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

FORM 10-Q

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

For the quarterly period ended September 30, 2024

or

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

For the transition period from __________ to __________

Commission file number: **001-41309**

iCoreConnect Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**86-2462502**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

529 E. Crown Point Road, Suite 250, Ocoee, FL 34761
(Address of principal executive offices) (Zip Code)

(888) 810-7706
(Registrant's Telephone Number, Including Area Code)

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

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

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated Filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

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

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

As of November 18, 2024 there were 24,323,510 shares of the registrant's common stock outstanding.

iCoreConnect Inc.
FORM 10-Q QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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iCoreConnect Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS

	As of	
	September 30, 2024	**December 31, 2023**
ASSETS	(unaudited)	
Cash	$ 212,346	$ 1,219,358
Accounts receivable, net	798,329	563,905
Prepaid expenses and other current assets	441,200	1,725,062
Total current assets	1,451,875	3,508,325
Property and equipment, net	179,140	202,421
Right of use lease asset - operating	934,160	1,122,412
Software development costs, net	1,536,484	903,412
Acquired technology, net	6,079,918	-
Customer relationships, net	2,178,837	2,980,412
Forward purchase agreement	375,279	5,484,556
Goodwill	1,484,966	1,484,966
Total long-term assets	12,768,784	12,178,179
TOTAL ASSETS	$ 14,220,659	$ 15,686,504
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued expenses	$ 5,094,793	$ 3,243,338
Operating lease liability, current portion	345,496	241,945
Notes payable, current portion	6,953,285	4,720,454
Related party notes payable, current portion	561,337	550,975
Deferred revenue	167,816	119,598
Total current liabilities	13,122,727	8,876,310
Long-term debt, net of current maturities	3,138,093	1,420,137
Long-term related party debt, net of current maturities	323,735	
Operating lease liability, net of current portion	656,739	945,889
Total long-term liabilities	4,118,567	2,366,026
TOTAL LIABILITIES	17,241,294	11,242,336
STOCKHOLDERS' EQUITY		
Preferred Stock par value $0.0001; 40,000,000 shares authorized; Issued and Outstanding:4,480,845 as of September 30, 2024 and 3,755,209 as of December 31, 2023	448	376
Common Stock par value $0.0001; 250,000,000 shares authorized; Issued and Outstanding:11,836,277 as of September 30, 2024 and 10,068,477 as of December 31, 2023	1,184	1,007
Additional paid-in-capital	135,191,201	119,481,543
Accumulated deficit	(138,213,468)	(115,038,758)
TOTAL STOCKHOLDERS' (DEFICIT) EQUITY	(3,020,635)	4,444,168
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 14,220,659	$ 15,686,504

The accompanying notes to the condensed consolidated financial statements

iCoreConnect Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Nine Months Ended	
	September 30, 2024 (unaudited)	September 30, 2023 (unaudited)	September 30, 2024 (unaudited)	September 30, 2023 (unaudited)
Revenue, net	$ 2,787,999	$ 2,004,853	$ 8,599,262	$ 5,701,372
Cost of sales	826,990	517,875	1,946,704	1,493,357
Gross profit	1,961,009	1,486,978	6,652,558	4,208,015
Expenses				
Selling, general and administrative	3,354,831	3,589,655	17,061,929	9,189,829
Depreciation and amortization	806,509	320,427	2,320,952	900,936
Total operating expenses	4,161,340	3,910,082	19,382,881	10,090,765
Loss from operations	(2,200,331)	(2,423,104)	(12,730,323)	(5,882,750)
Other income (expenses)				
Interest expense	(223,060)	(478,437)	(951,173)	(1,007,120)
Finance charges	(632,800)	(370,852)	(2,378,784)	(792,930)
Change in fair value of forward purchase agreement	(2,946,604)	(419,407)	(5,109,277)	(419,407)
Other expense	12,000	-	(439,622)	13,778
Total other expenses	(3,790,464)	(1,268,696)	(8,878,856)	(2,205,679)
Net loss	(5,990,795)	(3,691,800)	(21,609,179)	(8,088,429)
Preferred dividend	(669,532)	(218,516)	(1,565,531)	(218,516)
Net loss attributable to common stockholders	$ (6,660,327)	$ (3,910,316)	$ (23,174,710)	$ (8,306,945)
Net loss per share available to common stockholders, basic and diluted	$ (0.61)	$ (0.54)	$ (2.22)	$ (1.23)
Weighted average number of shares, basic and diluted	10,899,110	7,260,195	10,425,627	6,744,143

The accompanying notes to the condensed consolidated financial statements

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

	Common stock		Preferred Stock		Additional Paid In	Accumulated	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Capital	Deficit	(Deficit)
Balances at January 1, 2024	**10,068,477**	**$ 1,007**	**3,755,209**	$ **376**	**$ 119,481,543**	**$ (115,038,758)**	**$ 4,444,168**
Origination fee in convertible debt agreement	85,174	8			181,996		182,004
Stock issued for purchase of Verifi Dental Limited			84,000	8	839,992		840,000
Stock issued for purchase of FeatherPay			480,000	48	4,799,952		4,800,000
Stock issued for the purchase of Teamworx			57,500	6	574,994		575,000
Stock compensation expense	86,747	9			507,670		507,679
Net loss	-	-			-	(5,170,970)	(5,170,970)
Balances at March 31, 2024	**10,240,398**	**$ 1,024**	**4,376,709**	**$ 438**	**$ 126,386,147**	**$ (120,209,729)**	**$ 6,177,880**
Origination fee in convertible debt agreement	17,034	1			298,323		298,324
Stock compensation expense	146,904	15			5,277,841		5,277,856
Net loss	-	-			-	(11,343,413)	(11,343,413)
Balances at June 30, 2024	**10,404,336**	**$ 1,040**	**4,376,709**	**$ 438**	**$ 131,962,312**	**$ (131,553,141)**	**$ 410,649**
Origination fee in convertible debt agreement	229,375	23			439,017		439,040
Stock issued for conversion of debt	281,921	28			138,222		138,250
Conversion of Preferred Stock to Common Stock	359,725	36	(71,945)	(7)	(29)		-
Stock issued for in kind dividend			176,081	17	1,760,792		1,760,809
Stock issued for purchase of assets of Healthcare Circle of Excellence	32,328	3			29,997		30,000
Stock issued for inducement of STRATA	300,000	30			156,000		156,030
Stock compensation expense	228,592	24			704,890		704,914
Net loss						(6,660,327)	(6,660,327)
Balances at September 30, 2024	**11,836,277**	**$ 1,184**	**4,480,845**	**$ 448**	**$ 135,191,201**	**$ (138,213,468)**	**$ (3,020,635)**

The accompanying notes to the condensed consolidated financial statements

iCoreConnect Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended	
	September 30, 2024	September 30, 2023
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (21,609,179)	$ (8,088,429)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	23,281	13,753
Amortization expense	2,297,671	887,183
Finance fee	2,378,783	792,930
Change in allowance for doubtful accounts	155,249	130,439
Stock compensation expense	6,490,487	1,434,900
Non-cash interest expense	842,699	720,357
Change in fair value of forward purchase agreement	5,109,277	419,407
Gain on sale of assets	-	(13,778)
Changes in operating assets and liabilities:		
Accounts receivable	(334,455)	(313,288)
Prepaid expenses and other current assets	1,283,862	(483,073)
Right of use asset, net of lease liability	2,653	28,223
Accounts payable and accrued expenses	2,046,733	2,611,741
Deferred revenue	53,998	97,684
NET CASH USED IN OPERATING ACTIVITIES	(1,258,941)	(1,761,951)
INVESTING ACTIVITIES		
Cash portion of consideration paid to acquire assets – Verifi Dental Limited	(370,000)	-
Cash portion of consideration paid to acquire assets - FeatherPay	(500,000)	-
Cash portion of consideration paid to acquire assets – Preferred Dental	-	(1,559,145)
Purchase of forward purchase agreement	-	(7,796,672)
Sale of capital assets	-	28,000
Purchase of capital assets	-	(154,231)
Additions to capitalized software	(1,031,003)	(507,596)
NET CASH USED IN INVESTING ACTIVITIES	(1,901,003)	(9,989,644)
FINANCING ACTIVITES		
Net proceeds from debt	3,616,451	3,733,011
Payments on debt	(1,463,519)	(6,486,732)
Stock issued for the conversion of convertible debt	-	5,747,497
Proceeds from issuance of Series A preferred stock	-	18,312,298
Proceeds from issuance of common stock	-	540,000
Effect of merger, net of transaction costs	-	(9,833,243)
NET CASH PROVIDED BY FINANCING ACTIVITIES	2,152,932	12,012,831
NET CHANGE IN CASH	(1,007,012)	261,236
CASH AT BEGINNING OF THE PERIOD	1,219,358	196,153
CASH AT END OF THE PERIOD	$ 212,346	$ 457,389
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	$ 315,054	$ 348,941
Series A Stock issued for acquisitions	$ 62	$ -
Common Stock issued for acquisitions	3	

The accompanying notes to the condensed consolidated financial statements

iCoreConnect Inc.
Notes to Condensed Consolidated Financial Statements
September 30, 2024

1. NATURE OF OPERATIONS

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

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

Business Combinations

On January 1, 2024 the Company completed the acquisitions for substantial all the assets of (a) Ally Commerce, Inc. dba FeatherPay; (b) Verifi Dental, Limited; and (c) Teamworx LLC which are all accounted for as asset acquisitions. On September 1, 2023, the Company completed the acquisitions for substantially all of the assets of Preferred Dental Development, LLC which was accounted for as an asset acquisition.

Going Concern and Liquidity

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

For the nine months ended September 30, 2024, the Company generated an operating loss of $12,730,323. In addition, at September 30, 2024, the Company has an accumulated deficit, and net working capital deficit of $138,213,468 and $11,670,852 respectively. The Company's activities were primarily financed through private placements of equity securities and issuance of debt. The Company intends to raise additional capital through the issuance of debt and/or equity securities to fund its operations. The Company is reliant on future fundraising to finance operations soon. Such 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 for a period of 12 months from the issuance date of these financial statements.

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

2. SUMMARY OF SIGNFICANT ACCOUNTING POLICES

Basis of Presentation

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

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

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are customer obligations due under normal trade terms. The Company maintains an allowance for doubtful accounts for estimated losses resulting from the potential inability of certain customers to make required future payments on amounts due. Management determines the adequacy of this allowance by periodically evaluating the aging and past due nature of individual customer accounts receivable balances and considering the customer's current financial situation as well as the existing industry economic conditions and other relevant factors that would be useful in assessing the risk of collectability. If the future financial condition of the Company's customers were to deteriorate, resulting in their inability to make specific required payments, additions to the allowance for doubtful accounts may be required. In addition, if the financial condition of customers improves and collections of amounts outstanding commence or are reasonably assured, then the Company may reverse previously established allowances for doubtful accounts. The Company has estimated and recorded an allowance for doubtful accounts of approximately $59,000 at September 30, 2024.

Software Development Costs and Acquired Software

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

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

Long-Lived Assets and Goodwill

The Company accounts for long-lived assets in accordance with the provisions of ASC 360-10-35,*Property, Plant and Equipment, Impairment or Disposal of Long-lived Assets*. This accounting standard requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

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. The Company assess goodwill impairment by the amount by which the carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. As of September 30, 2024 there was no impairment of the Company's Goodwill.

Revenue Recognition

We have 7 primary sources of revenue as of September 30, 2024 and 6 primary sources of revenues as of December 31, 2023:

We have 7 primary sources of revenue

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

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

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

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

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

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

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

7) Patient Billing and payment processing services are provided on an annual subscription basis using the software as a SaaS model with revenues recognized ratably over the contract term.

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

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

The Company’s customers are acquired through its own salesforce and through the referrals from its many state association marketing partners. The Company primarily generates revenue from multiple software as a service (SaaS) offering, which typically include subscriptions to its online software solutions. The Company’s secondary source of revenue is professional services and other revenue related to customer onboarding, IT services and equipment sales that often precede a subscription service offering purchased by the customer. Approximately 94% of the Company’s revenue is subscription based with the remainder being professional services and other IT related revenue. The geographic concentration of the Company’s revenue is 100% in North America.

For the nine months ended September, 2024 and 2023, disaggregated revenues were recurring revenues of $8,062,616 and $5,170,844, respectively and non-recurring revenues of $536,646 and $530,528, respectively.

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

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

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

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

Advertising Costs

Advertising costs are reported in selling, general and administrative expenses and include advertising, marketing and promotional programs and are charged as expenses in the year in which they are incurred. Advertising costs were $528,602 and $435,672 for the nine months ended September 30, 2024 and 2023, respectively.

Accounting for Derivative Instruments

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

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

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

Financial Instruments With Down Round Features

The Company accounts for financial instruments with down-round features whereby the down-round feature is disregarded when assessing whether the instrument is indexed to its own stock, for the purpose of determining liability of equity classification. The down-round feature (price resets) will be accounted for when triggered. For instruments issued with no floor, such instruments may be required to be recorded as a derivative.

