2023)</u> 1.</p> <p>In April 2021, the Company signed a \$500,000 convertible promissory note with a maturity date twelve months from the date of issuance. The exercise price per share of Common stock under this Warrant is \$0.60 per share for the first 43,500 shares, and \$0.70 per share for the remaining 56,500 shares. Accrued interest was converted in January 2023 for 202,343 shares of Common Stock. In May 2023 the Company converted the remaining balance of the note into 1,400 shares of Common Stock.</p>

In April 2021, the Company signed a \$500,000 convertible promissory note with a maturity date twelve months from the date of issuance. The exercise price per share of Common stock under this Warrant is \$0.60 per share for the first 43,500 shares. The accrued interest was converted in January 2023 for 202,343 shares of Common Stock. In May 2023 the Company issued 100,000 shares of Common Stock to the Noteholders.

	2.	In August 2021, the Company signed a \$1,000,000 and \$500,000 promissory note with a maturity date 24 months and the strike price repriced to \$0.30 for all 157,090 warrants. In May the Company and the warrant holder re-negotiated the terms of the warrants and the strike price was increased to \$0.30. In August 2023, the Company agreed to a Satisfaction Agreement in conjunction with the conversion of debt and be paid on maturity. The Note and accrued interest is convertible at \$1.24 per share into the Company's common stock.
<a href="#">Table of Contents</a>		
31.1	3.	In November 2021, the Company signed a \$40,071 equipment finance agreement with a maturity date 60 months.
<u>Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>	4.	On February 28, 2022, the Company signed a \$2,000,000 secured promissory note with a maturity date 48 months from the 2nd anniversary and prior to the 3rd anniversary of the date of the Initial Advance or Subsequent Advance. The Note is convertible at \$1.24 per share into the Company's common stock. Interest would be applied to outstanding interest and fees, along with other customary requests in exchange for a forgoing of the right to audit the Company's books and records.
<u>Table of Contents</u>	5.	In April 2022, the Company signed a \$50,000 unsecured promissory note with a maturity date six (6) months from the date of signing.
<u>15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>	6.	In April 2022, the Company signed a \$300,000 unsecured promissory note with a maturity date six (6) months from the date of signing.
<u>31.2</u>	7.	In July 2022, the Company signed a \$500,000 unsecured promissory note with a maturity date six (6) months from the date of signing.
<u>Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>	8.	In August 2022, the Company signed two \$250,000 unsecured promissory notes with a maturity date six (6) months from the date of signing. The notes with principal balance totalling \$500,000 along with outstanding interest of \$nil was converted on August 1, 2022.
<u>Table of Contents</u>	9.	In March 2023, the Company entered into a twelve (12) month Convertible Secured Promissory Note ("Note"). 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 common stock, a warrant to purchase option at time of the Business Combination. The Note is superior to all notes in terms of security and priority.
<u>32.1*</u>	10.	In June 2023, the Company entered into a twelve (12) month note Convertible Promissory Note ("Note"). The Note, the holder shall no longer have the right to receive, for each share of common stock upon conversion of the Note, but shall have the right to receive, for each share of common stock, a warrant to purchase option at time of the Business Combination.
<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>	11.	In June 2023, the Company entered into a twelve (12) month note Convertible Promissory Note ("Note"). The Note, the holder shall no longer have the right to receive, for each share of common stock upon conversion of the Note, but shall have the right to receive, for each share of common stock, a warrant to purchase option at time of the Business Combination.
<u>13.</u>	12.	In July 2023, the Company entered into a twelve (12) month note Convertible Promissory Note ("Note"). The Note, the holder shall no longer have the right to receive, for each share of common stock upon conversion of the Note, but shall have the right to receive, for each share of common stock, a warrant to purchase option at time of the Business Combination.
<u>Table of Contents</u>	13.	In September 2023 the Company entered into a sixty-day Promissory Note ("Note") in the amount of \$1,200,000.
<u>Section 906 of the Sarbanes-Oxley Act of 2002.</u>	14.	In October 2023, the Company entered into a promissory note for \$350,000. The maturity of the Promissory Note is December 31, 2023. The Note is convertible into Company common stock at a conversion rate of 100 shares per \$1,000 principal amount. The Note holder also entered into amendments to the warrants to purchase common stock issued in connection with the Note.
<u>32.2*</u>	15.	In October 2023, the Company entered into a securities purchase agreement with an investor, pursuant to which the Company issued a subordinated note to a service provider in principal amount of \$2,000,000. The Note carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate of 100 shares per \$1,000 principal amount.
<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>	16.	In December 2023, the Company entered into a securities purchase agreement pursuant to which the Company issued a subordinated note to a service provider in principal amount of \$2,000,000. The Note carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate of 100 shares per \$1,000 principal amount.
<u>Table of Contents</u>	17.	In December 2023, the Company entered into a securities purchase agreement pursuant to which the Company issued a subordinated note to a service provider in principal amount of \$2,000,000. The Note carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate of 100 shares per \$1,000 principal amount.
<u>18.</u>	18.	In December 2023, the Company issued a subordinated note to a service provider in principal amount of \$2,000,000. The Note carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate of 100 shares per \$1,000 principal amount.
<u>9. INCOME TAXES</u>		
<u>Section 906 of the Sarbanes-Oxley Act of 2002.</u>		The Company has incurred net losses since inception. As of December 31, 2023, the Company had cumulative federal net operating loss carryforwards of approximately \$1,000,000. The Company is subject to audit by the Internal Revenue Service and applicable state taxing authorities, generally for a period of three years from the date of filing.
101.INS	XBRL Instance Document	<a href="#">Table of Contents</a> Deferred taxes comprise the following as of December 31, 2023 and 2022:

