

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2023

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

For the transition period from _____ to _____

Commission File No. 001-41309

FG Merger Corp.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

86-2462502

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

104 S. Walnut Street, Itasca, Illinois 60143

(Address of Principal Executive Offices, including zip code)

303-396-8751

(Registrant's telephone number, including area code)

N/A

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Units	FGMCU	THE NASDAQ STOCK MARKET LLC
Common stock	FGMC	THE NASDAQ STOCK MARKET LLC
Warrants	FGMCW	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
 Non-accelerated filer

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 August 10, 2023 there were 10,157,750 shares of Common Stock, par value \$0.0001 issued and outstanding.

FG MERGER CORP.

**Quarterly Report on Form 10-Q
TABLE OF CONTENTS**

PART I – FINANCIAL INFORMATION

Item 1.	Financial Statements	1
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	19
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	29
Item 4.	Controls and Procedures	29

PART II – OTHER INFORMATION

Item 1.	Legal Proceedings	29
Item 1A.	Risk Factors	29
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	29
Item 3.	Defaults Upon Senior Securities	30
Item 4.	Mine Safety Disclosures	30
Item 5.	Other Information	30
Item 6.	Exhibits	31
SIGNATURES		32

PART I - FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS.****FG Merger Corp.
Balance Sheet**

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	(Unaudited)	(Audited)
ASSETS		
Current assets		
Cash	\$ 6,281	\$ 521,865
Prepaid expenses	127,521	223,692
Total current assets	<u>133,802</u>	<u>745,557</u>
Marketable securities held in trust account	85,747,817	83,694,573
TOTAL ASSETS	<u>\$ 85,881,619</u>	<u>\$ 84,440,130</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	1,197,593	299,955
Note payable	400,000	—
Note payable - Sponsor	445,000	—
Tax liabilities	211,073	384,973
Total current liabilities	<u>\$ 2,253,666</u>	<u>684,928</u>
TOTAL LIABILITIES	<u>\$ 2,253,666</u>	<u>\$ 684,928</u>
COMMITMENTS AND CONTINGENCIES		
Common stock, \$0.0001 par value, subject to possible redemption, 8,050,000 shares at redemption value, respectively	\$ 85,747,816	\$ 83,694,573
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; none issued and outstanding	\$ —	\$ —
Common stock, \$0.0001 par value; 400,000,000 shares authorized; 2,107,750 and 0 shares issued and outstanding, respectively (excluding 8,050,000 shares subject to possible redemption, respectively)	211	211
Additional paid-in capital	—	189,479
Accumulated deficit	(2,120,074)	(129,061)
Total Stockholders' Equity (Deficit)	<u>\$ (2,119,863)</u>	<u>\$ 60,629</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 85,881,619</u>	<u>\$ 84,440,130</u>

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

FG Merger Corp.
Statement of Operations
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2023	June, 2022	June 30, 2023	June, 2022
Operating expenses:				
General and administrative expenses	\$ 774,506	\$ 187,468	\$ 1,617,362	\$ 298,513
Loss from operations	\$ (774,506)	\$ (187,468)	\$ (1,617,362)	(298,513)
Other income:				
Investment income on trust account	1,005,112	96,019	1,890,052	111,758
Total other income (expense)	\$ 1,005,112	\$ 96,019	1,890,052	111,758
Taxes:				
Income tax expense	214,102	—	399,940	—
Total tax expense	\$ (214,102)	\$ —	\$ (399,940)	—
Net Income (loss)	\$ 16,504	\$ (91,449)	\$ (127,250)	(186,755)
Weighted average redeemable common shares outstanding				
Basic and diluted	8,050,000	8,050,000	8,050,000	5,414,365
Basic and diluted net income (loss) per share, redeemable shares	<u>\$ 0.042</u>	<u>\$ (0.01)</u>	<u>0.04</u>	<u>0.10</u>
Weighted average non-redeemable common shares outstanding				
Basic and diluted	2,107,750	2,107,750	2,107,750	1,976,575
Basic and diluted net loss per share, non-redeemable shares	<u>\$ (0.15)</u>	<u>\$ (0.02)</u>	<u>(0.21)</u>	<u>(0.37)</u>

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

FG Merger Corp.
Statement of Changes in Shares Subject to Possible Redemption and Stockholders' Equity (Deficit)
(Unaudited)