Income Taxes

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

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

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

Net Loss Per Share

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

Debt Obligations and Warrants

For debt obligations issued with warrants, that are determined to have equity treatment, the fair value of the warrants is recorded as a debt discount to offset the debt, based on the relative allocation of fair value of both the debt and the warrants. If the warrants are treated as a derivative liability, the fair value of the warrants would be recorded as a debt discount with no relative allocation.

For debt obligations with debt default provisions, the Company evaluates those provisions to determine if the potential occurrence of any default, would require the Company to record a derivative liability for substantive changes in expected cashflows, of such debt instruments, resulting from the defaults. The Company has issued and outstanding debt obligations that contain default provisions. The Company performed an assessment of such provisions to determine if they were substantive (based on the default provisions) and if so, a derivative liability would be required to be recorded. The Company performed such assessment as of September 30, 2024 and determined the fair value of the liability was de minimis.

Derivative Instruments

The Company evaluates its convertible instruments to determine if those contracts or embedded components of those contracts qualify as derivative financial instruments to be separately accounted for in accordance with Topic 815 “Derivatives and Hedging” (“ASC 815”) of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). The accounting treatment of derivative financial instruments requires that the Company record any bifurcated embedded features at their fair values as of the inception date of the agreement and at fair value as of each subsequent balance sheet date. Any change in fair value is recorded in earnings each period as non-operating, non-cash income or expense. The Company reassesses the classification of its derivative instruments at each balance sheet date. If the classification changes as a result of events during the period, the contract is reclassified as of the date of the event that caused the reclassification. Bifurcated embedded features are recorded upon note issuance at their initial fair values which create additional debt discount to the host instrument.

Leases

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

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

Business Combinations

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

The Company accounts for business combinations using the acquisition method of accounting which requires that (i) identifiable assets acquired (including identifiable intangible assets) and liabilities assumed generally be measured and recognized at estimated fair value as of the acquisition date and (ii) the excess of the purchase price over the net estimated fair value of identifiable assets acquired and liabilities assumed be recognized as goodwill, which is not amortized for accounting purposes but is subject to testing for impairment at least annually.

The Company measures and recognizes asset acquisitions that are not deemed to be business combinations based on the cost to acquire the assets. Goodwill is not recognized in an asset acquisition with any consideration in excess of net assets acquired allocated to acquired assets on a relative estimated fair value basis. Transaction costs are expensed in a business combination and transaction costs directly attributable to an asset acquisition are considered a component of the cost of the asset acquisition.

Allowance for Credit Losses

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

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

Recently Issued Accounting Pronouncements

Adopted

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

Not Yet Adopted

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

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

3. BUSINESS COMBINATION AND RECAPITALIZATION

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

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

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

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

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

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

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

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

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

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

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

4. INTANGIBLE ASSETS

The following table sets forth the gross carrying amounts and accumulated amortization of the Company's intangible assets as of September 30, 2024 and December 31, 2023:

	Gross Carrying Amount	Impairment	Accumulated Amortization	Net Carrying Amount
Definite-lived intangible assets:				
Capitalized software	$ 3,741,511	$ -	$ (2,838,099)	$ 903,412
Customer relationships	5,272,578	(105,676)	(2,186,490)	2,980,412
Acquired technology	1,527,186	-	(1,527,186)	-
Total definite-lived intangible assets at December 31, 2023	10,541,275	(105,676)	(6,551,775)	3,883,824
Capitalized software	4,772,514		(3,236,030)	1,536,484
Customer relationships	5,196,903	-	(3,018,066)	2,178,837
Acquired technology	7,148,083	-	(1,068,165)	6,079,918
Total definite-lived intangible assets at September 30, 2024	$ 17,117,500	-	$ (7,322,261)	$ 9,795,239

In January 2024, the Company purchased Acquired Technology in the amount of $7,148,083. The amortization expense of intangible assets was $2,297,671 and $nil for the nine months ended September 30, 2024 and 2023, respectively. The Company's amortization is based on no residual value using the straight-line amortization method as it best represents the benefit of the intangible assets.

In July 2024, the Company purchased customer relations ships in exchange for 32,328 shares of common stock with a value of $30,000.

5. FORWARD PURCHASE AGREEMENT

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

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

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

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

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

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

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

Any Prepaid Forward Purchase Shares that are held as Preferred Stock by the Purchaser will not be eligible for the earning or payment of dividends.

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

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

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

In August 2024, the parties entered into an amendment which extend the conversion date to the maturity date. In addition, the parties confirmed their agreement that the Prepaid Forward Purchase Shares would not be eligible for dividends or any downside protection while such shares remained as Preferred Stock.

Given the Company has not been able to have the Preferred Stock trade on any exchange, the Company is valuing the Prepaid Forward Purchase Shares at market value as of September 2024 as these share can likely only extra value if converted into Common Stock.

6. NOTES PAYABLE

		September 30, 2024	December 31, 2023
(2)	Note bearing interest at 18% due October 1, 2026	20,577	27,540
(3)	Secured Promissory Note bearing interest at 17.5% due February 28, 2026	1,804,912	1,988,793
(4)	Promissory Note bearing interest at 12%, due October 31, 2023	-	38,609
(5)	Convertible Note bearing interest at 12% due October 31, 2024	390,619	388,380
(6)	Convertible Note bearing interest at 12%, due October 31, 2024	-	569,391
(6)	Convertible Note bearing interest at 12%, due December 18, 2024	-	574,961
(7)	Convertible Note bearing interest at 12%, due December 19, 2024	78,442	80,722
(8)	Convertible Note bearing interest at 12%, due December 19, 2024	78,442	80,509
(5)	Convertible Note bearing interest at 12%, due December 28, 2024	-	114,781
(1)	Convertible Note bearing interest at 12%, due July 31, 2024	-	473,743
(9)	Promissory Note bearing interest at 15%, due December 26, 2024	2,272,757	2,000,000
(10)	Promissory Note bearing interest at 12%, due May 3, 2024	-	-
(11)	Convertible Note bearing interest at 12%, due February 1, 2025		-
(12)	Convertible Note bearing interest at 12%, due February 1, 2025		-
(13)	Convertible Note bearing interest at 16%, due February 26, 2025	341,727	-
(13)	Convertible Note bearing interest at 16%, due February 26, 2025	1,256,868	-
(6)	Promissory Note bearing interest at 16%, due June 30, 2024	-	-
(14)	Convertible Note bearing interest at 16%, due May 8, 2025	370,412	-
(15)	Promissory Note bearing interest at 12%, due February 14, 2025	126,504	-
(16)	Promissory Note bearing interest at 15%, due November 22, 2024	-	-
(1)	Promissory Note bearing interest at 12%, due July 31, 2024	-	-
(13)	Convertible Promissory Note bearing interest at 12%, due July 30, 2025	394,521	
(13)	Convertible Promissory Note bearing interest at 12%, due July 30, 2025	821,561	
(6)	Convertible Promissory Note bearing interest at 12%, due August 1, 2027	266,272	
(6)	Convertible Promissory Note bearing interest at 12%, due August 1, 2027	1,368,784	
(1)	Convertible Promissory Note bearing interest at 12%, due August 1, 2025	609,151	
(1)	Convertible Promissory Note bearing interest at 12%, due August 1, 2025	529,906	
(16)	Convertible Promissory Note bearing interest at 12%, due August 1, 2027	988,150	
(5)	Convertible Promissory Note bearing interest at 12%, due August 1, 2027	149,787	
(11)	Convertible Promissory Note bearing interest at 12%, due August 1, 2027	67,005	
(12)	Convertible Promissory Note bearing interest at 12%, due August 1, 2027	6,700	
(15)	Promissory Note bearing interest at 12%, due July 15, 2025	127,287	
(17)	Convertible Promissory Note bearing interest at 12%, due September 30, 2025	134,567	
	Total notes payable	12,204,951	6,337,429
	Less: Unamortized debt discounts	(312,795)	-
	Less: unamortized financing costs	(1,800,778)	(196,837)
	Total notes payable, net of financing costs	10,091,378	6,140,592
	Less current maturities	(6,953,285)	(4,720,455)
	Total Long-Term Debt	$ 3,138,093	$ 1,420,137

1. On February 9, 2024, the Company issued a convertible note entered into a securities purchase agreement with an investor with an effective date of December 29, 2023, pursuant to which the Company in principal amount of $473,743 in exchange for the conversion of a payable in the amount of $473,743. The maturity of the convertible note is June 1, 2024 and carries an interest rate of 12% per annum and is convertible into Company common stock at a conversion rate equal to 100% of the closing price of the Company's common stock on December 29, 2023. At maturity this note was reissued under the existing terms with a maturity date of July 31, 2024 in addition the Company will issue 74,685 restricted common stock at maturity. The value of the Common Stock was deemed to be $37,338 and is being expensed equally over the new term. On maturity this note was extended under the same terms to July 31, 2024. On August 13, 2024, with an effective date of August 1, 2024 the Company entered into securities purchase agreement with the note holders whose debt had matured as of July 31, 2024 totaling $507,060 inclusive of all unamortized OID, accrued interest and outstanding principal. The parties entered into a new convertible promissory note with a maturity date of August 1, 2025. The note is convertible at $0.53 with a mandatory conversion if the Company's stock price is at $0.69 or above subject to there being at least 75,000 daily share trading volume over five consecutive days. The note carries an interest rate of 12% per annum with all interest and principal due at maturity. The note is subordinated to the Company's senior lenders.

   On June 1, 2024, the Company issued a convertible note entered into a securities purchase agreement with another related investor, pursuant to which the Company in principal amount of $397,622 in exchange for the conversion of a payable in the amount of $397,622. The maturity of convertible note is July 31, 2024 and carries an interest rate of 12% per annum and is convertible into Company common stock at a conversion rate equal to 100% of the closing price of the Company's common stock on June 1, 2024. On August 13, 2024, with an effective date of August 1, 2024 the Company entered into securities purchase agreement with the note holders whose debt had matured as of July 31, 2024 totaling $405,636 inclusive of all unamortized OID, accrued interest and outstanding principal. The parties entered into a new convertible promissory note with a maturity date of August 1, 2025. The note is convertible at $0.53 with a mandatory conversion if the Company's stock price is at $0.69 or above subject to there being at least 75,000 daily share trading volume over five consecutive days. The note carries an interest rate of 12% per annum with all interest and principal due at maturity. The note is subordinated to the Company's senior lenders.

2. In November 2021, the Company signed a $40,071 equipment finance agreement with a maturity date 60 months after issuance from a third-party financing company. Payments of principal and interest of $791 are due monthly.

3. On February 28, 2022, the Company signed a $2,000,000 secured promissory note with a maturity date 48 months after issuance and received in exchange $1,970,000 net of fees. An Interest charge of 17.5% per annum shall accrue, with interest only payments being made for the first six months after which both interest and principal will be due. The Company has right of prepayment subject to certain minimum interest payments being made. The Prepayment Fee shall be (i) equal to 6 months' interest that would have accrued with regard to the prepaid principal, if prepaid prior to the 2nd anniversary of the date of the Initial Advance or Subsequent Advance, as applicable, and (ii) equal to 3 months' interest that would have accrued with regard to the prepaid principal, if prepaid on or after the 2nd anniversary and prior to the 3rd anniversary of the date of the Initial Advance or Subsequent Advance, as applicable. Additionally, the Company has the following covenant requirements; maintaining a minimum cash balance of $150,000 in its combined bank accounts as well as entering into a Deposit Account Control Agreement; monthly financial reporting requirements and certifications; obtaining other indebtedness without consent; merge, consolidate or transfer assets; pledge assets as collateral; or guarantee without consent of the Lender. On February 12, 2024, the Company entered into a Forbearance Agreement with an effective date of December 31, 2024 whereby the Company agreed to make $300,000 payment to cure certain defaults under the original Loan Agreement. In addition, the Company agreed to increase the default rate of interest in the Loan Agreement, report certain financial and cash metrics on a weekly basis, budgetary updates as well as pay down of balance of 10% of all financing raised over $500,000, in exchange for interest only payments until July 2024 and waiver of all covenants. The Company has obtained an additional waiver until December 31, 2024.

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

5. In October 2023, the Company entered into a promissory note for $350,000. The maturity of the Promissory Note is May 13, 2024 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate of $1.85 per share. In conjunction with the Promissory Note, the Company also issued a five-year warrant to purchase 24,500 shares of Company common stock with an exercise price of $2.04. The value of the warrants of 13,498 as determined by a Black-Scholes calculation is separated from the value of the note and expensed equally over the term of the note as a financing fee. At maturity this note was extended under existing terms till July 31, 2024 in addition the Company will issue 51,539 restricted common stock at maturity. The value of the Common Stock was deemed to be $21,640 and is being expensed equally over the new term. On August 13, 2024, with an effective date of August 1, 2024, the Company entered into an extension of the term of the note to October 31, 2024 under the same terms and conditions. The promissory note is subordinated to the Company's senior lenders.