101.CAL	XBRL	
	Taxonomy	Net Operating Losses
	Extension	Intangible assets
	Calculation	Stock-based compensation-nonqualified
	Linkbase	
	Document	Property and equipment
101.SCH	XBRL	
	Taxonomy	Allowance for bad debts
	Extension	Forward purchase agreement
	Schema	Organizational costs
	Document	ROU lease liability
101.DEF	XBRL	
	Taxonomy	Net Deferred Tax Asset
	Extension	ROU lease asset
	Definition	Total Deferred Tax Liability
	Linkbase	
	Document	Valuation Allowance
101.LAB	XBRL	
	Taxonomy	Reconciliation of the effective income tax rate to the federal statutory rate:
	Extension	Federal Income Tax Rate
	Labels Linkbase	
	Document	Permanent Differences
101.PRE	XBRL	
	Taxonomy	State Taxes, net
	Extension	Cumulative adjustments
	Presentation	Change in valuation allowance including the effect of the rate change
	Linkbase	
	Document	Effective income tax rate
<b>10. CONCENTRATION OF CREDIT RISK</b>		
104	Cover	Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and trade accounts receivables. The Company has historically provided financial terms to customers in accordance with what management views as industry norms. Access to the Company's financial statements is available on the SEC's EDGAR database at <a href="https://www.sec.gov/edgar/searchedgar/companysearch.html">https://www.sec.gov/edgar/searchedgar/companysearch.html</a> .
	Page Interactive	The Company has no significant customers (greater than 10% of total revenue) in its 2023 and 2022 revenue. The Company has accounts receivable from various customers, including one customer that represents approximately 10% of total revenue.
	Data File	
	(formatted as	
	Inline XBRL and	
	contained in	
	<a href="#">Table of Contents</a>	
	Exhibit 101)	
<b>11. COMMITMENTS AND CONTINGENCIES</b>		
<b>(A) LEASE COMMITMENTS</b>		
* Furnished herewith	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 in Concord, NC. The Company signed a three-year lease agreement for approximately 2,100 square feet of office space located in Concord, NC on July 16, 2023. 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 signed a one-year lease for an office in Scottsdale, AZ. As of December 31, 2023, undiscounted future lease obligations for the office space are as follows:	
38	<b>Lease Commitments</b> as of December 31, 2023	
	<b>Less than 1 year</b>	
	\$ 369,849	
	Lease costs for the year ended December 31, 2023 were \$347,910 and cash paid for amounts included in the measurement of lease liabilities.	
<a href="#">Table of Contents</a>	Undiscounted minimum lease commitments	
	Less: Imputed Interest	
<b>SIGNATURES</b>	Lease liabilities	
Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K		
	<b>(B) EMPLOYMENT AGREEMENTS WITH NAMED EXECUTIVE OFFICERS</b>	
	Chief Executive Officer	
	We entered into an employment agreement, effective September 1, 2023, with Robert McDermott, pursuant to which he agreed to serve as our Chief Executive Officer. The term of the agreement is three years, with an annual base salary of \$2,500,000; provided that the final determination on the amount of the annual grant, if any, will be made by the Compensation Committee of the Board.	