	Shares Subject to Possible Redemption		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity/ (Deficit)
	Shares	Amount	Shares	Amount			
Balance at December 31, 2021	—	—	—	—	—	(3,272)	(3,272)
Issuance of 2,012,500 common shares to initial stockholders	—	—	2,012,500	201	24,799	—	25,000
Sale of 8,050,000 units at \$10 per unit in IPO, incl. over-allotment, net of underwriters' discount and offering expenses	8,050,000	79,259,163	—	—	—	—	—
Sale of 55,000 units at \$10 per unit in private placement	—	—	55,000	6	549,994	—	550,000
Sale of 1,000,000 \$15 strike warrant in private placement	—	—	—	—	100,000	—	100,000
Sale of 3,950,000 \$11.50 strike warrant in private placement	—	—	—	—	3,950,000	—	3,950,000
Issuance of 40,250 underwriter units, including over-allotment	—	—	40,250	4	96	—	100
Accretion for Common shares subject to redemption	—	3,269,076	—	—	(3,269,076)	—	(3,269,076)
Net Loss	—	—	—	—	—	(95,306)	(95,306)
Balance at March 31, 2022	8,050,000	82,528,239	2,107,750	211	1,355,813	(98,578)	1,257,446
Accretion for Common shares subject to redemption	—	96,019	—	—	(96,019)	—	(96,019)
Net loss	—	—	—	—	—	(91,449)	(91,449)
Balance at June 30, 2022	8,050,000	82,624,258	2,107,750	211	1,259,794	(190,027)	1,069,978
Accretion for Common shares subject to redemption	—	1,070,315	—	—	(1,070,315)	—	(1,070,315)
Net Loss	—	—	—	—	—	60,966	60,966
Balance at December 31, 2022 (audited)	8,050,000	83,694,573	2,107,750	211	189,479	(129,061)	60,629
Accretion for Common shares subject to redemption	—	499,967	—	—	(499,967)	—	(499,967)
Net loss	—	—	—	—	—	(143,753)	(143,753)
Reclass of additional paid in capital to accumulated deficit	—	—	—	—	310,488	(310,488)	—
Balance at March 31, 2023	8,050,000	84,194,540	2,107,750	211	—	(583,302)	(583,091)
Accretion for Common shares subject to redemption	—	1,553,276	—	—	(1,553,276)	—	(1,553,276)
Net income (loss)	—	—	—	—	—	16,504	16,504
Reclass of additional paid in capital to accumulated deficit	—	—	—	—	1,553,276	(1,553,276)	—
Balance at June 30, 2023	—	85,747,816	2,107,750	211	—	(2,120,074)	(2,119,863)

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

FG Merger Corp
Statement of Cash Flows
(Unaudited)

	Six months ended June 30,	
	2023	2022
Cash flows from operating activities		
Net loss	\$ (127,250)	\$ (186,755)
Adjustments to reconcile net income to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Accounts payable	897,638	68,196
Tax liabilities	(173,900)	—
Prepaid expense	96,171	(327,095)
Net cash provided by (used) in operating activities	\$ 692,659	\$ (445,654)
Cash flows from investing activities		
Withdrawal from trust account	641,809	—
Investment in marketable securities	(1,890,052)	(165,209,258)
Funding into trust account for extension	(805,000)	—
Proceeds from maturity	—	82,585,000
Net cash used in investing activities	\$ (2,053,243)	\$ (82,624,258)
Cash flows from financing activities		
Proceeds from promissory notes	845,000	150,000
Repayment of promissory note	—	(150,000)
Proceeds from sale of shares of common stock to initial stockholders	—	25,000
Proceeds from sale of units in IPO, including over-allotment, net of offering costs	—	79,259,163
Proceeds from sale of private units in private placement	—	550,000
Proceeds from sale of \$11.50 exercise warrants in private placements	—	3,950,000
Proceeds from sale of \$15 exercise warrants in private placements	—	100,000
Proceeds from sale of underwriter units in private placement	—	100
Net cash provided by financing activities	\$ 845,000	\$ 83,884,263
Net (decrease) increase in cash	\$ (515,584)	\$ 814,351
Cash at beginning of period	521,865	—
Cash at end of period	\$ 6,281	\$ 814,351
Supplemental Cash Flow Information:		
Income tax paid	\$ 641,809	—

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

FG Merger Corp
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023 (UNAUDITED)

NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS

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

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

As of June 30, 2023, the Company had not yet commenced any operations. All activity through June 30, 2023 relates to the Company’s formation, the initial public offering (“IPO”), which is described below, and the search for a business combination. The Company will not generate any operating revenues until after the completion of its initial Business Combination, at the earliest. The Company will generate nonoperating income in the form of interest income from the proceeds derived from the IPO. The Company has selected December 31 as its fiscal year end.

The registration statement for the Company’s IPO was declared effective on February 25, 2022. On March 1, 2022, the Company consummated its IPO of 7,000,000 units (the “Units”) at \$10.00 per Unit. In connection with the IPO, the underwriters were granted an option to purchase up to an additional 1,050,000 Units to cover over-allotment, if any. On March 3, 2022, the underwriter fully exercised their over-allotment option and purchased 1,050,000 Units. Each Unit consist of one common stock of the Company, par value \$0.0001 per share (the “Public Share”) and three-quarters of one redeemable warrant (the “Public Warrant”), each whole Public Warrant entitling the holder thereof to purchase one share of common stock for \$1.50 per share. The Units were sold at a price of \$10.00 per Unit, generating gross proceeds to the Company of \$80,500,000. The Public Warrants will become exercisable on the later of 30 days after the completion of Business Combination and 12 months from the closing of the IPO and will expire five years after the completion of Business Combination or earlier upon Company’s liquidation.