   On December 28, 2023, the Company entered into a securities purchase agreement with the existing investor, pursuant to which the Company issued the investor a convertible note in principal amount of $100,000. The maturity of the convertible note is December 28, 2024 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate equal to 120% of the closing price of the Company's common stock on the date of issuance which was $1.31 or $1.57 for the share price of conversion. In December 2023, the Company entered into an amendment with holder of an Amendment to Convertible Promissory Notes issued in October 2023 whereby the holder of the Note agreed that the Note would not be convertible into shares of Company Common Stock unless and until the Company's shareholders approve such conversion per NASDAQ Listing Rule 5635(d). The Company and the Note holder also entered into amendments to the warrants to purchase common stock issued in connection with the issuance of the Note, pursuant to which the holder of the Warrants agreed that the Warrants would not become exercisable unless and until the Company's shareholders approve the exercise of the Warrants pursuant to NASDAQ Listing Rule 5635(d), such approval was obtained on May 31, 2024. On August 13, 2024, with an effective date of August 1, 2024 the Company entered into an exchange agreement and new convertible promissory note with the holder totaling $118,425 inclusive of any and all unamortized OID, accrued interest and outstanding principal. Pursuant to the exchange agreements the Company issued a new note that extended the term of the original debt to August 1, 2027 and provide for a new conversion price of $0.80 with a mandatory conversion if the Company's stock price is at $1.04 or above subject to there being at least 75,000 daily share trading volume over five consecutive days. The new note carries an interest rate of 12% per annum with all interest and principal due at maturity. The promissory note is subordinated to the Company's senior lenders.

6. In October 2023, the Company entered into a securities purchase agreement with an investor, pursuant to which the Company issued the investor a Convertible Promissory Note in principal amount of $500,000. The maturity of the Convertible Promissory Note is October 31, 2024 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate equal to 120% of the closing price of the Company's common stock on the date of issuance which was $1.58 or $1.90.

   In December 2023, the Company entered into a securities purchase agreement with the existing investor, pursuant to which the Company issued the investor a convertible note in principal amount of $500,000. The maturity of the convertible note is December 18, 2024 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate equal to 120% of the closing price of the Company's common stock on the date of issuance which was $2.31 or $2.77 for the share price of conversion.

   On August 13, 2024, with an effective date of August 1, 2024 the Company entered into exchange agreements and convertible promissory notes with the note holder whose debt matured after July 31, 2024 totaling $1,082,192 inclusive of all unamortized OID, accrued interest and outstanding principal. Pursuant to the exchange agreements the Company issued a new note that extended the term of the original debt to August 1, 2027 and provide for a new conversion price of $0.80 with a mandatory conversion if the Company's stock price is at $1.04 or above subject to there being at least 75,000 daily share trading volume over five consecutive days. The new note carries an interest rate of 12% per annum with all interest and principal due at maturity. The promissory notes are subordinate to the Company's senior lenders.

   On April 2, 2024 the Company entered into a promissory note in the principal amount of $200,000 with the existing investor. The maturity of the promissory note is June 30, 2024 and carries an interest rate of 16% per annum with interest and principal due at maturity. On August 13, 2024, with an effective date of August 1, 2024 the Company entered into an exchange agreement and new convertible promissory note with the holder totaling $210,521 inclusive of any and all unamortized OID, accrued interest and outstanding principal. Pursuant to the exchange agreements the Company issued a new note that extended the term of the original debt to August 1, 2027 and provide for a new conversion price of $0.80 with a mandatory conversion if the Company's stock price is at $1.04 or above subject to there being at least 75,000 daily share trading volume over five consecutive days. The new note carries an interest rate of 12% per annum with all interest and principal due at maturity. The promissory notes are subordinate to the Company's senior lenders.

7. In December 2023, the Company entered into a securities purchase agreement pursuant to which the Company issued a convertible note in principal amount of $70,000. The maturity of the convertible note is December 19, 2024 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate equal to 120% of the closing price of the Company's common stock on the date of issuance which was $1.69 or $2.03 for the share price of conversion. The promissory note is subordinated to the Company's senior lender.

8. In December 2023, the Company entered into a securities purchase agreement pursuant to which the Company issued a convertible note in principal amount of $70,000. The maturity of the convertible note is December 19, 2024 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate equal to 120% of the closing price of the Company's common stock on the date of issuance which was $1.69 or $2.03 for the share price of conversion. The promissory note is subordinated to the Company's senior lender.

9. In December 2023, the Company issued a subordinated note to a service provider in principal amount of $2,000,000 in exchange for conversion of an account payable in the amount of $2,000,000. The maturity of the subordinated note is December 26, 2024 and carries an interest rate of15% per annum and is to be paid in interest only installments for three months followed with a ballon payment in month four and then a combination of principal and interest payments for the remaining term. The note is secured by the assets of the Company and is junior to the security interest of the Company's senior lender. As part of the note payable the Company agreed to purchase investor relation consulting services totaling $200,000 payable in quarterly installments beginning in January 2024. The Company was not incompliance with certain provisions of the loan as of September 30, 2024 and has obtained a waiver for any defaults.

10. On January 1, 2024 the Company entered into a promissory note with Teamworx for $125,000 due January 31, 2024 with no interest. On February 1, 2024, the note was extended to February 29, 2024 with 12% with principal and interest due at maturity. On March 1, 204 the note was extended again to April 30, 2024 with principal and interest due at maturity. This note was further extended to May 6, 2024 under the same terms and was fully repaid in May 2023.

11. On February 1, 2024, the Company entered into a securities purchase agreement with an investor, pursuant to which the Company issued the investor a convertible note in principal amount of $50,000 in exchange for $50,000. The maturity of the convertible note is February 1, 2025 and carries an interest rate of12% per annum and is initially convertible into Company common stock at a conversion rate equal to 120% of the closing price of the Company's common stock on the date of issuance. The convertible note is being sold and issued without registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act as sales to an accredited investor, and in reliance on similar exemptions under applicable state laws. . On August 13, 2024, with an effective date of August 1, 2024 the Company entered into an exchange agreement and new convertible promissory note with the holder totaling $52,975 inclusive of any and all unamortized OID, accrued interest and outstanding principal. Pursuant to the exchange agreements the Company issued a new note that extended the term of the original debt to August 1, 2027 and provide for a new conversion price of $0.80 with a mandatory conversion if the Company's stock price is at $1.04 or above subject to there being at least 75,000 daily share trading volume over five consecutive days. The new note carries an interest rate of 12% per annum with all interest and principal due at maturity. The promissory note is subordinated to the Company's senior lender.

12. On February 1, 2024, the Company entered into a securities purchase agreement with an investor, pursuant to which the Company issued the investor a convertible note in principal amount of $5,000 in exchange for $5,000. The maturity of the convertible note is February 1, 2025 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate equal to 120% of the closing price of the Company's common stock on the date of issuance. The convertible note is being sold and issued without registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act as sales to an accredited investor, and in reliance on similar exemptions under applicable state laws. . On August 13, 2024, with an effective date of August 1, 2024 the Company entered into an exchange agreement and new convertible promissory note with the holder totaling $5,298 inclusive of any and all unamortized OID, accrued interest and outstanding principal. Pursuant to the exchange agreements the Company issued a new note that extended the term of the original debt to August 1, 2027 and provide for a new conversion price of $0.80 with a mandatory conversion if the Company's stock price is at $1.04 or above subject to there being at least 75,000 daily share trading volume over five consecutive days. The new note carries an interest rate of 12% per annum with all interest and principal due at maturity. The promissory note is subordinated to the Company's senior lender.

13. On February 26, 2024, The Company executed a securities purchase agreement (the "Purchase Agreement") with certain institutional investors (the "Investors"). Pursuant to the terms and conditions of the Purchase Agreement, the Investors agreed to purchase from the Company unsecured convertible notes in the aggregate principal amount of up to $2,375,000. The Purchase Agreement contemplates funding of the investment across two tranches. At the first closing (the "Initial Closing") an aggregate principal amount of $1,375,000 will be issued upon the satisfaction of certain customary closing conditions in exchange for aggregate gross proceeds of $1,250,000, representing an original issue discount of 10%. On such date (the "Initial Closing Date"), the Company will also issue the Investors85,174 shares of Company common stock (the "Commitment Shares"). Subject to satisfying the conditions discussed below, the Company has the right under the Purchase Agreement, but not the obligation, to require that the Investors purchase additional Notes at one additional closing. Upon notice, the Company may require that the Investors purchase an additional aggregate principal amount of $1,100,000 of Notes, in exchange for aggregate gross proceeds of $1,000,000, if, among other items,(i) the Registration Statement (as described below) is effective; and (ii) the Shareholder Approval (as described below) has been obtained. The Notes will mature 12 months from their respective issuance date (the "Maturity Date"), unless earlier converted. Commencing on the six-month anniversary of the issue date, the Company will be required to make monthly amortization payments pursuant to the Note of approximately 1/6th of the principal amount of the Note per month (the "Amortization Payments"). The Notes will be the Company's unsecured obligations and equal in right of payment with all of our other indebtedness and other indebtedness of any of our subsidiaries. The Notes were issued with an original issue discount of 10.0% per annum, and will not accrue additional interest during the term; provided that the interest rate of the Notes will automatically increase to 16% per annum (the "Default Rate") upon the occurrence and continuance of an event of default. Each holder of Notes may convert all, or any part, of the outstanding Notes, at any time at such holder's option, into shares of the Company's common stock at an initial "Conversion Price" of $1.848 per share, which is subject to proportional adjustment upon the occurrence of any stock split, stock dividend, stock combination and/or similar transactions. With limited exceptions, if the Company at any time while a Note is outstanding, issues any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise), at an effective price per share less than the Conversion Price then the Conversion Price shall be reduced to the same price as the new investment. A holder shall not have the right to convert any portion of a Note to the extent that, after giving effect to such conversion, the holder (together with certain related parties) would beneficially own in excess of 4.99%, or the "Maximum Percentage", of shares of the Company's common stock outstanding immediately after giving effect to such conversion. If the Company fails to make any Amortization Payments when due, then each holder may alternatively elect to convert all or any portion of such holder's Notes at a conversion price equal to the lesser of (i) the Conversion Price, and (ii) 90% of the lowest VWAP of the common stock during the five (5) consecutive trading days immediately prior to such conversion. On April 26, 2024, the Company and the Investors entered into an amendment to the Purchase Agreements (the "Amendment") and related transaction documents, pursuant to which the terms of the Financing were amended. The amended terms include, but are not limited to, an increase in the total amount of the Notes issuable under the Financing to an aggregate principal amount of up to $8,250,000. Pursuant to the Amendment, the Company has the right to provide the Note holders a notice that permits the holders to voluntarily convert the Notes at any time at the Market Price (defined below) on the date of conversion (such notice "Voluntary Conversion Notice").

On July 31, 2024, a second closing occurred (the “Second Closing”), pursuant to which an aggregate principal amount of $384,406 of Notes (the “July Notes”) was issued in exchange for aggregate gross proceeds of $349,460, representing an original issue discount of10%. On such date (the “Second Closing Date”), the Company also issued the Investors 50,734 shares of Company common stock (the “Second Commitment Shares”). The Notes will mature 12 months from their respective issuance date (the “Maturity Date”), unless earlier converted. Commencing on the six-month anniversary of the issue date, the Company will be required to make monthly amortization payments pursuant to the Note of approximately 1/6th of the principal amount of the Note per month (the “Amortization Payments”). The Notes will be the Company’s unsecured obligations and equal in right of payment with all of our other indebtedness and other indebtedness of any of our subsidiaries. The Notes were issued with an original issue discount of 10.0% per annum, and will not accrue additional interest during the term; provided that the interest rate of the Notes will automatically increase to 16% per annum (the “Default Rate”) upon the occurrence and continuance of an event of default (See “— Events of Default” below). Each holder of Notes may convert all, or any part, of the outstanding Notes, at any time at such holder’s option, into shares of the Company’s common stock at an initial “Conversion Price” of $0.77 per share, which is subject to proportional adjustment upon the occurrence of any stock split, stock dividend, stock combination and/or similar transactions. Notwithstanding the foregoing, on July 31, 2024, the Company provided the holders of all of the Notes a Voluntary Conversion Notice and accordingly, the Notes may be converted by the holders at any time at the Market Price (defined below). With limited exceptions, if the Company at any time while a Note is outstanding, issues any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise), at an effective price per share less than the Conversion Price then the Conversion Price shall be reduced to the same price as the new investment. A holder shall not have the right to convert any portion of a Note to the extent that, after giving effect to such conversion, the holder (together with certain related parties) would beneficially own in excess of 4.99%, or the “Maximum Percentage”, of shares of the Company’s common stock outstanding immediately after giving effect to such conversion. If the Company fails to make any Amortization Payments when due, then each holder may alternatively elect to convert all or any portion of such holder’s Notes at a conversion price equal to the lesser of (i) the Conversion Price, and (ii) 90% of the lowest VWAP of the common stock during the five (5) consecutive trading days immediately prior to such conversion (the “Market Price”). The Notes contain standard and customary events of defaults (each, an “Event of Default”), including but not limited: (i) failure to pay to the holder any amounts when due; iii) the failure to timely file or make effective the Registration Statement (as described below) pursuant to the Registration Rights Agreement, (iii) the failure to obtain Shareholder Approval (as described below), and (iv) bankruptcy or insolvency of the Company. The Notes prohibit the Company from entering specified fundamental transactions (including, without limitation, mergers, business combinations and similar transactions) unless the Company (or the Company’s successor) assumes in writing all of the obligations under the Notes and the other transaction documents in the Financing. In addition, if such event occurs then the holder of the Note shall have the right to (i) be repaid the full amount owed under the Note and (ii) receive upon conversion of all or any portion of the Note such stock, securities or assets which the holder would have been entitled to receive in such transaction had the Note been converted immediately prior to such transaction (without regard to any limitations on conversion set forth herein).