to be signed on its behalf by the undersigned, thereunto duly authorized.

If Mr. McDermott's employment is terminated at our election without "cause", or by Mr. McDermott for "good reason," Mr. McDermott shall be entitled to receive the same portion of Mr. McDermott's medical and dental insurance premiums under COBRA as during active employment until the earlier of (1) six months from the termination date or (2) the date of his death.

Date: **FG Merger** If Mr. Shah's employment is terminated at our election without "cause", or by Mr. Shah for "good reason," Mr. Shah shall be entitled to receive the same portion of Mr. Shah's medical and dental insurance premiums under COBRA as during active employment until the earlier of (1) six months from the termination date or (2) the date of his death.

February 2, 2023

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By: /s/ **Emily Torres** **Chief Operating Officer**

We entered into an employment agreement, effective September 1, 2023, with David Fidanza pursuant to which he agreed to serve as our Chief Financial Officer for an annual equity grant of up to \$666,000; provided that the final determination on the amount of the annual grant, if any, will be made by the Compensation Committee of the Board of Directors.

If Mr. Fidanza's employment is terminated at our election without "cause", or by Mr. Fidanza for "good reason," Mr. Fidanza shall be entitled to receive the same portion of Mr. Fidanza's medical and dental insurance premiums under COBRA as during active employment until the earlier of (1) six months from the termination date or (2) the date of his death.

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

We entered into an employment agreement, effective September 1, 2023, with Murali Chakravarthi pursuant to which each officer agreed to serve as our Chief Technology Officer for an annual equity grant of up to \$675000; provided that the final determination on the amount of the annual grant, if any, will be made by the Compensation Committee of the Board of Directors.

If Mr. Chakravarthi's employment is terminated at our election without "cause", or by Mr. Chakravarthi for "good reason," Mr. Chakravarthi shall be entitled to receive the same portion of Mr. Chakravarthi's medical and dental insurance premiums under COBRA as during active employment until the earlier of (1) six months from the termination date or (2) the date of his death.

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**(C) LITIGATION**

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

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 Company is not currently involved in any material litigation, claims or disputes, it has been involved in the following litigation:

On August 18, 2021, iCoreConnect received a Notice of Disposition of Collateral under section 9-611 of the Uniform Commercial Code ("UCC"). Pursuant to the "Payment Date", iCoreConnect shall redeem, and/or or iCoreConnect's designees shall acquire, a total of 9,000,000 shares of iCoreConnect. The parties have entered into a Share Purchase Agreement, which amount will be credited toward the payment of the 9,000,000 shares described above. The foregoing share purchase obligation was completed on December 30, 2022 and a full release received from the courts.

On June 15, 2021, the Company received a Complaint filed with the Circuit Court of the Ninth Judicial Circuit for Orange County, Florida. The Company is currently involved in this litigation.