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

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

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

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

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

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

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

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

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

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

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

The Company had 15 months to consummate a Business Combination. However, the Company extended the period to 18 months. The Company will have until September 1, 2023 to complete a business combination (as described herein) from the closing of the IPO to consummate a Business Combination. In order to extend the time available to consummate a Business Combination, on May 31, 2023, Company deposited \$805,000 (\$0.10 per Public Share) into the Trust Account.

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

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

Merger Agreement

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

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

Pre-Closing FGMC Conversion

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

- The holders of Preferred Stock shall not be entitled to vote on any matters submitted to the stockholders of FGMC.
- From and after the date of the issuance of any shares of FGMC Preferred Stock, dividends shall accrue at the rate per annum of 12% of the original issue price for each share of FGMC Preferred Stock, prior and in preference to any declaration or payment of any other dividend (subject to appropriate adjustments).

- Dividends shall accrue from day to day and shall be cumulative and shall be payable within fifteen (15) business days after the anniversary of the date of the original issuance of the FGMC Preferred Stock to each holder of FGMC Preferred Stock as of such date .
- From the closing of the Business Combination until the second anniversary of the date of the original issuance of the FGMC Preferred Stock, FGMC may, at its option, pay all or part of the accruing dividends on the FGMC Preferred Stock by issuing and delivering additional shares of FGMC Preferred Stock to the holders thereof.
- FGMC shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of FGMC the holders of the FGMC Preferred Stock then outstanding shall first receive dividends due and owing on each outstanding share of FGMC Preferred Stock.
- In the event of any liquidation, dissolution or winding up of FGMC, the holders of shares of FGMC Preferred Stock then outstanding shall be entitled to be paid out of the assets of FGMC available for distribution to its stockholders an amount per share equal to the greater of (i) one times the applicable original issue price, plus any accrued and unpaid dividends, and (ii) such amount as would have been payable had all shares of FGMC Preferred Stock been converted into FGMC Common Stock pursuant to the following paragraph immediately prior to such liquidation, dissolution or winding up, before any payment shall be made to the holders of FGMC Common Stock.
- After 24 months from the closing of the Business Combination, in the event the closing share price of the FGMC Common Stock shall exceed 140% of the Conversion Price (as defined below) then in effect, then (i) each outstanding share of FGMC Preferred Stock shall automatically be converted into such number of shares of FGMC Common Stock as is determined by dividing the original issue price by the Conversion Price in effect at the time of conversion and (ii) such shares may not be reissued by FGMC, subject to adjustment. At the time of such conversion, FGMC shall declare and pay all of the dividends that are accrued and unpaid as of the time of the conversion by either, at the option of FGMC, (i) issuing additional FGMC Preferred Stock or (ii) paying cash.
- The “**Conversion Price**” shall initially mean, as to the Preferred Stock, \$10 per share; provided that the Conversion Price shall be reset to the lesser of \$10 or 20% above the simple average of the volume weighted average price on the 20 trading days following 12 months after the later of (x) the date hereof or (y) the registration of the Common Stock underlying the Preferred Stock; provided further that such Conversion Price shall be no greater than \$10 and no less than \$2 and subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the applicable Preferred Stock.
- Each share of FGMC Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of FGMC Common Stock as is determined by dividing the original issue price by the Conversion Price in effect at the time of conversion, subject to adjustment for stock splits, stock dividends, recapitalizations etc.
- Immediately prior to any such optional conversion FGMC shall pay all dividends on the FGMC Preferred Stock being converted that are accrued and unpaid as of such time by, either, at the option of FGMC: (i) issuing additional FGMC Preferred Stock or (ii) paying cash.

Pre-Closing iCoreConnect Conversions

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

Business Combination Consideration

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

Governance

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

Representations and Warranties; Covenants

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

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

Conditions to Each Party's Obligations

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

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

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

Termination

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

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

Certain Related Agreements

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

iCoreConnect Support Agreement

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

Sponsor Support Agreement

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

Lock-Up Agreement

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

disclose the intention to make any offer, sale, pledge or disposition, or (iv) enter into any transaction, swap, hedge or other arrangement, or engage in any short sales with respect to any security of FGMC (as more fully described in the Lock-Up Agreement).

Amended and Restated Registration Rights Agreement

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

Sponsor Forfeiture Agreement

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

Going Concern

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

Company may raise additional capital from Sponsor or affiliates or negotiate with vendors to defer the payment till the consummation of the Business Combination.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Emerging growth company

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of estimates

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

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

Cash and cash equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of June 30, 2023.

Marketable securities held in Trust Account

At June 30, 2023, substantially all of the assets held in the Trust Account were invested in a money market fund that invests exclusively in short term U.S. Treasury obligations. During the three and six months ended June 30, 2023, the Company withdrew \$256,835 and \$641,809, respectively in interest income from the Trust Account to pay for its franchise and income taxes.