On July 31, 2024, the parties entered into a registration rights agreement (the “Registration Rights Agreement”), which grants the Investors certain customary registration rights in connection with the Financing with respect to the shares of common stock underlying the July Notes. In accordance with the terms and conditions of the Registration Rights Agreement, the Company shall prepare and file with the SEC a registration statement on Form S-1 (the “Registration Statement”) registering the resale of the common stock underlying all of the Notes within 90 days and to have such registration statement effective by within 120 days after the execution of the Registration Rights Agreement. In compliance with Nasdaq Listing Rule 5635(d), the Company shall not issue any shares of common stock underlying the July Notes if the issuance of such shares of common stock would exceed the aggregate number of shares of common stock which the Company may issue upon conversion of the July Notes without breaching the Company’s obligations under the rules or regulations of the Nasdaq Stock Market. Pursuant to the Purchase Agreement, the Company agreed to hold a special stockholder seeking stockholder approval of the issuance of all of the common stock underlying the July Notes in compliance with the rules and regulations of the Nasdaq Stock Market. The Company obtained shareholder approval for such transaction on September 16, 2024.

On July 31, 2024, the Company and the Investors entered into a waiver agreement pursuant to which the Investors agreed to waive certain events of default under the Notes related to the Company's failure to file its Form 10-K on a timely basis and delays in registering the resale of the common stock underlying the Notes issued in February 2024. In consideration for the waiver, the Company issued the investors warrants to purchase an aggregate of 1,680,555 shares (the "Warrants"). In compliance with Nasdaq Listing Rule 5635(d), the Company is not able to issue any shares of common stock upon exercise of the Warrants if the issuance of such shares of common stock would exceed the aggregate number of shares of common stock which the Company may without breaching the Company's obligations under the rules or regulations of the Nasdaq Stock Market. The Company obtained shareholder approval for such transaction on September 16, 2024.

Each Warrant has an initial exercise price per share equal to $0.90. The Warrants are immediately exercisable and will expire on the five-year anniversary of the original issuance date. The exercise price and number of shares of common stock issuable upon exercise is subject to appropriate adjustment in the event of stock dividends, stock splits, reorganizations or similar events affecting our shares of common stock and the exercise price. Subject to certain exemptions outlined in the Warrant, for the life of the Warrant, if the Company sells or issues any common stock or convertible security, at an effective price per share less than the exercise price of the Warrant then in effect (a "Dilutive Issuance"), the exercise price of the Warrant will be reduced to the price per share in the Dilutive Issuance and the number of shares issuable upon exercise of the Warrant shall be proportionally adjusted so that the aggregate exercise price of the Warrant shall remain unchanged; provided that the exercise price of the Warrants may not be lowered below $0.135 per share. A holder (together with its affiliates) may not exercise any portion of the Warrants to the extent that the holder would own more than 4.99% (or, at the election of the holder, 9.99%) of the outstanding shares of common stock immediately after exercise. If at the time a holder exercises its Warrants, a registration statement registering the resale of the shares of common stock underlying the Warrants under the Securities Act is not then effective or available and an exemption from registration under the Securities Act is not available for the issuance of such shares, then in lieu of making the cash payment otherwise contemplated to be made to us upon such exercise in payment of the aggregate exercise price, the holder may elect instead to receive upon such exercise (either in whole or in part) the net number of shares of common stock determined according to a formula set forth in the Warrants. The registration statement for the resale of the common stock underlying the warrants went effective on October 23, 2024.

The promissory notes are subordinated to the Company's senior lenders.

14. On May 8, 2024, The Company executed a securities purchase agreement (the "Purchase Agreement") with an institutional investor (the "Investor"). Pursuant to the terms and conditions of the Purchase Agreement, the Investor agreed to purchase from the Company unsecured convertible notes in the aggregate principal amount of $304,700. At closing an aggregate principal amount of $304,700 will be issued upon the satisfaction of certain customary closing conditions in exchange for aggregate gross proceeds of $277,000, representing an original issue discount of10%. On such date, the Company will also issue the Investors 17,034 shares of Company common stock (the "Commitment Shares"). The Note will mature 12 months from its respective issuance date (the "Maturity Date"), unless earlier converted. Commencing on the six-month anniversary of the issue date, the Company will be required to make monthly amortization payments pursuant to the Note of approximately 1/6th of the principal amount of the Note per month (the "Amortization Payments"). The Note will be the Company's unsecured obligations and equal in right of payment with all of our other indebtedness and other indebtedness of any of our subsidiaries. The Notes were issued with an original issue discount of 10.0% per annum, and will not accrue additional interest during the term; provided that the interest rate of the Notes will automatically increase to 16% per annum (the "Default Rate") upon the occurrence and continuance of an event of default. Each holder of Note may convert all, or any part, of the outstanding Note, at any time at such holder's option, into shares of the Company's common stock at an initial "Conversion Price" of $1,416 per share, which is subject to proportional adjustment upon the occurrence of any stock split, stock dividend, stock combination and/or similar transactions. With limited exceptions, if the Company at any time while a Note is outstanding, issues any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise), at an effective price per share less than the Conversion Price then the Conversion Price shall be reduced to the same price as the new investment. A holder shall not have the right to convert any portion of a Note to the extent that, after giving effect to such conversion, the holder (together with certain related parties) would beneficially own in excess of 4.99%, or the "Maximum Percentage", of shares of the Company's common stock outstanding immediately after giving effect to such conversion. If the Company fails to make any Amortization Payments when due, then each holder may alternatively elect to convert all or any portion of such holder's Notes at a conversion price equal to the lesser of (i) the Conversion Price, and (ii) 90% of the lowest VWAP of the common stock during the five (5) consecutive trading days immediately prior to such conversion. The Company received a waiver for untimely filing of its regulatory reporting requirements from the lender. The promissory note is subordinated to the Company's senior lenders.

15. On May 14, 2024, The Company executed a securities purchase agreement (the “Purchase Agreement”) with an institutional investor (the “Investor”). Pursuant to the terms and conditions of the Purchase Agreement, the Investors agreed to purchase from the Company unsecured convertible note in the aggregate principal amount of $178,250. The Note will mature 11 months from the respective issuance date (the “Maturity Date”), unless earlier converted. Commencing on the one-month anniversary of the issue date, the Company will be required to make monthly amortization payments pursuant to the Note of approximately 1/10th of the principal amount of the Note per month (the “Amortization Payments”). The Note will be the Company’s unsecured obligations and equal in right of payment with all of our other indebtedness and other indebtedness of any of our subsidiaries. The Notes were issued with an original issue discount of 10.0% per annum, and will accrue 12% interest during the term; provided that the interest rate of the Notes will automatically increase to 22% per annum (the “Default Rate”) upon the occurrence and continuance of an event of default. The Note may convert all, or any part, of the outstanding Notes, at any time at such holder’s option, into shares of the Company’s common stock at an initial “Conversion Price” of $50 per share, which is subject to proportional adjustment upon the occurrence of any stock split, stock dividend, stock combination and/or similar transactions in the event of default only. A holder shall not have the right to convert any portion of a Note to the extent that, after giving effect to such conversion, the holder (together with certain related parties) would beneficially own in excess of 4.99%, or the “Maximum Percentage”, of shares of the Company’s common stock outstanding immediately after giving effect to such conversion. The promissory note is subordinated to the Company’s senior lenders.

    On September 4, 2024 the Company issued a second securities purchase agreement (the “Purchase Agreement”) with an institutional investor (the “Investor”). Pursuant to the terms and conditions of the Purchase Agreement, the Investors agreed to purchase from the Company unsecured convertible note in the aggregate principal amount of $127,200. The Note will mature 12 months from the respective issuance date (the “Maturity Date”), unless earlier converted. Commencing on the sixth-month anniversary of the issue date, the Company will be required to make monthly amortization payments pursuant to the Note of approximately 1/6th of the principal amount of the Note per month (the “Amortization Payments”). The Note will be the Company’s unsecured obligations and equal in right of payment with all of our other indebtedness and other indebtedness of any of our subsidiaries. The Notes were issued with an original issue discount of 10.0% per annum, and will accrue 12% interest during the term; provided that the interest rate of the Notes will automatically increase to 22% per annum (the “Default Rate”) upon the occurrence and continuance of an event of default. The Note may convert all, or any part, of the outstanding Notes, at any time at such holder’s option, into shares of the Company’s common stock at an initial “Conversion Price” of $0.50 per share, which is subject to proportional adjustment upon the occurrence of any stock split, stock dividend, stock combination and/or similar transactions in the event of default only. A holder shall not have the right to convert any portion of a Note to the extent that, after giving effect to such conversion, the holder (together with certain related parties) would beneficially own in excess of 4.99%, or the “Maximum Percentage”, of shares of the Company’s common stock outstanding immediately after giving effect to such conversion. The promissory note is subordinated to the Company’s senior lenders.

16. On May 22, 2024, iCoreConnect, Inc. (the “Company”) issued an unsecured note in the aggregate principal amount of $500,000 (the “Note”) to a single lender. The Note matures on November 15, 2025 (the “Maturity Date”), unless earlier repaid. On the Maturity Date, all principal and interest will be due along with an origination amount of $65,000. Commencing November 15, 2024, interest will accrue on the outstanding principal and the origination amount at the rate of 15% per annum; provided that the interest rate will automatically increase by 1.5% per month, compounded monthly upon the occurrence of an event of default. If the Company completes a transaction or series of related transactions pursuant to which a material portion of the Company’s outstanding debt is paid, refinanced, recapitalized, compromised, or otherwise satisfied, then all amounts under the Note will become immediately due and payable. If the Company does not repay the Note, including the origination amount, prior to November 15, 2024, the Company shall be required to issue the lender 225,000 shares of Company common stock (the “Rollover Shares”). The Note contains standard and customary events of defaults, including but not limited: (i) failure to pay to the holder any amounts when due; (ii) the failure to pay when due any other debts of the Company, and (iii) bankruptcy or insolvency of the Company. The promissory note is subordinated to the Company’s senior lenders.

    On August 13, 2024, with an effective date of August 1, 2024 the Company entered into an exchange agreement and new convertible promissory note with the holder totaling $781,253 inclusive of any and all unamortized OID, accrued interest and outstanding principal. Pursuant to the exchange agreements the Company issued a new note that extended the term of the original debt to August 1, 2027 and provide for a new conversion price of $0.80 with a mandatory conversion if the Company’s stock price is at $1.04 or above subject to there being at least 75,000 daily share trading volume over five consecutive days. The new note carries an interest rate of 12% per annum with all interest and principal due at maturity.

17. On September 13, 2024 the Company executed a securities purchase agreement (the “Purchase Agreement”) with an institutional investor (the “Investor”). Pursuant to the terms and conditions of the Purchase Agreement, the Investor agreed to purchase from the Company unsecured convertible notes in the aggregate principal amount of $220,000. At closing an aggregate principal amount of $110,000 will be issued upon the satisfaction of certain customary closing conditions in exchange for aggregate gross proceeds of $100,000, representing an original issue discount of 10%. The Note will mature 12 months from its respective issuance date (the “Maturity Date”), unless earlier converted with all principal and interest due at maturity. The holder of Note may convert all, or any part, of the outstanding Note, at any time at such holder’s option, into shares of the Company’s common stock at an initial “Conversion Price” of $0.53 per share, which is subject to proportional adjustment upon the occurrence of any stock split, stock dividend, stock combination and/or similar transactions. With limited exceptions, if the Company at any time while a Note is outstanding, issues any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise), at an effective price per share less than the Conversion Price then the Conversion Price shall be reduced to the same price as the new investment. A holder shall not have the right to convert any portion of a Note to the extent that, after giving effect to such conversion, the holder (together with certain related parties) would beneficially own in excess of 4.99%, or the “Maximum Percentage”, of shares of the Company’s common stock outstanding immediately after giving effect to such conversion. The promissory note is subordinated to the Company’s senior lenders.