On February 21, 2023, the Company received a notice under section 21 of Indian Arbitration and Conciliation Act, 1996 related to a dispute pending before the National Commission for Conciliation and Arbitration.

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**12. ACQUISITIONS**

**Preferred Dental Development, LLC ("Preferred Dental")**

On September 1, 2023, the Company entered into an Asset Purchase Agreement (the "Agreement") with Preferred Dental Development, LLC. Pursuant to the guidance in FASB ASC Topic 805, Business Combinations, the Company calculated the estimated fair value of the acquired assets. The following table summarizes the consideration paid and the fair value of the assets acquired at acquisition date:

**Consideration Paid:**

Note payable

Common stock

**Fair values of identifiable assets acquired:**

Assets acquired:

Cash

Customer relationships

Total assets acquired

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The following information represent the unaudited pro forma combined results of operations, including acquisitions giving effect to the acquisition of the Company's subsidiary.

Revenue

Net Loss attributable to Common Stockholders

Weighted average common shares outstanding

Basic and diluted loss per common share

### 13. RELATED PARTY TRANSACTIONS

	December 31, 2023	Decem ber 31, 2022
(1) Related Party Promissory Note bearing interest at 15% due February 28, 2024	\$ -	\$ -
(2) Related Party Promissory Notes bearing interest at 18%, due March 31, 2023	249,855	
(3) Related Party Promissory Note bearing interest at 18%, due December 31, 2023	225,797	
(1) Related Party Promissory Note bearing interest at 12%, due December 31, 2023	96,753	
Total notes payable	572,405	
Less: Unamortized debt discounts	-	
Less: unamortized financing costs	(21,431)	
Total notes payable, net of financing costs	550,974	
Less current maturities	(550,974)	
Total Long-Term Debt	\$ -	\$ -

1. In June 2022, the Company signed a \$100,000 unsecured promissory note with its then Chief Operating Officer, a related party. In December 2022, the Company signed a \$145,010 unsecured promissory note with the same lender with a maturity date of September 1, 2023 after issuance of a convertible promissory note in principal amount of \$94,685.91. The maturity of the Convertible Promissory Note is March 31, 2024. The Note bears interest at 15% per annum and is convertible into shares of Company Common Stock unless and until the Note is converted or paid in full. The Note is unsecured and is not convertible into shares of Company Common Stock unless and until the Note is converted or paid in full.
2. In December 2022, the Company entered into an unsecured promissory note with its Chief Executive Officer, a related party. The Note bears interest at 15% per annum and is convertible into Company common stock at a conversion rate of \$0.08 per share.
3. In June 2023 the Company entered into a promissory note with an entity controlled by its Chief Executive Officer, a related party. The Note bears interest at 15% per annum and is convertible into shares of Company Common Stock at a conversion rate of \$0.08 per share.

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### 14. SUBSEQUENT EVENTS

On January 1, 2024, the Company entered into an Asset Purchase Agreement with Ally Commerce, Inc. dba FeatherPay ("FeatherPay"). The transaction is subject to the registration set forth in Section 4(a)(2) of the Securities Act of 1933, as amended.

In connection with the issuance of the Stock Consideration, and concurrent with the execution of the Agreement, the Company and FeatherPay will issue shares of common stock to the Seller. The conversion of the Note will not require approval of the Company's stockholders in connection with the rules of the Nasdaq Stock Market. In the event that the Note is converted, the Company will issue shares of common stock to the Seller.

On January 1, 2024, the Company entered into an Asset Purchase Agreement with Teamworx LLC ("Teamworx"). Teamworx was engaged in the development of a software application. The Note has a maturity date of January 31, 2024 without any interest. On February 1, 2024 the Seller agreed to a new Note Payable with 12% annual interest and a maturity date of January 31, 2025.