Common stock subject to possible redemption

The Company accounts for its common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity." Common stock subject to mandatory redemption is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that features redemption rights that is either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) is classified as temporary equity. At all other times, common stock is classified as stockholders' equity. The Company's common stock features certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, at June 30, 2023, common stock subject to possible redemption is presented as temporary equity at redemption value, outside of the stockholders' equity section of the Company's balance sheet.

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

Deferred offering costs

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

Warrants

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

Convertible Promissory Notes

The Company accounts for its convertible promissory note in accordance with the guidance of ASC 470-20 "Debt – Debt with Conversion and Other Options" and ASC 815-40 "Derivative and Hedging – Contracts in Entity's Own Equity", as amended by ASU 2020-06. Company did the analysis and determined there is an embedded derivative which should be bifurcated from the host contract. The company did a fair value analysis and determined the value of the derivative to be insignificant, and therefore, the Company has elected to record the convertible promissory notes as a single liability recorded at its amortized cost.

Income taxes

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

The Company recognizes accrued interest and penalties related to unrecognized tax benefits, if any, as income tax expense. For the three and six month ended June, 2023, there were no amounts accrued for interest or penalties. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company is subject to income tax examinations by major taxing authorities since inception.

Reconciliation of Net Income (Loss) per Common Share

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

The following table reflects the calculation of basic and diluted net income (loss) per share of common stock (in dollars, except per share amounts) for the six months ended June 30, 2023:

Net Loss from January 1, 2023 to June 30, 2023	\$ (127,250)
For the period from January 1, 2023 through June 30, 2023	
Redeemable	Non- Redeemable

	Shares	Shares	Total
Total number of shares	8,050,000	2,107,750	10,157,750
Ownership percentage	79 %	21 %	
Total income allocated by class	\$ (100,845)	\$ (26,405)	\$ (127,250)
Less: Accretion allocated based on ownership percentage	(1,627,192)	(426,051)	(2,053,243)
Plus: Accretion applicable to the redeemable class	2,053,243	—	2,053,243
Total income (loss) by class	<u>\$ 325,206</u>	<u>\$ (452,453)</u>	
Weighted average shares	8,050,000	2,107,750	(127,250)
Earnings (loss) per share	\$ 0.04	\$ (0.21)	

The following table reflects the calculation of basic and diluted net income (loss) per share of common stock (in dollars, except per share amounts) for the three months ended June 30, 2023:

Net income from April 1, 2023 to June 30, 2023	16,504
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	For the period from April 1, 2023 through June 30, 2023		
	Redeemable Shares	Non- Redeemable Shares	Total
Total number of shares	8,050,000	2,107,750	10,157,750
Ownership percentage	79 %	21 %	
Total income allocated by class	\$ 13,079	\$ 3,425	\$ 16,504
Less: Accretion allocated based on ownership percentage	(1,230,969)	(322,307)	(1,553,276)
Plus: Accretion applicable to the redeemable class	1,553,276	—	1,553,276
Total income (loss) by class	<u>\$ 335,386</u>	<u>\$ (318,882)</u>	16,504
Weighted average shares	8,050,000	2,107,750	
Earnings (loss) per share	\$ 0.04	\$ (0.15)	

Fair value of financial instruments

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

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

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

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

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

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

Recently issued accounting standard

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

NOTE 3. INITIAL PUBLIC OFFERING

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

NOTE 4. PRIVATE PLACEMENT

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

NOTE 5. RELATED PARTY TRANSACTIONS

Founder Shares

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

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

Promissory Notes

On January 10, 2022, the Company issued an unsecured Promissory Note to the Sponsor, pursuant to which the Company may borrow up to an aggregate principal amount of \$175,000. On January 10, 2022, the Company drew \$150,000 pursuant to the promissory note. The promissory note was subsequently paid off on March 1, 2022.

On May 31, 2023, Company issued a non-interest bearing unsecured promissory note in the aggregate principal amount of \$405,000 (the "Sponsor Note") to Sponsor. The Sponsor Note is due and payable upon Company's consummation of an initial business combination with a target business. The Sponsor Note will either be paid in cash upon such consummation, or, at the Sponsor's discretion, converted into private units at a price of \$10.00 per unit. The loan will be forgiven, except to the extent of any funds held outside of the trust account that was established for the benefit of Company's public stockholders in connection with Company's initial public offering by the Sponsor or its affiliates if the Company is unable to consummate an initial business combination within the time period provided in the Company's amended and restated certificate of incorporation. Subsequently the Sponsor Note was amended on June 23, 2023 to increase the amount from \$405,000 to \$505,000. Company has drawn \$445,000 under the Sponsor Note as of June 30, 2023.