7. RELATED PARTY TRANSACTIONS

		September 30, 2023	December 31, 2023
(2)	Related Party Promissory Note bearing interest at18%, due December 31, 2023	$ -	$ 249,855
(1)	Related Party Promissory Note bearing interest at12%, due December 31, 2023	-	225,797
(1)	Related Party Convertible Promissory Note bearing interest at12%, due July 31, 2024	-	96,753
(2)	Related Party Promissory Note bearing interest at20%, due September 30, 2024	283,166	-
(1)	Related Party Convertible Promissory Note bearing interest at12%, due August 31, 2024	278,171	-
(1)	Related Party Convertible Promissory Note bearing interest at12%, due August 1, 2027	130,877	-
(1)	Related Party Convertible Promissory Note bearing interest at12%, due August 1, 2027	270,671	-
	Total notes payable	962,885	572,405
	Less: Unamortized debt discounts	-	-
	Less: unamortized financing costs	(77,813)	(21,431)
	Total notes payable, net of financing costs	885,072	550,974
	Less current maturities	(561,337)	(550,974)
	Total Long-Term Debt	$ 323,735	$ -

1. In October 2023 the Company entered into two separate new notes with a related party; (a) $200,000 Promissory Note with 12% interest per annum which shall be paid on the maturity date which is December 31, 2023. In conjunction with the issuance of the Promissory Note, the Company also issued the investor a five-year warrant (the "Warrant") to purchase 14,000 shares of Company common stock with an exercise price of $2.16 per share, which was 120% of the closing price of the Company's common stock on the date of issuance; (b) the Company issued the investor a convertible promissory note in principal amount of $94,685.91 The maturity of the Convertible Promissory Note is May 26, 2024 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate of $1.80 per share, which was the closing price of the Company's common stock on the date of issuance. In conjunction with the Convertible Promissory Note, the Company also issued the investor 6,629 shares of Company common stock and a five-year warrant to purchase 6,629 shares of Company common stock with an exercise price of $2.15 per share, which was 120% of the closing price of the Company's common stock on the date of issuance. In December 2023, the Company entered into an amendment with holder of an Amendment to Convertible Promissory Notes issued in October 2023 whereby the holder of the Note agreed that the Note would not be convertible into shares of Company Common Stock unless and until the Company's shareholders approve such conversion per NASDAQ Listing Rule 5635(d) which was obtained on May 31, 2024. The Company and the Note holder also entered into amendments to the warrants to purchase common stock issued in connection with the issuance of the Note, pursuant to which the holder of the Warrants agreed that the Warrants would not become exercisable unless and until the Company's shareholders approve the exercise of the Warrants pursuant to NASDAQ Listing Rule 5635(d) which was obtained on May 31, 2024. On April 8, 2024 with an effective date of January 1, 2024, the Company entered into a securities purchase agreement with a related party pursuant to which the Company issued the related party a convertible note in the principal amount of $200,000 in exchange for $200,000. The maturity of the convertible note is April 30, 2024 and carries an interest rate of 12% per annum and is initially convertible into Company common stock at a conversion rate equal to 120% of the closing price of the Company's common stock on the date of issuance. In conjunction with the April 8, 2024 Note, we issued the investor a five-year warrant to purchase 30,000 shares of our common stock with an exercise price of $1.50. At maturity these notes were reissued under the same terms for a maturity date of July 31, 2024. Accrued and unpaid interest as of June, 2024 was $19,780 and unamortized financing costs were $6,026. The promissory notes are subordinated to the Company's senior lenders.

2. In June 2023 the Company entered into a promissory note with an entity controlled by its Chief Executive Officer, a related party. The Note is for $250,000 with $50,000 paid to the Holder on issuance for net proceeds of $200,000 and matures on December 31, 2023. The Note carries an interest of 15% per annum as interest is payable monthly in arrears with principal due at maturity. There is no penalty for early payoff. If an event of default occurs, the Note along with any outstanding and accrued interest is convertible into the Company's Common Stock at $7.45 at the sole discretion of the issuer. On April 8, 2024 with an effective date of January 1, 2024, the Company entered into a securities purchase agreement with a related party pursuant to which the Company issued the related party a promissory note in the principal amount of $260,000 in exchange for $260,000. The maturity of the promissory note is April 30, 2024 and carries an interest rate of 20% per annum. In conjunction with the April 8, 2024 Note, we issued the investor a five-year warrant to purchase 39,000 shares of our common stock with an exercise price of $1.50. The promissory note is subordinated to the Company's senior lender. Accrued and unpaid interest as of June 30, 2024 was $ 19,461 and unamortized financing costs were $ $7,715. On maturity this note was extended on the same terms until May 1, 2024. On May 13, 2024, the Company entered into a Note Amendment with an extension of a Convertible Promissory Note in the original amount of $350,000 with an original maturity date of May 13, 2024 to be extended to July 31, 2024. In consideration for the extension the Company will issue the holder 51,539 restricted shares of common stock at maturity. The shares are subject to the Company's ability to issue such shares in compliance with Nasdaq Listing Rule 5635(d) which will require the approval by the Company's shareholders of certain proposals to be considered at the Company's 2024 Annual Meeting to be held on May 31, 2024. To the extent the Company is unable to issue the shares in compliance with Nasdaq Listing Rule 5635(d), the Company's obligation to issue the shares shall be tolled until such time as the Company is able to issue such shares. At maturity this note was reissued under the same terms to July 31, 2024. At maturity this note was reissued under the same terms to September 30, 2024. The convertible promissory note is subordinated to the Company's senior lenders.

8. COMMON AND PREFERRED STOCK

Common Stock

On May 28, 2024 the Company's shareholders approved the increase in the authorized number of common shares from 100,000,000 up to 250,000,000 shares of Company Common Stock, par value $0.0001 per shares.

During the nine months ended September 30, 2024 the Company issued 281,921 shares of common stock on the issuance of convertible debt, 359,725 shares of common stock on the conversion of Series A Preferred Stock and 462,243 shares of common stock related to stock based compensation.

Preferred Stock

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

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

During the nine months ended September 30, 2024 the Company issued621,500 Series A Preferred stock in conjunction with asset acquisitions of FeatherPay, Verifi Dental Limited and Teamworx LLC and 176,081 Series A Preferred stock as in-kind dividend. Preferred Stockholders converted71,945 shares of Preferred Stock for359,725 shares of common stock.

On August 25, 2024 the Company issued the mandatory dividend on its Preferred Stock in-kind, issuing176,081 Series A Preferred Stock to eligible holders of record.

Common Stock Options

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

Options Outstanding	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value
Balance Outstanding - January 1, 2024	**776,328**	**$ 3.75**	**8.0**	**$ -**
Granted	5,247,474	2.60	9.5	-
Exercised	-	-	-	-
Forfeited	(2,846)	-	7.0	-
Balance Outstanding – September 30, 2024	**6,020,956**	**$ 2.75**	**9.2**	**$ -**
Exercisable – September 30, 2024	**4,715,741**	**$ 3.16**	**9.2**	**$ -**

Nonvested Options	Number of Options	Weighted Average Grant Date Fair Value	Weighted Average Remaining Years to Vest
Nonvested - January 1, 2024	**395,072**	**$ 3.76**	**8.0**
Granted	5,247,474	2.60	9.5
Vested	(4,351,471)	3.16	9.2
Forfeited	(2,846)	-	-
Nonvested – September 30, 2024	**1,288,229**	**$ 1.66**	9.2

Restricted Common Stock Compensation

The Board approved on January 3, 2023134,049 shares of common stock related to the Chief Executive Officer for bonus related to 2022 service with a fair value of $56,000.

On March 13, 2023 the Company's Board of Directors approved the grant of5,027 shares of common stock to certain board members for services related to 2018 service.

In April 2023, the Company's Board of Directors approved compensation for its Board Members and Committee Members for the year ended December 31, 2023. On an annual basis equivalent, Board Members are compensated $60,000, with additional compensation of $5,000 for being a Committee Member, an additional $5,000 for being a Chair of a Committee and $20,000 for being the Board Chair. Compensation is to be paid quarterly in arrears at the closing stock price of the last trading day of the quarter. The Company has recorded an expense of $279,889 and $289,167 for the nine months ended September 30, 2024 and 2023, respectively.

Common Stock Warrants

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

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

During the nine months ending September 30, 2023, the Company issued1,749,555 Common Stock Warrants.

During the nine months ending September 30, 2024, the Company issued2,930,838 Common Stock Warrants.

As part of the Merger, all outstanding warrants were converted on a cashless basis into shares of common stock. As of September 30, 2024, the number of shares issuable upon exercise of the Common Stock Warrants were 2,975,967 shares. This includes warrant to purchase 1,680,555 shares of common stock that were issued in July 2024 with anti-dilution protection, which warrants were repriced to $0.54 which caused an additional 1,173,218 shares of common stock to be issuable pursuant to the warrants.

Common Stock Warrants Outstanding	**Number of Warrants**	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Term in Years**	**Aggregate Intrinsic Value**
Outstanding – December 31, 2023	45,129	$ 2.09	4.81	$ -
Granted	2,930,838	0.56	4.82	-
Exercised	-	-	-	-
Cancelled	-	-	-	-
Outstanding – September 30, 2024	2,975,967	$ 0.58	4.81	$ -

Preferred Stock Warrants

$2.00 Preferred Stock Warrants Outstanding	**Number of Warrants**	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Term in Years**	**Aggregate Intrinsic Value**
Outstanding – December 31, 2023	425,800	$ 2.00	9.7	$ -
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding – September 30, 2024	425,800	$ 2.00	8.9	$ -

$11.50 Preferred Stock Warrants Outstanding	**Number of Warrants**	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Term in Years**	**Aggregate Intrinsic Value**
Outstanding – December 31, 2023	10,122,313	$ 11.50	9.7	$ -
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding – September 30, 2024	10,122,313	$ 11.50	8.9	$ -

$15.00 Preferred Stock Warrants Outstanding	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value
Outstanding – December 31, 2023	1,000,000	$ 15.00	9.7	$ -
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding – September 30, 2024	1,000,000	$ 15.00	8.9	$ -

Equity Line of Credit

On September 12, 2023, the Company entered into a purchase agreement (the "Purchase Agreement") with Arena Business Solutions Global SPC II, Ltd. on behalf of and for the account of Segregated Portfolio #8 – SPC #8 ("Arena"), pursuant to which Arena has committed to purchase up to $40 million (the "Commitment Amount") of our common stock, at our direction from time to time, subject to the satisfaction of the conditions in the Purchase Agreement.

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

This line was cancelled in February 2024 and the Company expensed deferred costs of $1,008,376 related to this transaction which were recorded as financing costs.

On August 16, 2024, the Company executed a Strata Purchase Agreement with Clearthink Capital Partners, LLC ("Clearthink") (the "Strata Agreement"). Pursuant to the Strata Agreement, Clearthink has committed to purchase up to $5.0 million (the "Commitment Amount") of Company common stock, at the Company's direction from time to time, subject to the satisfaction of the conditions in the Strata Agreement.

Such sales of common stock, if any, will be subject to certain limitations, and may occur from time to time at the Company's sole discretion over the approximately 24-month period commencing on the date that a registration statement (the "Registration Statement") covering the resale by Clearthink of the shares of common stock purchased from the Company (which the Company has agreed to file) is declared effective by the U.S. Securities and Exchange Commission (the "SEC") and remains effective, and the other conditions set forth in the Strata Agreement are satisfied.

On August 16, 2024, the Company executed a Registration Rights Agreement with Clearthink (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Company agreed to file a registration statement within 30 days registering the shares of Company common stock issuable pursuant to the Strata Agreement.

Clearthink has no right to require the Company to sell any shares of common stock to Clearthink, but Clearthink is obligated to make purchases at the Company's direction subject to certain conditions. There is no upper limit on the price per share that Clearthink could be obligated to pay for the common stock under the Strata Agreement.

Actual sales of shares of common stock to Clearthink from time to time will depend on a variety of factors, including, among others, market conditions, the trading price of the Company's common stock and determinations by the Company as to the appropriate sources of funding for its operations. The net proceeds that the Company may receive under the Strata Agreement cannot be determined at this time, since it will depend on the frequency and prices at which the Company sell shares of its common stock to Clearthink, the Company's ability to meet the conditions of the Strata Agreement and the other limitations, terms and conditions of the Strata Agreement. The Company expects that any proceeds received by the Company from such sales to Clearthink will be used for working capital and general corporate purposes.

Under the applicable rules of Nasdaq and the Strata Agreement, the Company will not sell or issue to Clearthink shares of its common stock, other than the Commitment Fee Shares (defined below), in excess of 19.99% of the Company's shares of common stock outstanding as of the date of the Strata Agreement (the "Exchange Cap"), unless the Company obtains stockholder approval to issue shares of common stock in excess of the Exchange Cap.

The Strata Agreement also prohibits the Company from directing Clearthink to purchase any shares of common stock if those shares, when aggregated with all other shares of the Company's common stock then beneficially owned by Clearthink and its affiliates as a result of purchases under the Strata Agreement, would result in Clearthink and its affiliates having beneficial ownership of more than the 9.99% of the Company's then outstanding common stock.