In connection with the issuance of the Stock Consideration, and concurrent with the execution of the Agreement, the Company and Seller's stockholders will issue shares of common stock to the Seller. The conversion of the Note will not require approval of the Company's stockholders in connection with the rules of the Nasdaq Stock Market. In the event that the Note is converted, the Company will issue shares of common stock to the Seller.

On January 1, 2024, the Company entered into an Asset Purchase Agreement with Verifi Dental, Limited (the "Seller"). The Seller was engaged in the development of a software application.

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In connection with the issuance of the Stock Consideration, and concurrent with the execution of the Agreement, the Company and Seller's stockholders will issue shares of common stock to the Seller. The conversion of the Note will not require approval of the Company's stockholders in connection with the rules of the Nasdaq Stock Market. In the event that the Note is converted, the Company will issue shares of common stock to the Seller.

On February 1, 2024, the Company entered into a securities purchase agreement with an investor, pursuant to which the Company issued the Note on similar exemptions under applicable state laws.

On February 1, 2024, the Company entered into a securities purchase agreement with an investor, pursuant to which the Company issued the on similar exemptions under applicable state laws.

On February 9, 2024, the Company issued a convertible note entered into a securities purchase agreement with an investor with an effective On February 12, 2024, the Company entered into a Forbearance Agreement with its senior secured lender whereby the Company agreed to r

As discussed in Note 4 – Stockholder's Equity, on February 14, 2024, the Company provided termination notification Arena for the Purchase , On February 26, 2024, The Company executed a securities purchase agreement (the "Purchase Agreement") with certain institutional investo

common stock (the "Commitment Shares"). Subject to satisfying the conditions discussed below, the Company has the right under the Purcha monthly amortization payments pursuant to the Note of approximately 1/6th of the principal amount of the Note per month (the "Amortization

share, which is subject to proportional adjustment upon the occurrence of any stock split, stock dividend, stock combination and/or similar tra immediately after giving effect to such conversion. If the Company fails to make any Amortization Payments when due, then each holder may

On March 29, 2024 the Company's Board of Directors upon the recommendation of the Compensation Committee of the Board, approved the On March 29, 2024, the Compensation Committee approved a management incentive plan pursuant to which it agreed to issue ten-year option

common stock; (v) Jeffrey Stellinga, Vice President – options to purchase 352,420 shares of Company common stock.

On April 2, 2024 the Company entered into a promissory note in the principal amount of \$200,000 with an existing investor. The maturity of the

On April 8, 2024 with an effective date of January 1, 2024, the Company entered into a securities purchase agreement with a related party pu

On April 8, 2024 with an effective date of January 1, 2024, the Company entered into a securities purchase agreement with a related party pu

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**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.**

None.

**Item 9A. Controls and Procedures.**

**Evaluation of Disclosure Controls and Procedures**

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is rec

Under the supervision and with the participation of our management, including our principal executive officer and principal financial and accou

Based on this evaluation, our Chief Executive Officer who is our principal executive officer and our Chief Financial Officer, who is our principa controls in place to understand the impact on equity holders and monitor the issuance of instruments with down round features. To address t

regarding complex accounting applications and we also plan to hire additional personnel to help provide adequate segregation of duties in the **Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchan

**Management's Annual Report on Internal Control Over Financial Reporting**

Our Chief Executive Officer and our Chief Financial Officer were responsible for establishing and maintaining adequate internal control over fi

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1. Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial reports in accordance with

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that

Because of its inherent limitations, internal control over financial reporting cannot provide absolute assurance of preventing and detecting mis

Our Chief Executive Officer and Chief Financial Officer conducted an evaluation of the effectiveness of our internal control over financial repo

This report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial

**Item 9B. Other Information.**

During the three months ended December 31, 2023, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arran

**Item 9C. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections.**

Not applicable.