On May 31, 2023, Company issued non-interest bearing unsecured promissory notes in the aggregate principal amount of \$400,000 (collectively, the "Target Notes") to several lenders, including certain affiliates of iCoreConnect Inc. ("iCoreConnect"). The Target Notes are guaranteed by iCoreConnect, and are due and payable upon Company's consummation of an initial business combination with

a target business. The Target Notes will either be paid in cash upon such consummation, or, at the lenders' discretion, converted into private units at a price of \$10.00 per unit. In the event that FGMC is unable to consummate an initial business combination within the time period provided in Company's amended and restated certificate of incorporation, then the Target Notes shall be deemed to be terminated and no amounts will thereafter be due from Company to the lenders, at which point the aggregate principal amount of the Target Notes shall be immediately due and payable by iCoreConnect, in accordance with the guarantee.

Administrative Services Agreement

The Company entered into an administrative services agreement (the "Administrative Services Agreement") with the Sponsor on February 25, 2022 whereby the Sponsor will perform certain services for the Company for a monthly fee of \$10,000. For the six months ended June 30, 2023, the total administrative services expense was \$30,000.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Registration Rights

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

Underwriting Agreement

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

NOTE 7. STOCKHOLDERS' EQUITY

Preferred Stock – The Company is authorized to issue 1,000,000 shares of preferred stock, par value \$0.0001 per share, with such designations, voting and other rights and preferences as may be determined from time to time by the Company's board of directors. As of June 30, 2023, there were no shares of preferred stock issued or outstanding.

Common Stock – The Company is authorized to issue 400,000,000 shares of common stock, par value \$0.0001 per share. Holders of the Company's common stock are entitled to one vote for each share. As of June 30, 2023, there were 2,107,750 shares of common stock issued and outstanding, excluding 8,050,000 shares subject to possible redemption.

Warrants — Public Warrants may only be exercised for a whole number of shares. No fractional shares will be issued upon exercise of the Public Warrants. Each whole Public Warrant will entitle the holder to purchase one share of common stock at an exercise price of \$11.50 per share, and will become exercisable on the later of 30 days after the completion of the Business Combination and 12 months from the closing of the IPO. The Public Warrants will expire on the fifth anniversary of the completion of the Business Combination, or earlier upon redemption or liquidation. The Company may redeem the Public Warrants i) at a redemption price of \$0.01 per warrant, ii) at any time after the Public Warrants become exercisable, iii) upon a minimum of 30 days' prior written notice of redemption, iv) if, and only if, the last sales price of Company's common stock equals or exceeds \$8.00 per share for any 20 trading days within a 30 trading day period commencing after the date the Public Warrants become exercisable and ending three business days before Company sends the notice of redemption, and v) if, and only if, there is a current registration statement in effect with respect to the shares of common stock underlying such Public Warrants at the time of redemption and for the entire 30-day trading period referred to above and continuing each day thereafter until the date of redemption.

The \$15 Private Warrants will entitle the holder to purchase one common share at an exercise price of \$5.00 per each share, will be exercisable for a period of 10 years from the date of Business Combination, will be non-redeemable, and may be exercised on a cashless basis. Additionally, \$15 Private Warrants and the shares issuable upon the exercise of the \$15 Private Warrants will not be transferable, assignable or salable until after the completion of a Business Combination, subject to certain limited exceptions.

The \$11.50 Private Warrants will entitle the holder to purchase one common share at an exercise price of \$1.50 per each share, will be exercisable for a period of five years from the date of Business Combination, will be non-redeemable, and may be exercised on a cashless

basis. Additionally, \$11.50 Private Warrants and the shares issuable upon the exercise of the \$11.50 Private Warrants will not be transferable, assignable or salable until after the completion of a Business Combination, subject to certain limited exceptions.

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

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

NOTE 8. INCOME TAXES

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

Internal Revenue Section 195 requires start-up expenditures paid or incurred in connection with investigating the creation or acquisition of an active trade or business to be capitalized for income tax purposes. The capitalized start-up expenditures are placed into service in the month in which an active trade or business begins and amortized ratably over 180 months. The start-up expenditures do not include interest, taxes, or research and experimental expenses. The tax calculation for the six months ended June 30, 2023 took all of the aforementioned Section 195 guidelines into account. For the three months and six months ended , 2023, the provision for income taxes were \$211,073 and \$396,911, respectively.

ASC Topic 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. As of June 30, 2023, the Company recorded a deferred tax asset related to the capitalized start-up costs of \$533,693. The Company chose to establish a valuation allowance to reduce the deferred tax asset to \$0. It is not guaranteed that the Company will complete a Business Combination, and, even if the Business Combination is successfully completed, that the future Combined Company will be able to utilize the deferred tax asset.

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

	Three months ended June 30, 2023	Six months ended June 20, 2023
Deferred tax assets:		
Startup and organizational costs	\$ 162,646	\$ 533,693
Total deferred tax asset	162,646	533,693
Valuation allowance	(162,646)	(533,693)
Deferred tax asset, net of allowance	\$ —	\$ —

The income tax provision consists of the following:

	Three months ended June 30, 2023	Six months ended June 20, 2023
Federal		
Current expense	\$ 211,073	\$ 396,911

Deferred benefit	(162,646)	533,693
Change in valuation allowance	162,646	(533,693)
Income tax provision	\$ 211,073	\$ 396,911

NOTE 9. SUBSEQUENT EVENTS

On July 12, 2023, The Company filed a joint proxy statement/prospectus with SEC. The special shareholder meeting of the Company to approve the Business Combination has been set for August 11, 2023.