The Company may direct Clearthink to purchase amounts of its common stock underthe Strata Agreement that it specifies from time to time in a written notice (a "Request Notice") delivered to Clearthink on any trading day up to the Commitment Amount. The maximum amount that the Company may specify in any one Request Notice is equal to the lesser of $1,000,000 or 500% of the average number of shares traded for the 10 trading days prior to the date of the Request Notice.

The purchase price of the shares of common stock will be equal shall equal 80% of the average of the two lowest daily volume-weighted average prices if the Company's common stock is traded under $0.25 per share and 85% of the average of the two lowest daily volume-weighted average prices if the Company's common stock is traded between $0.26 to $0.50 and 88% of the average of the two lowest daily volume-weighted average prices if the Company's common stock is traded between $0.51 - $0.99 and 90% of the average of the two lowest daily volume-weighted average prices if the Company's common stock is traded over $1.00 during the five trading days preceding the purchase date.

Unless earlier terminated as provided in the Strata Agreement, the Strata Agreement will terminate automatically on the earliest to occur of: (i) the 24-month anniversary of the date of the Registration Statement becoming effective; and (ii) the date on which Clearthink shall have purchased shares of common stock under the Strata Agreement for an aggregate gross purchase price equal to Commitment Amount under the Strata Agreement. The Company has the right to terminate the Strata Agreement at any time, at no cost or penalty, upon one trading days prior written notice to Clearthink.

As consideration for Clearthink's irrevocable commitment to purchase common stock upon the terms of and subject to satisfaction of the conditions set forth in the Strata Agreement, upon execution of the Strata Agreement, the Company agreed to issue a total of 300,000 shares of common stock with a value of $156,030 (the "Commitment Fee Shares") to Clearthink.

9. COMMITMENTS AND CONTINGENCIES

(A) LEASE COMMITMENTS

On September 22, 2021, the Company signed a six year and one month lease agreement for approximately 7,650 square feet for its new headquarters commencing on January 1, 2022, located in Ocoee, Florida. The lease provides for a five-year renewal term at the option of the Company. In April 2023, the Company entered into a lease agreement with its existing landlord of its Florida location for a lease of an additional 2,295 square feet of space beginning at the earlier of June 1, 2023 or completion of build out for a five year term. On July 16, 2024 with an effective date of September, 1, 2024 the Company entered into a second amendment. extending its lease for its North Carolina location to September 1, 2026 for an annual lease commitment of $48,000 for each of the two years.

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

Lease Commitments			
Less than 1 year	1-3 years	3-5 years	Total
$ 345,496	$ 888,574	$ -	$ 1,234,070

Lease costs for the nine months ended September 30, 2024 were $[ ] and cash paid for amounts included in the measurement of lease liabilities for the nine months ended September 30, 2024 were $[ ]. As of September, 2024, the following represents the difference between the remaining undiscounted lease commitments under non-cancelable leases and the lease liabilities:

Undiscounted minimum lease commitments	$ 1,234,070
Present value adjustment using incremental borrowing rate	(231,835)
Lease liabilities	$ 1,002,235

(B) LITIGATION

On February 21, 2023, the Company received a notice under section 21 of Indian Arbitration and Conciliation Act, 1996 related to a dispute pursuant to a contract between the Company and a service provider, pursuant to which the service provider has asserted the Company has violated the terms of the contract and has claimed damages of approximately $635,000. On April 9, 2024 the Company was served with notice that the case had been brought before the Supreme Court of India and the Company has obtained local counsel. Subsequently the Company filed a petition with the Supreme Court of India to dismiss the claim on various grounds. The Supreme Court of India denied the Company's request on July 15, 2024 and appointed a single Arbitrator to the matter. The Company continues to evaluate the claims asserted against it and intends to defend itself vigorously in these proceedings; however, there can be no assurances that it will be successful in its efforts. The outcome of this matter is not expected to have a material effect on these financial statements.

(C) COMPENSATION

On March 29, 2024, the Compensation Committee approved a management incentive plan pursuant to which it agreed to issue ten-year options with an immediate vest to purchase shares of Company common stock at an exercise price of $3.10 per share, subject to the approval of the Plan Amendment at the Annual Meeting, to the following officers, among other employees, (i) Robert McDermott, Chief Executive Officer and President – options to purchase 1,817,742 shares of Company common stock; (ii) Archit Shah, Chief Financial Officer – options to purchase 482,259 shares of Company common stock; (iii) David Fidanza, Chief Information Officer – options to purchase 352,420 shares of Company common stock; (iv) Muralidar Chakravarthi, Chief Technology Officer – options to purchase 352,420 shares of Company common stock; (v) Jeffery Stellinga, Vice President – options to purchase 352,420 shares of Company common stock. Approval of the Plan Amendment was received on May 31, 2024 and the total value of the grant of $4,779,580 was expensed on this date.

On March 29, 2024, the Compensation Committee awarded a cash and option bonus related to 2023 performance. The options are subject to subject to the approval of the Plan Amendment at the Annual Meeting, to the following officers, among other employees, (i) Robert McDermott, Chief Executive Officer and President – options to purchase 570,754 shares of Company common stock; (ii) Archit Shah, Chief Financial Officer – options to purchase 158,220 shares of Company common stock; (iii) David Fidanza, Chief Operating Officer – options to purchase 152,055 shares of Company common stock; (iv) Muralidar Chakravarthi, Chief Technology Officer – options to purchase 154,110 shares of Company common stock; (v) Jeffery Stellinga, Vice President – options to purchase 34,247 shares of Company common stock and (vi) Carly Garrison, Director of Sales – options to purchase 114,384 shares of Company common stock. In addition the cash awards are subject to the Company successfully raising in excess over $5,000,000 in equity during 2024 to the following officers, amount other employees;(i) Robert McDermott, Chief Executive Officer and President – $125,250; (ii) Archit Shah, Chief Financial Officer – $39,000; (iii) David Fidanza, Chief Operating Officer – $36,750 (iv) Muralidar Chakravarthi, Chief Technology Officer – $37,500; and (v) Carly Garrison, Director of Sales - $21,750.

10. CONCENTRATION OF CREDIT RISK

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

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

The Company has no significant customers (greater than10% of total revenue) in its nine-month 2024 revenue. The Company has accounts receivable concentration with three customers in 2024 representing 45% of total accounts receivables outstanding as of September 30, 2024, and one customer that represented31% of accounts receivable outstanding as of December 31, 2023.

11. SEGMENT INFORMATION

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

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

Revenue types were as follows:

	For the Three Months Ended September 30,				
	2024	**%**	**2023**	**%**	**% Change**
Revenue:					
Subscription software and services	$ 2,646,703	95%	$ 1,837,030	92%	44%
Professional services and other	141,296	5%	167,823	8%	(16)%
Total revenue	$ 2,787,999	100%	$ 2,004,853	100%	39%

	For the Nine Months Ended September 30,				
	2024	**%**	**2023**	**%**	**% Change**
Revenue:					
Subscription software and services	$ 8,062,616	94%	$ 5,170,844	91%	56%
Professional services and other	536,646	6%	530,528	9%	1%
Total revenue	$ 8,599,262	100%	$ 5,701,372	100%	51%

12. ASSET ACQUISITION

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

Ally Commerce, Inc dba FeatherPay ("FeatherPay")

On January 1, 2024, the Company entered into an Asset Purchase Agreement (the "Agreement") with Ally Commerce, Inc. dba FeatherPay (the "Seller"). The Seller was engaged in the business of healthcare billing and payment processing. Pursuant to the Agreement, the Company purchased the assets of the Seller utilized in the Seller's business. As consideration for the acquired assets: (i) the Company paid to FeatherPay $500,000 in cash, and (ii) the Company agreed to issue to FeatherPay's stockholders an aggregate of $4,800,000 worth of shares (the "Stock Consideration") of Company's Series A Preferred Stock, par value $0.0001 at $10.00 per share totaling 480,000 shares.

Teamworx LLC ("Teamworx")

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

Verifi Dental Limited ("Verifi")

On January 1, 2024, the Company entered into an Asset Purchase Agreement with Verifi Dental, Limited (the "Seller"). The Seller was engaged in the business of healthcare billing and payment processing. As consideration for the acquired assets: (i) the Company paid to Seller $360,000 in cash, and (ii) the Company agreed to issue to Seller $840,000 worth of shares of Company Series A Preferred Stock at $10.00 per share totaling 84,000 shares.

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

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

Consideration Paid:	**FeatherPay January 1, 2024**	**Verifi Dental January 1, 2024**	**Teamworx January 1, 2024**
Cash	$ 500,000	$ 370,000	$ -
Note payable	-	-	125,000
Common stock	-	-	-
Series A preferred stock	4,800,000	840,000	575,000
	$ 5,300,000	$ 1,210,000	$ 700,000
Fair values of identifiable assets acquired and liabilities assumed:			
Assets acquired:			
Cash	$ -	$ 871	$ 12,752
Accounts receivable	959	54,259	-
Acquired technology	5,299,041	1,154,870	678,548
Deferred revenue	-	-	8,700
Total assets acquired	$ 5,300,000	$ 1,210,000	$ 700,000

13. SUBSEQUENT EVENTS

Sale of Assets

On October 1, 2024, the Company, and The 20 LLC ("Purchaser") entered into an Asset Purchase Agreement pursuant to which the Company sold the assets and customer contracts of its Managed Service Provider (MSP) Division to the Purchaser for approximately $2.02 million (less transaction expenses), plus the right to receive an Earnout Payment upon the retention of certain revenue thresholds. If Purchaser achieves annualized recurring revenue ("ARR") of more than $1,620,000.00 during the 3-month measurement period beginning on April 1, 2025, and ending on June 30, 2025, then the Company shall be entitled to an earnout payment equal to (1) the amount by which ARR exceeds the Earnout Threshold multiplied by (2) $1.2463. The Earnout Payment is not to exceed $224,334.

Consideration Paid:		**October 1, 2024**
Cash	$	2,019,006
	$	2,019,006
Fair values of identifiable assets disposed:		
Assets acquired:		
Prepaid expenses	$	11,125
Customer relationships		1,013,865
Deferred revenue		(47,765)
Total assets disposed	$	977,225

The sale of assets were approved by the secured senior lenders and required the Company to transfer proceeds totaling $350,000 from the proceeds of the sale. The acquire of assets also assumed the Company's North Carolina building lease.

Financing

As part of the September 13, 2024 financing the Company issued an unsecured convertible note on November 9, 2024 in the aggregate principal amount of $110,000 in exchange for aggregate gross proceeds of $100,000 representing an original issue discount of 10%. The Note will mature 12 months from its respective issuance date (the "Maturity Date"), unless earlier converted with all principal and interest due at maturity. The holder of Note may convert all, or any part, of the outstanding Note, at any time at such holder's option, into shares of the Company's common stock at an initial "Conversion Price" of $0.53 per share, which is subject to proportional adjustment upon the occurrence of any stock split, stock dividend, stock combination and/or similar transactions. With limited exceptions, if the Company at any time while a Note is outstanding, issues any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise), at an effective price per share less than the Conversion Price then the Conversion Price shall be reduced to the same price as the new investment. A holder shall not have the right to convert any portion of a Note to the extent that, after giving effect to such conversion, the holder (together with certain related parties) would beneficially own in excess of 4.99%, or the "Maximum Percentage", of shares of the Company's common stock outstanding immediately after giving effect to such conversion. The promissory note is subordinated to the Company's senior lenders.

On November 18, 2024 with an effective date of October 31, 2024 the Company entered into modification and extension for a convertible note that matured October 31, 2024 with an original principal amount of $350,000 and conversion rate of $1.85. The note was extended to November 30, 2024 and the conversion rate was reduced to $0.5325. In conjunction with the extension and modification, the Company issued 19,170 warrants with a five year mature and an exercise price of $0.5325. On November 18, 2024 the holder of the note converted their balance of $394,186 into 740,256 shares of common stock. The holder also converted a convertible note with an original principal balance of $118,425 issued on August 1, 2024 and balance of $122,669 as of November 18, 2024 with a conversion rate of $0.80 for 153,336 shares of common stock.

On November 18, 2024 with an effective date of August 31, 2024 the Company extended note payable to a related party with an original principal amount of $267,500 and an original maturity of August 31, 2024 to January 31, 2025. In consideration for the extension the Company issued 82,396 warrants with a five year maturity and an exercise price of $0.5325.

On November 18, 2024 with an effective date of September 30, 2024 the Company extended note payable to a related party with an original principal amount of $260,447 and an original maturity of September 30, 2024 to January 31, 2025. In consideration for the extension the Company issued 86,435 warrants with a five year maturity and an exercise price of $0.5325.

Conversion of Debt

Subsequent to September 30, 2024, the Company received conversion notices for a total of $609,712 in combined principal and interest from various convertible debt holders resulting in the issuance of 4,037,102 shares of Common Stock.

Conversion of Series A Preferred Stock

On October 11, 2024 the Company received conversion notices of Series A Preferred Shares totaling 1,709,248 from several stockholders resulting in the issuance of 8,546,240 shares of Common Stock.

Equity Line of Credit

On November 1, 2024 the Company utilized its STRATA agreement and exchanged 1,000,000 shares of Common Stock for net proceeds of $167,600.