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**Items 10. Directors, Executive Officers and Corporate Governance**

The information required by this item will be incorporated by reference from our definitive proxy statement to be filed pursuant to Regulation 1

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this item will be incorporated by reference from our definitive proxy statement to be filed pursuant to Regulation 1

**Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by this item will be incorporated by reference from our definitive proxy statement to be filed pursuant to Regulation 1

**Item 14. Principal Accounting Fees and Services**

The information required by this item will be incorporated by reference from our definitive proxy statement to be filed pursuant to Regulation 14A.

**Table of Contents****Item 15. Exhibits, Financial Statement Schedules (As Restated).****(a) Financial Statements**

The financial statements included in this Form 10-K are listed in Item 8.

**(b) Exhibits\*:**

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">2.1**</a>	<a href="#">Merger Agreement and Plan of Reorganization, dated as of January 1, 2016, between iCoreConnect Inc. and 2 One 2 of Concord, Inc.</a>
<a href="#">3.1</a>	<a href="#">Certificate of Amended and Restated Articles of Incorporation of iCoreConnect Inc., dated as of January 1, 2016.</a>
<a href="#">3.2</a>	<a href="#">Amended and Restated By-Laws of the Company as amended and restated on January 1, 2016.</a>
<a href="#">4.1*</a>	<a href="#">Description of Securities</a>
<a href="#">4.2</a>	<a href="#">Common Stock Purchase Warrant between iCoreConnect Inc. and 2 One 2 of Concord, Inc., dated as of January 1, 2016.</a>
<a href="#">4.3</a>	<a href="#">Common Stock Purchase Warrant between iCoreConnect Inc. and 2 One 2 of Concord, Inc., dated as of January 1, 2016.</a>
<a href="#">10.1</a>	<a href="#">Stock Purchase Agreement dated as of January 19, 2018 among iCoreConnect Inc. and 2 One 2 of Concord, Inc.</a>
<a href="#">10.2</a>	<a href="#">Asset Purchase Agreement dated as of April 30, 2019 between iCoreConnect Inc. and 2 One 2 of Concord, Inc.</a>
<a href="#">10.3</a>	<a href="#">Asset Purchase Agreement dated as of January 3, 2020 between iCoreConnect Inc. and 2 One 2 of Concord, Inc.</a>
<a href="#">10.4</a>	<a href="#">Asset Purchase Agreement dated as of April 23, 2021 between iCoreConnect Inc. and 2 One 2 of Concord, Inc.</a>
<a href="#">10.5</a>	<a href="#">Asset Purchase Agreement dated as of May 31, 2021 between iCoreConnect Inc. and 2 One 2 of Concord, Inc.</a>
<a href="#">10.6</a>	<a href="#">Asset Purchase Agreement dated as of September 1, 2021 between iCoreConnect Inc. and 2 One 2 of Concord, Inc.</a>
<a href="#">10.7</a>	<a href="#">Executive Employment Agreement dated as of December 16, 2021 between iCoreConnect Inc. and Robert McDermon.</a>
<a href="#">10.8</a>	<a href="#">Executive Employment Agreement dated as of December 16, 2021 between iCoreConnect Inc. and Gary Boyer.</a>
<a href="#">10.9</a>	<a href="#">Executive Employment Agreement dated as of December 16, 2021 between iCoreConnect Inc. and Lucas Ventures.</a>
<a href="#">10.11</a>	<a href="#">Executive Employment Agreement dated as of December 16, 2021 between iCoreConnect Inc. and Steve Wubker.</a>
<a href="#">10.12</a>	<a href="#">Executive Employment Agreement dated as of August 7, 2021 between iCoreConnect Inc. and 2 One 2 of Concord, Inc.</a>
<a href="#">10.13</a>	<a href="#">iCoreConnect Inc. 2016 Long-Term Incentive Compensation Plan.</a>
<a href="#">10.14</a>	<a href="#">Form of Restricted Stock Award Agreement under the 2016 Long-Term Incentive Compensation Plan.</a>
<a href="#">10.15</a>	<a href="#">iCoreConnect Inc. 2016 Incentive Bonus Compensation Plan. (incorporated by reference from Form S-8 filed on April 13, 2017)</a>