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

References in this report (the “Quarterly Report”) to “we,” “us” or the “Company” or “FGMC” refer to FG Merger Corp. References to our “management” or our “management team” refer to our officers and directors, and references to the “Sponsor” refer to FG Merger Investors LLC. The following discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with the financial statements and the notes thereto contained elsewhere in this Quarterly Report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Exchange Act that are not historical facts, and involve risks and uncertainties that could cause actual results to differ materially from those expected and projected. All statements, other than statements of historical fact included in this Form 10-Q including, without limitation, statements in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” regarding the Company’s financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. Words such as “expect,” “believe,” “anticipate,” “intend,” “estimate,” “seek” and variations and similar words and expressions are intended to identify such forward-looking statements. Such forward-looking statements relate to future events or future performance, but reflect management’s current beliefs, based on information currently available. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to our final prospectus filed in connection with our IPO (as defined below), under Cautionary Note Regarding Forward-Looking Statements and Risk Factors. The Company’s securities filings can be accessed on the EDGAR section of the U.S. Securities and Exchange Commission’s (“SEC”) website at www.sec.gov. Except as expressly required by applicable securities law, the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Overview

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

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

As of June 30, 2023, the Company had not yet commenced any operations. All activity through June 30, 2023 relates to the Company’s formation, the initial public offering (“IPO”), and the search for a business combination target. The Company will not generate any operating revenues until after the completion of its initial Business Combination, at the earliest. The Company will generate nonoperating income in the form of interest income from the proceeds derived from the IPO. The Company has selected December 31 as its fiscal year end.

The registration statement for the Company’s Initial Public Offering was declared effective on February 25, 2022. On March 1, 2022, the Company consummated its IPO of 7,000,000 units (the “Units”). On March 3, 2022, 1,050,000 additional Units were issued pursuant to the underwriters’ full exercise of their over-allotment option. The Units were sold at a price of \$10.00 per Unit, generating gross proceeds to the Company of \$80,500,000. Each Unit consists of one common stock of the Company, par value \$0.0001 per share (the “Public Share”) and three-quarters of one redeemable warrant (the “Public Warrant”), each whole Public Warrant entitling the holder thereof to purchase one share of common stock for \$11.50 per share. The Units were sold at a price of \$10.00 per Unit, generating gross proceeds to the Company of \$80,500,000. The Public Warrants will become exercisable on the later of 30 days after the completion of Business Combination and 12 months from the closing of the IPO and will expire five years after the completion of Business Combination or earlier upon the Company’s liquidation.

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

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

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

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

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

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

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

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

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

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

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

The Company had 15 months to consummate a Business Combination. However, the Company extended the period to 18 months. The Company will have until September 1, 2023 to complete a business combination as described herein) from the closing of the IPO to consummate a Business Combination. In order to extend the time available to consummate a Business Combination, on May 31, 2023, the Company deposited \$805,000 (\$0.10 per Public Share) into the Trust Account.

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

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

Merger Agreement

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

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

Pre-Closing FGMC Conversion

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

- The holders of Preferred Stock shall not be entitled to vote on any matters submitted to the stockholders of FGMC.
- From and after the date of the issuance of any shares of FGMC Preferred Stock, dividends shall accrue at the rate per annum of 12% of the original issue price for each share of FGMC Preferred Stock, prior and in preference to any declaration or payment of any other dividend (subject to appropriate adjustments).
- Dividends shall accrue from day to day and shall be cumulative and shall be payable within fifteen (15) business days after the anniversary of the date of the original issuance of the FGMC Preferred Stock to each holder of FGMC Preferred Stock as of such date .
- From the closing of the Business Combination until the second anniversary of the date of the original issuance of the FGMC Preferred Stock, FGMC may, at its option, pay all or part of the accruing dividends on the FGMC Preferred Stock by issuing and delivering additional shares of FGMC Preferred Stock to the holders thereof.
- FGMC shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of FGMC the holders of the FGMC Preferred Stock then outstanding shall first receive dividends due and owing on each outstanding share of FGMC Preferred Stock.
- In the event of any liquidation, dissolution or winding up of FGMC, the holders of shares of FGMC Preferred Stock then outstanding shall be entitled to be paid out of the assets of FGMC available for distribution to its stockholders an amount per share equal to the greater of (i) one times the applicable original issue price, plus any accrued and unpaid dividends, and (ii) such amount as would have been payable had all shares of FGMC Preferred Stock been converted into FGMC Common Stock pursuant to the following paragraph immediately prior to such liquidation, dissolution or winding up, before any payment shall be made to the holders of FGMC Common Stock.
- After 24 months from the closing of the Business Combination, in the event the closing share price of the FGMC Common Stock shall exceed 140% of the Conversion Price (as defined below) then in effect, then (i) each outstanding share of FGMC Preferred Stock shall automatically be converted into such number of shares of FGMC Common Stock as is determined by dividing the original issue price by the Conversion Price in effect at the time of conversion and (ii) such shares may not be reissued by FGMC, subject to adjustment. At the time of such conversion, FGMC shall declare and pay all of the dividends that are accrued and unpaid as of the time of the conversion by either, at the option of FGMC, (i) issuing additional FGMC Preferred Stock or (ii) paying cash.