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

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

About the Company

Company History

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

Software as a Service (SaaS) Offerings

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

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

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

iCoreVerify and iCoreVerify+ - iCoreVerify is a HIPAA compliant SaaS solution that automatically retrieves a 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 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 is integrated with most popular practice management systems. iCoreVerify+ adds a unique add-on service that augments iCoreConnect's automation with a concierge service that turns around requests traditionally in less than 24 hours. It includes all carriers including non-digital ones and is customized to the client's specialty.

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

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

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

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

iCorePay – iCorePay is a cloud-based financial technology (FinTech) solution designed to streamline the billing and payment processes for healthcare providers, offering a modern and efficient way to manage patient payments. The platform integrates with existing healthcare management systems, allowing for easy creation and sending of HIPAA-compliant billing statements, as well as accepting various digital payment methods like Apple Pay, Google Pay, and PayPal. This system aims to improve the patient experience by making payments easier and more convenient, while also boosting revenue collection for healthcare providers. Additionally, iCorePay helps reduce costs and administrative burdens by automating much of the billing process.

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

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

Managed IT Services (MSP and MSaaS)

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

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

We derive most of our revenue from subscriptions to our cloud-based SaaS and MSaaS offerings. Subscription revenue related to SaaS and MSaaS offerings account for 94% and 91% of our total revenue for the nine months ended September 30, 2024 and 2023, respectively. We sell multiple offerings at different base prices on a subscription basis to meet the needs of the customers we serve.

Professional services and other revenue account for 6% and 9% of our total revenue for the nine months ended September 30, 2024 and 2023, respectively. Professional services and other revenue include hardware, software, labor, and other revenues related to customer onboarding for SaaS/MSaaS services or one-time, non-recurring services.

Financing

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

Critical Accounting Policies and Estimates

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

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

Executive Summary

Financial Results for the Nine Months Ended September 30, 2024

Our total revenue for the nine months ended September 30, 2024, increased by 51% to $8,599,262 in comparison with $5,701,372 reported during the same period in 2023. Revenue growth is attributable to an increase in organic sales along with sales in new offerings from the asset acquisitions which contributed to overall revenue growth for the nine months ended September 30, 2024. The Company continues to see organic growth in its SaaS based products.

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

Gross profit percentage was 77% and 74% for the nine months ended September 30, 2024 and 2023, respectively. Gross Profit increased by $2,444,543 compared to the same period a year ago. Gross profit margin expansion was driven by a greater growth rate of sales in subscription software and services that carry higher gross margins than Professional Services and other revenue. We expect the growth rate of our SaaS and MSaaS subscription offerings to grow faster than our Professional Services and other revenue over time. We believe the higher growth rate of recurring revenue SaaS and MSaaS offerings should continue to provide a mix shift that will benefit gross margin rate going forward.

Financial Results for the Three Months Ended September 30, 2024

Our total revenue for the three months ended September 30, 2024, increased by 39% to $2,787,999 in comparison with $2,004,853 reported during the same period in 2023. Revenue growth is attributable to an increase in organic sales along with sales in new offerings from the asset acquisitions which contributed to overall revenue growth for the three months ended September 30, 2024. The Company continues to see organic growth in its SaaS based products.

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

Gross profit percentage was 70% and 74% for the three months ended September 30, 2024 and 2023, respectively. Gross Profit increased by $474,031 compared to the same period a year ago. Gross profit margin decrease was driven by higher costs related to delivery of one time revenues. We expect the growth rate of our SaaS and MSaaS subscription offerings to grow faster than our Professional Services and other revenue over time. We believe the higher growth rate of recurring revenue SaaS and MSaaS offerings should continue to provide a mix shift that will benefit gross margin rate going forward.

Business Highlights and Trends

- **Product Traction.** We continue to benefit from trends toward cloud-based SaaS offerings for improved workflow, productivity, and efficiency gains. As we have expanded our product offerings, we are seeing greater traction for all our software products across the entire platform.

- **Business Development.** The Company has pursued and won contracts with larger enterprise health care businesses and continues to do so. We currently have agreements with large State Associations, Dental Support Organizations (DSOs), Hospitals, and large insurance companies

- **Capital raise**. In the first nine months of 2024, the company did not raise any funds from the sale of Common Stock and $4,139,082 in gross proceeds in the form of secured notes and convertible notes to fund operations and growth.

Results of Operations – Nine and Three Month Period Ended September 30, 2024 Compared to Nine and Three Month Period Ended September 30, 2023

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

Nine Month Period Ended September 30, 2024 Compared to the Nine Month Period Ended September 30, 2023

	Nine Months Ended		
	September 30, 2024	**September 30, 2023**	**% Incr/(Decr)**
Revenue	$ 8,599,262	$ 5,701,372	51%
Cost of sales	1,946,704	1,493,357	30%
Gross profit	6,652,558	4,208,015	
Expenses			
Selling, general and administrative	17,061,929	9,189,829	86%
Depreciation and amortization	2,320,952	900,936	158%
Total operating expenses	19,382,881	10,090,765	
Loss from operations	(12,730,323)	(5,882,750)	
Other income (expense)			
Interest expense	(951,173)	(1,007,120)	(6)%
Finance charges	(2,378,784)	(792,930)	200%
Change in fair value of forward purchase agreement	(5,109,277)	(419,407)	1,118%
Other income (expense)	(439,622)	13,778	100%
Total other expense, net	(8,878,856)	(2,205,679)	303%
Net loss	$ (21,609,179)	$ (8,088,429)	167%
Preferred dividend	(1,565,531)	(218,516)	616%
Net loss attributable to common stockholders	$ (23,174,710)	$ (8,306,945)	179%

Revenues. Net revenues increased to $8,599,262 from $5,701,372 for the nine months ended September 30, 2024 and 2023, respectively. The increase in revenue was driven by sales in the Company's core SaaS offerings coupled with the addition of sales related to its asset acquisitions which are predominantly recurring services.

Cost of sales. Cost of sales for the nine months ended September 30, 2024 and 2023 was $1,946,704 an increase from $1,493,357. The moderate increase in cost of sales is consistent with the increase in growth in recurring revenue over non-recurring revenues which have a higher margin associated with delivery. The Company has been able to continue leverage its capacity in its data centers and other systems to bring on customers while being able to keep costs related to support and service in check.

Selling, general and administrative expenses. Selling, general and administrative expenses for the nine months ended September 30, 2024 and 2023 were $17,061,929 and $9,189,829, respectively. The increase is largely attributed to a one-time $4,779,580 cost associated with stock based compensation for members of the management team that were awarded special compensation for completing the business combination. The Company did not have enough instruments available under its 2023 Stock Plan and required the plan increase to be approved by its Shareholders. Shareholder approval was obtained in May 2024 and the Company expensed the value of this award in full during the period. The increase between periods is also due to an increase in payroll expenses related to the cost to service its asset acquisitions and other general and administrative expenses to support the rate of growth.

Depreciation and amortization expenses. Depreciation and amortization expenses for the nine months ended September 30, 2024 and 2023 were $2,320,952 and $900,936, respectively. The increase in depreciation and amortization reflects an increase primarily in amortization costs associated with the additional customer list and acquired technologies obtained as part of the asset's acquisitions in comparison to the comparative period.

Interest Expense. Interest expense for the nine months ended September 30, 2024 and 2023 were $951,173 and $1,007,120, respectively. The decrease between periods was primarily due to the Company having a large portion of debt being converted into common stock prior to the merger.

Financing fee. Financing fee expenses for the nine months ended September 30, 2024 and 2023 were $2,378,784 and $792,930 respectively. The increase between periods was primarily due to the Company expensing deferred financing fees of approximately $1,008,000 associated with its cancelled equity line of credit. In addition, the Company issued higher levels of convertible debt than in the comparative period resulting in additional financing costs being reported. The balance also reflects the final portion of a make whole agreement that the Company entered into in August of 2023, whereby the Company guaranteed the difference between the value of debt converted into shares at $10.00 per share and their ultimate sales price.

Change in fair value of forward purchase agreement. Change in fair value of forward purchase agreement for the nine months ended September 30, 2024 and 2023 was a net $5,109,277 and $419,407, respectively. The net expense relates to the derived fair value change of the shares underlying the forward purchase agreement market from the balance sheet date to estimated maturity date.

Other income (expense) . Other expenses for the nine months ended September 30, 2024 and 2023 were ($439,662) and $12,000, respectively.

Preferred dividend. Preferred dividend for the nine months ended September 30, 2024 and 2023 were $1,565,531 and $218,516, respectively. The preferred dividend relates to dividends accrued for the Company's issued and outstanding Series A Preferred Stock.

Three Month Period Ended September 30, 2024 Compared to the Three Month Period Ended September 30, 2023

	Three Months Ended		
	September 30, 2024	September 30, 2023	% Incr/(Decr)
Revenue	$ 2,787,999	$ 2,004,853	39%
Cost of sales	826,990	517,875	60%
Gross profit	1,961,009	1,486,978	
Expenses			
Selling, general and administrative	3,354,831	3,589,655	(7)%
Depreciation and amortization	806,509	320,427	152%
Total operating expenses	4,161,340	3,910,082	
Loss from operations	(2,200,331)	(2,423,104)	
Other income (expense)	12,000	-	100%
Interest expense	(223,060)	(478,437)	(53)%
Finance charges	(632,800)	(370,852)	71%
Change in fair value of forward purchase agreement	(2,946,604)	(419,407)	603%
Total other expense, net	(3,790,464)	(1,268,696)	199%
Net loss	$ (5,990,795)	$ (3,691,800)	62%
Preferred dividend	(669,532)	(218,516)	206%
Net loss attributable to common stockholders	$ (6,660,327)	$ (3,910,316)	70%

Revenues. Net revenues increased to $2,787,999 from $2,004,853 for the three months ended September 30, 2024 and 2023, respectively. The increase in revenue was driven by sales in the Company's core SaaS offerings coupled with the addition of sales related to its asset acquisitions which are predominantly recurring services.

Cost of sales. Cost of sales for the three months ended September 30, 2024 and 2023 grew to $826,990 from $517,875. The moderate increase in cost of sales is consistent with the increase in growth in recurring revenue over non-recurring revenues which have a higher margin associated with delivery. The Company has been able to continue leverage its capacity in its data centers and other systems to bring on customers while being able to keep costs related to support and service in check.

Selling, general and administrative expenses. Selling, general and administrative expenses for the three months ended September 30, 2024 and 2023 were $3,354,831 and $3,589,655, respectively. The decrease is largely attributed to lower professional fees as the Company had incurred higher one-time costs in 2023 in relation to its merger.

Depreciation and amortization expenses. Depreciation and amortization expenses for the three months ended September 30, 2024 and 2023 were $806,509 and $320,427, respectively. The increase in depreciation and amortization reflects an increase primarily in amortization costs associated with the additional customer list and acquired technologies as part of the assets acquisitions in comparison to the comparative period.

Interest Expense. Interest expense for the three months ended September 30, 2024 and 2023 was $223,060 and $478,437, respectively. The decrease between periods was primarily due to the Company having a large portion of debt being converted into common stock prior to the merger.

Financing fee. Financing fee expenses for the three months ended September 30, 2024 and 2023 were $632,800 and $370,852 respectively. The increase between periods was primarily due to the Company issuing higher levels of convertible debt than in the comparative period resulting in additional financing costs being reported.

Change in fair value of forward purchase agreement. Change in fair value of forward purchase agreement for the three months ended September 30, 2024 and 2023 were $5,109,277 and $419,407, respectively. The net 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.

Preferred dividend. Preferred dividend for the three months ended September 30, 2024 and 2023 were $1,565,531 and $218,516, respectively. The preferred dividend relates to dividends accrued for the Company's issued and outstanding Series A Preferred Stock.

LIQUIDITY, GOING CONCERN AND CAPITAL

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

For the nine-month period ended September 30, 2024 the Company generated an operating loss of $12,730,323. In addition, as of September 30, 2024, the Company had an accumulated deficit and net working capital deficit of $138,213,468, and $11,670,852, respectively. The Company's activities were primarily financed through private placements of equity securities and issuance of debt. The Company is seeking to raise additional capital through the issuance of debt and/or equity securities to fund its operations, although it has no commitments for such capital and there is no assurance that it will be successful in raising any additional capital. The Company is reliant on future fundraising to finance operations in the near future. If the Company fails to raise additional capital in the near future, it will be required to curtail or cease its operations. In light of these matters, there is substantial doubt that the Company will be able to continue as a going concern for a period of 12 months from the issuance date of these financial statements.