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<a href="#">10.16</a>	<a href="#">Lease Agreement dated October 17, 2017 between iCoreConnect Inc. and 2 One 2 of Concord, Inc.</a>
<a href="#">10.17</a>	<a href="#">Amended Lease Agreement dated October 26, 2020 between iCoreConnect Inc. and 2 One 2 of Concord, Inc.</a>
<a href="#">10.18</a>	<a href="#">Lease Agreement for iCoreConnect Inc. and 2 One 2 of Concord, Inc., dated as of January 1, 2021.</a>
<a href="#">10.19</a>	<a href="#">Lease extension dated September 10, 2021 between iCoreConnect Inc. and 2 One 2 of Concord, Inc.</a>
<a href="#">10.20</a>	<a href="#">Lease Agreement dated September 22, 2021 between iCoreConnect Inc. and 2 One 2 of Concord, Inc.</a>
<a href="#">10.21</a>	<a href="#">Promissory Note between iCoreConnect Inc. and Robert McDermon.</a>
<a href="#">10.22</a>	<a href="#">Small Business Administration PPP Loan between iCoreConnect Inc. and 2 One 2 of Concord, Inc.</a>
<a href="#">10.23</a>	<a href="#">Promissory Note between iCoreConnect Inc. and Robert McDermon.</a>
<a href="#">10.24</a>	<a href="#">Secured Promissory Note dated February 28, 2022 for \$2,000,000 between iCoreConnect Inc. and 2 One 2 of Concord, Inc.</a>
<a href="#">10.25</a>	<a href="#">Fifth Amendment between iCoreConnect Inc. and United Healthcare.</a>
<a href="#">10.26</a>	<a href="#">Lease Agreement for iCoreConnect Inc. and Los Arcos Professional Center.</a>
<a href="#">10.27</a>	<a href="#">Promissory Note between iCoreConnect Inc. and Lucas Ventures.</a>
<a href="#">10.28</a>	<a href="#">Promissory Note between iCoreConnect Inc. and LGH Investments.</a>
<a href="#">10.29</a>	<a href="#">Promissory Note between iCoreConnect Inc. and Gary Boyer dated as of January 1, 2022.</a>
<a href="#">10.30</a>	<a href="#">Promissory Note between iCoreConnect Inc. and Steve Wubker dated as of January 1, 2022.</a>
<a href="#">10.31</a>	<a href="#">Promissory Note between iCoreConnect Inc. and Jeffrey Stellinga dated as of January 1, 2022.</a>
<a href="#">10.32</a>	<a href="#">Promissory Note between iCoreConnect Inc. and Gary Boyer dated as of January 1, 2022.</a>
<a href="#">10.33</a>	<a href="#">Promissory Note between iCoreConnect Inc. and Gary Boyer dated as of January 1, 2022.</a>
<a href="#">10.34</a>	<a href="#">Promissory Note between iCoreConnect Inc. and Gary Boyer dated as of January 1, 2022.</a>