- The “**Conversion Price**” shall initially mean, as to the Preferred Stock, \$10 per share; provided that the Conversion Price shall be reset to the lesser of \$10 or 20% above the simple average of the volume weighted average price on the 20 trading days following 12 months after the later of (x) the date hereof or (y) the registration of the Common Stock underlying the Preferred Stock; provided further that such Conversion Price shall be no greater than \$10 and no less than \$2 and subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the applicable Preferred Stock.
- Each share of FGMC Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of FGMC Common Stock as is determined by dividing the original issue price by the Conversion Price in effect at the time of conversion, subject to adjustment for stock splits, stock dividends, recapitalizations etc.
- Immediately prior to any such optional conversion FGMC shall pay all dividends on the FGMC Preferred Stock being converted that are accrued and unpaid as of such time by, either, at the option of FGMC: (i) issuing additional FGMC Preferred Stock or (ii) paying cash.

Pre-Closing iCoreConnect Conversions

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

Business Combination Consideration

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

Governance

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

Representations and Warranties; Covenants

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

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

Conditions to Each Party's Obligations

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

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

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

Termination

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

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

Certain Related Agreements

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

iCoreConnect Support Agreement

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

Sponsor Support Agreement

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

Lock-Up Agreement

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

Amended and Restated Registration Rights Agreement

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

Sponsor Forfeiture Agreement

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

On July 12, 2023, The Company filed a joint proxy statement/prospectus with SEC. The special shareholder meeting of the Company to approve the Business Combination has been set for August 11, 2023.

Results of Operations

We have neither engaged in any operations nor generated any revenues to date. Our only activities through June 30, 2023 were organizational activities, including those necessary to prepare for the IPO and identifying and working with the target company for a Business Combination. We do not expect to generate any operating revenues until after the completion of our Business Combination. We generate non-operating income in the form of interest income on marketable securities. We incur expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses in connection with completing a Business Combination.

For the three months ended June 30, 2023, the Company reported net income of \$16,504, which consists of \$774,506 general and administrative expenses, \$214,102 income tax provision, offset by \$1,005,112 investment income earned in Trust Account.

For the six months ended June 30, 2022, the Company reported a net loss of \$127,250, which consists of \$1,617,362 general and administrative expenses, \$399,940 income tax provision, offset by \$1,890,052 investment income earned in Trust Account.

Liquidity and Capital Resources

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

Simultaneously with the closing of the IPO, we completed the private sale of i) 1,000,000 \$15 Private Warrants generating total proceeds of \$1,000,000, ii) 3,950,000 \$11.50 Private Warrants generating total proceeds of \$3,950,000, and iii) 55,000 Private Units generating total proceeds of \$55,000. From the proceeds of the IPO and private placement of \$15 Private Warrants, \$11.50 Private Warrants, and Private Units, the Company retained approximately \$900,000 for working capital needs after transfer of proceeds to the Trust Account and payment of expenses related to the IPO and directors and officers insurance. As of June 30, 2023, the Company held a cash balance of \$6,281 outside of the Trust Account.

For the three months ended June 30, 2023, cash provided by the operating activities was \$485,385, consisting primarily of (i) net income of \$16,504, and (ii) change in operating assets and liabilities which include an increase in tax liabilities by \$25,236, a decrease in prepaid expenses by \$48,352 and an increase in accounts payable by \$395,294.

For the six months ended June 30, 2023, cash used in operating activities was \$692,659, consisting primarily of (i) net loss of \$127,250, and (ii) change in operating assets and liabilities which include a decrease in prepaid expenses by \$96,171, decrease in tax liabilities by 173,900 and an increase in accounts payable by \$897,638

In order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of our officers and directors may, but are not obligated to, loan us funds as may be required ("Working Capital Loans").

On May 31, 2023, we issued a non-interest bearing unsecured promissory note in the aggregate principal amount of \$405,000 (the "Sponsor Note") to Sponsor. The Sponsor Note is due and payable upon our consummation of an initial business combination with a target business. The Sponsor Note will either be paid in cash upon such consummation, or, at the Sponsor's discretion, converted into private units at a price of \$10.00 per unit. Subsequently the Sponsor Note was amended on June 23, 2023 to increase the amount from \$405,000 to \$505,000. we drawn \$445,000 under the Sponsor Note as of June 30, 2023.