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

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

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

	Nine Month Ended	
	September 30, 2024	September 30, 2023
Net cash used in operating activities	$ (1,258,941)	$ (1,761,951)
Net cash used in investing activities	(1,901,003)	(9,989,644)
Net cash provided by financing activities	2,152,932	12,012,831
Net change in cash	(1,007,012)	261,236
Cash and cash equivalents at beginning of the period	1,219,358	196,153
Cash and cash equivalents at end of the period	$ 212,346	$ 457,389

Operating Activities: Net cash used by operating activities of $1,258,941 for nine-month period ended September 30, 2024 was $503,010 less than the $1,761,630 cash used by operations for the nine-month period ended September 30, 2023. The decrease in cash utilized by operating activities was primarily attributable to a larger non-cash charge add backs over the comparative periods along with increases in accounts payable and accrued liabilities and lower prepaid expenses. Future spending on operating activities is expected to be funded by the sale of and issuance of additional shares of common stock.

Investing Activities: Net cash used by investing activities was $1,901,003 and $9,989,644 for the nine-month period ended September 30, 2024 and 2023, respectively. The overall decrease was mainly attributable to the merger related costs in 2023. Future spending on investing activities is expected to be funded by the sale of and issuance of additional shares of common stock.

Financing Activities: Net cash provided by financing activities of $2,152,932 and $12,012,831 for the nine-month period ended September 30, 2024 and 2023, respectively. The cash decrease was a result of reduced net issuance of debt less payments for 2024 while in 2023 the increase was attributed to net issuance of debt less payments along with sale of common stock and merger related items.

Credit Facilities

On September 12, 2023, the Company entered into a purchase agreement (the "Purchase Agreement") with Arena Business Solutions Global SPC II, Ltd. on behalf of and for the account of Segregated Portfolio #8 – SPC #8 ("Arena"), pursuant to which Arena committed to purchase up to $40 million (the "Commitment Amount") of our common stock, at our direction from time to time, subject to the satisfaction of the conditions in the Purchase Agreement.

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

This line was cancelled in February 2024 and the Company expensed deferred costs of $1,008,376 related to this transaction which are reported as financing costs.

On August 16, 2024, the Company executed a Registration Rights Agreement with Clearthink (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Company agreed to file a registration statement within 30 days registering the shares of Company common stock issuable pursuant to the Strata Agreement. Clearthink has no right to require the Company to sell any shares of common stock to Clearthink, but Clearthink is obligated to make purchases at the Company's direction subject to certain conditions. There is no upper limit on the price per share that Clearthink could be obligated to pay for the common stock under the Strata Agreement.

Actual sales of shares of common stock to Clearthink from time to time will depend on a variety of factors, including, among others, market conditions, the trading price of the Company's common stock and determinations by the Company as to the appropriate sources of funding for its operations. The net proceeds that the Company may receive under the Strata Agreement cannot be determined at this time, since it will depend on the frequency and prices at which the Company sell shares of its common stock to Clearthink, the Company's ability to meet the conditions of the Strata Agreement and the other limitations, terms and conditions of the Strata Agreement. The Company expects that any proceeds received by the Company from such sales to Clearthink will be used for working capital and general corporate purposes.

Under the applicable rules of Nasdaq and the Strata Agreement, the Company will not sell or issue to Clearthink shares of its common stock, other than the Commitment Fee Shares (defined below), in excess of 19.99% of the Company's shares of common stock outstanding as of the date of the Strata Agreement (the "Exchange Cap"), unless the Company obtains stockholder approval to issue shares of common stock in excess of the Exchange Cap.

The Strata Agreement also prohibits the Company from directing Clearthink to purchase any shares of common stock if those shares, when aggregated with all other shares of the Company's common stock then beneficially owned by Clearthink and its affiliates as a result of purchases under the Strata Agreement, would result in Clearthink and its affiliates having beneficial ownership of more than the 9.99% of the Company's then outstanding common stock.

The Company may direct Clearthink to purchase amounts of its common stock under the Strata Agreement that it specifies from time to time in a written notice (a "Request Notice") delivered to Clearthink on any trading day up to the Commitment Amount. The maximum amount that the Company may specify in any one Request Notice is equal to the lesser of $1,000,000 or 500% of the average number of shares traded for the 10 trading days prior to the date of the Request Notice.

The purchase price of the shares of common stock will be equal shall equal 80% of the average of the two lowest daily volume-weighted average prices if the Company's common stock is traded under $0.25 per share and 85% of the average of the two lowest daily volume-weighted average prices if the Company's common stock is traded between $0.26 to $0.50 and 88% of the average of the two lowest daily volume-weighted average prices if the Company's common stock is traded between $0.51 - $0.99 and 90% of the average of the two lowest daily volume-weighted average prices if the Company's common stock is traded over $1.00 during the five trading days preceding the purchase date.

Unless earlier terminated as provided in the Strata Agreement, the Strata Agreement will terminate automatically on the earliest to occur of: (i) the 24-month anniversary of the date of the Registration Statement becoming effective; and (ii) the date on which Clearthink shall have purchased shares of common stock under the Strata Agreement for an aggregate gross purchase price equal to Commitment Amount under the Strata Agreement. The Company has the right to terminate the Strata Agreement at any time, at no cost or penalty, upon one trading days prior written notice to Clearthink.

As consideration for Clearthink's irrevocable commitment to purchase common stock upon the terms of and subject to satisfaction of the conditions set forth in the Strata Agreement, upon execution of the Strata Agreement, the Company agreed to issue a total of 300,000 shares of common stock with a value of $156,030 (the "Commitment Fee Shares") to Clearthink.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Not applicable.

ITEM 4. 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 recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure..

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

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

Changes to Internal Control Over Financial Reporting

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

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

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

ITEM 1A. RISK FACTORS

Except as set forth below, there have been no material changes from the risk factors disclosed under the heading “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.

If we are unable to maintain compliance with the listing requirements of The Nasdaq Capital Market, our common stock may be delisted from The Nasdaq Capital Market which could have a material adverse effect on our financial condition and could make it more difficult for you to sell your shares.

Our common stock is listed on The Nasdaq Capital Market, and we are therefore subject to its continued listing requirements, including requirements with respect to the market value of publicly-held shares, market value of listed shares, minimum bid price per share, and minimum stockholder's equity, among others, and requirements relating to board and committee independence. If we fail to satisfy one or more of the requirements, we may be delisted from The Nasdaq Capital Market.

On July 8, 2024, we received a deficiency letter from the Listing Qualifications Department (the “Staff”) of the Nasdaq Stock Market (“Nasdaq”) notifying us that for the last 32 consecutive business days the closing bid price for our common stock had closed below the minimum $1.00 per share requirement for continued inclusion on the Nasdaq Capital Market pursuant to Nasdaq Listing Rule 5550(a)(2) (the “Bid Price Rule”).

In accordance with Nasdaq Listing Rule 5810(c)(3)(A) (the “Compliance Period Rule”), we have been provided an initial period of 180 calendar days, or until January 6, 2025, to regain compliance with the Bid Price Rule. If, at any time before the January 6, 2025, the closing bid price for our common stock closes at $1.00 or more for a minimum of 10 consecutive business days as required under the Compliance Period Rule, the Staff will provide written notification to us that we comply with the Bid Price Rule, unless the Staff exercises its discretion to extend this 10 day period pursuant to Nasdaq Listing Rule 5810(c)(3)(H).

If we are not in compliance with the Bid Price Rule by January 6, 2025, we may be afforded a second 180 calendar day period to regain compliance. To qualify, we would be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for The Nasdaq Capital Market, except for the minimum bid price requirement. In addition, we would be required to notify Nasdaq of our intent to cure the minimum bid price deficiency, which may include, if necessary, implementing a reverse stock split.

On August 20, 2024, we received an additional deficiency letter from the Staff, which notified us that we did not presently comply with Nasdaq’s Listing Rule 5550(b)(1) (the “Equity Rule”), which requires that we maintain a minimum of $2.5 million in stockholders’ equity, and that we also did not meet the alternatives of market value of listed securities or net income from continuing operations set forth in the Equity Rule. We 45 calendar days to submit a plan to regain compliance, which we submitted. If our plan is accepted, the Staff can grant an extension of up to 180 calendar days from August 20, 2024 (or on or about February 14, 2025) to evidence compliance. After review of the plan of compliance, the Staff will provide written notification to us whether it accepts the plan, and if the Staff does not accept the plan, we would then be entitled to appeal the Staff’s determination to the Nasdaq Hearings Panel. There can be no assurance that, if we appeal the determination to the Nasdaq Hearings Panel, that such appeal would be successful.

If we do not regain compliance with the Bid Price Rule by January 6, 2025 and are not eligible for an additional compliance period at that time or if we do not regain compliance with the Equity Rule by February 14, 2025, the Staff will provide written notification to us that our common stock may be delisted. We would then be entitled to appeal the Staff’s determination to a NASDAQ Listing Qualifications Panel and request a hearing. There can be no assurance that, if we do appeal the delisting determination by the Staff to the NASDAQ Listing Qualifications Panel, that such appeal would be successful.

Delisting from The Nasdaq Capital Market would adversely affect our ability to raise additional financing through the public or private sale of equity securities, may significantly affect the ability of investors to trade our securities and may negatively affect the value and liquidity of our common stock. Delisting also could have other negative results, including the potential loss of employee confidence, the loss of institutional investors or interest in business development opportunities.

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

Information with respect to sales of unregistered shares of the Common Stock of the Company during the fiscal quarter ended September 30, 2024, is set forth in the Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit) for the Nine Months Ended September 30, 2024 and 2023 (unaudited) contained in Part I Financial Information. All such sales were to accredited investors and were made in reliance on Section 4(a)(2) of the Securities Act of 1933, as amended. The proceeds were used by the Company for working capital purposes.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

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

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ITEM 6. EXHIBITS

Exhibit No.	Description
2.1	Asset Purchase Agreement, dated October 1, 2024, between the Company, Seller and Purchaser (incorporated by reference to exhibit 2.1 of the Form 8-K filed October 1, 2024)
4.1	Form of Promissory Note issued July 31, 2024 (incorporated by reference to exhibit 4.1 of the Form 8-K filed August 1, 2024)
4.2	Form of Warrant issued July 31, 2024 (incorporated by reference to exhibit 4.2 of the Form 8-K filed August 1, 2024)
4.3	Form of Exchange Notes issued August 2024 (incorporated by reference to exhibit 4.1 of the Form 8-K filed August 21, 2024)
4.4	Form of 2027 Notes issued August 2024 (incorporated by reference to exhibit 4.2 of the Form 8-K filed August 21, 2024)
4.5	Form of 2025 Notes issued August 2024 (incorporated by reference to exhibit 4.3 of the Form 8-K filed August 21, 2024)
10.1	Form of Securities Purchase Agreement dated July 31, 2024 (incorporated by reference to exhibit 10.1 of the Form 8-K filed August 1, 2024)
10.2	Form of Registration Rights Agreement dated July 31, 2024 (incorporated by reference to exhibit 10.2 of the Form 8-K filed August 1, 2024)
10.3	Form of Waiver Agreement dated July 31, 2024 (incorporated by reference to exhibit 10.3 of the Form 8-K filed August 1, 2024)
10.4	Strata Purchase Agreement dated August 16, 2024 between iCoreConnect, Inc. and Clearthink Capital Partners, LLC (incorporated by reference to exhibit 10.1 of the Form 8-K filed August 21, 2024)
10.5	Registration Rights Agreement dated August 16, 2024 between iCoreConnect, Inc. and Clearthink Capital Partners, LLC (incorporated by reference to exhibit 10.2 of the Form 8-K filed August 21, 2024)
10.6	Form of Exchange Agreements dated August 13, 2024 (incorporated by reference to exhibit 10.3 of the Form 8-K filed August 21, 2024)
10.7	Form of 2027 Note Purchase Agreements dated August 13, 2024 (incorporated by reference to exhibit 10.4 of the Form 8-K filed August 21, 2024)
10.8	Form of 2025 Note Purchase Agreements dated August 13, 2024 (incorporated by reference to exhibit 10.2 of the Form 8-K filed August 21, 2024)
10.9	Amendment Agreement dated August 26, 2024 between iCoreConnect, Inc., iCore Midco, Inc. and the Purchaser (incorporated by reference to exhibit 10.1 of the Form 8-K filed August 27, 2024)
31.1 *	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 *	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1 *+	Certification of Principal Executive Officer Pursuant to Section 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2 *+	Certification of Principal Financial Officer Pursuant to Section 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

* Filed herewith.

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

SIGNATURES

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

iCoreConnect, Inc. (Registrant)

Date: November 19, 2024	By: */s/ Robert McDermott* Robert McDermott Chief Executive Officer (Principal Executive Officer)
Date: November 19, 2024	By: */s/ Archit Shah* Archit Shah Chief Financial Officer (Principal Accounting Officer)

EXHIBIT 31.1

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

I, Robert P. McDermott, certify that:

1. I have reviewed this quarterly report on Form 10-Q of iCoreConnect Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 19, 2024

By: */s/ Robert P. McDermott*
Robert P. McDermott
President and Chief Executive Officer

EXHIBIT 31.2

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

I, Archit Shah, certify that:

1. I have reviewed this quarterly report on Form 10-Q of iCoreConnect Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 19, 2024

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

EXHIBIT 32.1

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

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

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

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

Date: November 19, 2024

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

EXHIBIT 32.2

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

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

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

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

Date: November 19, 2024

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