<a href="#">10.35</a>	Promissory Note between iCoreConnect Inc. and Gary Boyer dated 10/10/2014
<a href="#">10.36</a>	Promissory Note between iCoreConnect Inc. and Steve Wubker dated 10/10/2014
<a href="#">10.37</a>	Promissory Note between iCoreConnect Inc. and Jeffrey Stellinga dated 10/10/2014
<a href="#">10.38</a>	Promissory Note between iCoreConnect Inc. and Robert McDermott dated 10/10/2014
<a href="#">10.39</a>	Convertible Note between iCoreConnect Inc. and Robert McDermott dated 10/10/2014
<a href="#">10.40</a>	Convertible Secured Promissory Note between iCoreConnect Inc. and Robert McDermott dated 10/10/2014
<a href="#">23.1*</a>	Consent of Marcum LLP
<a href="#">31.1*</a>	CEO Certification pursuant to rule 13a-14(a)
<a href="#">31.2*</a>	CFO Certification pursuant to rule 13a-14(a)
<a href="#">32.1*</a>	CEO Sarbanes Oxley certification
<a href="#">32.2*</a>	CFO Sarbanes Oxley certification
<a href="#">97*</a>	<a href="#">iCoreConnect, Inc. Restatement Recoupment Policy</a>
<a href="#">101.INS</a>	Inline XBRL Instance Document (the instance document does not contain any XBRL data)
<a href="#">101.SCH</a>	Inline XBRL Taxonomy Extension Schema Document
<a href="#">101.CAL</a>	Inline XBRL Taxonomy Extension Calculation Linkbase Document
<a href="#">101.DEF</a>	Inline XBRL Taxonomy Extension Definition Linkbase Document
<a href="#">101.LAB</a>	Inline XBRL Taxonomy Extension Labels Linkbase Document
<a href="#">101.PRE</a>	Inline XBRL Taxonomy Extension Presentation Linkbase Document
<a href="#">104</a>	Cover Page Interactive Data File (formatted as Inline XBRL and contains the XBRL instance, schema, calculation, definition, and labels)

\* Filed herewith.

\*\* Certain exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). FGMC agrees to furnish these exhibits and schedules to the SEC upon request.

+ Management contract or compensatory plan, contract or arrangement.

#### Item 16. Form 10-K Summary

None.

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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 following persons.

#### Name

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*/s/ Robert P McDermott*

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Robert P McDermott

*/s/ Archit Shah*

---

Archit Shah

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant.

*/s/ Robert P McDermott*

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Robert P McDermott

*/s/ Archit Shah*

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Archit Shah

*/s/ Joseph Gitto*

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Joseph Gitto

*/s/ Harry Travis*

Harry Travis

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*/s/ John Pasqual*

John Pasqual

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*/s/ Kevin McDermott*

Kevin McDermott

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We consent to the incorporation by reference in the Registration Statement of iCoreConnect Inc. (the "Company") on Form S-8 (No. 333-2762

*/s/ Marcum LLP*

Marcum LLP

New York, NY

April 18, 2024

I, Robert P. McDermott, certify that:

1.

*/s/ M. Wesley Schrader*

M. Wesley Schrader

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*/s/ Larry Swets, Jr.*

Larry Swets, Jr.

---

*/s/ Hassan R. Baqar*

Hassan R. Baqar

---

*/s/ Ryan Turner*

Ryan Turner

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*/s/ Jeff Sutton*

Jeff Sutton

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I, M. Wesley Schrader, certify that:

1. I have reviewed this annual report on Form 10-K of FG Merger Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact.

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 of the registrant as of the end of the period covered and the results of its operations for the period.

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures, or controls which prevent or correct material errors in the registrant's financial statements within the period specified by the SEC's rules and regulations.

Designed such disclosure controls and procedures, or controls which prevent or correct material errors in the registrant's financial statements within the period specified by the SEC's rules and regulations.

a)

a.

Designed such disclosure controls and procedures, or controls which prevent or correct material errors in the registrant's financial statements within the period specified by the SEC's rules and regulations.

b) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 34-65955.)

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report any material deficiencies in such controls and procedures.

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report any material deficiencies in such controls and procedures.

d)

d. Disclosed in this report any change in the registrant's internal control over financial reporting that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting.

5.

The registrant's other certifying officer(s) and I have:

a)

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that reasonably likely to materially affect the registrant's ability to prepare or cause to be prepared financial statements in accordance with generally accepted accounting principles.

b) Any fraud, whether or not material, that involves management or other employees of the registrant.

b. Any fraud, whether or not material, that involves management or other employees of the registrant.

Date: February 2, 2023

