On May 31, 2023, we issued non-interest bearing unsecured promissory notes in the aggregate principal amount of \$400,000 (collectively, the "Target Notes") to several lenders, including certain affiliates of iCoreConnect Inc. ("iCoreConnect"). The Target Notes are guaranteed by iCoreConnect, and are due and payable upon our consummation of an initial business combination with a target business. The Target Notes will either be paid in cash upon such consummation, or, at the lenders' discretion, converted into private units at a price of \$10.00 per unit. In the event that we are unable to consummate an initial business combination within the time period provided in our amended and restated certificate of incorporation, then the Target Notes shall be deemed to be terminated and no amounts will thereafter be due from Company to the lenders, at which point the aggregate principal amount of the Target Notes shall be immediately due and payable by iCoreConnect, in accordance with the guarantee.

Company has used \$805,000 from the promissory note proceed to fund the trust account to extend the Business Combination deadline to September 1, 2023.

We may raise additional funds in order to meet the expenditures required for operating our business or negotiate with vendors to pay them at close of Business Combination.

Off-Balance Sheet Arrangement

We have no obligations, assets, or liabilities, which would be considered off-balance sheet arrangements as of June 30, 2023.

Contractual Obligations

Registration Rights

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

Underwriting Agreement

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

Related Party Transactions

Founder Shares

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

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

Administrative Services Agreement

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

Critical Accounting Policies

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

Basis of presentation

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

Common stock subject to possible redemption

The Company accounts for its common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity.” Common stock subject to mandatory redemption is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that features redemption rights that is either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control) is classified as temporary equity. At all other times, common stock is classified as stockholders’ equity. The Company’s common stock features certain redemption rights that are considered to be outside of the Company’s control and subject to occurrence of uncertain future events. Accordingly, at June 30, 2023, common stock subject to possible redemption is presented as temporary equity at redemption value, outside of the stockholders’ equity section of the Company’s balance sheet.

The Company recognizes changes in redemption value using the “at redemption value” method and accordingly recognizes changes in redemption value immediately as they occur and adjusts the carrying value of redeemable shares to equal the redemption value at the end of each reporting period. Such changes are reflected in additional paid-in-capital. During the three months ended June, 2023, the Company recorded charges of \$1,553,276 against additional paid-in-capital (during the six months ended June 30, 2023, the Company recorded charges of \$2,053,243 against paid-in-capital).

Warrants

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

Deferred offering costs

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

Net income (loss) per share

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. CONTROLS AND PROCEDURES

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2023. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15 (e) and 15d-15 (e) under the Exchange Act) were effective.

Changes in Internal Control Over Financial Reporting

During the six months ended June 30, 2023, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS.

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

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

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

The registration statement for the Company's Offering was declared effective on February 25, 2022. On March 1, 2022, the Company consummated its Offering of 7,000,000 Units, and, on March 3, 2022, 1,050,000 Units were issued pursuant to the underwriters' full exercise of their over-allotment option. Each Unit consists of one common stock of the Company and three-quarters of one redeemable Public Warrant, each whole Public Warrant entitling the holder thereof to purchase one share of common stock for \$11.50 per share. The Units were sold at a price of \$10.00 per Unit, generating gross proceeds to the Company of \$80,500,000. The Public Warrants will become exercisable on the later of 30 days after the completion of Business Combination and 12 months from the closing of the Offering, and will expire five years after the completion of Business Combination or earlier upon Company's liquidation.

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

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

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

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

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

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

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

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

<u>No.</u>	<u>Description of Exhibit</u>
10.1	Amended and Restated Promissory Note, dated June 23, 2023, issued to FG Merger Investors LLC (incorporated by reference to exhibit 10.1 to the Current Report on Form 8-K filed on June 28, 2023).
10.2	Form of Promissory Note issued to certain affiliates of iCoreConnect Inc. (incorporated by reference to exhibit 10.2 to the Current Report on Form 8-K filed on June 2, 2023).
31.1*	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Furnished
herewith

SIGNATURES

Pursuant to the requirements of Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 10, 2023

FG Merger Corp.

By: /s/ Mark Penway

Name: Mark Penway

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

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, M. Wesley Schrader, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FG Merger Corp.;
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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
 - b) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my 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(s) 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: August 10, 2023

/s/ M. Wesley Schrader

M. Wesley Schrader
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark Penway, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FG Merger Corp.;
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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
 - b) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my 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(s) 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: August 10, 2023

/s/ Mark Penway

Mark Penway
Chief Financial Officer
(Principal Financial and Accounting Officer)

**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 FG Merger Corp. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2023, as filed with the Securities and Exchange Commission (the "Report"), I, M. Wesley Schrader, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §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. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: August 10, 2023

/s/ M. Wesley Schrader

M. Wesley Schrader
Chief Executive Officer
(Principal Executive Officer)

**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 FG Merger Corp. (the "Company") on Form 10-Q for the quarterly period June 30, 2023, as filed with the Securities and Exchange Commission (the "Report"), I, Mark Penway, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §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. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: August 10, 2023

/s/ Mark Penway

Mark Penway

Chief Financial Officer

(Principal Accounting and Financial Officer)
